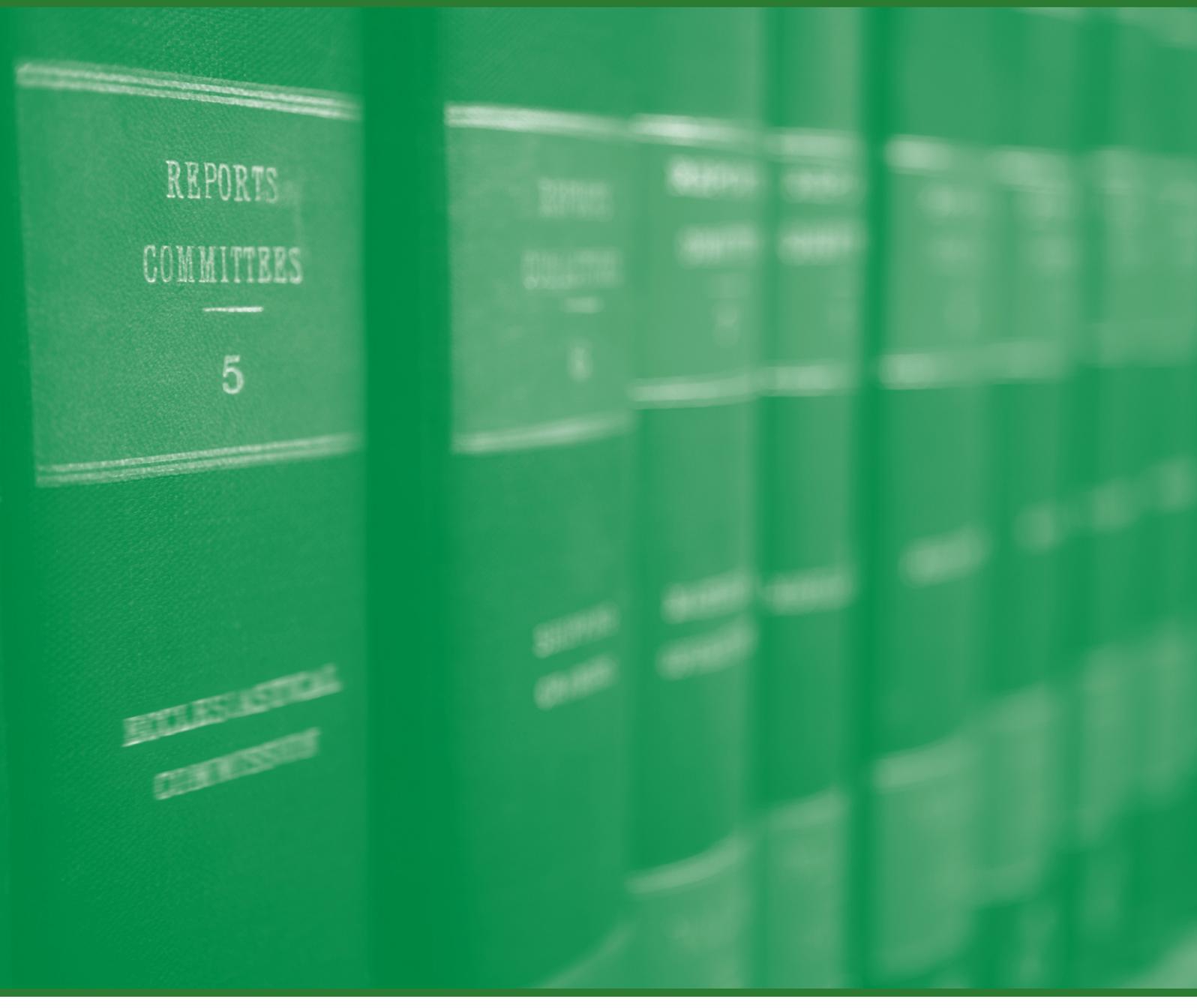




Economic Development Committee

REPORT 2/55 – MARCH 2014

SKILL SHORTAGES IN NSW



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The motto of the coat of arms for the state of New South Wales is “Orta recens quam pura nites”. It is written in Latin and means “newly risen, how brightly you shine”.

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Membership

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Terms of Reference

The Committee has determined to inquire into, and report on, the value and contribution of skilled migration into NSW, with particular reference to regional communities, the public sector and professional shortfalls. In particular, the Committee will focus on:

- Identifying gaps and areas of need in particular industries, professions and communities; and
- Identifying strategies for government to assist in addressing skill shortages.

Chair's Foreword

In resolving to inquire into skill shortages in NSW, the Committee on Economic Development has found itself tracing many more paths than it considered when it drafted its fairly sparse terms of reference.

As the first public submissions arrived it became immediately apparent that skill shortages is a subject of considerable complexity about which there are a great variety of views and experiences. Submissions arrived from employers and employees, from people operating within local, state, national and even international contexts, and from country communities and the big end of town.

By contrast with the range of issues and perspectives contained within the submissions, the issue of skilled migration was dealt with fairly quickly. The Committee received no information that the skilled migration system is being abused. Rather there was a broad consensus, with some exceptions, that skilled migration is an essential element of any toolkit for employers to apply to filling vacancies, especially in the short term, and of any comprehensive package of measures designed to address skill shortages.

It was the Committee's intention to inquire into skill shortages by conducting hearings in regional NSW. This strategy proved a great success. The Committee's public hearings in Dubbo and Coffs Harbour allowed members to receive evidence from people with vast experience of regional employment who might not have been able to appear at Parliament House. The Committee returned to Sydney from these hearings much better informed.

The two Sydney public hearings were an opportunity to hear from NSW Government agencies and from both employer and employee advocates. These hearings allowed members to test evidence heard in regional NSW in a state context.

Is there a skills crisis in NSW? Crisis is a strong word and given the complexity of the issue, not a word which figures strongly in the Committee's report. However, there is a crisis when you are in business and you cannot recruit the skills you need to serve your customers and turn a profit. There is a crisis for country towns whose growth and prosperity depends on the availability of skilled workers prepared to relocate. There is a crisis for young people who for whatever reason find themselves ill-equipped in the job market.

The Committee's recommendations cover the gamut of skill shortages, branching into secondary education, technical and tertiary training, measurement and auditing, marketing, and migration. By recommending changes to the ways secondary students are educated, the recognition of prior learning for the technically qualified seeking entry to university, and changes to the way skill shortages are measured and addressed at the regional, state and national levels, the Committee hopes to see that skills are acquired, applied, measured and planned for more effectively, and benefits flow for individuals, professions, businesses and communities.

I would like to thank the former Deputy Chair of the Committee on Economic Development, Mr Stuart Ayres MP, whose capacity to translate evidence into practical recommendations is the cornerstone of several sections of this report. Mr Mark Coure MP became Deputy Chair of

the Committee during the course of the inquiry and his insight and energy has proved invaluable. I would also like to thank Mr Chris Gulaptis MP, Ms Noreen Hay MP, and Mr Jamie Parker MP for their informed and perceptive contributions to our deliberations.

On behalf of the Committee I would like to thank everyone who made a submission and gave evidence to the inquiry. The level of interest across industries, professions and communities was heartening and I regret that the Committee was unable to visit more than two regional centres. I would also like to acknowledge the contribution of staff members Dr Abigail Groves, Mr David Hale, Ms Emma Wood and Ms Meike Bowyer to the inquiry and particularly their support and guidance through four public hearings including two held outside Sydney.

David Elliott MP
Chair

Executive Summary

Introduction

The Committee set out to examine the value and contribution of skilled migration into NSW with particular reference to regional communities, the public sector and professional shortfalls. The Committee's aims were to focus on identifying gaps and areas of need in particular industries, professions and communities, and strategies for government to assist in addressing skill shortages.

Skills Auditing

A key issue for the Committee in identifying strategies for addressing skill shortages was the question of skills auditing. Nearly every witness recommended that skills auditing be undertaken as a foundation strategy for addressing skill shortages. The Committee received evidence, however, that skills auditing is already undertaken widely by agencies and organisations with different levels of responsibility, and different geographical and professional interests. Consequently, the Committee recommended a process and accountabilities for undertaking audits with the aim of maximising the joint efforts of employers, industries and governments to address skill shortages.

The Mining Industry

The Committee also sought to investigate the commonly-held view that the strength of the mining industry is the cause of skill shortages in many communities and professions. The Committee heard evidence that skilled employees are often attracted to mining industry employment, but found that the mining industry operates in an open market in competition with other potential employers. The challenge in an economy where some sectors will always be stronger or weaker than others is to ensure skills needs are identified and planned for wherever possible, and that all available options are employed to meet skill requirements in the short, medium and long terms.

Skilled Migration

Much of the evidence received by the Committee discussed the value and contribution of skilled migration, but for the most part, skilled migration was not a primary issue for stakeholders. Rather, migration was just one of many tools which stakeholders, whether employers, regulators, advocates or trainers, used from time to time to address the skill shortages they sought to alleviate or avoid. The Committee also considered a range of views on how the skilled migration system and the collaboration between governments and agencies, could work better.

Education and Training

The Committee considered the evidence on education and training firstly in the contexts of school education, and on-the-job training.

A number of witnesses questioned the work readiness of school leavers and proposed that certain subjects become compulsory studies in Year 12. The value of regional training was emphasised, as both a means to retain regional students within their home workforces, and to attract newly skilled people by encouraging to study in the regions.

The Committee also heard many proposals for improvements to trade training, in the context of strong support for the work of TAFE NSW, and concerns that trade training is not facilitated

by both a lack of recognition of prior technical learning by tertiary institutions, and a cultural preference in the community for academic over technical studies.

Training in Employment

The value of continuing training while employed was stressed by many witnesses. The Committee considered proposals for encouraging formal and informal workplace mentoring to assist workers gain and develop skills, including the need to facilitate skills transfer from retiring workers.

Relocation

The Committee heard evidence on the success of programs to assist skilled workers to relocate to regional areas, and what other assistance including social and cultural support might be useful.

Inquiry Outcomes

The Committee has made a number of recommendations to streamline current workforce planning and migration administration, and reform education and training including:

- Better coordination of skills auditing
- Changes to the migration system to better serve the needs of employers
- The establishment of a centre of excellence for regional statistics and research
- The introduction of compulsory mathematics in Year 12
- Competency-based training for apprentices
- Recognition of prior technical learning for acceptance into tertiary studies
- Employment based mentoring for workers and students/trainees

The inquiry's recommendations would promote more effective and efficient planning for skill needs by streamlining the current skills auditing practices. They would also ensure that school leavers be more work ready by being in possession of a skills set which meets employer's needs, and help overcome the cultural barriers that discourage people with academic aspirations from undertaking technical studies at the beginning of their work and study lives.

Report Structure

Chapter One of this report explains the background to this inquiry and how the Committee established terms of reference, called for submissions and held public hearings.

Chapter Two provides an overview of the evidence the Committee received on skill shortages and how this evidence disclosed a complex mix of regional and professional variations being addressed by perhaps an equally complex mix of strategies and actions across individual employers; employer groups; the education, training and tertiary sectors; and the three levels of government. It considers the impact of the mining industry on skill shortages and examines how skills auditing is undertaken.

Chapter Three examines the role of skilled migration in addressing skill shortages and how the migration system might be improved.

Chapter Four discusses school education and training, and evidence concerning the work readiness of school leavers and the effectiveness of trade training. It examines the role of

regionally-based training and current changes to vocational education, and considers how to facilitate transition from technical to academic study.

Chapter Five explores options for addressing skill shortages through employment-based approaches including workplace training, internships, mentoring and skills transfer.

Chapter Six considers the efforts of governments and communities to attract skilled workers, and what other assistance and support new residents might require.

List of Findings and Recommendations

FINDING 1 _____	19
The Committee finds that the mining industry is not the sole cause of skill shortages, but rather that the mining industry competes in an open market for skilled workers in circumstances where it currently enjoys a competitive advantage over other industries.	
RECOMMENDATION 1 _____	21
The Committee recommends that the NSW Government formulate an enhanced regime of skills auditing to be undertaken in a consistent and integrated way across all NSW government agencies.	
RECOMMENDATION 2 _____	21
The Committee recommends that the NSW Government establish a NSW Centre for Regional Statistics and Research, based in regional NSW, to provide information and advice to regions to support planning, and to research the capacity of skilled migration and other measures to address skill shortages.	
FINDING 2 _____	33
The Committee finds that skilled migration and the opportunity to recruit skilled workers from outside Australia has support across regions and stakeholders, and is an essential element of any comprehensive package of measures designed to address skill shortages.	
RECOMMENDATION 3 _____	33
The Committee recommends that the NSW Government recommend to the Commonwealth Government changes to the migration system which ensure decisions on the granting of visas are more timely and better service the needs of employers when the local demand cannot be met.	
RECOMMENDATION 4 _____	33
The Committee recommends that the NSW Government recommend to the Commonwealth Government that the Regional Development Australia network implement measures which increase liaison and information sharing between regions with a view to better matching job vacancies and workers.	
RECOMMENDATION 5 _____	34
The Committee recommends that the NSW Government recommend to the Commonwealth Government that it review the role and responsibilities of the Regional Development Australia network to enhance and streamline the migration system. The Committee found that Regional Development Australia needs to be more regionally and sub-regionally responsive. The skills list should include semi-skilled level 4 work with application to the agriculture and hospitality industries amongst others.	
RECOMMENDATION 6 _____	34
The Committee recommends that the NSW Government recommend to the Commonwealth Government that it change working holiday and student visas to allow for the granting of visas	

for periods which reflect the needs of employers, especially in agriculture and tourism, for workers who can serve for entire harvesting, picking and holiday seasons without interruption.

RECOMMENDATION 7 _____ **34**

The Committee recommends that the NSW Government recommend to the Commonwealth Government the introduction of an organised work experience and workplace advice program for skilled migrants as a stepping stone to finding full employment.

RECOMMENDATION 8 _____ **34**

The Committee recommends that the NSW Government implement an international apprenticeship scheme as an additional education marketing opportunity.

FINDING 3 _____ **51**

The Committee finds that regional training is an effective way to retain skilled people in regional areas.

FINDING 4 _____ **52**

The Committee finds that TAFE NSW is the backbone of vocational education and training in NSW and that to achieve the state's economic and social priorities it is vital that TAFE NSW receives appropriate and adequate funding.

RECOMMENDATION 9 _____ **52**

The Committee recommends that the NSW Minister for Education adopt work readiness as a goal for secondary school leavers.

RECOMMENDATION 10 _____ **52**

The Committee recommends that the NSW Government make mathematics a compulsory subject for the awarding of the NSW Higher School Certificate.

RECOMMENDATION 11 _____ **53**

The Committee recommends that the NSW Minister for Education undertake a review of other subjects which may be vital to ensuring the work readiness of school leavers.

RECOMMENDATION 12 _____ **53**

The Committee recommends that the NSW Minister for Education identify and implement programs which assist students to set and work towards the work readiness goal.

RECOMMENDATION 13 _____ **53**

The Committee recommends that the NSW Government review the efficacy of careers advice offered in secondary schools.

RECOMMENDATION 14 _____ **53**

The Committee recommends that the NSW Minister for Education adopt regionally-based training as a goal and ensure that opportunities for regional training are maximised.

RECOMMENDATION 15 _____ **53**

The Committee recommends that the NSW Government market trade training and apprenticeships to improve their attractiveness to young people and their parents.

RECOMMENDATION 16	53
The Committee recommends that the NSW Government identify and implement programs to encourage apprentices to complete their apprenticeship studies, including the application of financial rewards for completion.	
RECOMMENDATION 17	53
The Committee recommends that the NSW Government provide assistance to regional employers and apprentices to compensate for the additional costs incurred by regional apprenticeships.	
RECOMMENDATION 18	53
The Committee recommends that the NSW Government introduce competency-based apprenticeship training.	
RECOMMENDATION 19	53
The Committee recommends that the NSW Government recommend to the Commonwealth Government that technical and trade qualifications, including relevant work experience, be recognised automatically as prior learning for advanced standing for entry to relevant university courses.	
RECOMMENDATION 20	59
The Committee recommends that the NSW Government support TAFE NSW to develop a formal mentoring program that can be implemented across workplaces.	
RECOMMENDATION 21	59
The Committee recommends that the NSW Government implement programs to streamline business succession planning, and skills transfer from retired workers.	
FINDING 5	65
The Committee finds that communities which market their commercial, cultural and lifestyle strengths, and provide support to new residents and industries are reporting success in attracting and retaining skilled workers.	
FINDING 6	65
The Committee finds that changes to the Regional Relocation Grant initiative are generally consistent with the need to attract skilled workers to regional communities. The Committee also found that more incentives would encourage regional relocations.	
RECOMMENDATION 22	66
That the NSW Government implement programs to provide greater cultural and social support to skilled migrants relocating to regional communities.	

Chapter One – Introduction

TERMS OF REFERENCE

- 1.1 On 14 March 2013, the Committee resolved to inquire into the value and contribution of skilled migration to the New South Wales economy, to identify:
- gaps and areas of need in particular industries, professions and regional communities; and
 - strategies for government to assist in addressing skill shortages.

CONDUCT OF THE INQUIRY

Submissions

- 1.2 The Committee called for public submissions by advertising in the *Sydney Morning Herald* on 8 May 2013, and the *Illawarra Mercury* and the *Newcastle Herald* on 29 June 2013. The Committee also wrote to key stakeholders inviting them to make a submission. The closing date for submissions was 12 July 2013.
- 1.3 The Committee received 50 submissions from individuals, state and federal agencies, local councils, businesses and community stakeholders. A complete list of submission makers may be found in Appendix One. The submissions that the Committee resolved to publish may be found on the Committee’s website: <http://www.parliament.nsw.gov.au/economicdevelopment>

Public Hearings

- 1.4 The Committee held four public hearings: at Dubbo on Monday 29 July 2013; at Parliament House on Monday 19 August 2013; at Coffs Harbour on Monday 16 September 2013; and again at Parliament House on Wednesday 9 October 2013. 52 witnesses provided evidence to the Committee. These included business operators, elected councillors and council staff, industry and employee advocates, community sector employees, NSW state agency representatives, and a secondary school student. A full list of witnesses who appeared before the Committee may be found at Appendix Two.
- 1.5 The transcripts of evidence from the public hearings may be found at the Committee’s website: <http://www.parliament.nsw.gov.au/economicdevelopment>
- 1.6 The Committee thanks the individuals and organisations who participated in the inquiry, and particularly thanks Dubbo and Coffs Harbour City Councils for hosting the regional public hearings.

Chapter Two – Analysis of skill shortages

It is not that we have all read about skill shortages in the newspaper and have convinced ourselves that they are there; I think we know they are there. We have seen the skills occupation list, we have seen the skill shortages list that come out of NSW Trade & Investment Department and we see on the ground that these skill shortages exist through conversations with employers, Local Government and other agencies.¹

INTRODUCTION

- 2.1 This chapter explores the various aspects of skill shortages outlined in the evidence received by the Committee, including in which regions shortages occur, in which professions, and in which industries; what skills are in short supply; whether the mining industry has an impact on skill shortages; and how skill shortages are measured.
- 2.2 The chapter makes recommendations concerning an enhanced regime for measuring skill shortages, and identifies resources for undertaking this task.
- 2.3 The Commonwealth defines a skill shortage as when employers are unable to fill or have considerable difficulty filling vacancies for an occupation, or significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations.²
- 2.4 It is widely held that there are skill shortages in many areas of work and that this affects the delivery of services and hinders economic growth.
- 2.5 Only one of the 50 submissions received by the Committee challenged the idea that there are skill shortages in NSW.³
- 2.6 The remaining 49 submissions and all the witnesses who appeared at the Committee's four public hearings gave evidence that skill shortages are real. This evidence came from stakeholders ranging from major employers through to individuals, from country councils and city-based industrial advocates, and from trade unions and small business owners.
- 2.7 NSW Trade and Investment (T&I) is the lead economic development agency in New South Wales. T&I is responsible for a range of actions, plans and strategies aimed at driving sustainable economic growth in the state.⁴ T&I's work includes identifying skill shortages and devising strategies to assist in addressing them in concert with the Commonwealth Government, business and industry, and the community. A key component of this work is the translation of information about

¹ Mr Mark Burdack, Director Corporate Affairs and University Secretary, Charles Sturt University, Transcript of evidence, 19 August 2013, p 48

² Department of Education, Employment and Workplace Relations
<http://docs.employment.gov.au/system/files/doc/other/skillshortagelistnsw.pdf>

³ Submission 5, Mr Chris Hamill, p 1

⁴ Submission 49, NSW Trade and Investment, p 1

skill shortages into the NSW Nominated Skilled Occupation List (SOL) which forms the basis for the selection of skilled migrants to come to New South Wales.⁵

2.8 TAFE NSW provides training for individuals and communities in support of the state's economic and social development. To do this, TAFE NSW monitors changes in employment levels by occupation and considers the changing nature of skills required in occupations.⁶ TAFE NSW provides training courses according to the NSW Skills List, part of *Smart and Skilled*, a program which aligns state-funded vocational education and training with the state's skill priorities,⁷ and which means people gain qualifications that are in demand in the NSW economy and industry.⁸

2.9 As for the future of skill shortages, the Migration Institute of Australia stated in their submission that according to ANU Demographer Peter McDonald the skills shortage is expected to peak in 2020 when it is thought all baby boomers will have retired.

Once this group leaves the labour force there is expected to be a huge gap left behind. The demand for skilled workers will increase as will the demand for labour overall.⁹

LOCATION OF SKILL SHORTAGES

2.10 The evidence received by the Committee identified skill shortages by several criteria including location, profession and industry.

Regional economies

2.11 The Committee obtained evidence from a number of regional councils, including:

- Wollondilly Shire Council
- Greater Taree City Council
- Bland Shire Council
- Griffith City Council
- Shellharbour City Council
- Muswellbrook Shire Council
- Central Coast Regional Organisation of Councils
- Dubbo City Council
- Albury City Council

⁵ Submission 49, NSW Trade and Investment, p 2

⁶ Submission 10, NSW TAFE Commission Board, p 3

⁷ Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 56

⁸ Submission 22, The Hon Adrian Piccoli MP, p 3

⁹ Submission 21, Migration Institute of Australia, p 1

- Parkes Shire Council
- Palerang Council
- Eurobodalla Shire Council
- Gilgandra Shire Council
- Orana Regional Organisation of Councils
- Coffs Harbour City Council
- Cessnock City Council

2.12 Council submissions typically contained detailed evidence of the skill shortages in their local area. For example, Eurobodalla Shire Council submitted that following consultation with local businesses, skill shortages were identified in the following job categories:

- Aged care. Particular roles identified are Assistant in Nursing, Registered Nurses, Qualified Vocational Trainers and Assessors to deliver training in the following industry areas: Aged Care, Retail, Business, Finance and Hospitality. Qualified trainers and assessors with the skills and application knowledge to use and implement new technologies in their training and assessment delivery.
- Property Valuation (registered with the Australian Property Institute).
- Early childhood staff. This includes the recruitment and retainment of qualified staff.
- 20-35 age bracket. There are gaps in the availability of unskilled and part time workers.
- Industrial sector. There is an inability to find motivated, unskilled workers who can be trained to do industrial tasks.
- Professional pilots. In this region, the particular shortage is for flying instructors.¹⁰

2.13 Notably, Eurobodalla also referred to the *South Coast Skills Audit* undertaken by Regional Development Australia (RDA) Far South Coast.¹¹ Other councils also referenced the work of RDAs, which is discussed in more detail below.

Regional differences

2.14 Most of the regional councils which provided evidence in support of their concern at current skill shortages, submitted that they are growing and are projected to continue growing. Wollondilly Shire Council stated:

¹⁰ Submission 29, Eurobodalla Shire Council, p 2

¹¹ Submission 29, Eurobodalla Shire Council, p 2

The State Government is expecting to increase growth projections significantly with Wollondilly one of the areas projected to grow from a population of approximately 45,000 to between 120,000 to 160,000 in the next thirty years.¹²

2.15 Other submissions suggested that a shortage of skilled labour in certain industries is compounded by the declining young population in regional areas.¹³

2.16 Bland Shire Council stressed that 'we should not just look at skill shortages in isolation as we also need to consider the social and community infrastructure in Regional NSW.'¹⁴

2.17 Regarding regional differences, the Migration Institute of Australia commented:

Based on discussions of MIA members with NSW RDA staff, it appears that coastal areas of regional NSW are driven by different labour market factors than inland regions. Broadly, some coastal regions have experienced higher levels of unemployment due to 'sea changers' moving from the city and are suffering pressure from strong population growth.¹⁵

2.18 Another factor seen as exacerbating skill shortages in regional areas and most notably retaining skilled workers, was prolonged periods of drought. Cr Bill McAnally, Chair of the Orana Regional Organisation of Councils commented:

Mother Nature rules our lives out here, with the drought and all that. What happens in a drought is you tend to lose the good people out of our societies and it is very hard to get them back.¹⁶

2.19 Dubbo City Council cited education as a crucial factor in considering skill shortages:

We are always looking to try to build our education facilities because we do lose a lot of people going to university in other areas, even to places like Bathurst or those sorts of places. That is something that we would really like to look at developing. Even some of our trades have to go to Orange to do their TAFE and then they will come back to Dubbo.¹⁷

2.20 Dubbo City Council also highlighted difficulties in encouraging young people to stay in regional cities:

... what we are trying to do with the Mining Centre of Excellence is to be able to provide that sort of education infrastructure to try to encourage people to stay ... we have very limited accommodation for students who do not move with their families. I know TAFE also offers some of the only equine courses in the area. We get a lot of people who are moving from the Hunter ... to attend this equine course, but we also need somewhere to actually house them.¹⁸

¹² Submission 2, Wollondilly Shire Council, p 2

¹³ Submission 4, Bindaree Beef Pty Ltd, p 1

¹⁴ Submission 8, Bland Shire Council, p 2

¹⁵ Submission 21, Migration Institute of Australia, p 3

¹⁶ Cr Bill McAnally, Chair, Orana Regional Organisation of Councils, Transcript of evidence, 29 July 2013, p 41

¹⁷ Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 16

¹⁸ Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 16

Professions

- 2.21 The Australian Workforce Productivity Agency advised the Committee that it projects changing employment needs across industries and professions. The agency's modelling shows that occupations predicted to have the strongest growth in employment to 2025 are:
- Professionals (estimated increase between 993,500 and 1.36 million)
 - Managers (estimated increase between 508,000 and 641,500)
 - Community and Personal Service Workers (estimated increase between 470,500 and 551,100).¹⁹
- 2.22 A number of professional organisations provided evidence to the Committee of skill shortages in their industry. Mr John Roydhouse from the Institute of Public Works Engineering Australia Limited presented detailed evidence that the following new and additional workers are required in the civil construction industry now:
- Leaders and Supervisors 8,478
 - Bridge Constructors 1,413
 - Pipe Layers 2,862
 - Plant Operators 8,080
 - Road Constructors 7,572²⁰
- 2.23 The Australian Medical Association submitted that like much of the rest of Australia, NSW has been experiencing significant medical workforce shortages since the beginning of the 21st century.²¹ The strategy to address these shortages has been:
- on a medium term to increase the number of medical school places, and
 - on a short term import doctors from overseas.²²

Services

- 2.24 The Australian Workforce Productivity Agency's modelling of high growth scenarios showed the following estimated employment increases by 2025 in service industries:
- Health Care and Social Assistance (between 643,800 and 798,600)
 - Professional, Scientific and Technical Services (between 353,900 and 583,000)

¹⁹ Submission 7, Australian Workforce and Productivity Agency, p2. Note that the projections are based on high growth scenarios.

²⁰ Presentation by Mr John Roydhouse, Institute of Public Works Engineers Australia, Public hearing, 9 October 2013

²¹ Submission 23, Australian Medical Association, p 1

²² Submission 23, Australian Medical Association, p 2

- Education and Training (between 462,600 and 503,700).²³

2.25 National Disability Services highlighted that due to the recent reforms in the disability care sector with the commencement of the National Disability Insurance Scheme, the number of people receiving support will grow from around 50,000 in 2012 to 140,000 in 2018:

It is estimated that as DisabilityCare Australia rolls out, the current formal disability support workforce will need to double. It is estimated that the growth in the NSW disability sector will create in excess of 30,000 new jobs by 2018, with just over 30,000 people currently working to support people with disability.²⁴

2.26 To highlight further the impact of the reforms on the disability sector, the National Disability Services provided the following case study in their submission:²⁵

Case Study – Skills Shortages and DisabilityCare

Auslan Interpreting is an area of skills shortage which provides a useful case study for the likely impact of the implementation of DisabilityCare on skills shortage areas. It is a profession with a long lead-time, high and rising demand, and a history of patchy investment in training.

Auslan is the language of the Australian Deaf Community. It has its own grammar and vocabulary and is different to other signed languages, although related to British Sign Language and New Zealand Sign Language. It is not a signed form of English, but a language in its own right.

As participation opportunities for deaf people have increased, so has the demand for Auslan interpreting. One example is Sign Language Communications NSW/ACT, the interpreting department of the Deaf Society of NSW. The introduction of the Employment Assistance Fund saw steep rises in demand for this service.

These sharp rises have left the interpreting workforce stretched. Currently, SLC NSW/ACT recommends clients make bookings at least two weeks in advance. The shortage threatens the ability of deaf people to get timely access to critical areas of life such as justice and employment opportunities. The situation is particularly difficult in regional areas, including large regional centres like Newcastle.

The introduction of DisabilityCare is likely to follow a similar pattern, and to increase the pressure on this already over-stretched workforce as deaf people use interpreters to access assessment and supports under the scheme.

²³ Submission 7, Australian Workforce and Productivity Agency, p1

²⁴ Submission 27, National Disability Services, p 1

²⁵ Submission 27, National Disability Services, p 5

Public sector

2.27 In the evidence received by the Committee from local government, both metropolitan and regional, a significant concern expressed was the retention of staff. Wollondilly Shire Council commented that:

Both the loss of corporate knowledge through redundancies aimed at reducing duplication of staff, and for some, the resultant increased workload has made it less attractive for staff to remain in the sector.²⁶

2.28 The City of Sydney indicated:

The experience of occupational skills shortages for planners (town planning, sustainable design and development, strategic planners, environmental and building surveyors and planners) is uniform across the Local Government Sector in NSW.²⁷

2.29 Shellharbour City Council commented:

Remuneration does have an impact on these roles within local government due to private sector offering higher remuneration rates.²⁸

2.30 The Local Government Engineers' Association of New South Wales (LGEA) stated that there is an 'acknowledged serious infrastructure backlog in local communities, particular in regional NSW' and that numerous reports in recent years have shown a serious shortage of skilled engineers in local government.²⁹

The issues of infrastructure backlog and engineering skills shortage are linked. The engineering skills gap reduces the capability of local councils to deliver capital works and maintenance projects for local communities. This is especially a difficulty in many NSW regional areas ...

The reasons that limit the ability of local government to attract sufficient engineers to deliver the capital works and maintenance programs are far more acute than for other levels of government. Local government has difficulty competing salary-wise with private industry and the state public sector. This disadvantage is exacerbated by factors such as remote locations and perceptions of inadequate community facilities such as schools and health care which limit the attractiveness of regional work locations.³⁰

2.31 Central Coast Regional Organisation of Councils commented:

... a key issue facing both Councils (Gosford and Wyong) is attracting and retaining skilled specialist staff in areas such as flooding and drainage engineering, building surveying, town planning, senior IT positions, infrastructure and planning design. Local Government rates of pay simply don't match up with what private enterprise

²⁶ Submission 2, Wollondilly Shire Council, p 2

²⁷ Submission 11, City of Sydney, p 2

²⁸ Submission 14, Shellharbour City Council, p 1

²⁹ Submission 18, Local Government Engineers Association of NSW, pp 3-4

³⁰ Submission 18, Local Government Engineers Association of NSW, pp 5-6

can offer and Councils regularly and consistently poach staff from each other in these specialist positions.³¹

- 2.32 The Migration Institute of Australia recommended that the NSW public sector review its employment policies:

To be appointed to a permanent position in the NSW public service applicants currently must be an Australian citizen or permanent Australian resident. This discourages a range of skilled migrants on provisional visas (which lead to permanent residence) and temporary visas from joining the NSW public service ...

...

Some NSW public service graduate programs also require applicants to be permanent residents. This is not very welcoming and inconsistent with the objectives outlined in the *NSW Strategy for Business Migration & Attracting International Students*.³²

- 2.33 The Committee received evidence about the reliance on local government jobs in regional towns:

In most of our communities local government is the largest employer. Without local government activity going on we will not facilitate a whole of business and economic growth in those communities. That is probably something really important that highlights that there is not a lot of secondary industry out here.³³

- 2.34 Committee member Mr Jamie Parker raised the question of aligning the *New South Wales Strategy for Business Migration and Attracting International Students* with New South Wales Public Service employment policies. Mr Kevin Lane of the Migration Institute of Australia responded:

I am not sure of the exact nature of every department and their requirements but I think it is something that could be looked at in terms of is there an opportunity to use people who are already here but do not have citizenship status or permanent residence status to get them employed.³⁴

SKILLS IN SHORT SUPPLY

- 2.35 The evidence received by the Committee contained detailed information about occupations and skill sets which employers find difficult to recruit.

- 2.36 The Australian Hotels Association highlighted the shortage of suitably qualified chefs and cooks, citing a lack of interest in the profession and difficulties with attracting qualified persons to regional areas as contributing factors.³⁵

³¹ Submission 19, Central Coast Regional Organisation of Councils, p 1

³² Submission 21, Migration Institute of Australia, p 4

³³ Ms Belinda Barlow, Executive Officer, Orana Regional Organisation of Councils, Transcript of evidence, 29 July 2013, p 41

³⁴ Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 7

³⁵ Submission 9, Australian Hotels Association, p 1

- 2.37 Mr Gerard Klinkers, Business Co-ordinator for the Australian Apprenticeship Centre in Coffs Harbour concurred:

At the moment the demand for apprenticeships is mainly focused in hospitality, cooks; lots of questions from employers. It is a dynamic industry anyway so there is always a bit going on. At the moment that is the only industry that I really find that there is demand from the employers.³⁶

- 2.38 Dubbo City Council identified workshop skills as in short supply:

Council in discussions with local industry has identified that trade based skills and lower paid industries will feel the effects of the upcoming mining developments in the Region.

...

Workshop trades such as Boilermakers, Electricians, Heavy Vehicle Diesel Mechanics and Diesel Fitter/Machinists will need to be replaced as local workers move into mining site jobs.³⁷

- 2.39 In further evidence before the Committee, Ms Josie Howard, Economic Development Officer for Dubbo City Council commented:

Where we actually are going to be seeing the gaps, we believe, is in those lower to mid areas when these people move into those high-level engineering jobs or they leave their sheds and move into the mines that are coming up. Then we will see gaps in our construction and trades industries for people who are actually working in a shed from 7:30 till four.³⁸

- 2.40 Gaps in other industries such as hospitality and child care were also noted by Dubbo City Council:

Ms HOWARD: Bakers, carpenters, chefs, hospitality workers: we are finding we are getting gaps in those areas.

Mr STUART AYRES: Where the shortfall in jobs for chefs might not appear in the New South Wales numbers, it is critical for you?

Ms HOWARD: Yes.

Mr STUART AYRES: We probably could list child care workers.

Ms HOWARD: Child care workers is a big one.³⁹

- 2.41 Ms Belinda Barlow and Mr Randall Medd from Orana Regional Organisation of Councils also indicated trades and related skills as being a gap in their region:

Mr MEDD: Trades, building trades and associated trades, builders, plumbers, electricians and mechanics.

³⁶ Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeship Centre, Transcript of evidence, 16 September 2013, p 25

³⁷ Submission 16, Dubbo City Council, p 2

³⁸ Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 12

³⁹ Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 13

Ms BARLOW: Mechanics, auto-electricians, there are even road transporters that cannot employ long haulage truck drivers ...⁴⁰

2.42 Shortages in the health sector were raised by representatives from Regional Development Australia Central West:

... the Central West has become a major centre for health so it is actually supporting a lot of the western communities as well. It is a regional hub. Particularly in mental health we see a lot of vacancies for nurses because we are the major centre for mental health. We can also see that there is a challenge in actually skilling some of those declining industries, some of those people moving out of those positions into some of our growing industries as well.⁴¹

2.43 The Migration Institute of Australia indicated they have found nurses, engineers, rural workers and aged care workers to be in high demand at the moment.⁴²

2.44 The Australian Industry Group (AIG) submitted that group members 'continue to report skill shortages as a barrier to expansion, particularly for when the economy starts to pick up.'⁴³

2.45 In their submission AIG highlighted the following:

- the ICT sector is facing some major challenges: The AWPAs report states that 457 visas for ICT professionals increased by 74% from 2009-10 to 2011-12, whilst domestic supply only increased by 4% for the same period.
- skill shortages continue to be an issue for the engineering and construction sector. During the six months to March 2013, 65.7% of businesses reported either a major or moderate difficulty in the recruitment of qualified labour.
- All indicators are that there remain skill shortages in the manufacturing sector, particularly for metal fitters and machinists and more significantly for those manufacturers who have lost highly skilled workers to the mining sector.⁴⁴

2.46 Regional Development Australia Mid North Coast made the following comment regarding shortages experienced in their region:

We have mechanics, auto electricians, the average age of an auto electrician here in the region is 58 and the number of trainees coming through is impacted by the location of the training organizations able to deliver those services, the red tape and I hate to say, the bureaucracy that goes with the traineeships; the time that it takes

⁴⁰ Ms Belinda Barlow, Executive Officer, Orana Regional Organisation of Councils; Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council, Transcript of evidence, 29 July 2013, p 42

⁴¹ Ms Danica Bunch, Project Officer, Regional Development Australia, Central West, Transcript of evidence, 29 July 2013, p 55

⁴² Ms Angela Chan, National President and NSW and ACT President, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 2

⁴³ Submission 38, Australian Industry Group, p 1

⁴⁴ Submission 38, Australian Industry Group, pp 1-4

an individual employer, particularly small business, to undertake and deliver a traineeship or apprenticeship.

Health and allied services, doctors, no news there, both general practitioner and specialist, nurses, registered and aged care and I need to make note there that something that keeps coming up is the disparity between the wage received by an aged care nurse and that received by a registered nurse, which is impacting those wanting to move into that sector.⁴⁵

2.47 The NSW Business Chamber indicated that the major industry sectors which have reported shortages are:

- Health care
- Social assistance
- Construction
- Accommodation
- Food and beverage services
- Manufacturing
- Retail trade
- Professional scientific and technical services
- Information and communications technology.⁴⁶

Impact of the mining industry

2.48 In light of the view expressed both in submissions to the inquiry and in the wider community regarding the impact of the mining industry on skill shortages, the Committee invited representatives of the industry to attend public hearings to give evidence. The Committee also used its public hearings to test this view with other witnesses.

2.49 In evidence reported above, Dubbo City Council described how certain trades would need to be replaced as skilled workers moved to the mines.⁴⁷ A witness at the Dubbo public hearing described how local councils are reluctant to employ and train apprentices because they lose their newly trained staff to the mines.⁴⁸

2.50 Mr Paul Trotman, Manufacturing Manager for W E Smith Engineering located in Coffs Harbour, cited the rates of pay offered in the mining industry as the reason

⁴⁵ Ms Jennifer Kew, Operations Manager, Regional Development Australia, Mid North Coast, Transcript of evidence, 16 September 2013, p 37

⁴⁶ Mr Nicholas Minto, Senior Policy Advisor, Employment, Education and Training, NSW Business Chamber, Transcript of evidence, 9 October 2013, p 24

⁴⁷ Submission 16, Dubbo City Council, p 2

⁴⁸ Ms Belinda Barlow, Executive Officer, Orana Regional Organisation of Councils, Transcript of evidence, 29 July 2013, p 47

apprentices and other skilled staff moved away.⁴⁹ This view was expressed by a number of witnesses.

2.51 The Committee was interested to hear the evidence of the mining industry in response to this common theme.

2.52 In response to questioning from the Chair, Mr Michael Sutherland, General Manager of Alkane Resources Limited, which is in the establishment phase of a mine in the Dubbo region, responded to criticism that the mining industry is draining skills from some areas:

CHAIR: For clarity, essentially the criticism of the mining industry is because of their high wages and their ability to take people away from other professions and skills as far as your company is concerned ... it is your good luck and their bad luck at the moment?

...

Mr SUTHERLAND: We would like to be able to work with people so they do not have to necessarily give all that up. There may be some flexibility in the workforce where you can employ a farmer that fits in his roster. We might get some farmers who build resilience in those communities rather than making them less resilient. They will have off-farm income. That is what I had when I was running a 3,000 hectare farm near Peak Hill. My wife was running the farm and I was working at the mine. It actually makes you more stable rather than less stable.⁵⁰

2.53 Mr Sutherland highlighted the jobs which a mining project can bring to a regional town:

... there is a real opportunity in the transport task to get kids from school age to think "I want a job in the transport industry". They need to get their driver licence, then for the little rigid truck and big trucks. Our project is going to give an opportunity for people to be based in Dubbo and then do the long routes. We are going to be bringing 70,000 tonnes of salt from Geelong every year. We are going to be bringing 196,000 tonnes of limestone from Geurie to Dubbo. There is real opportunity for people who want to work in the transport industry to actually be trained, be job ready and get a job working for a trucking company based in Dubbo.⁵¹

2.54 In response to questions concerning the mining industry being the biggest challenge for employers outside the industry, Mr Andrew McMahon for the NSW Minerals Council commented they too have challenges to face with skill shortages:

I think partly it is a perception issue, people think that there are plenty of jobs in mining and they pay an awful lot of money, and hang on, I am just going to take off and do that. That is the anecdotal evidence that is out there. In reality we have

⁴⁹ Mr Paul Trotman, Manufacturing Manager, W E Smith Engineering Pty Ltd, Transcript of evidence, 16 September 2013, p 14

⁵⁰ Mr Michael Sutherland, General Manager NSW, Alkane Resources Limited, Transcript of evidence, 29 July 2013, p 30

⁵¹ Mr Michael Sutherland, General Manager NSW, Alkane Resources Limited, Transcript of evidence, 29 July 2013, p 31

plenty of people who want to put up their hand in local areas where we work. Our problem is getting highly skilled people, so that technical level. The electricians for example, there is still a major issue and the engineers that I talked about.⁵²

2.55 Mr McMahon added:

We still have retention issues simply because there are a lot of people who come in with unrealistic expectations about where you have got to live, what the work hours are. It is not for everybody. Shift work is not for everybody, doing night work, that kind of thing.⁵³

2.56 Cr Martin Rush, Mayor of Muswellbrook cited skill shortages in the mining industry as the driver for his council's plans to address vocational training through a regional centre for excellence in mining.⁵⁴

SKILLS AUDITING

2.57 The Committee noted that a common theme in both written and verbal evidence received by the Committee was the strong advocacy that skills auditing should be undertaken to gather data on skill shortages. Calls for skills auditing were generally made in the context of calls for better research, data gathering, and sharing of information on skill shortages.

2.58 The Migration Institute of Australia raised a number of concerns in relation to the lack of proper research regarding skill shortages:

There has not been proper research carried out as to what strategies could be explored to address the current and future skills shortage. We must be able to identify where the skills shortages are in order to address them and we must have the opportunity to look overseas as well as locally to address these concerns.⁵⁵

2.59 The Institute commented further:

It is understood that NSW TAFE conducts workforce analysis in NSW to project future requirements for particular qualifications which is shared with NSW Trade & Investment to develop the NSW sponsored skilled migration program.

The limitations of these reports in developing the NSW skilled migration program need to be recognised. These reports are often out of date, it is difficult to accurately predict future labour demand, it is expensive to conduct regular labour market surveys by state or by region, and new and evolving occupations often have different labels.⁵⁶

2.60 According to the Institute, the Department of Education, Employment and Workplace Relations reports provide little detail on skill shortages in regional NSW. Information about skill shortages in regional NSW 'appears to rely on

⁵² Mr Andrew McMahon, Director, People and Skills, NSW Minerals Council, Transcript of evidence, 9 October 2013, p 39

⁵³ Mr Andrew McMahon, Director, People and Skills, NSW Minerals Council, Transcript of evidence, 9 October, p 41

⁵⁴ Cr Martin Rush, Mayor, Muswellbrook Shire Council, Transcript of evidence, 9 October 2013, p 1

⁵⁵ Submission 21, Migration Institute of Australia, p 2

⁵⁶ Submission 21, Migrations Institute of Australia, p 3

anecdotal evidence and the expertise of staff in Regional Development Australia (RDA) offices in regional NSW.⁵⁷

2.61 The Institute also commented on the piecemeal approach of audits being conducted currently:

Mr LANE: ... there needs to be some overall look at what is going on in regional areas, what the needs are and what the capabilities of the area are.

Ms CHAN: And co-ordinated.

Mr LANE: All co-ordinated because there are so many people who have got a good knowledge about this sort of thing, but there is too much piecemeal work going on. It ends up being a waste of resources quite frankly.⁵⁸

2.62 Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, in evidence before the Committee spoke of the need for better information:

A compelling need for us at the moment is to obtain more evidence about the actual skills needs across the entire region. That is our primary focus: to have a strong evidence base of the present situation and what the future holds.⁵⁹

2.63 In evidence before the Committee Mr Ken Rogers, Dubbo City Council commented:

... without the foundation of a skills audit we are assuming a lot and making lots of assumptions about what skills we need and what we do not have. Fundamentally there is a need for a skills audit.⁶⁰

2.64 Mr Randall Medd, Orana Regional Organisation of Councils also commented on the need for a skills audit:

As economic development managers we battled and battled to try and get a skills audit process up and we could not get funding assistance for it because at the time there was only funding for actions to address skill shortages.⁶¹

2.65 In response to questioning from Mr Stuart Ayres, Mr Medd added:

We need something that we can reassess in two or three years to determine whether we have made progress and whether the situation has changed. We need help with that. We have other issues and we are not skilled economic development managers. We do not have the skills to work out how to conduct that process. We obtained quotes from research people to assist us with that and they started at \$50,000. That is not feasible for small councils. Yes, we need the information and we are happy to be involved and to work on the ground. However, we need some

⁵⁷ Submission 21, Migration Institute of Australia, p 2

⁵⁸ Ms Angela Chan, National President and NSW and ACT President, Migration Institute of Australia; Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 8

⁵⁹ Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, 29 July 2013, p 2

⁶⁰ Mr Ken Rogers, Director Corporate Development, Dubbo City Council, Transcript of evidence, 29 July 2013, p 10

⁶¹ Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council, Transcript of evidence, 29 July 2013, p 45

assistance at a higher level to tell us how to do it, what we need to collect and the things we need to constantly evaluate.⁶²

2.66 Ms Danica Bunch explained to the Committee the type of skills audit already being conducted by RDA Central West:

When RDA Central West started its skills project, when we were out scoping that project, we held a skills roundtable for the region and when we started speaking to different organisations that work within the skills education employment sector we found there were a number of similar forums planned for the same time in that year. It is just that organisations were not connecting well. We re-scoped the project and formed a Central West Education Skills and Industry Community where we actually get all of those organisations together on a bi-monthly basis to just talk about what is happening within the region, what is happening with the different levels of government, what is happening with funding so that we can get a bit more of that connectivity happening across the region. That actually represents the whole central west region. It is the first model of its kind that we could find.⁶³

2.67 Evidence was also received which highlighted a lack of communication between agencies with knowledge of skill shortages in regional areas of NSW, and agencies dealing with unemployment in metropolitan Sydney such as the Auburn Employment Working Group.

Mr CHRIS GULAPTIS: One of the areas that concerned me a little bit in regard to your skilled migrant labour force that is under-employed or unemployed is that they will clearly lack experience in Australia, which is a difficult thing to achieve if no one wants to employ you. But the other thing is, and apart from having your qualifications recognised, understanding regulations. That is a huge issue. We are tied up in so much bureaucracy in this country that it is very difficult for someone coming from another country with qualifications and experience in another country to try to do the same thing. It is a big ask. But the starting point, in my opinion is how desperate regions are to bring in migrant labour.

Ms FROST: But if we knew regions that desired a certain labour force, we could be preparing the people for that and maybe even physically taking them there.⁶⁴

2.68 The Committee raised this question of communication and information sharing between areas of shortage and unemployment at its Dubbo public hearing:

Ms NOREEN HAY: Does Regional Development Australia Orana interact with an organisation like Regional Development Australia Illawarra—where we have high unemployment—about attracting people to relocate from the Illawarra to your area?

Ms TAYLOR-EDWARDS: In short, no, we do not. We certainly interact with offices of Regional Development Australia dependent on the issue. However, that is a great suggestion that I would be interested in exploring.⁶⁵

⁶² Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council, Transcript of evidence, 29 July 2013, pp 48-49

⁶³ Ms Danica Bunch, Project Officer, Regional Development Australia Central West, Transcript of evidence, 29 July 2013, p 59

⁶⁴ Mr Christopher Gulaptis MP, Member for Clarence; Ms Patricia Frost, Chief Executive Officer, Inner West Skills Centre, Auburn Employment Working Group, Transcript of evidence, 19 August 2013, p 86

- 2.69 The Committee considers the role of the RDA network in facilitating liaison and information sharing between regions, in the next chapter.
- 2.70 In their submission Unions NSW recommended that the 'NSW Government needs to undertake a more thorough investigation of NSW's regional and rural skill needs and shortages', commenting that:
- The methods used to measure skill shortages in NSW are not entirely reliable or accurate. This can be addressed by ensuring greater information sharing between the State and Federal Governments.⁶⁶
- 2.71 South Coast Labour Council also commented on the lack of 'credible time series labour market data collected and available for regional areas such as the Illawarra and others around the country.'⁶⁷
- 2.72 When questioned by the Chair on the Unions NSW submission, Mr Chris Christodoulou, Assistant Secretary, Unions NSW, agreed that a skills audit should be conducted, and said that TAFE NSW was the agency best suited to performing this task.⁶⁸
- 2.73 In evidence before the Committee, Mr Mark Burdack, Charles Sturt University, commented:
- One of the gaps we see at present is the lack of reliable independent data on labour force projections identifying where those skills needs are coming from. This has been raised previously. It continues to be a problem in rural areas in particular.
- Whilst I can go onto a website today and tell you which region has a tick against it for a skills shortage, I cannot tell you how many of that particular professional occupation is needed, what the likely impact of changing demographics in rural regions is going to be on the future demand for that or the retirement rates and exiting of particular professions is, up-skilling, re-skilling to new professions. So our ability to project and therefore determine the load in particular disciplines is compromised by a lack of solid data. I think those concerns would be shared by other organisations as well, TAFE and some sections of industry, Local Government and regional development, where to some extent we are all searching around for the same data and the biggest risk of that is we all come to very different conclusions. Therefore the planning is very difficult.⁶⁹
- 2.74 In their submission Charles Sturt University recommended that an independent NSW Centre for Regional Statistics and Research, possibly modelled on the NSW Bureau of Crime Statistics and Research, be established. This research centre could provide a central resource for regional organisations to inform and improve planning and decision making. The University proposed that such a body should

⁶⁵ Ms Noreen Hay MP, Member for Wollongong; Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, Transcript of evidence, 29 July 2013, p 5

⁶⁶ Submission 40, Unions NSW, p 2

⁶⁷ Submission 36, South Coast Labour Council, p 2

⁶⁸ Mr David Elliot MP, Member for Baulkham Hills; Mr Chris Christodoulou, Assistant Secretary, Unions NSW, Transcript of evidence, 19 August 2013, p 14

⁶⁹ Mr Mark Burdack, Director Corporate Affairs and University Secretary, Charles Sturt University, Transcript of evidence, 19 August 2013, p 45

be located in rural NSW to ensure effective engagement with rural stakeholders.⁷⁰

2.75 Mr Burdack further explained:

... an independent data set is there, so that TAFE can go to it and say we have got a clear understanding of where things are. Health can go to it and we can be confident that health are using a set of data that is consistent with the data and demographic projections for TAFE, because one of the things about regions, which we make the point in our submission, is you need to integrate that planning very effectively. You can address skills. You can address infrastructure but if you do not do both together you are likely to exacerbate the problems experienced in some parts of regional and rural New South Wales.⁷¹

2.76 Southern Cross University also stressed the need for adequate data in order to avoid working on assumptions:

CHAIR: One of the things that we heard time and time again in Dubbo when we took evidence there was the need for a skills audit. Is that something that you would benefit from as well?

Prof LYNCH: Absolutely. We endeavour to do that ourselves in-house but once again, it comes down to data. Absolutely a skills audit would be important but let me say though, every school, and there are seven in the university, has various advisory groups. I ensure that they are also convened locally here. So we rely upon that to give us that on the ground data. In the main that works fairly well, which is why we know that allied health is where we need to move fairly quickly to in the future.

Having a more broad series of data would be very helpful ...⁷²

2.77 As reported above the Committee heard overwhelming support for a skills audit from inquiry participants. Cr Martin Rush, Mayor of Muswellbrook, however, expressed concern that an audit, no matter how thorough, will only ever be a snapshot of a point in time. He stressed the need for a system that is flexible:

Surely the best system ultimately for vocational education in this State is a flexible one; one that removes rigidities, allows the labour market and particularly the market for vocational education, to adjust swiftly to industry needs.

Overly planning just introduces a layer of rigidity. Individual TAFEs, individual departmental heads within TAFE need to have the flexibility to try new things. They need the flexibility to be able to adjust their courses.⁷³

COMMITTEE COMMENT

2.78 The Committee notes the consensus contained in the submissions and evidence received that skill shortages are real, and the work of NSW Government agencies

⁷⁰ Submission 43, Charles Sturt University, p 13

⁷¹ Mr Mark Burdack, Director Corporate Affairs and University Secretary, Charles Sturt University, Transcript of evidence, 19 August 2013, p 47

⁷² Professor David Lynch, Head of Campus, Southern Cross University, Transcript of evidence, 16 September 2013, p 63

⁷³ Cr Martin Rush, Mayor, Muswellbrook Shire Council, Transcript of evidence, 9 October 2013, p 4

to identify skill shortages, plan for changes in occupations and skills, and implement training programs and other strategies to address skill shortages.

- 2.79 The Committee was presented with a variety of experiences of skill shortages across regions, professions and industries, and a diversity of views regarding the causes of and solutions to these shortages.
- 2.80 Stakeholders submitted views on the causes of skill shortages, citing such aspects as the difficulty in attracting workers to regional areas, salary differentials between roles, government reforms, and competition between what are described as declining industries versus growing industries. A recurring theme in evidence is that the mining industry attracts skilled workers resulting in skill shortages in other industries and locations.
- 2.81 With regard to the suggestion that the mining industry is the cause of skill shortages, the Committee notes the evidence of the strong competitive advantage which the mining industry enjoys currently, and also the evidence that the mining industry itself experiences skill shortages and staff retention issues.

FINDING 1

The Committee finds that the mining industry is not the sole cause of skill shortages, but rather that the mining industry competes in an open market for skilled workers in circumstances where it currently enjoys a competitive advantage over other industries.

- 2.82 In the Committee's view it is sufficient to conclude that some industries enjoy competitive advantages over others from time to time. Just as the mining industry may be enjoying such an advantage at the moment, other industries will be advantaged similarly in the future. To conclude that the mining industry is the cause of skill shortages is to infer that such a cause needs to be addressed by measures taken which address the comparative advantage. The Committee cannot draw such a conclusion, but rather makes findings and recommendations in this report which address the issues raised by skill shortages holistically.
- 2.83 As discussed, many submissions received by the Committee quoted detailed information regarding skill shortages in their areas and industry sectors most of which appeared to represent, in the view of the Committee, the results of detailed and comprehensive surveying and data collection. Indeed, as reported above, the submission from Eurobodalla Shire Council referred to the *South Coast Skills Audit* undertaken by Regional Development Australia (RDA) Far South Coast.⁷⁴
- 2.84 Similarly, in their evidence the representatives of RDA Central West described the skills audit they had undertaken and how the process they used was being adopted by other RDAs.⁷⁵

⁷⁴ Submission 29, Eurobodalla Shire Council, p 2

⁷⁵ Ms Danica Bunch, Project Officer, Regional Development Australia Central West, Transcript of evidence, 29 July 2013, p 59

2.85 In considering the overwhelming demand from stakeholders for more and better skills auditing, the Committee considered the question ‘What is a skills audit?’

2.86 Interestingly, only one witness asked the Committee what it meant when it referred to a skills audit:

Mr COLLINS: By skills audit I am assuming you mean looking at the profile of existing skills?

CHAIR: Yes and what is in demand and what is going to be in demand.⁷⁶

2.87 Mr Collins, General Manager, State Training Services, Office of Education also provided the Committee with a detailed explanation of the process undertaken by his agency to identify the skills which would be included in the *Smart and Skilled* NSW Skills List:⁷⁷

CHAIR: How do you identify the skills that are in demand or the roles that need to be fulfilled in the *Smart and Skilled* scheme?

Mr COLLINS: The process we have been through, there are a number of layers. We started by commissioning labour market projections. We got the Centre for International Economics to do labour market projections. We aligned that with information from various sources about skill shortages. We used the Commonwealth Department of Education, Employment and Workplace Relations skills shortage list, also the information from the Australian Workforce Productivity Agency and used the Australian Bureau of Statistics data to develop profiles. We then went out and consulted. Across the State we brought together something like 30 industry and regional based working groups, if you like, industry groups and tested the evidence we had in that process.

We also went through a process of seeking submissions and consultation and through that process we built up a profile of qualifications that align to where we see some skill needs being.⁷⁸

2.88 In seeking to define a skills audit the Committee regards this description as the best information it received regarding the components of the skills auditing which so many witnesses called for.

2.89 In addition to considering the evidence of RDA Orana, RDA Central West, RDA Mid North Coast and RDA Riverina, the Committee examined the Skills Audit published by RDA Far South Coast.⁷⁹ Notably, the overview to the Skills Audit said ‘while there is considerable detailed literature available on skills/job environments in Australia, NSW and the NSW SE Region there is little specific analysis of the situation on the NSW South Coast. This audit provides a baseline

⁷⁶ Mr David Elliot MP, Member for Baulkham Hills; Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 56

⁷⁷ For more information on *Smart and Skilled* see paragraphs 4.59 – 4.64.

⁷⁸ Mr David Elliot MP, Member for Baulkham Hills; Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 56

⁷⁹ Regional Development Australia Far South Coast, South Coast Skills Audit <http://www.rdfsc.com.au/wp-content/uploads/2013/03/RDA-South-Coast-Skills-Audit-WEB.pdf>

of evidence from which strategies can be developed to improve the skills mix on the South Coast'.⁸⁰

- 2.90 The Committee noted that the Far South Coast audit was a one-off exercise undertaken to provide a skills snapshot of the region. This was consistent with the skills auditing brought to the attention of the Committee which was being undertaken on a regional or sub regional basis.
- 2.91 The Committee was impressed with the level of detailed knowledge of the skills profiles and demands which agencies presented, whether at the state, regional or local level. The agencies undertaking skills auditing were producing quality reports and utilising the information as effectively as they could given the constraints of budgets and inter-organisational issues. The Committee interprets the many calls for skills auditing to be done as a call for it to be done in a regular, systematic and coordinated way. In the Committee's view it is important that skills auditing be done better rather than just more frequently so that the effective use of scarce resources is maximised and duplication is avoided.
- 2.92 To support this comment, the evidence from RDA Orana was that within the region they observed significant subregional differences between the skills needs and economic performance of different communities.⁸¹
- 2.93 Regional-level skills auditing would not be sensitive to these subregional differences. Further, one-off skills auditing, however sensitive and sophisticated, does not create as useful a tool as does periodic skills auditing.
- 2.94 The Committee concludes that skills auditing is being done, and done on many levels, but with insufficient coordination and attention to the regional and sub-regional level.
- 2.95 The Committee found the submission of Charles Sturt University that a NSW Centre for Regional Statistics and Research be established to provide information and advice to regions to support planning, and to research the capacity of skilled migration and other measures to address skill shortages,⁸² persuasive.

RECOMMENDATION 1

The Committee recommends that the NSW Government formulate an enhanced regime of skills auditing to be undertaken in a consistent and integrated way across all NSW government agencies.

RECOMMENDATION 2

The Committee recommends that the NSW Government establish a NSW Centre for Regional Statistics and Research, based in regional NSW, to provide information and advice to regions to support planning, and to research the capacity of skilled migration and other measures to address skill shortages.

⁸⁰ Regional Development Australia Far South Coast, South Coast Skills Audit, p 3

<http://www.rdfsc.com.au/wp-content/uploads/2013/03/RDA-South-Coast-Skills-Audit-WEB.pdf>

⁸¹ Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, Transcript of evidence, 29 July 2013, p 2

⁸² Submission 43, Charles Sturt University, p 17

Chapter Three – Skilled migration

Quite clearly from all research and evidence there is a continued need to somehow meet our skill shortages and it is quite clear that the education and training that we have in this country at the moment will not meet the need, so there is a need for migration to fill some of the gaps.⁸³

INTRODUCTION

- 3.1 This chapter examines the evidence received by the Committee concerning the use of skilled migration by employers, and its value and contribution to New South Wales.
- 3.2 The chapter considers whether the evidence received by the Committee discloses any abuses of the migration system, and what changes could be made to the system which would benefit NSW.

THE MIGRATION SYSTEM

Background

- 3.3 Skilled migration is managed by the Commonwealth as part of the overall migration system. The migration system is a complex and multi-layered program which involves all levels of government in Australia as well as many non-government organisations providing programs to select, support and train migrants.
- 3.4 The Australian Government's Department of Immigration and Border Protection manages 76 visa subclasses which are available to people wishing to come to Australia permanently or temporarily to work, study, visit or live.⁸⁴
- 3.5 There are 31 visa subclasses which are available to people wishing to work in Australia.⁸⁵ Visa subclasses mentioned by witnesses who made submissions to or appeared before the Committee included:
- Temporary Work (Skilled) visa (subclass 457)
 - Skilled Independent visa (subclass 189)
 - Working Holiday visa (subclass 417 and subclass 462)
 - Temporary Graduate visa (subclass 485)

⁸³ Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013 p 2

⁸⁴ Department of Immigration and Border Protection
<http://www.immi.gov.au/Visas/Pages/Find-a-visa.aspx?Purpose=All&ApplyFrom=All&Nationality=All>

⁸⁵ Department of Immigration and Border Protection
<http://www.immi.gov.au/Visas/Pages/Find-a-visa.aspx?Purpose=Work+in+Australia&Nationality=All&ApplyFrom=All&Age=All&Stay=All&Length=All&Family=All&Sponsor=All>

- Employer Nomination Scheme (subclass 186)
- Regional Sponsored Migration Scheme visa (subclass 187)
- Skilled Nominated visa (subclass 190)
- Skilled Regional (Provisional) visa (subclass 489)

3.6 Witnesses representing both the NSW Government⁸⁶ and the RDA network⁸⁷ outlined their respective roles in nominating people for entry to Australia under particular subclasses, and the delegation by the state government to the RDA network of responsibility for nominating people in certain regionally relevant subclasses according to skills lists. The characteristics of the skills lists were described in the previous chapter.

The role of the NSW Government

3.7 The NSW Government is responsible for the State nomination of skilled migrants in NSW under the national migration program which is governed by an agreement between the NSW and Commonwealth Governments. Ms Amanda Chadwick from NSW Trade and Investment commented:

We perform a job with a very specific operational role in relation to business and skilled migration. It is one piece of a broader picture of education and training programs, employment programs, internal and international migration programs undertaken by governments at all levels in Australia and also by non-government organisations.⁸⁸

3.8 The NSW Government also produces the State Migration Plan, the *NSW Strategy for Business Migration and Attracting International Students* and NSW Industry Action Plans.⁸⁹

The role of the Regional Development Australia network

3.9 Regional Development Australia (RDA) is a national network of 55 committees which aim to bring together all levels of government to support the development of regional Australia. There are 14 RDA committees in NSW. Over the course of the inquiry the Committee obtained evidence directly from the following members of the RDA network:

- Regional Development Australia Orana
- Regional Development Australia Central West
- Regional Development Australia Mid North Coast
- Regional Development Australia Riverina

⁸⁶ Ms Amanda Chadwick, Executive Director, Innovation and Industry Policy, Department of Trade and Investment, Transcript of evidence, 9 October 2013, p 70

⁸⁷ Submission 31, Regional Development Australia Orana, p 2

⁸⁸ Ms Amanda Chadwick, Executive Director, Innovation and Industry Policy, Department of Trade and Investment, Transcript of evidence, 9 October 2013, p 69

⁸⁹ Submission 49, NSW Trade and Investment, p 1

- 3.10 Ms Felicity Taylor-Edwards, Executive Officer for Regional Development Australia Orana commented:

I would like to highlight that Regional Development Australia's role as a regional certifying body is to address the skill shortages that we are aware of across the region. Its role is to facilitate economic development, but not at the exclusion of social development.⁹⁰

- 3.11 In evidence typical of local government submissions supporting regional and inter-governmental solutions to economic development questions, Dubbo City Council stated that they:

... have a good working relationship with the local Regional Development Australia Office, and have identified with them the potential back filling opportunities that may be available to skilled migrant workers in the coming years in Dubbo and the Region.⁹¹

Support for the skilled migration program

- 3.12 In support of the value of skilled migration to the NSW economy, Ms Amanda Chadwick, Executive Director, Innovation and Industry Policy, NSW Department of Trade and Investment advised the Committee of a study commissioned by the Department in 2013 from the Centre of International Economics. The study concluded:

... that if business and skilled migration were to stop in New South Wales for a five year period, the economy would be 2.3 per cent smaller at the end of that five year period. So it makes a significant contribution.⁹²

- 3.13 The South Coast Labour Council commented that:

Skilled migration has historically and generally been an effective and accepted part of regional population and economic policy.⁹³

- 3.14 Charles Sturt University acknowledged both support for and benefit to regional communities from skilled migration, recommending that the NSW Government commission research on the capacity for skilled migration to address skills needs and shortages on a region-by-region basis:

Well-targeted skills migration programs will continue to be an important strategy to alleviate short-term professional skill shortages experiences in rural and regional NSW. Rural communities are overwhelmingly supportive of skilled migration, both international and domestic, and have greatly benefited from the contribution migrants have made to their communities. They recognise the value of skilled migration in building the cultural capital and diversity of their communities, and in providing access to skills and knowledge that will enable rural regions to further develop businesses that are oriented to global markets.

⁹⁰ Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia, Transcript of evidence, 29 July 2013, p 2

⁹¹ Submission 16, Dubbo City Council, p 2

⁹² Ms Amanda Chadwick, Executive Director, Innovation and Industry Policy, Department of Trade and Investment, Transcript of evidence, 9 October 2013, p 70

⁹³ Submission 36, South Coast Labour Council, p 1

More research however is required to understand the different factors that influence both the attraction and retention of skilled migrants in different regions to support the development of policies and programs that address the specific needs and characteristics of different regions.⁹⁴

3.15 Charles Sturt University's proposal for a centre for regional research is discussed in the previous chapter.

3.16 Several submissions and witnesses gave evidence from their personal experience as employers and community leaders of the value of skilled migration to their businesses and communities.

3.17 Bindaree Beef Pty Ltd, a beef processor located in Inverell in northern NSW contributed much of its current viability to its skilled migrant workers.

We currently have over 50 primary 457 visa holders employed in skilled meat workers positions, in addition we provide work for a similar number of their spouses and children secondary's. These workers have proven to be model residents for the town of Inverell and contribute significantly to the town's economy, firstly by buying cars and goods and renting properties, secondly they boost numbers at flagging schools and child care centres, thirdly the company assisted about 15-20 to apply for permanent residency and many of these have settled here and purchased houses in the town.⁹⁵

3.18 Fletcher International Exports Pty Ltd, located in Dubbo, also commented on the significant contribution of overseas trained workers to their business:

At any given point, Fletcher International relies to a very large extent upon the significant contribution made to the business by overseas trained workers. Around thirty per cent of our staff are either back packers or on student visas.⁹⁶

3.19 Fletcher International Exports further attributed positive transformations in the workplace to overseas trained workers.

There is far greater social interaction between employees today than there would have been a generation ago. A greater social cohesiveness among workers has emerged as a result of this workplace diversification.⁹⁷

3.20 Griffith City Council provided evidence in support of migration in its submission as a regional local government.

The Western Riverina is also home to a large number of refugees who fill an important workforce gap in abattoirs and manual labour positions, such as onion, cherry and orange picking, those in which average Australian's do not wish to do. The attraction of skilled migrants, individuals and families from other parts of Australia and the world is very important for regional development in our area.

The value and contribution of skilled migration in regional NSW, such as the Western Riverina cannot be overstated. Our businesses rely heavily on all overseas migration

⁹⁴ Submission 43, Charles Sturt University, p 15

⁹⁵ Submission 4, Bindaree Beef Pty Ltd, p 1

⁹⁶ Submission 20, Fletcher International Exports Pty Ltd, p 2

⁹⁷ Submission 20, Fletcher International Exports Pty Ltd, p 2

to fill critical positions that the local job market cannot supply. This is certainly the case for 457 (temporary), Employer Sponsored (permanent RSMS) and Skilled Regional Sponsored (provisional) visas.⁹⁸

Concerns regarding the skilled migration program

- 3.21 The migration program attracted little overall criticism. Some evidence critiqued skilled migration as a substitute for training the local workforce. Mr Paul Davies from the Association of Professional Engineers, Scientists and Managers said:

... We have a problem with engineering capability, not so much to do with the supply of engineers into the workforce, but to do with the investment in the development of the existing workforce of professional engineers.⁹⁹

- 3.22 In their submission the South Coast Labour Council commented that their position on skilled migration programs is not, 'driven by a fear of international labour, rather an attempt to address the underlying issues surrounding skill formation, deficits and the state of the regional labour market.'¹⁰⁰ They go on to state that skilled migration's effectiveness:

... has been greatest when it has been used as a targeted response for the long term development of particular industries or in dealing with unforeseen spikes in skill demand. In both cases, these programs would not have been effective and sustainable without the support of a well-resourced and established TAFE system to ensure that the skills are properly accredited, updated and acquired by the domestic labour force over time.¹⁰¹

- 3.23 Dubbo City Council also raised concerns regarding skilled migration and engineers. Council's witnesses before the Committee described engineers being attracted to Dubbo anticipating the opportunity for employment and lifestyle options in a large regional city, but not having the particular engineering skills in demand in Dubbo at the time.¹⁰²

- 3.24 In its submission RDA Orana noted that the demand for engineers in the Dubbo region was now from the mining industry and as a consequence, they had removed all but qualified mining engineers from their regional skills list. The RDAs submission acknowledged, however, that holders of other engineering skills previously advertised as in demand in the region had reported poor employment outcomes.¹⁰³

- 3.25 Timeliness also figured in evidence provided at the Committee's Dubbo public hearing by RDA Orana regarding cooks. In this case it took four years from the

⁹⁸ Submission 13, Griffith City Council, p 3

⁹⁹ Mr Paul Davies, Director NSW, Director of Planning and Development, Association of Professional Engineers, Scientists and Managers Australia, Transcript of evidence, 19 August 2013, p 21

¹⁰⁰ Submission 36, South Coast Labour Council, p 1

¹⁰¹ Submission 36, South Coast Labour Council, p 1

¹⁰² Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, pp 11-12

¹⁰³ Submission 31, Regional Development Australia Orana, p 4

time that cooks were nominated as a skill in demand in the region for the migration system to process applications and approve visa applications.¹⁰⁴

- 3.26 The Committee's inquiry commenced at a time when there was some pre-election discussion about potential changes to the migration system, especially around reforms to combat alleged misuse of subclass 457 visas as a means of employing cheap overseas labour. An applicant for a subclass 457 visa must be sponsored by an approved business which must show that they cannot find an Australian citizen or permanent resident to do the skilled work.¹⁰⁵
- 3.27 In response to this allegation Ms Taylor-Edwards, RDA Orana told the Committee at its Dubbo public hearing:

... it is our belief that employers across our region are looking for skills and are prepared to pay for them. I think what they see as an attraction in 457 visas is that they do not have to commit to a two-year contract that the employer-sponsored program visa would require. However, there are downsides to 457 visas as well, given that they have to actually attribute some of their budget for training.

...

I think the employer attraction to 457 visas may well be more about processing, given that they have a vacancy and they want it filled and they may or may not have a backpacker or somebody else coming through that can go on a 457 visa and actually take up the work versus long-term examples of unprocessed employer-sponsored positions and the fact that they are not having to engage in a two-year contract.¹⁰⁶

- 3.28 Unions NSW raised concerns about the use of 457 visas, most notably the reliance placed upon them to fill skill shortages instead of providing access to training, and the concern that overseas workers may not be aware of their rights. Mr Christodoulou, Assistant Secretary of Unions NSW said:

It seems now that this is where most employers seek to use subclass 457 visas as the panacea of filling skill shortages. We say what we should be doing is actually coming up with the solutions as to how we provide more access to training, how we better target where training needs to occur so that in fact the myriads of unemployed people that we have do get access to quality training outcomes where we can lower the number of subclass 457 visa applicants that are coming into the country.

In terms of subclass 457 visas, we are not opposed to them ... where there are genuine skill shortages ... but we do have genuine concerns about the fact that sometimes they are abused, particularly in regional areas where workers may not know what their rights at work are, particularly when they come from different cultures that do not have access to trade unions and the like.¹⁰⁷

¹⁰⁴ Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, Transcript of evidence, 29 July 2013, p 8

¹⁰⁵ Department of Immigration and Border Protection
<http://www.immi.gov.au/Visas/Pages/457.aspx>

¹⁰⁶ Ms Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, 29 July 2013, p 3

¹⁰⁷ Mr Chris Christodoulou, Assistant Secretary, Unions NSW, Transcript of evidence, 19 August 2013, p 12

3.29 The Australian Industry Group submitted that skilled migration was an important short term solution to skill shortages in NSW, but that:

... if you are talking about the country's long term strategic advantage, then drawing from a global pool is not a strategic advantage. It is a short term issue but you really want to be creating the skills yourself to lock in your own local strategic advantage.¹⁰⁸

Suggested improvements to the migration system

3.30 Many submissions and witnesses had views about reforms which might be made to make the skilled migration system more efficient and responsive to the needs of stakeholders.

3.31 Griffith City Council submitted that the visa program on the whole is working well, but highlighted some general areas for improvement:

- Most employers are willing to do whatever it takes to fill the position but may lack cultural training which can impact on the applicant and their families' ability to settle in the area.
- The visa process is fairly inflexible, arduous and can be expensive.
- Due diligence to ensure applicants have the correct skill sets and experience often leaves a lot to be desired.
- The skills in need list goes out of date very quickly and makes it difficult for regional businesses to start the visa process without having their positions on that list.
- There is no support once the visa has been granted. A lot of issues could be circumvented by a support mechanism for employers and applicants throughout the first 18 months.

The many changes to employer sponsored visas have seen such a tightening of requirements for English language, salary rates and work experience that "regional" visas are becoming less-distinguishable from "non-regional" visas, and it is becoming increasingly difficult for regional employers to employ overseas workers to meet their skills needs.¹⁰⁹

Regional visa requirements

3.32 The Migration Institute of Australia echoed Griffith City Council's concern regarding changes to regional visas:

... (regional) requirements have been tightened up and it is very hard to see the difference between regional type visas and non-regional visas.

In fact, some of the planned regional-type visas such as regional migration agreements and enterprise migration agreements simply have not seen the light of

¹⁰⁸ Mr Mark Goodsell, Director NSW and Acting Director QLD, Australian Industry Group, Transcript of evidence, 19 August 2013, p 35

¹⁰⁹ Submission 13, Griffith City Council, p 4

day yet. So I think there is a need for some sort of comprehensive look at what is going on in regional areas.¹¹⁰

Visa processing times

3.33 As discussed above, the Committee received evidence from several witnesses that visa processing times were too long. Albury City Council submitted that there is a:

... lag of two to three years in processing applications, which has in some instances resulted in the skill sets of incoming skilled visa holders no longer matching work place demand, and a lack of community support services for skilled migrants.¹¹¹

Expanding the skills list

3.34 Several witnesses gave evidence that the skills list which contained the list of skills in demand for which the responsible agencies could nominate prospective migrants, was too narrow and should be expanded. Agricultural industries were seen as having a particular need for skilled and semi-skilled workers, often for seasonal work, whose skills were not on the skills list.

3.35 For example, in their submission RDA Orana commented:

Under the RSMS and 457 visas, employers are only able to nominate positions which are classified as a Level 1-3 on the ANZSCO list. This excludes many types of agricultural workers and the associated service sector workers, such as harvest machinery/earthmoving plant drivers and agricultural labourers. Employers report that these positions are not without skills, and in fact require a considerable breadth of experience to complete well. One of the frustrations for employers is that if they do find a working holiday visa holder who works well in their business and the position is classified as Level 4, they are unable to secure their employment beyond the 6 month limit.¹¹²

3.36 In providing evidence before the Committee, Ms Taylor-Edwards representing RDA Orana expanded on the submission:

They would be farm workers particularly, but those that would be operating very expensive high-level machinery that have global positioning systems and tracking and all sorts of electronics. There would be a number of other contracting positions that require skills, from harvesting, to seeding to spraying; where there is certification required but not necessarily at a certificate III trade level.

...

We are unable to put those applications because (a) they are unable to apply and (b) we are unable to recommend them for a visa because it does not meet skills 1, 2 or 3.¹¹³

¹¹⁰ Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013 p 2

¹¹¹ Submission 24, Albury City Council, p 6

¹¹² Submission 31, Regional Development Australia Orana, p 8. Note: RSMS stands for Regional Sponsored Migration Scheme and ANZSCO stands for Australian and New Zealand Standard Classification of Occupations.

¹¹³ Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, 29 July 2013, p 3

- 3.37 In order to further improve the efficiency of the migration system, RDA Orana recommended that regions be allowed to nominate any skills that are required in that region that may or may not appear on the New South Wales or Australian list.¹¹⁴

Student visas

- 3.38 The Migration Institute of Australia proposed extending post-study work rights in regional NSW:

Overseas students completing an eligible Bachelors Degree, Masters and/or Doctoral qualification in Australia are currently entitled to a visa granting them post-study work rights for at least two years through the Temporary Skilled Graduate visa.

...

The Commonwealth Government currently encourages Working Holiday Makers to spend more time working in regional Australia by offering a second Working Holiday Maker visa to applicants who have undertaken at least three months specified work in regional Australia. A similar arrangement for former overseas students could encourage them to consider opportunities in regional NSW as they seek a pathway to permanent residence in Australia.¹¹⁵

- 3.39 In a related topic Mr Stuart Ayres raised for comment the option of looking at attracting overseas students at the vocational level of education:

Mr STUART AYRES: I think it is just a blatant statement of fact that we are not producing school students who are thinking I want to become a chef. If you have to wait so late in the workforce supply chain to identify that problem, perhaps what we should be thinking about is the same way we target a skilled migration visa, a skilled migration education package.

Ms CHAN: I actually have been talking to employer groups who provide apprentices, particularly in the hospitality industry. They actually had a proposal where they would like to be able to have an international apprenticeship scheme. It would be in conjunction with the people being students in Australia. It would be of no cost to the Government or to the employer because basically they would be paying for their education fees. They would then be working as apprentices, but these people would bring, I think another attitude, another mindset that would make apprentices in Australia have a greater sense of professionalism, a respect for their particular industry, that it is not just a part time thing, it is not just a fill in job; it is a profession.¹¹⁶

- 3.40 Ms Margy Osmond, Chair, TAFE Commission Board, indicated to the Committee that the Federal Government is looking at streamlining the visa process for international students and that 'vocational education and training school arrangements will be part of that arrangement in future.'¹¹⁷

¹¹⁴ Felicity Taylor-Edwards, Executive Officer, Regional Development Australia Orana, Transcript of evidence, 29 July 2013, p 8; Submission 31, Regional Development Australia Orana, p 8

¹¹⁵ Submission 21, Migration Institute of Australia, p 6

¹¹⁶ Mr Stuart Ayres, Member for Penrith; Ms Angela Chan, Transcript of evidence, 19 August 2013, p 8

¹¹⁷ Ms Margy Osmond, Chair, TAFE Commission Board, Transcript of evidence, 9 October 2013, p 57

Holiday visas

- 3.41 There was considerable support amongst witnesses for a review and potentially expansion of the conditions of working holiday visas.
- 3.42 Griffith City Council emphasised the importance of working holiday visa holders to its agricultural and processing industries:
- A large proportion of our international migration workforce is transient (holiday or working visa/backpacker market) who traditionally use our area as a 6 month stop gap to pick fruit, drive tractors/harvesters, work in food and beverage manufacturing and the like, the unskilled or semi-skilled roles.¹¹⁸
- 3.43 Fletcher International Exports Pty Ltd submitted that agricultural industries in its region relied on working holiday and student visa holders, but that the restrictive nature of these visas meant that employers often had to let workers go to ensure they fulfilled the conditions of their visas when there was continuing work which they could undertake. The submission described this fact as:
- ... a constant source of frustration from the employer's perspective and must be addressed by the Federal government if we are to make better use of skilled migrant workers in regional centres especially.¹¹⁹
- 3.44 The predicament faced by the agricultural sector in relation to workers on holiday visas was detailed by Cr Bill McAnally, Chair, Orana Regional Organisation Councils:
- Cr McANALLY:** I will just start on the semi-skilled level...all those employees' jobs on farms...have been taken up by backpackers. They are on a three-month turnaround...We cannot source those semi-skilled people out into our areas. The competition from the mines is too great and they go to them. The more skilled people go to the mines. The agricultural sector is left with the backpackers...nearly 90 per cent of the farming out here during harvest or cotton picking...is run by backpackers from overseas.
- CHAIR:** And that is a problem because they can only work—
- Cr McANALLY:** They can only work three months, and some do not even work that ... and it becomes fairly hard to maintain a business when you are relying on backpackers for the major share of your workforce. People may look at an area and say that they could do with more doctors or engineers and all that, I mean that is fine, but you need the people on the ground to do the jobs, the manual labour jobs, otherwise you cannot actually run a business out here in agriculture.¹²⁰
- 3.45 Tourism Accommodation Australia also supported a review of conditions attached to working holiday visas amongst other things. In evidence to the Committee at its second Sydney public hearing Ms Carol Giuseppi, NSW Director said:

¹¹⁸ Submission 13, Griffith City Council, p 2

¹¹⁹ Submission 20, Fletcher International Exports Pty Ltd, p 2

¹²⁰ Cr Bill McAnally, Chair, Orana Regional Organisation of Councils, Transcript of evidence, 29 July 2013, p 42

The working holiday makers visa in the tourism industry, to extend that for a second 12 month period like the agricultural communities, we advocate for that and a review of the subclass 457 visas in particular because of the low salaries in the tourism and hospitality sector, a review of the temporary skilled migration income threshold and intra-corporate transfers, allowing more flexibility in terms of that.¹²¹

Job support services

3.46 The Auburn Employment Working Group submitted that the migrants they assist may be assessed as highly skilled, but are often not able to access job support services to assist them in finding employment. Ms Patricia Frost, representing the Working Group, suggested a higher level of assistance be provided and possibly in the form of work experience:

Ms FROST: ... it is a Federal Government responsibility, but when they are initially assessed for the job support services, the fact that they might be highly skilled, when they go through the process of assessment, actually bumps them to a very low level of assistance.

Basically all we can do with them is maybe help them with a resume and give them access to a computer for a period of time until they are eligible, and then they are only eligible for minimum services. I know it is a Federal responsibility but the way they are assessed is definitely putting them in the wrong place.

Mr JAMIE PARKER: In order to see if we could facilitate more highly skilled migrants being able to fill those highly skilled roles, what would you suggest should happen with that classification of person?

Ms FROST: That they were eligible for a high level of assistance.

Mr JAMIE PARKER: What would that high level of assistance involve?

Ms FROST: It could involve paying for training because there is tons available and work experience. Work experience is incredibly successful for people who have come to Australia and do not have Australian work experience. It is one of the biggest reasons they are told why they are not successful in the attempts to get a job. Any number of programs can be purchased on their behalf to be able to get them through that threshold.

Even if at first it is not straight into the job at the level they were at, it might be a pathway towards that.¹²²

COMMITTEE COMMENT

3.47 The inquiry received widespread support for skilled migration, especially as a short term solution within a comprehensive package of measures to address skill shortages, across regions and stakeholders. Indeed, the Committee notes this support, albeit with qualifications, from both employer and employee advocates.

¹²¹ Ms Carol Giuseppi, NSW Director, Tourism Accommodation Australia, Transcript of evidence, 9 October 2013, p 13

¹²² Mr Jamie Parker, Member for Balmain; Ms Patricia Frost, Chief Executive Officer, Inner West Skills Centre, Auburn Employment Working Group, Transcript of evidence, 19 August 2013, p 81

FINDING 2

The Committee finds that skilled migration and the opportunity to recruit skilled workers from outside Australia has support across regions and stakeholders, and is an essential element of any comprehensive package of measures designed to address skill shortages.

- 3.48 The Committee draws attention to evidence of the frustration of stakeholders with such aspects of the migration system as the timeliness of decisions, and lack of flexibility in the requirements for working holiday visas.
- 3.49 The various agencies charged with administering the migration system at the national, state and regional level have relatively well-defined roles. The Committee appreciates that there is a high level of commitment to operating a system of considerable complexity and cooperation between the various agencies, notwithstanding the need for more integrated data gathering and information sharing outlined in the previous chapter.
- 3.50 The Committee believes that there is both an enthusiasm and capacity for an expanded role for the RDA network in managing the regional and sub-regional facets of the migration system. Subject to review, the Committee believes that an expanded role for the RDA network has the potential to improve both the timeliness and responsiveness of some of the aspects of the system which were criticised by witnesses. This comment is not to criticise the federal and state agencies, but to provide direction on where reforms might be effective.
- 3.51 The Committee also endorses the suggestions for more flexible working holiday and student visa arrangements given the capacity of these visa holders to support the agricultural and tourism industries in particular.
- 3.52 The Committee considers the suggestions for a work experience program for skilled migrants, and for an international apprenticeship scheme, as economically sensible and practical solutions to the problems they address.
- 3.53 The Committee further endorses the proposed expansion of the skills list to provide additional opportunities to respond to the needs of the agriculture industry and other regional industries.
- 3.54 The Committee notes evidence calling for greater cultural support for migrants and better promotion of regional NSW. These subjects are dealt with in later chapters of this report.

RECOMMENDATION 3

The Committee recommends that the NSW Government recommend to the Commonwealth Government changes to the migration system which ensure decisions on the granting of visas are more timely and better service the needs of employers when the local demand cannot be met.

RECOMMENDATION 4

The Committee recommends that the NSW Government recommend to the Commonwealth Government that the Regional Development Australia network

implement measures which increase liaison and information sharing between regions with a view to better matching job vacancies and workers.

RECOMMENDATION 5

The Committee recommends that the NSW Government recommend to the Commonwealth Government that it review the role and responsibilities of the Regional Development Australia network to enhance and streamline the migration system. The Committee found that Regional Development Australia needs to be more regionally and sub-regionally responsive. The skills list should include semi-skilled level 4 work with application to the agriculture and hospitality industries amongst others.

RECOMMENDATION 6

The Committee recommends that the NSW Government recommend to the Commonwealth Government that it change working holiday and student visas to allow for the granting of visas for periods which reflect the needs of employers, especially in agriculture and tourism, for workers who can serve for entire harvesting, picking and holiday seasons without interruption.

RECOMMENDATION 7

The Committee recommends that the NSW Government recommend to the Commonwealth Government the introduction of an organised work experience and workplace advice program for skilled migrants as a stepping stone to finding full employment.

RECOMMENDATION 8

The Committee recommends that the NSW Government implement an international apprenticeship scheme as an additional education marketing opportunity.

Chapter Four – School education and vocational training

One observation I would like to make as a major theme, we spend a lot of time thinking about how we can get people to live in rural Australia who do not want to live there and we spend very little time thinking about how we keep younger people in rural communities to provide the skills for the future.¹²³

INTRODUCTION

- 4.1 This chapter examines how skill shortages are being addressed through school education and vocational training, and the evidence received by the Committee regarding current practices and outcomes, and proposals for change.
- 4.2 In particular the chapter considers the evidence regarding the reported lack of work readiness of school leavers, the importance of regionally-based training, and the role of TAFE and the tertiary sector. Employment-based training is discussed in the next chapter.
- 4.3 The chapter concludes that changes can be made to the subjects studied by school leavers, carefully designed and delivered education and training programs can assist in addressing skill shortages, especially in regional areas, and that improvements can be made to vocational training and tertiary entrance requirements.

SCHOOL LEAVERS AND WORK READINESS

- 4.4 A number of submissions and witnesses to the Committee commented adversely on the work readiness of school leavers. Common elements to this evidence included suggestions that the literacy and numeracy skills of school leavers did not meet employers' expectations, that school leavers showed limited understanding of the requirements of the workplace generally, and particularly in customer service. Some employers reported that they were providing new staff with additional training in basic skills.
- 4.5 The issue of whether school leavers are work ready when they leave secondary school was an important issue for the NSW Business Chamber. The Chamber expressed the view 'that the secondary school system was still largely based around university entrance requirements, despite the fact that around three out of four students do not actually go onto university.'¹²⁴
- 4.6 Mr Nick Minto, the Chamber's Senior Policy Adviser expanded on the Chamber's position to the Committee:

... we want to avoid situations where the vocational education system has to address what may be failures of the secondary school system. We have listed a range of

¹²³ Mr Mark Burdack, Director Corporate Affairs and University Secretary, Charles Sturt University, Transcript of evidence, 19 August 2013, p 53

¹²⁴ Mr Nicholas Minto, Senior Policy Advisor, NSW Business Chamber, Transcript of evidence, 9 October 2013, p 25

measures there whereby we feel there could be improvements made to the secondary school system to broaden options around vocational training, to look at the adequacy of career advice in schools, which we feel is still a major issue, looking at things like literacy and numeracy and minimum standards, and a range of other issues.¹²⁵

4.7 Mr Minto went on to speak about the importance of careers advice in schools as a way of preparing school leavers for work, and that in his view, connection with industry was a crucial attribute to successful careers advising.¹²⁶

4.8 Mr Klinkers of the Australian Apprenticeships Centre endorsed secondary schools as the place where you educate people in workplace expectations and employability skills, rather than just technical skills which people will learn on the job.

It (Years 10, 11 and 12) is more about expectations, what is a workplace like and how does that work.¹²⁷

4.9 The Australian Hotels Association (AHA) reported that employers in the hotel industry advise that young people are not work ready when they leave school, commenting that their written skills, attention to detail and accuracy are lacking.¹²⁸

While those observations may well be a damning reflection on the education system, it is one faced on a daily basis, even with those in less skilled tasks such as bar attendants and it leads to additional training in even the most basic skills which are required before recruits become a useful addition in the workforce.¹²⁹

4.10 Mr Dene Zahner representing the AHA told the Committee that attitude and customer service skills are important considerations when he is recruiting hotel staff, even at the most junior levels pitched at school leavers.¹³⁰

4.11 Fletcher International Exports Pty Ltd stated in their submission:

It would seem that we have lost the ability in this country to adequately prepare school leavers for a lifetime of useful employment. Many of the old skills are being lost, with too much emphasis upon theoretical rather than practical skills.¹³¹

4.12 Mr Roger Fletcher, Managing Director of Fletcher International Exports Pty Ltd, told the Committee:

I believe a significant component missing from current apprentice training is earlier exposure to the work environment. There is little point in undertaking an

¹²⁵ Mr Nicholas Minto, Senior Policy Advisor, NSW Business Chamber, Transcript of evidence, 9 October 2013, p 25

¹²⁶ Mr Nicholas Minto, Senior Policy Advisor, NSW Business Chamber, Transcript of evidence, 9 October 2013, p 26

¹²⁷ Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeships Centre, Transcript of evidence, 16 September 2013, p 33

¹²⁸ Submission 9, Australian Hotels Association, p 2

¹²⁹ Submission 9, Australian Hotels Association, p 2

¹³⁰ Mr Dene Zahner, General Manager, Novotel Coffs Harbour Pacific Bay Resort, Australian Hotels Association, Transcript of evidence, 16 September 2013, p52

¹³¹ Submission20, Fletcher International Exports Pty Ltd, p 1

apprenticeship unless, upon completion of the training, the student has a clear understanding of what the job really involves.¹³²

4.13 Ms Jane Holdsworth from Cessnock City Council told the Committee that customer service was a critical attribute for job applicants in the local hospitality industry, but which was missing in many school leavers.¹³³

4.14 Ms Holdsworth commented:

Every child should have a customer service course because it does not matter which industry you work in, you need customer service skills.¹³⁴

4.15 The Committee received some evidence regarding programs being offered to help make school leavers work ready. In addition to the *Get Real* program¹³⁵ operating in the Dubbo region, the Committee heard evidence from Mr John Roydhouse, Executive Officer of the Institute of Public Works Engineering Australia (IPWEA) regarding its *Build a Bridge* program.¹³⁶ The program, offered by IPWEA in conjunction with Riverina councils and the Riverina Institute of TAFE, is designed to expose secondary students to civil engineering and construction in a practical and challenging way. As described below, Mr Roydhouse was able to report to the Committee of considerable success in promoting the engineering field to students.

Case Study: Build A Bridge

The Build A Bridge program is a 3 day camp run by the Riverina Eastern Regional Organisation of Councils (REROC) in partnership with The Compact. The camp is aimed at encouraging students in years 10 to 12 to consider a career in civil engineering.

Engineers from REROC mentor the students and the Riverina Institute of TAFE provide the course content and a facilitator.

The students participate in hands-on activities to experience the work of a civil engineer. The students are tasked with designing a small bridge, building a model and preparing a budget for it. A full scale version of the winning design is then built by the students with the students who designed the winning bridge acting as project managers and the rest of the students are the builders.

On the final day, students walk across the finished bridge to receive their certificates of participation in front of family and friends.

¹³² Submission20, Fletcher International Exports Pty Ltd, p 1

¹³³ Ms Jane Holdsworth, Economic Development Manager, Cessnock Shire Council, Transcript of evidence, 9 October, p 8

¹³⁴ Ms Jane Holdsworth, Economic Development Manager, Cessnock Shire Council, Transcript of evidence, 9 October, p 8

¹³⁵ Mr Roger Fletcher, Principal, Fletcher International Exports Pty Ltd, Transcript of evidence, 29 July 2013, p 33

¹³⁶ Mr John Roydhouse, Chief Executive Officer, Institute of Public Works Engineering Australasia, Transcript of evidence, 9 October 2013, p 44

Numeracy skills

- 4.16 As discussed above, the Committee heard from a number of witnesses who submitted that the numeracy skills of school leavers did not meet their expectations. Several witnesses, notably those representing industry, employer or professional groups, emphasised numeracy as an area worthy of the Committee's closest consideration.
- 4.17 The NSW Minerals Council informed the Committee about a maths-in-trade program they support in the Hunter Valley due to the low level of numeracy skills their members observe in school leavers:
- ... the level of maths that we are getting for students that are coming out, they cannot even start an apprenticeship with ... yet we get accused of not taking on local apprentices.
- We sponsored the *F1 in Schools* program recently so that children are designing mini F1 cars but that is all about engineering and maths. We are trying to get them excited about engineering and maths.¹³⁷
- 4.18 The Australian Industry Group (AIG) told the Committee that what it sees as a 'lack of focus' in the teaching of science, technology, engineering and mathematics in secondary schools is affecting the industries that they represent.¹³⁸ In their submission AIG argued that raising the school leaving age meant that students who become disengaged from academically-oriented study need alternative models to engage them in learning in these important subject areas. Expanding on this point, Ms Gail Silman, Education and Training Officer for AIG said:
- We talked about ... the decline in science and maths engagement for year 11 and 12 because you do not have to do maths in year 11 and 12 and yet numeracy skills are going to be important for everybody in the future. I think you can do that through some sort of a vocational education and training in schools program that takes in maths in real life, for example, carpentry and joinery through engineering and a whole range of different areas, where it is applied mathematics. We need to build the skills there.¹³⁹
- 4.19 Mr Mark Goodsell, NSW Director of AIG spoke about his organisation's participation in the maths-in-trade program in the Hunter Valley, mentioned above. He described how his members recognised the importance of the school-to-work interface and the need to prepare school leavers for work by giving them practical skills with relevance to solving real life problems.

¹³⁷ Mr Andrew McMahon, Director, People and Skills, NSW Minerals Council, Transcript of evidence, 9 October 2013, p 37

¹³⁸ Mr Mark Goodsell, Director NSW and Acting Director QLD, Australian Industry Group, Transcript of evidence, 19 August 2013, p 33

¹³⁹ Ms Gail Silman, Senior Policy Advisor, Education and Training Officer, Australian Industry Group, Transcript of evidence, 19 August 2013, pp 40-41

... the teaching of maths appears to be a problem that has been around for a while. We all learn maths at school and wonder what the hell it has got to do with the rest of our lives.¹⁴⁰

4.20 In explaining the background to the *Build a Bridge* program, described above, Mr John Roydhouse of IPWEA stressed its role in engaging students with maths and science. He saw such programs as viable models for bringing school students back to maths and science study.¹⁴¹

4.21 Mr Roydhouse backed up his evidence by describing the experiences of members of IPWEA employed by councils and tertiary training institutions who found themselves needing to provide remedial training in mathematics to secondary school graduates.¹⁴² Mr Roydhouse went so far as to say that finding the skilled people to tackle a national priority like the public infrastructure backlog was an issue.¹⁴³

4.22 The Committee noted that the witnesses representing the NSW education and training sector acknowledged that industry and professional stakeholders were concerned at the skill levels of school leavers. In response to a question from the Chair, Mr David Collins, General Manager State Training Services said:

It is feedback that we get. I do not think that it is universal. I think that we do find looking at apprenticeships and traineeships for example, there is a mix of people going into those areas. It is not an uncommon response from employers that people do not have the level of English and maths. Some of the more technical areas, that the maths expectations are pretty challenging; then it does seem that students coming out of school may not have that.¹⁴⁴

4.23 The Committee noted a recent study conducted by Sydney University which found that 'participation rates show small declines in the various maths/science combinations possible, however overall these small declines contribute to a substantial decline in the proportion of students undertaking at least one maths and one science subject'.¹⁴⁵

In 2001 some 19.7% of boys and 16.8% of girls studied a math/science combination in the HSC, however by 2011 only 18.6% of boys and 13.8% of girls studied

¹⁴⁰ Mr Mark Goodsell, Director NSW and Acting Director QLD, Australian Industry Group, Transcript of evidence, 19 August 2013, p 41

¹⁴¹ Mr John Roydhouse, Chief Executive Officer, Institute of Public Works Engineering Australasia, Transcript of evidence, 9 October 2013, p 49

¹⁴² Mr John Roydhouse, Chief Executive Officer, Institute of Public Works Engineering Australasia, Transcript of evidence, 9 October 2013, p 50

¹⁴³ Mr John Roydhouse, Chief Executive Officer, Institute of Public Works Engineering Australasia, Transcript of evidence, 9 October 2013, p 52

¹⁴⁴ Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 64

¹⁴⁵ Rachel Wilson; John Mack; Barry Walsh, *Stagnation, decline and gender disparity in participation in NSW HSC mathematics and science combinations*, Proceedings of the Australian Conference on Science and Mathematics Education, Australian National University, September 19 – 21 2013, p 199.

<http://ojs-prod.library.usyd.edu.au/index.php/IISME/article/view/7043/7593>

maths/science. This is equivalent to more than 1,000 fewer students studying maths and science in 2011 than in 2001.¹⁴⁶

- 4.24 The Committee noted that the study went on to recommend that government policy should reinstate the previously longstanding requirement (which was removed when the new Higher School Certificate was introduced in 2001) that at least one mathematics or science subject be compulsory for students.
- 4.25 A survey released by the Mathematical Association of NSW in February 2014 reported that while the number of students completing the highest levels of mathematics had changed little since the introduction of the Higher School Certificate in 2001, the numbers completing 'middle' level mathematics had fallen by 18% since 2001.¹⁴⁷
- 4.26 The Australian Workforce and Productivity Agency advised the Committee that Australian Bureau of Statistics data show that persons aged 25 to 64 holding a qualification are nearly 20 per cent more likely to be in the labour force than those without qualifications. The Agency submitted that building language, literacy and numeracy skills will be critical to expanding labour force participation and transitioning lower skilled workers to jobs requiring higher level skills.¹⁴⁸

THE IMPORTANCE OF REGIONAL TRAINING

- 4.27 A number of submissions received by the Committee stressed the importance of regionally-based training as a way of addressing skill shortages. This evidence argued that when people train in a region they are more likely to seek work in that region, or are more likely to consider working outside metropolitan areas. The evidence suggested that the lack of local training facilities in an area of skill shortage forces trainees to leave the region to train, and that continuing skill shortages is evidence that those trainees do not return to their home regions once qualified to seek work in their fields.
- 4.28 Charles Sturt University submitted:
- A study undertaken in 2009 using Census data found that while 98 per cent of the metropolitan residents in 2001 who were enrolled in higher education in 2006 were still living in metropolitan locations, only 69 per cent of rural and regional residents in 2001 who were enrolled in higher education in 2006 were still in rural and regional locations.

¹⁴⁶ Rachel Wilson; John Mack; Barry Walsh, *Stagnation, decline and gender disparity in participation in NSW HSC mathematics and science combinations*, Proceedings of the Australian Conference on Science and Mathematics Education, Australian National University, September 19 – 21 2013, p 199.

<http://ojs-prod.library.usyd.edu.au/index.php/IISME/article/view/7043/7593>

¹⁴⁷ Mathematical Association of New South Wales, *Media release: Mathematics Education in NSW: A Level Playing Field for All?*, 13 February 2014, citing data published by the New South Wales Board of Studies.

http://www.mansw.nsw.edu.au/Portals/mansw/14%20Other/MANSW_2013_Survey_Report_FINAL_Feb13.pdf

¹⁴⁸ Submission 7, Australian Workforce and Productivity Agency, p2

A key finding of the research was that rural and regional students are significantly more likely to leave a rural or regional area to study in a major city where the course they wish to study is not available locally at a regional university.¹⁴⁹

- 4.29 In its evidence to the Committee, the Australian Medical Association commented on its experience of programs to establish medical training facilities in regional areas. Referring to rural training programs which had been in place for some years the Association said:

We are just starting to see some people who spent time in rural clinical schools now becoming general practitioners and specialists and moving back to rural areas.¹⁵⁰

- 4.30 The Association described rural settlement by doctors as a long term aim of rural training programs.

- 4.31 RDA Mid North Coast gave examples of skill shortages in which the lack of local training facilities forced trainees to leave the region:

Ms KEW: Another area that has quite a shortage and this is also relating to aged care and teeth dental assistants, technicians and prosthesists. There's nowhere on the mid north coast where these people can go and train. They have to go to Sydney to train.

CHAIR: And they are not coming back?

Ms KEW: They are not coming back unfortunately. There is no local course. I understand that Charles Sturt University commences a dental course in 2015 or there are plans underway for that but at the lower level, the advanced diploma or diploma level of a dental assistant or technician, there is no undertaking at this point in time and that is having an impact.¹⁵¹

- 4.32 Mr Sandy Morrison, Chair of RDA Central West extolled the social benefits of regional training:

If you train them in the country, you train them in the environment they want to work in or we need them to work in, they will meet people who are anchored there and they will remain.¹⁵²

- 4.33 In its submission Southern Cross University highlighted a study conducted by the Regional Universities Network which looked at the economic contribution of member universities in their local regions:

Part of the study examined the universities' contributions to their local region from a human capital perspective, through analysis of the Graduate Careers Survey undertaken by the Graduate Careers Council. For SCU, 66% of our Bachelor level graduates employed four months after graduation, were employed in a regional

¹⁴⁹ Submission 43, Charles Sturt University, p 18

¹⁵⁰ Professor Brad Frankum, Board Member, Australian Medical Association, Transcript of evidence, 19 August 2013, p 75

¹⁵¹ Mr David Elliot MP, Member for Baulkham Hills; Ms Jennifer Kew, Operations Manager, Regional Development Australia Mid North Coast, Transcript of evidence, 16 September 2013, p 37

¹⁵² Mr Sandy Morrison, Chair, Regional Development Australia Central West, Transcript of evidence, 29 July 2013, p 60

location: 58% either in the SCU footprint or regional NSW; 6% in regional Queensland and 2% in a regional location in another state. Indeed, all the RUN universities had similarly high 'study in the bush – stay in the bush- profiles.¹⁵³

- 4.34 Access to regional TAFE training for apprentices was raised by witnesses at both the Dubbo and Coffs Harbour public hearings. The Committee noted the high level of consensus in the evidence it received regarding the value and quality of TAFE training services. Several witnesses were concerned, however, that the consolidation of some TAFE courses in regional centres made it difficult for potential students to accept apprenticeships for which their training involved overnight travel and accommodation.
- 4.35 Parkes Shire Council gave evidence that training in welding, a skill in demand in Parkes from the mining industry, required apprentices to travel to Orange.¹⁵⁴
- 4.36 The Committee also heard that electrical apprentices in Coffs Harbour travelled to Grafton for their training which caused difficulties for both the students, and their employers who needed to arrange for their staff to be absent for extended periods.¹⁵⁵ The situation for refrigeration apprentices was even more difficult as the course was offered in Sydney, and potential apprentices were lost to Sydney-based employers as a result.¹⁵⁶
- 4.37 Ms Margy Osmond, Chair of the TAFE Commission Board commented that during their consultation process for the *Smart and Skilled* reforms to the NSW Vocational Education and Training System, the importance of providing training in regional areas was apparent:

When we talked to the service industry people during this process, one of the really important points they made was you cannot train people in Sydney and expect that they are going to work and live in Orange or further west or further north. You have got to grow locally. It has to be organically grown. People have to be able to gather those skills locally, which is part of what we see as a critical future for the TAFE network across the State, making sure that those skills are grown, invested and developed locally for those communities.¹⁵⁷

TRADE TRAINING AND APPRENTICESHIPS

- 4.38 In addition to the evidence addressing the work readiness of school leavers, the Committee considered many submissions addressing the issue of post-secondary school trade training and apprenticeships. This evidence covered a wide range of issues ranging from how trade training is offered and organised, the costs to employers and the wages received by apprenticeships and whether different incentives should be considered, to whether trade training as an option suffered from a culture which viewed non-academic study pathways as inferior.

¹⁵³ Submission 34, Southern Cross University, p 2

¹⁵⁴ Cr Robert Haddin, Councillor, Parkes Shire Council, Transcript of evidence, 29 July 2013, p 56

¹⁵⁵ Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeships Centre, Transcript of evidence, 16 September 2013, p 35

¹⁵⁶ Ms Adrienne Smith, Co-Founder, Director and Business Co-ordinator, Mid Coast Trucks, Transcript of evidence, 16 September 2013, p 79

¹⁵⁷ Ms Margy Osmond, Chair, TAFE Commission Board, Transcript of evidence, 9 October 2013, p 58

- 4.39 The City of Sydney suggested in its submission that trade training was not as valued a pathway to economic prosperity as was academic training, and nominated low apprentice wages as another disincentive.¹⁵⁸
- 4.40 Tourism Accommodation Australia advised that its members were concerned that vocational training is the 'poor cousin' to academic study.¹⁵⁹
- 4.41 Conversely, Ms Felicity Taylor-Edwards from RDA Orana commented:
- ... I would have to suggest that there is a shift in the younger people themselves in believing that a trade qualification will not only now be viable economically but it will also equip them far better in the longer term.¹⁶⁰
- 4.42 Mr Gerard Klinkers of the Australian Apprenticeships Centre told the Committee that the role of his government-funded organisation was to promote apprenticeships to secondary school students.¹⁶¹
- 4.43 On the other hand, Cr Robert Haddin from Parkes Shire Council told the Committee that 30% of the skill shortages in the Central West could be attributed to declining government support for apprenticeships. Cr Haddin proposed that the government pay apprentices a student allowance to supplement their low wages which he argued were insufficient to cover the costs which apprentices in his region were forced to incur to attend TAFE training away from their home towns.¹⁶²
- 4.44 Addressing the Committee in Coffs Harbour, Mr Paul Trotman highlighted the cost to employers as one of the areas governments could look at to assist businesses to take on apprentices and offset the cost of the lack of productivity from trainee employees.¹⁶³

Competency-based training

- 4.45 Unions NSW addressed the question of cost by considering better approaches to the time taken to train apprentices. They proposed that one way of encouraging young people to take on apprenticeships and traineeships was to look at a competency-based training model.

A competency-based approach to apprenticeships and traineeships is already supported and encouraged by the *NSW Apprenticeship and Traineeship Act (2001)* although at present only a small percentage of students complete their training early. Apprenticeships and traineeship employment provisions in industrial awards and agreements do not provide for competency-based progression. Unions NSW believes that increasing the number of competency-based apprenticeships can assist

¹⁵⁸ Submission 11, City of Sydney, p 3

¹⁵⁹ Ms Carol Giuseppi, NSW Director, Tourism Accommodation Australia, Transcript of evidence, 9 October 2013, p 13

¹⁶⁰ Felicity Taylor-Edwards, Economic Officer, Regional Development Australia Orana, 29 July 2013, p 6

¹⁶¹ Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeships Centre, Transcript of evidence, 16 September 2013, p 27

¹⁶² Cr Robert Haddin, Parkes Shire Council, Transcript of evidence, 29 July 2013, p 55

¹⁶³ Mr Paul Trotman, Manufacturing Manager, W E Smith Engineering Pty Ltd, Transcript of evidence, 16 September 2013, p 17

in bypassing the traditional training time frames that prevent skill shortages from being filled.¹⁶⁴

4.46 Mr Chris Christodoulou for Unions NSW elaborated in his evidence before the Committee:

Whether simply having a time-based system on apprenticeships and traineeships is necessarily the best way of judging whether a person is competent; some people can excel much earlier depending upon their experience, their exposure to work ... Therefore it may well be that we need to think differently, for example instead of having a three or four year apprenticeship, it might be two years.

We are thinking it should be based on people's competencies and ability to do the job, but we have to be very careful when you look at that that we are not undermining the quality outcomes that you expect of a fully trained person.¹⁶⁵

4.47 Competency-based training was also supported by the Australian Industry Group:

Ms SILMAN: We have a project with the Federal Government currently on competency-based progression and completion; so yes, we are supportive of competency-based training. The *Federal Metal Industry Award* has competency-based progression and completion as part of the award for apprentices ...

Mr JAMIE PARKER: What does that mean in practice? What is the difference in the metal award you are talking about that an apprentice could see in the amount of time served under competency as opposed to other traditional kinds of time served processes?

Ms SILMAN: It would mean that as you progress through with the agreement of your employer, so we have got the registered training organisation, TAFE for example, has a course of study that they will deliver units of competency, there is a log book that the employer gets and the employer ticks off those competencies along the way in consultation with the registered training organisation and the apprentice.¹⁶⁶

4.48 Mr Mark Goodsell added:

There are some teething problems but we have supported it for quite a while because we realised very early on that there was a market problem with traditional apprentices amongst the generation that are going into them now. Particularly a lot of them stay on another two years at high school, so they are starting two years later. So the enthusiasm for a four year sentence is even less when you are 17 or 18 years of age than it was when you were 15 or 16 years of age.¹⁶⁷

4.49 Mr Gerard Klinkers expressed some reservations about competency-based accreditation in response to the Committee's questioning:

JAMIE PARKER: Is your concern that the signing off of the competency is incorrect and they are in fact not competent or is the issue that even though they have

¹⁶⁴ Submission 40, Unions NSW, p 8

¹⁶⁵ Mr Chris Christodoulou, Assistant Secretary, Unions NSW, Transcript of evidence, 19 August 2013, p 17

¹⁶⁶ Mr Jamie Parker MP, Member for Balmain; Ms Gail Silman, Senior Policy Advisor, Education and Training Officer, Australian Industry Group, Transcript of evidence, 19 August 2013, pp 38-39

¹⁶⁷ Mr Mark Goodsell, Director NSW and Acting Director QLD, Australian Industry Group, Transcript of evidence, 19 August 2013, p 40

mastered the competency, they do not have the experience to give employers the confidence?

Mr KLINKERS: Competency and certificate; that may be two different things. It is always individual I think and it always depends on the workplace they are in. An apprentice cook can be in a small cafe doing their qualification or can be in a resort or a specialist restaurant at the high end. There are different levels of the same qualification really and the same experience. My issue is that having a theory certificate does not mean they are skilled.¹⁶⁸

- 4.50 The NSW Business Chamber raised for discussion the introduction of incentive schemes for both employers and apprentices as options for addressing completion rates for apprentices:

That also quite clearly showed how significant the incentive scheme was in terms of ensuring that there is employer engagement there. Employing an apprentice is a price sensitive exercise and any increases to the costs of apprenticeships will generally result in a lack of engagement from employers. That was clearly reflected in terms of the removal of those incentives and then the decline and lack of engagement from employers. Incentives is one area.

...

I guess perhaps some incentives for apprentices to stay on would work. Obviously the reasons for not completing are quite complex, so it may not get around some of those other issues. What we do find through the research as well is that those apprentices that do complete do recognise there is a wage premium at the end and the low wages in the beginning are an investment in their training and all the rest of it.¹⁶⁹

- 4.51 Mr David Collins from State Training Services noted that New South Wales is largely reliant upon small business to drive apprenticeships, and that this has implications for both the employers and the apprentices:

... the majority of apprentices in New South Wales are with companies with less than 15 staff. Over 50 per cent are with very small employers. Only 20 per cent of apprentices are employed with a company of 50 staff or more, so we are relying on small business to drive this.

...

It has been a big change since the days when we had the apprentice nurseries in government and in some of the other major employers. We are relying on small employers and there is a real challenge for those employers. There is also a real challenge for the apprentices. The majority of apprentices are probably in an environment where there are a couple of other people employed; there is not that sort of mentor arrangement. There is not the sort of support that there might be

¹⁶⁸ Mr Jamie Parker MP, Member for Balmain; Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeships Centre, Transcript of evidence, 16 September 2013, p 29

¹⁶⁹ Mr Nicholas Minto, Senior Policy Advisor, NSW Business Chamber, Transcript of evidence, 9 October 2013, pp 27

where you have got a cohort and it is a real struggle for them too, to actually undertake and complete that training.¹⁷⁰

IMPROVING VOCATIONAL TRAINING

- 4.52 The Committee received many suggestions for improving vocational training. These suggestions ranged from proposals for offering courses in different ways, closer cooperation with industry on course content, design and delivery, to better articulation between courses and the recognition of prior learning for academic entry. As described above, there was a high level of satisfaction expressed by witnesses for the value and quality of the existing vocational training providers, and especially for TAFE NSW.

Clearer pathways between school, training and work

- 4.53 There was a strong theme amongst submissions that training could be improved and better outcomes achieved through more seamless arrangements between the several training levels ie secondary schools, TAFE and other vocational training centres, and the university sector. Witnesses argued that clearer pathways to training and career goals could be provided where there was less distinction between training providers and more emphasis on training where and when students were ready.

- 4.54 Charles Sturt University submitted that it offered a model of clearer pathways for students, and particularly regional students:

Charles Sturt University has also established extensive networks with TAFEs across NSW to facilitate improved access to its programs for rural and regional students. Under these arrangements, students can commence a Diploma at a TAFE close to their home location and then gain credit towards a complementary Charles Sturt University degree which in many cases can be completed in that home location via online and distance learning. For many rural students, this means that they have the possibility of completing a University degree without leaving their community (increasing access and reducing financial barriers to study). As a result of this initiative, more than 30 per cent of Charles Sturt University's students now commence on the basis of a TAFE experience. This allows Charles Sturt University to address skill needs in smaller rural and remote communities, while also addressing the geographic and financial barriers rural and regional students experience if required to relocate to study.¹⁷¹

- 4.55 In respect of the hospitality industry, the Migration Institute of Australia commended the training provided to hospitality workers in Europe, commenting that in Europe hospitality is considered a career which they start in high school and is then pursued flexibly through employment and post-school training. The benefits of such an approach was recommended:

... because they start in high school, it is better. They start in the vocational way and I think that this is what we have got to be looking at in New South Wales and in our education system. When you and I were all at school everyone said, what do you

¹⁷⁰ Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 65

¹⁷¹ Submission 43, Charles Sturt University, p 11

want to be when you grow up? I want to be this; I want to be that. So you just were shepherded into a course.

I think you have got a better chance of getting kids who are more committed and have a better knowledge of what they really want to do in life and develop their skills if you start in the high school area.¹⁷²

- 4.56 Witnesses representing the accommodation and tourism industries who addressed the Committee in Coffs Harbour strongly endorsed this approach.¹⁷³
- 4.57 Cr Martin Rush, Mayor of Muswellbrook commented on the benefits of providing clearer pathways for students through training into careers and leavers into industry, citing his council's work with the mining industry to establish a centre for excellence in mining industry training.¹⁷⁴ Cr Rush advised how his council was even providing local accommodation for students to facilitate the training process.
- 4.58 Mr McMahon from the NSW Mineral Councils supported the idea of collaborating with councils and trainers to provide clearer pathways for students, using the Muswellbrook proposal as an example to be explored further.
- ... we see that as a missing gap between school and tertiary and the vocational education training sector as something we might be able to explore about these mining academies. We are starting to think maybe a bit more virtual academy rather than bricks and mortar ...¹⁷⁵
- 4.59 Ms Margy Osmond, Chair of the TAFE Commission Board acknowledged that this collaboration between community stakeholders, trainers and industry offered students effective local options for pursuing qualifications.¹⁷⁶

Smart and Skilled

- 4.60 *Smart and Skilled* is the name given by the NSW Government to its reform of vocational education and training.
- 4.61 Under this reform, from 1 January 2015 eligible individuals will be able to choose government subsidised training for select foundation courses and qualifications up to and including Certificate III from TAFE NSW or an approved private or community training organisation.
- 4.62 A skills list will determine which courses receive government subsidy. The skills list will be reviewed annually by the NSW Skills Board. The 2014 NSW Skills List was released in December 2013 containing over 700 qualifications.¹⁷⁷

¹⁷² Ms Angela Chan, National President and NSW and ACT President, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 3

¹⁷³ Mr Dene Zahner, General Manager, Novotel Coffs Harbour Pacific Bay Resort; Ms Paige Sinclair, General Manager, Dolphin Marine Magic, Australian Hotels Association, Transcript of evidence, 16 September 2013, p 58

¹⁷⁴ Cr Martin Rush, Mayor, Muswellbrook Shire Council, Transcript of evidence, 9 October 2013, p 2

¹⁷⁵ Mr Andrew McMahon, Director, People and Skills, NSW Minerals Council, Transcript of evidence, 9 October 2013, p 38

¹⁷⁶ Ms Margy Osmond, Chair, TAFE Commission Board, Transcript of evidence, 9 October 2013, p 63

¹⁷⁷ NSW Department of Education and Communities, 2014 NSW Skills List fact sheet.

- 4.63 The process undertaken to identify skills in demand for the *Smart and Skilled* scheme was described in previous chapters in the Committee's discussion of skills auditing.¹⁷⁸ In his submission to the Committee, the Hon Adrian Piccoli MP, Minister for Education drew attention to the link between skilled migration policies, and domestic skill formation policies and programs exemplified by *Smart and Skilled*.¹⁷⁹
- 4.64 Some witnesses criticised reduced funding for TAFE,¹⁸⁰ expressed concerns that the skills list be responsive to changing skills demands,¹⁸¹ and highlighted the particular needs of regional communities where, as already discussed, training and career choices are limited.¹⁸² A witness also called for greater communication between TAFE and industry over the development of industry-relevant training.¹⁸³
- 4.65 Overall, however, the evidence before the Committee recognised the central role of TAFE NSW as the leading provider of vocational education and training in NSW, and that crucial to supporting the economic and social priorities of NSW and to meeting the expectations of the community for a skilled workforce, is that TAFE's priority should be to deliver training in areas of skills demand.

RECOGNITION OF PRIOR LEARNING

- 4.66 In addressing questions concerning community attitudes to vocational and academic training pathways, a number of submissions advocated for better articulation between vocational and academic study, and for the recognition of prior learning by universities when assessing applicants for tertiary entry.
- 4.67 Mr John Roydhouse of IPWEA placed the need for changes to academic pathways in the context of the challenge of finding the skilled workforce to overcome the public infrastructure backlog.

... there is more and more demand to build public infrastructure and to maintain public infrastructure, to address that platform it is not just engineers, it is that whole civil construction sector, attracting people into it...and as I say, a uniform pathway into TAFE, having TAFE resourced correctly, particularly in that vocational education and training sector and the transition through so there is a pathway from a TAFE through to a university; so if you could go from a diploma through to a bachelor degree.¹⁸⁴

http://www.training.nsw.gov.au/forms_documents/smartandskilled/skills_list/skills_list_fact_sheet.pdf

¹⁷⁸ See paragraph 2.86. Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 56

¹⁷⁹ Submission 22, The Hon Adrian Piccoli MP, Minister for Education, p 1

¹⁸⁰ Ms Kate Minter, Research Officer, Unions NSW, Transcript of evidence, 19 August 2013, p 15

¹⁸¹ Ms Gail Silman, Senior Policy Advisor, Education and Training Officer, Australian Industry Group, Transcript of evidence, 19 August 2013, p 36

¹⁸² Submission 17, Muswellbrook Shire Council, p 8

¹⁸³ Mr John Roydhouse, Executive Officer, Institute of Public Works Engineering Australia, Transcript of evidence, 9 October 2013, p 48

¹⁸⁴ Mr John Roydhouse, Executive Officer, Institute of Public Works Engineering Australia, Transcript of evidence, 9 October 2013, p 52

- 4.68 Mr Roydhouse also raised the merits of 'sandwich' courses as offering easy transition from vocational training to university for students as well as being effective training methods:

... I go and talk to my more senior members who went through the old sandwich course at the University of Technology in engineering where they were out doing six months work experience, six months in university. They were on the tools doing the job as part of their university training. Anecdotally they are the best qualified engineers.¹⁸⁵

- 4.69 In evidence before the Committee Mr Mark Burdack of Charles Sturt University expanded on the university's model of facilitating training pathways, by advising that most universities recognise prior learning but with varying degrees of success. For Charles Sturt University it is very important:

... TAFE has an extremely thorough network of campuses across New South Wales. They can get into, in effect, places like Lake Cargelligo, West Wyalong, Griffith, and Deniliquin and provide localised solutions for students from those smaller rural communities or larger regional towns that are also service towns for a range of other places.

For us to set up a campus in Griffith or Deniliquin would be one, duplication and two, too expensive. So it is an effective way for us to extend our reach into those communities without having to duplicate anything and also recognising that people are extraordinarily well skilled by TAFE in that process.¹⁸⁶

- 4.70 Southern Cross University in Coffs Harbour shares a campus with the TAFE. Professor David Lynch, Head of Campus discussed the relationship the University has with TAFE in order to offer clear pathways to students who may wish to pursue different qualifications at different stages of their lives. He acknowledged that recognition of prior learning was a subject for further consideration:

I think the second thing is that it has all the foundations for a birth-through-to-university environment in Coffs Harbour because of that relationship.

I think that is the point I want to hone, those synergies that I talk about, particularly first in family to finish Year 12 for a lot of children is a really big achievement. Going to TAFE and doing a diploma is another big achievement for some of these children. Then going onto a degree and our logic is to make that as seamless as possible. So in other words, to ensure that students are not losing credit in that arrangement. But it is not as easy as that.

I would like to say to them they can do a two year diploma and get two year's credit on a degree, but it does not work that way because of the accreditation requirements. That is external to the university so in a sense it requires that students actually have to do more study as opposed to coming straight into that degree.

¹⁸⁵ Mr John Roydhouse, Executive Officer, Institute of Public Works Engineering Australia, Transcript of evidence, 9 October 2013, p 47

¹⁸⁶ Mr Mark Burdack, Director Corporate Affairs and University Secretary, Charles Sturt University, Transcript of evidence, 19 August 2013, p 52

But it works and I think that it would be fair to say that the TAFE College and the university are working on that.¹⁸⁷

- 4.71 In response to questioning from the Chair, Professor Lynch agreed that the traditional pathways to university are changing and that universities must adapt to students entering universities at different ages, and with a variety of training and skills backgrounds, and career aspirations:

... traditionally university is seen as school leavers. That is no longer the reality. We are having people enter a university from a different regime. Those models that we offer to students have got to change. They have got to meet that requirement.¹⁸⁸

- 4.72 Dr Catherine Burrows, from TAFE NSW told the Committee that there over 1,000 agreements with universities for different courses that give advanced standing into university courses:

We have a lot of support from vice chancellors and deans who see it as a savings measure, as well as good for students and with some universities, Charles Sturt University is a very good example, we actually have some joint programs where people articulate. They are starting TAFE, then they do a joint program with Charles Sturt University, then they finish with Charles Sturt University with a diploma and degree.¹⁸⁹

- 4.73 Dr Burrows qualified her evidence, however, by advising that TAFE has received anecdotal evidence of some of these agreements not being honoured:

It is in the hands of the universities really. Ultimately what we have heard anecdotally from some ex-students of ours is that they go expecting the agreement to be honoured and for one reason or another there are times—and it certainly is not every university—when their expectations are not met when they go to enrol at university.

We might have an agreement at a particular level but that is not always honoured. One of the reasons for that I think is that it is not always as simple as it sounds. The sectors are more different in the eyes of the teachers. They think there are more differences than we might think from the TAFE perspective.¹⁹⁰

- 4.74 Mr David Collins, General Manager, State Training Services advised the Committee that the newly formed NSW Skills Board¹⁹¹ will as one of its terms of

¹⁸⁷ Professor David Lynch, Head of Campus, Southern Cross University, Transcript of evidence, 16 September 2013, p 65

¹⁸⁸ Professor David Lynch, Head of Campus, Southern Cross University, Transcript of evidence, 16 September 2013, p 66

¹⁸⁹ Dr Catherine Burrows, General Manager, TAFE Strategy and Finance, TAFE NSW, Transcript of evidence, 9 October 2013, p 62

¹⁹⁰ Dr Catherine Burrows, General Manager, TAFE Strategy and Finance, TAFE NSW, Transcript of evidence, 9 October 2013, p 62

¹⁹¹The NSW Skills Board was established under the *Skills Board Bill 2013*, which received assent on the 27th of November 2013.

https://www.training.nsw.gov.au/vet/major_players/nsw_skills_board.html

reference, examine the need to look at pathways between vocational education and higher education.¹⁹²

COMMITTEE COMMENT

- 4.75 There is consensus amongst witnesses regarding the work readiness of school leavers, and particularly the consistency of the experiences reported by employer and professional groups in the evidence which addresses numeracy skills. The response to this experience has been the active engagement by employer and professional groups in advocacy and school programs to address the perceived deficiencies, which the Committee welcomes.
- 4.76 The Committee notes the willingness of the NSW education and training sector to acknowledge the feedback it receives, and to accept the direct involvement of and work with industry in schools to address employers' needs for appropriately skilled school leavers.
- 4.77 The Committee believes that declining participation rates in mathematics and science studies are a matter for concern.
- 4.78 The Committee acknowledges considerable community debate in recent years concerning educational standards and reflects concerns expressed by witnesses and the wider community that work readiness must be a goal of the secondary school system, especially for students who do not pursue post-secondary academic studies.
- 4.79 The Committee considers that the importance of regionally-based training as a way of addressing skill shortages was supported by the analytical evidence presented by the two regional universities who appeared before it. In the Committee's opinion, this evidence provides a solid foundation to the direct evidence of employers, local councils and other witnesses that students and trainees who leave their homes to train often do not return.

FINDING 3

The Committee finds that regional training is an effective way to retain skilled people in regional areas.

- 4.80 The Committee acknowledges the difficulties experienced by some regional communities in accessing training, and the economic constraints which impact on the provision of training across the state, and is hopeful that the *Smart and Skilled* program can address these concerns.
- 4.81 The Committee notes differing views on whether apprenticeship training is attractive to both employers and young people. In its own deliberations the Committee noted a growing perception that trade training is inferior to academic pathways. Other ways to address this issue are discussed later in this chapter.
- 4.82 The Committee recognises the high level of consensus on the value of competency-based training both as a mechanism for reducing the cost to

¹⁹² Mr David Collins, General Manager, State Training Services, Office of Education, Transcript of evidence, 9 October 2013, p 63

employers and the disincentive to young people who are commencing apprenticeships after an additional two years of schooling. Assuming that competencies are achieved, shorter apprenticeships should also be facilitated by ensuring those commencing apprenticeship training as school leavers achieve a higher level of work readiness, as proposed earlier in this report.

- 4.83 The Committee also notes differing views on government support for apprenticeships and the roles of financial incentives for both employers and trainees. The costs of apprenticeship training in regional areas given the need for apprentices to be released for training which might only be available in another town must be in the Committee's view, a disincentive, and are worthy of further examination.
- 4.84 In its own deliberations the Committee also considered whether a smarter way to encourage apprentices might include incentive payments for completion of training.
- 4.85 There is a strong consensus amongst witnesses regarding the role of TAFE, and enthusiasm for collaboration to maximise opportunities for vocational training to meet the needs of students, industry and the community.

FINDING 4

The Committee finds that TAFE NSW is the backbone of vocational education and training in NSW and that to achieve the state's economic and social priorities it is vital that TAFE NSW receives appropriate and adequate funding.

- 4.86 The Committee acknowledges evidence raising concerns at TAFE's capacity to respond to changing skill demands and to provide services which are sensitive to the particular demands on regional students, employers and communities.
- 4.87 In its own deliberations the Committee considered the implementation of the *Smart and Skilled* reforms and the ongoing need for these reforms to be subject to rigorous audit and review.
- 4.88 The Committee welcomes the recognition by all stakeholders of the need for clearer pathways to study, better articulation between courses, and recognition of prior learning. Given social and economic changes which see people enter study at different ages and change career paths routinely throughout their working lives, the Committee believes that the conditions under which prior learning is recognised must be clarified and simplified in order for students and the wider community to have certainty about training and career choices, and not be penalised for making career changes.

RECOMMENDATION 9

The Committee recommends that the NSW Minister for Education adopt work readiness as a goal for secondary school leavers.

RECOMMENDATION 10

The Committee recommends that the NSW Government make mathematics a compulsory subject for the awarding of the NSW Higher School Certificate.

RECOMMENDATION 11

The Committee recommends that the NSW Minister for Education undertake a review of other subjects which may be vital to ensuring the work readiness of school leavers.

RECOMMENDATION 12

The Committee recommends that the NSW Minister for Education identify and implement programs which assist students to set and work towards the work readiness goal.

RECOMMENDATION 13

The Committee recommends that the NSW Government review the efficacy of careers advice offered in secondary schools.

RECOMMENDATION 14

The Committee recommends that the NSW Minister for Education adopt regionally-based training as a goal and ensure that opportunities for regional training are maximised.

RECOMMENDATION 15

The Committee recommends that the NSW Government market trade training and apprenticeships to improve their attractiveness to young people and their parents.

RECOMMENDATION 16

The Committee recommends that the NSW Government identify and implement programs to encourage apprentices to complete their apprenticeship studies, including the application of financial rewards for completion.

RECOMMENDATION 17

The Committee recommends that the NSW Government provide assistance to regional employers and apprentices to compensate for the additional costs incurred by regional apprenticeships.

RECOMMENDATION 18

The Committee recommends that the NSW Government introduce competency-based apprenticeship training.

RECOMMENDATION 19

The Committee recommends that the NSW Government recommend to the Commonwealth Government that technical and trade qualifications, including relevant work experience, be recognised automatically as prior learning for advanced standing for entry to relevant university courses.

Chapter Five – Employment-based options

*We have been talking recently about the need for a greater focus on career development right throughout somebody's working life and that is an existing gap at the moment.*¹⁹³

INTRODUCTION

- 5.1 This chapter explores options for addressing skill shortages through employment-based programs including internships, mentoring and skills transfer.
- 5.2 Whereas the previous chapter considered the role of school education and vocational training in providing people with the skills they need to commence employment at the start of their working lives, this chapter considers how people receive training in their workplaces and when they transfer between workplaces during their careers. It is commonly accepted that people should be encouraged to seek education and training throughout their careers, and that people will regularly change jobs, workplaces and employers during their careers.
- 5.3 Finally, succession planning and skills transfer are important aspects of ensuring skills are not lost when skilled people retire or leave their workplaces.

WORKPLACE INITIATIVES

Workplace Training

- 5.4 Workplace training, whether on-the-job training or formal training courses, is probably the most common employment-based approach to addressing skill shortages in any workplace. In its submission to the Committee, Bindaree Beef Pty Ltd advised that its employees are trained for the meat industry by the company in its capacity as a Registered Training Organisation.¹⁹⁴
- 5.5 Mr Michael Sutherland of Alkane Resources Limited responded to questions from the Chair by describing his company's training philosophy and how it acquires and retains skilled employees:

CHAIR: Your submission states that you are committed to providing career paths for employees through training and personal development.

Mr SUTHERLAND: Yes.

CHAIR: How and why?

Mr SUTHERLAND: Because people are the biggest investment we make. With the Tomingley gold project we have the training manager on the staff. As we said, 40 per cent of the people will be completely unskilled. They will need to be taken through a whole lot of procedures and learn how to do things properly. We have aligned with a couple of registered training organisations to provide on-site training and to assess whether they are meeting the task. We believe that much of the training can be

¹⁹³ Mr Nicholas Minto, Senior Policy Advisor, NSW Business Chamber, Transcript of evidence, 9 October 2013, p 30

¹⁹⁴ Submission 4, Bindaree Beef Pty Ltd, p 1

provided in-house through the existing supervisors. The top guys are all experienced miners, so they can train the new people.¹⁹⁵

- 5.6 Mr Sutherland added that his company weighted recruitment in favour of applicants from the local area and described the approach of then training these local recruits in the following terms:

It is really about giving ownership of the community to where the mines operate...if they are going to wear any of the negative impacts (of mining), they need to be in the front line of getting the benefits.¹⁹⁶

- 5.7 Mr Barry Davis of Coffs Harbour City Council emphasised the importance of training employees and the value businesses can obtain from on-the-job and internal training through the creation of a multi-skilled local talent pool.¹⁹⁷

Internships

- 5.8 The Committee received evidence from the City of Sydney concerning the value of internships in addressing skill shortages in both the short and longer terms:

Internships are the ideal pipeline for temporary labour supply and a positive strategy for creating future graduates and longer-term employees. Internships raise the profile of the City and build its capacity to renew and augment its workforce with energetic and bright young people and, it is an essential factor in generating a 'learning organisation' that is future focussed.¹⁹⁸

- 5.9 The City of Sydney detailed the particular strategies it employs to address skill shortages in specific areas involving intern and cadet-style employment to attract and retain qualified staff, whether for temporary project work or permanent role, and also its use of temporary skilled migration to alleviate short term demands.
- 5.10 The council also described its partnership building with universities to target and attract graduates in areas of skill shortages, with a view to employing them through graduate employment programs.¹⁹⁹

Workplace Mentoring

- 5.11 The role of mentoring both new and mature employees was raised by several witnesses as a strategy for engaging and retaining skilled staff through the provision of targeted assistance and the creation of positive and nurturing workplaces.
- 5.12 Mr Gerard Klinkers from the Australian Apprenticeships Centre told the Committee at Coffs Harbour that mentoring employees was a worthwhile activity at any time in an employee's working life. He saw mentoring commencing in

¹⁹⁵ Mr David Elliot MP, Member for Baulkham Hills; Mr Michael Sutherland, General Manager NSW, Alkane Resources Limited, Transcript of evidence, 29 July 2013, p 22

¹⁹⁶ Mr Michael Sutherland, General Manager NSW, Alkane Resources Limited, Transcript of evidence, 29 July 2013, p 30

¹⁹⁷ Mr Barry Davis, Economic Development Officer, Coffs Harbour City Council, Transcript of evidence, 16 September 2013, p 6

¹⁹⁸ Submission 11, City of Sydney, p 2

¹⁹⁹ Submission 11, City of Sydney, p 2

schools and continuing into working life as a way for employers to explain the expectations of workplaces, and impart employability skills.²⁰⁰

5.13 In its submission Tourism Accommodation Australia (TAA) recommended support for mentoring programs as a strategy to encourage apprentices and trainees to stay in the industry. TAA advocated that the NSW Government provide support for companies to establish professional mentoring programs, and saw particular value in the development, with government support, of a mentoring program for supervisory and management level employees in the accommodation sector as a priority.²⁰¹

5.14 Appearing before the Committee, Ms Carol Giuseppi, NSW Director of Tourism Accommodation Australia highlighted a particular problem in the accommodation industry of difficulties achieving staff movement between supervisory work and hotel management. Mr David Bark, General Manager, Crowne Plaza Hunter Valley emphasised the value of mentoring in building leadership skills, whether in the hotel and accommodation industry or elsewhere.²⁰²

5.15 The NSW Minerals Council also raised mentoring in evidence before the Committee. Mr Andrew McMahon representing the Council described the benefits of workplace mentoring for the mining industry not only from a career management perspective, but also a health and safety perspective:

I know our mining companies all run various ranges of programs, leadership programs, supervisor training programs and I know from a health and safety perspective, one of the areas we know that some of the people coming into our industry do not have, are what we call ANTS, which is associated non-technical skills and that is just the basic behaviour, situational awareness, ability to communicate...

5.16 Mr McMahon advised that the Council was working with the Mine Safety Advisory Council to investigate better ways of teaching situational awareness as a critical safety skill for newcomers to the industry. He said mentoring programs for new workers was the current focus of this training.²⁰³

5.17 Ms Margy Osmond, Chair of the TAFE Commission Board noted that mentoring programs were happening, but on an informal basis. She told the Committee:

It is not impossible as part of the ongoing reform process that some of these sorts of things could be viewed as part of the brand offering of TAFE in future and become a more formalised process. That is not impossible at all but what it would need is significant buy-in from the business community that says it sees the value in it. It is one of the reasons why we are looking at a whole range of alumni programs within the TAFE family itself, so that people who are successful ... come back to TAFE.

²⁰⁰ Mr Gerard Klinkers, Business Co-ordinator VERTO and Apprenticeship Consultant, Australian Apprenticeship Centre, Transcript of evidence, 16 September 2013, p 33

²⁰¹ Submission 30, Tourism Accommodation Australia, pp 3-4

²⁰² Mr David Bark, General Manager, Crowne Plaza Hunter Valley, Transcript of evidence, 9 October 2013, p 20

²⁰³ Mr Andrew McMahon, Director, People and Skills, NSW Minerals Council, Transcript of evidence, 9 October 2013, p 40

Because as I say, people who have been through the TAFE system seem to have a remarkable affection for it and this is an opportunity for a larger contribution.²⁰⁴

CAREER GUIDANCE

5.18 The previous chapter examined evidence received by the Committee regarding the importance of careers advice in secondary schools. The Committee also received evidence regarding careers advice initiatives for mature workers.

5.19 National Disability Services (NDS) provided information on their *carecareers* initiative aimed at addressing the current and predicted shortages of workers in the disability sector. Established by NDS in NSW in 2010, *carecareers* was expanded nationally to 2013 and is used as a strategy to recruit and expand the workforce.

The *carecareers* website provides opportunities for potential employees to learn about options, make contact with people in the sector, and participate in forums and events as well as offering a job listing and search function. It also offers basic HR advice together with short case studies on attracting and retaining talent.²⁰⁵

5.20 The Committee is also aware of the national employment portal for the Aged Care Industry known as Aged Care Online, a federal government initiative which services the online employment and training market for aged care. Aged Care Online allows aged care providers to advertise positions across the industry and for potential employees to apply for positions, and seek advice on career options and training opportunities.²⁰⁶

5.21 Several of the local councils who appeared before the Committee gave evidence of web-based recruitment and career information initiatives. These are discussed in the context of regional and lifestyle marketing in the next chapter.

SUCCESSION PLANNING AND SKILLS TRANSFER

5.22 The Committee received evidence of the importance of succession planning and skills transfer, especially for small businesses and small regional centres where the retirement or departure of a single skilled worker can result in a service being removed from a town.

5.23 Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council, raised this issue with the Committee at its Dubbo public hearing:

As the chair of all the economic development officers within the area, our main focus has not been on migration and skilled migration; it has been about trying to address the coalface or grassroots issues of lack of succession planning in business. When you say skills, a lot of the skills rest with individuals that own businesses. When they decide to retire or they have had enough or family circumstances change, that business closes and we lose that skill. Then that skill that is supporting that

²⁰⁴ Ms Margy Osmond, Chair, TAFE Commission Board, Transcript of evidence, 9 October 2013, p 65

²⁰⁵ Submission 27, National Disability Services, p 6

²⁰⁶ See: <http://www.agedcareemployment.com.au/>

might underpin the rest of the economy in a small town. That is where a lot of our motivation and need to get involved in this sort of thing has happened.²⁰⁷

5.24 Mr Barry Davis described to the Committee the situation in Coffs Harbour:

... 26 per cent of our workforce is 55 and over. We do need to ensure that our skills training and job position filling has the skills that those people have built over a number of years...

...

Even though these people are ageing, we do not really want to lose their skills out of the workforce. One of the things I guess that I would be hoping that the Committee or other arms of Government can achieve is how do we retain those skills within our workforce...²⁰⁸

5.25 Ms Jenni Kew representing RDA Mid North Coast reinforced the importance of transferring skills from older workers when she told the Committee about the age profile of skills in demand in her region, the notable example being auto electricians who have an average age in the Mid North Coast region of 58.²⁰⁹ In the absence of an effective and timely skills transfer regime, even if a stream of auto electrical graduates was available the prospects of meeting regional demands in this field are limited.

COMMITTEE COMMENT

5.26 The Committee recognises that workplace training and well-managed internships are accepted as good business practice and does not propose to make recommendations for government in this area. Similarly career guidance for mature workers is also a good practice which areas like disability and aged care services have adopted in response to their anticipating massive increases in demand for skilled workers.

5.27 The Committee notes the recognition by employers, peak bodies and trainers of the roles of mentoring and skills transfer in complementing education and training to provide a skilled workforce. In particular the Committee notes the evidence of TAFE NSW regarding the possibility of formalising mentoring as a product offered within the training sector.

5.28 Given the diversity and complexity of the state and its workforce any mentoring programs will be equally diverse and complex. The Committee sees great value, however, in an organisation with the reach, expertise and reputation of TAFE NSW having a lead role in assessing the value of mentoring and identifying how a program might be delivered and what elements it might contain.

²⁰⁷ Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council, Transcript of evidence, 29 July 2013, p 41

²⁰⁸ Mr Barry Davis, Economic Development Officer, Coffs Harbour City Council, Transcript of evidence, 16 September 2013, p 2

²⁰⁹ Ms Jennifer Kew, Operations Manager, Regional Development Australia, Mid North Coast, Transcript of evidence, 16 September 2013, p 37

RECOMMENDATION 20

The Committee recommends that the NSW Government support TAFE NSW to develop a formal mentoring program that can be implemented across workplaces.

RECOMMENDATION 21

The Committee recommends that the NSW Government implement programs to streamline business succession planning, and skills transfer from retired workers.

Chapter Six – Regional relocation

To benefit regional communities we should not just look at skills shortages in isolation as we also need to consider the social and community infrastructure in Regional NSW.²¹⁰

INTRODUCTION

- 6.1 This chapter considers the efforts being made by governments and communities to attract and retain skilled workers by marketing the benefits of relocating, providing relocation assistance, and offering cultural support to incomers.
- 6.2 The regional communities which made submissions to the inquiry or were represented at the public hearings all saw lifestyle marketing as a priority for attracting skilled workers and securing economic growth and social viability. Some of these communities also took steps to provide cultural support to newcomers to their communities although other witnesses were concerned that lack of cultural support was a barrier to relocation.
- 6.3 The NSW Regional Relocation Grant was under review during the inquiry and the chapter finds that amendments to the grant are broadly in line with what the Committee might have otherwise recommended.

REGIONAL MARKETING

- 6.4 The Committee received submissions from 16 non-metropolitan councils and 2 regional organisations of councils (ROCs). 5 councils and ROCs were represented at the Committee's Dubbo public hearing, 2 councils were represented at the Coffs Harbour public hearing, and 2 councils were represented at the second Sydney public hearing.
- 6.5 The Regional Development Australia (RDA) network also focused on regional marketing as a strategy for attracting skilled workers. 4 RDAs made submissions or gave evidence before the Committee.
- 6.6 Ms Jenni Kew of RDA Mid North Coast described some of the options for regional areas to promote relocation:

One of the things that we have undertaken recently...was a collaborative partnership with the six local government areas where each of them sent representatives to Sydney to exhibit at the Country and Regional Living Expo. This is not tourism focused; it had more of an economic development focus. They were encouraging people to come and live here, to work here and to invest here. Each council contributed. That is one of the things that we are doing to raise the exposure.

We also have a fairly large tourism group here, Destination Pacific which has a presence from north of Sydney right the way through to the border. They are working collaboratively to bring people through to show them the potential of the

²¹⁰ Submission 8, Bland Shire Council, p 2

region from a holiday perspective, but also from a lifestyle living and working perspective.²¹¹

6.7 The representatives of Dubbo City Council welcomed a broader approach to skills attraction to regional centres. Ms Josie Howard, Economic Development Officer described council's program as focussing on attracting skilled professionals to Dubbo. She saw the target group as 'people who are at the tipping point of making a move'.²¹²

6.8 Dubbo City Council provided the Committee information about its New Resident Attraction Program designed at promoting people to live in Dubbo:

A prospective resident pack is sent out to people before they arrive: when they contact us and say, "I'm thinking of making the move." Once they come, we encourage them to come down to the information centre. They register as a new resident. We provide them with a new resident pack and we invite them to a new resident night. They are held quarterly. Those nights are based around trying to get people connected to the community. If we can get them connected, they are most likely to stay. That is around getting people involved in the community sporting clubs etc and if they have questions about services. We host them at a range of different sites around the city so they can get to know different parts of the city and meet other new residents.²¹³

6.9 Coffs Harbour City Council also presented evidence of its marketing program which includes working with professional associations, attending relocation exhibitions held in metropolitan areas, and web-based promotion.²¹⁴

6.10 Cessnock City Council highlighted the importance of infrastructure when marketing regional relocation and conversely, the importance of recognising that infrastructure deficits could impact negatively.²¹⁵

6.11 Tourism Accommodation Australia also stressed the importance of good infrastructure to attract skills to regional areas, and issues like the availability of housing and rental accommodation.²¹⁶

6.12 The submission from RDA Riverina highlighted strategies it has employed to attract and retain skilled people. The RDA proposed the establishment by the government of a regional marketing fund to support programs to promote regional living and attract skilled people and investors.²¹⁷

²¹¹ Ms Jennifer Kew, Operations Manager, Regional Development Australia, Mid North Coast, Transcript of evidence, 16 September 2013, p 43

²¹² Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 10

²¹³ Ms Josie Howard, Economic Development Officer, Dubbo City Council, Transcript of evidence, 29 July 2013, p 14

²¹⁴ Mr Barry Davis, Economic Development Officer, Coffs Harbour City Council, Transcript of evidence, 16 September 2013, pp 3-4

²¹⁵ Ms Jane Holdsworth, Economic Development Manager, Cessnock Shire Council, Transcript of evidence, 9 October, p 7

²¹⁶ Mr David Bark, General Manager, Crowne Plaza Hunter Valley, Transcript of evidence, 9 October 2013, p 18

²¹⁷ Submission 47, Regional Development Australia Riverina, pp 1-2

Other local council initiatives

- 6.13 Throughout the course of the inquiry the Committee received evidence from a number of local councils and regional bodies highlighting initiatives being undertaken across the state to address skill gaps.
- 6.14 Ms Belinda Barlow from the Orana Regional Organisation of Councils commented:
- Ms BARLOW:** In Brewarrina, for instance, when they did lose their pharmacist they employed someone at council to pick up the prescriptions for the entire community, drive to Bourke, get those prescriptions filled, drive back, hand out the drugs and, in order to retain a pharmacist in their community, council bought the pharmacy.
- CHAIR:** Operated it rent free?
- Ms BARLOW:** As they do for the general practitioner, dentist, hairdresser.
- Mr McANALLY:** The western towns are doing that.
- Ms BARLOW:** Unfortunately the cost comes back to council, because the community says, "We need this service", and it is not core local government activity.²¹⁸
- 6.15 Mr Barry Davis provided the Committee with some more detail on an initiative of Coffs Harbour City Council designed to promote skill sharing within the region:
- Mr DAVIS:** The *tellusyourskills* website, that was set up initially by Greater Taree Council and is used in several other areas. I guess some of the demand—I do not know whether it is possible by innuendo, but some stories are that 70 to 80 per cent of jobs are never advertised. Whether that is true or not, or whether it is 50 per cent or 40 per cent or whatever, I am not too sure. But there is certainly a level of opportunities that do not get put out into the public arena.
- We have some of our employers, there are 110 or so on there at the moment, that are happy to be on that website and see if anybody ticks the same sort of skill box that they have ticked as an organization looking for skilled workers.
- We have had people from all over the world register on that website. It is a useful resource but it is not meant to compete with employment agents or the other job skills agencies and so on.²¹⁹

CULTURAL, SOCIAL AND ECONOMIC SUPPORT FOR MIGRANTS

- 6.16 The Committee received a number of submissions which mentioned the need for new migrants to receive cultural, social and economic support when relocating to regional areas, both as a benefit and a cost.
- 6.17 As discussed above Dubbo City Council advised that new migrants needed additional support in a new community. While the Committee noted the

²¹⁸ Mr David Elliot MP, Member for Baulkham Hills; Ms Belinda Barlow, Executive Officer, Orana Regional Organisation of Councils; Cr Bill McAnally, Chair, Orana Regional Organisation of Councils, Transcript of evidence, 29 July 2013, p 51

²¹⁹ Mr Barry Davis, Economic Development Officer, Coffs Harbour City Council, Transcript of evidence, 16 September 2013, p 3

professionalism of Council's New Resident Attraction Program it accepted Council's advice that the Program 'is not resourced to support the level of assistance that some of these migrants require.'²²⁰

- 6.18 Mr Kevin Lane of the Migration Institute of Australia commented on the importance of providing support to skilled migrants, especially where those migrants were not working in the area of their skilled occupations:

Sometimes that is because an employer might feel that their English is not up to standard or they do not seem to fit in. I think this raises another whole issue of settlement and orientation...there needs to be a less piecemeal approach to that. In fact, in some areas where it happens, there has been a cutting of Government funding for those services and I think that should be looked at again.

I think not just a wider area of settlement, but actual workplace orientation education. There needs to be some better and more comprehensive system of dealing with that, because when overseas workers do come here, sometimes there are wonderful success stories.²²¹

- 6.19 Mr Lane suggested that the necessary support could be provided either formally through neighbourhood centres or migration resource centres, or informally through workplace social functions.²²²

- 6.20 The Community Relations Commission (CRC) submitted that one way the NSW Government could provide assistance to migrant job seekers is to investigate reducing course fees where local job market demands are unmet by local residents.²²³

- 6.21 The CRC also raised the difficulties migrant job seekers have with finding affordable and available housing in the absence of a rental history. The CRC submitted that further government action could involve:

... representations to the Department of Immigration and Citizenship and Regional Development Australia to propose the development of a sponsored 'guarantor' scheme for skilled migrants without a rental history in Australia.²²⁴

- 6.22 Ms Adama Kamara of the Auburn Employment Working Group highlighted how important cultural and professional support is to new migrants entering the workforce:

In Auburn there are two key distinct groups that we target our work with. One is highly skilled and qualified migrants and refugees, and the other is looking at low skilled refugees. They are quite distinct needs and barriers they face in seeking employment.

²²⁰ Submission 16, Dubbo City Council, p 1

²²¹ Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 7

²²² Mr Kevin Lane, Professional Services General Manager, Migration Institute of Australia, Transcript of evidence, 19 August 2013, p 7

²²³ Submission 44, Community Relations Commission, p 2

²²⁴ Submission 44, Community Relations Commission, p 2

...

Some of the key barriers they are experiencing in seeking employment are lack of local experience, the professional networks, not being familiar with or having a professional network to be part of so that they can gain that local experience to get employment. English language is a barrier, particularly for those low skilled refugees. There is also skills recognition, the high costs and the long period of time it does take to have overseas skills recognised.²²⁵

REGIONAL RELOCATION GRANTS

6.23 The Committee sought responses from witnesses regarding their experience of Regional Relocation Grants in encouraging skilled workers to relocate to regional areas. While the idea of the grant was supported, the Committee heard little evidence that the grant was widely used under its former terms.

6.24 Typical of concerns with the Regional Relocation Grants was the submission of Bland Shire Council:

The Regional Relocation Grant, whilst a positive initiative, Bland Shire Council feels that the \$7000 is inadequate by the time they pay the stamp duty, sales commission, relocation fees and the reconnection of the utilities to their new regional home. The NSW Government should consider providing fewer grants to relocate to the coastal areas and set at a higher amount for regional areas. The Regional Relocation Grant does not create employment or rarely stimulates job creation opportunities.²²⁶

6.25 In 2011 the *Regional Relocation (Home Buyers Grant) Act 2011* established a grant scheme for home owner-occupiers in metropolitan areas if they sell their metropolitan home and relocated to a regional area and purchased a home.

6.26 In 2012 the NSW Decentralisation Taskforce, consisting of five regional Members of Parliament, were appointed to undertake a review of the *Decade of Decentralisation* policy,²²⁷ including initiatives such as the Regional Relocation Grant scheme.

6.27 The final report of the NSW Decentralisation Taskforce made a number of recommendations in relation to Regional Relocation Grants:

1. The value of the Regional Relocation Grant needs to be increased so that it constitutes a more meaningful incentive for regional relocation. A notional value of \$10,000 per grant is suggested for consideration.
2. The criteria for the Regional Relocation Grant should target people with skills in demand in regional NSW and be tied to secured employment.
3. The Government should revisit the Regional Relocation Grant criteria to minimise minor moves from 'metropolitan' cities to neighbouring 'regional' suburbs or post code areas (sometimes closer to Sydney) by tying the grant to secured employment.

²²⁵ Ms Adama Kamara, Community Projects Officer, Auburn Employment Working Group, Transcript of evidence, 19 August 2013, p 78

²²⁶ Submission 8, Bland Shire Council, p 5

²²⁷ The Decade of Decentralisation policy is the Government's policy in relation to regional economic development.

4. The Government should reduce the budget allocation for the refocused Regional Relocation Grant to \$20 million or 2,000 relocations per year.

5. The Government should consider re-allocating \$20 million of the existing Regional Relocation Grant budget allocation to the Regional Industries Investment Fund, which has a clear objective to attract investment and support regional economic development outcomes.²²⁸

6.28 In November 2013 the *Regional Relocation (Home Buyers Grant) Amendment Act 2013* was passed to amend the *Regional Relocation (Home Buyers Grant) Act 2011* to make three sets of amendments:

- extend the original grant scheme to people residing in metropolitan homes that they do not own (renters)
- establish a new grant called the Skilled Regional Relocation Incentive for people who undertake eligible employment relocation or an eligible self-employment relocation to a regional area
- make general provisions to enhance and clarify the operation and functioning of the Act.

COMMITTEE COMMENT

6.29 The Committee notes that councils who made submissions or gave evidence are working enthusiastically to promote regional relocation. The Committee also notes the support councils give to newly relocated residents, such as Dubbo City Council's New Resident Attraction Program.

FINDING 5

The Committee finds that communities which market their commercial, cultural and lifestyle strengths, and provide support to new residents and industries are reporting success in attracting and retaining skilled workers.

6.30 The Committee considers that higher levels of cultural and social support for new migrants and other newcomers to regional areas would build on this success and overcome some of the barriers to regional relocation.

6.31 The Committee notes that the changes to NSW Government's Regional Relocation Grant are generally consistent with the need to attract skilled workers to regional communities.

FINDING 6

The Committee finds that changes to the Regional Relocation Grant initiative are generally consistent with the need to attract skilled workers to regional communities. The Committee also found that more incentives would encourage regional relocations.

²²⁸ NSW Decentralisation Taskforce Report, April 2013, p 6

http://www.business.nsw.gov.au/__data/assets/pdf_file/0003/31755/NSW-Decentralisation-Taskforce-Report-April-2013-FINAL.pdf

RECOMMENDATION 22

That the NSW Government implement programs to provide greater cultural and social support to skilled migrants relocating to regional communities.

Appendix One – List of Submissions

1	Mr David Stevens
2	Wollondilly Shire Council
3	Greater Taree City Council
4	Bindaree Beef P/L
5	Mr Chris Hamill
6	Institute of Public Works Engineering Australia NSW
7	Australian Workforce and Productivity Agency
8	Bland Shire Council
9	Australian Hotels Association (NSW)
10	NSW TAFE Commission Board
11	City of Sydney
12	APESMA
13	Griffith City Council
14	Shellharbour City Council
15	The Hills Shire Council
16	Dubbo City Council
17	Muswellbrook Shire Council
18	Local Government Engineers Association of NSW
19	Central Coast Regional Organisation of Councils
20	Fletcher International Exports Pty Ltd
21	Migration Institute of Australia (MIA)
22	The Hon Adrian Piccoli
23	Australian Medical Association (NSW)
24	Albury City Council
25	Parkes Shire Council
26	Australia ICOMOS Traditional Trades Working Group
27	National Disability Services
28	Palerang Council
29	Eurobodalla Shire Council
30	Tourism Accommodation Australia
31	Regional Development Australia Orana

LEGISLATIVE ASSEMBLY COMMITTEE ON ECONOMIC DEVELOPMENT
LIST OF SUBMISSIONS

32	Auburn Employment Working Group
33	Mr Gary Pinch
34	Southern Cross University
35	Regional Development Australia Central West
36	South Coast Labour Council
37	Gilgandra Shire Council
38	The Australian Industry Group
39	Orana Regional Organisation of Councils
40	Unions NSW
41	Coffs Harbour City Council
42	NSW Business Chamber
43	Charles Sturt University
44	Community Relations Commission For a Multicultural NSW
45	NSW Mining
46	Cessnock City Council
47	Regional Development Australia Riverina
48	Name Suppressed
49	NSW Trade and Investment
50	Janison

Appendix Two – List of Witnesses

Monday 29 July 2013, Dubbo City Council

Witness	Position and Organisation
Ms Felicity Taylor-Edwards	Executive Officer <i>Regional Development Australia, Orana</i>
Mr Ken Rogers Ms Josie Howard	Director, Corporate Development Economic Development Officer <i>Dubbo City Council</i>
Mr Michael Sutherland	General Manager NSW <i>Alkane Resources Limited</i>
Mr Roger Fletcher	Principal <i>Fletcher International Exports Pty Ltd</i>
Cr Bill McAnally Ms Belinda Barlow	Chair Executive Officer <i>Orana Regional Organisation of Councils</i>
Mr Randall Medd	Economic Development Officer <i>Gilgandra Shire Council</i>
Mr Sandy Morrison Ms Danica Bunch	Chair Project Officer <i>Regional Development Australia, Central West</i>
Cr Robert Haddin Mr Leslie Finn Ms Rhonda Milgate	Councillor Director of Technology and Corporate Services Human Resources Manager <i>Parkes Shire Council</i>

Monday 19 August 2013, Parliament House

Witness	Position and Organisation
Ms Angela Chan	National President and NSW and ACT President and Chair of Skills and Policies Procedures Committee
Mr Kevin Lane	Professional Services General Manager <i>Migration Institute Australia</i>
Mr Chris Christodoulou Ms Kate Minter	Assistant Secretary Research Officer <i>Unions NSW</i>
Mr Paul Davies	Director NSW, Director of Planning and Development <i>Association of Professional Engineers, Scientists and Managers Australia</i>
Mr Gordon Brock	Director <i>Local Government Engineers' Association</i>
Mr Mark Goodsell Ms Gail Silman	Director NSW and Acting Director QLD Senior Policy Advisor, Education and Training Officer <i>Australian Industry Group</i>
Mr Mark Burdack	Director, Corporate Affairs and University Secretary <i>Charles Sturt University</i>
Mr Scott Holz Mr Mike Field	NSW State Manager Manager <i>carecareers</i> , Workforce Development Project
Ms Jay Richardson	Industrial Relations and Workforce Development Project Manager <i>National Disability Services</i>
Professor Brad Frankum	Board Member and Chair, Hospital Practice Committee
Mr Simeon Mead	Director, Policy and Communications <i>Australian Medical Association of NSW</i>
Ms Adama Kamara Ms Patricia Frost	Community Projects Officer Chief Executive Officer, Inner West Skills Centre <i>Auburn Employment Working Group</i>

Monday 16 September 2013, Coffs Harbour City Council

Witness	Position and Organisation
Mr Barry Davis	Economic Development Officer <i>Coffs Harbour City Council</i>
Mr Paul Trotman	Manufacturing Manager <i>W E Smith Engineering Pty Ltd</i>
Mr Gerard Klinkers	Business Co-ordinator and Apprenticeship Consultant <i>VERTO and Australian Apprenticeships Centre</i>
Ms Jennifer Kew Ms Jacquie Houlden	Operations Manager Member <i>Regional Development Australia, Mid North Coast</i>
Mr Dene Zahner	General Manager <i>Novotel Coffs Harbour Pacific Bay Resort</i>
Ms Paige Sinclair	Chief Executive Officer <i>Pet Porpoise Pool Dolphin Marine Magic</i>
Professor David Lynch	Head of Campus <i>Southern Cross University</i>
Mr Wayne Lowe	Manager Business Development <i>Nambucca Shire Council</i>
Ms Adrienne Smith	Co-founder, Director and Business Co-ordinator <i>Mid Coast Tucks</i>
Ms Reanna Grace	Student

Monday 9 October 2013, Parliament House

Witness	Position and Organisation
Cr Martin Rush	Mayor of Muswellbrook <i>Muswellbrook Shire Council</i>
Ms Jane Holdsworth	Economic Development Manager <i>Cessnock Shire Council</i>
Ms Carol Giuseppi	NSW Director <i>Tourism Accommodation Australia</i>
Mr David Bark	General Manager <i>Crowne Plaza Hunter Valley</i>
Mr Luke Aitken Mr Nicholas Minto	Senior Manager, Policy Senior Policy Advisor, Employment, Education and Training <i>NSW Business Chamber</i>
Mr Andrew McMahon	Director, People and Skills <i>NSW Minerals Council</i>
Mr John Roydhouse	Chief Executive Officer <i>Institute of Public Works Engineering Australasia</i>
Ms Margy Osmond	Chair <i>TAFE Commission Board</i>
Dr Catherine Burrows	General Manager, TAFE Strategy and Finance <i>TAFE NSW</i>
Mr David Collins	General Manager, State Training Services <i>Office of Education</i>
Ms Amanda Chadwick	Executive Director, Innovation and Industry Policy <i>Department of Trade and Investment</i>

Appendix Three – Extracts from Minutes

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO. 17)

9.08 a.m. Thursday 21 March 2013
Room 1153, Parliament House

Members Present

Mr David Elliott MP (Chair); Mr Stuart Ayres MP, Ms Noreen Hay MP, Mr Chris Gulaptis MP and Mr Jamie Parker MP

Officers in Attendance

Abigail Groves and Hilary Parker

1. Confirmation of Minutes of Deliberative Meetings

Resolved on the motion of Mr Gulaptis, seconded by Ms Hay:

That the minutes of the deliberative meeting held on 14 March 2013 be confirmed.

2. Forward Planning

i. ***

ii. The Chair proposed that the Committee inquire into the value and contribution of skilled migration to the New South Wales economy, to identify:

- gaps and areas of need in particular industries, professions and regional communities; and
- strategies for government to assist in addressing skill shortages.

The Committee deliberated on the Chair's proposal.

Resolved, on the motion of Mr Gulaptis: That the Committee adopt the Terms of Reference for an Inquiry into skill shortages in NSW, with the Chair to circulate the Terms of Reference to members by email.

iii. ***

The Committee adjourned at 9.35 am.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO. 18)

11:43am, Thursday 2 May 2013
Room 1254, Parliament House

Members present

Mr Elliott (Chair), Mr Ayres, Mr Gulaptis

Apologies

Ms Hay, Mr Parker

Officers in attendance

Dr Groves, Ms Wood, Ms Mehta

1. Confirmation of minutes of deliberative meeting held on 21 March 2013

Resolved, on the motion of Mr Ayres:

That the minutes of the deliberative meeting of 21 March 2013 be confirmed.

2. ***

3. Inquiry into skill shortages in NSW

a) Advertising

Resolved, on the motion of Mr Ayres:

That the Committee advertise the call for submissions to the inquiry on the Committee website and in selected print media with a closing date of 21 June 2013.

b) List of stakeholders to invite to make a submission

Resolved, on the motion of Mr Ayres:

That the Committee write to relevant stakeholders, as agreed, inviting them to make a submission with a closing date of 21 June 2013.

The Committee adjourned at 11.51pm until a date to be determined.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO. 19)

9:05am, Thursday 20 May 2013
Room 1153, Parliament House

Members present

Mr Elliott (Chair), Mr Ayres, Mr Gulaptis, Ms Hay, Mr Parker

1. Confirmation of minutes of deliberative meeting held on 2 May 2013

Resolved, on the motion of Mr Gulaptis:

That the minutes of the deliberative meeting of 2 May 2013 be confirmed.

2. Inquiry into skill shortages in NSW

a) Correspondence received

The Committee noted the correspondence received on 6 June 2013 from Mr Michael Sewell, Director Business Services, Campbelltown City Council and requested the Secretariat to obtain copies of the reports mentioned in the correspondence.

b) Submissions received

Resolved, on the motion of Ms Hay, seconded by Mr Parker:

That the Committee accept the following submissions and publish them on its website:

- Submission 1 – Mr David Stevens
- Submission 2 – Wollondilly Shire Council
- Submission 3 – Greater Taree City Council
- Submission 4 – Bindaree Beef Pty Ltd
- Submission 5 – Mr Chris Hamill
- Submission 6 – Institute of Public Works Engineering Australia NSW
- Submission 7 – Australian Workforce and Productivity Agency
- Submission 8 – Bland Shire Council
- Submission 9 – Australian Hotels Association (NSW)
- Submission 10 – NSW TAFE Commission Board
- Submission 11 – City of Sydney
- Submission 12 – Association of Professional Engineers, Scientists and Managers Australia

c) Closing date for submissions

Resolved, on the motion of Ms Hay, seconded by Mr Ayres:

That the Committee extend the closing date for submissions to Friday 19 July 2013.

d) Proposed site visit

Resolved, on the motion of Mr Parker, seconded by Mr Gulaptis:

That the Committee write to the Speaker requesting approval for members of the Committee to travel to Dubbo on 29 July 2013 and Coffs Harbour on 2 August 2013 for the purposes of conducting public hearings for the current inquiry into skill shortages in NSW.

The Chair asked the Secretariat to write to the Australian Workforce and Productivity Agency to request information about modelling of skills shortages.

3. Adjournment

The Committee adjourned at 10.00am until a date to be confirmed.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 20)

10:40 am Monday 29 July 2013
Central Conference Room, Dubbo City Council Offices

Members Present

Mr Elliott (Chair); Mr Ayres; Ms Hay

Officers in Attendance

Abigail Groves; David Hale

Apologies

Mr Gulaptis; Mr Parker

1. Confirmation of Minutes of Deliberative Meeting No 19

Resolved on a motion of Mr Ayres, seconded by Ms Hay:
That the minutes of the deliberative meeting held on 20 June 2013 be confirmed.

2. ***

3. Inquiry into skill shortages in NSW

a) Submissions received

Resolved on a motion of Mr Ayres, seconded by Ms Hay:
That the Committee accept the following submissions and publish them on its website:

- Submission No 13: Griffith City Council
- Submission No 14: Shellharbour City Council
- Submission No 15: The Hills Shire Council
- Submission No 16: Dubbo City Council
- Submission No 17: Muswellbrook Shire Council
- Submission No 18: Local Government Engineers Association (NSW)
- Submission No 19: Central Coast Regional Organisation of Councils
- Submission No 20: Fletcher International Exports Pty Ltd
- Submission No 21: Migration Institute of Australia
- Submission No 22: The Hon. Adrian Piccoli MP
- Submission No 23: Australian Medical Association (NSW)
- Submission No 24: Albury City Council
- Submission No 25: Parkes Shire Council
- Submission No 26: Australia ICOMOS Inc (International Council on Monuments and Sites)
- Submission No 27: National Disability Services
- Submission No 28: Palerang Council
- Submission No 29: Eurobodalla Shire Council
- Submission No 30: Tourism Accommodation Australia
- Submission No 31: Orana Regional Development Australia
- Submission No 32: Auburn Employment Working Group
- Submission No 33: Mr Garry Pinch

- Submission No 34: Southern Cross University
- Submission No 35: Regional Development Australia Central West
- Submission No 36: South Coast Labour Council
- Submission No 37: Gilgandra Shire Council
- Submission No 38: The Australian Industry Group
- Submission No 39: Orana Regional Organisation of Councils
- Submission No 40: Unions NSW
- Submission No 41: Coffs Harbour City Council
- Submission No 42: NSW Business Council
- Submission No 43: Charles Sturt University

b) Forward planning

Resolved on a motion of Mr Ayres, seconded by Ms Hay:

That the Committee resolve dates for its Coffs Harbour and Sydney hearings out-of-session.

c) Public hearing

Resolved on a motion of Mr Ayres, seconded by Ms Hay:

1. That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 29 July 2013 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
2. That the corrected transcript of evidence given on 29 July 2013 be authorised for publication and uploaded on the Committee's website.
3. That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witness, and that once received, answers to questions on notice be published on the Committee's website.

The public hearing commenced at 10:45 am.

The following witness from Regional Development Australia Orana was sworn and examined:

- Ms Felicity Taylor-Edwards, Chief Executive Officer

Evidence concluded, the witness withdrew.

The following witnesses from Dubbo City Council were sworn and examined:

- Mr Ken Rogers, Director of Corporate Development
- Ms Josie Howard, Economic Development Officer

Evidence concluded, the witnesses withdrew.

Ms Howard tabled the following documents:

- New Resident Attraction Program information packs
 - "So you are thinking of moving to Dubbo..."
 - "Welcome to Dubbo – the smiling city"

The following witness from the NSW Minerals Council was sworn and examined:

- Mr Mike Sutherland, General Manager NSW, Alkane Resources Ltd

Evidence concluded, the witness withdrew.

The following witness from Fletcher International Exports Pty Ltd was sworn and examined:

- Mr Roger Fletcher, Managing Director

Evidence concluded, the witness withdrew.

The following witnesses from Orana Regional Organisation of Councils were sworn and examined:

- Cr Bill McAnally, Mayor of Narromine and Chair
- Ms Belinda Barlow, Executive Director
- Mr Randall Medd, Economic Development Officer, Gilgandra Shire Council

Evidence concluded, the witnesses withdrew.

Ms Barlow tabled the following document:

- Regional Skills Shortage Survey, Victoria Report October 2006

The following witnesses from Parkes Shire Council were sworn and examined:

- Cr Bob Haddin
- Mr Les Finn, Director of Technology and Corporate Services
- Ms Rhonda Milgate, Human Resources Manager

The following witnesses from Regional Development Central West were affirmed and examined:

- Mr Sandy Morrison, Chair
- Ms Danica Bunch, Project Officer

Evidence concluded, the witnesses withdrew.

Ms Bunch tabled the following document:

- Central West Skills Project, Regional Development Australia Central West

The public hearing closed at 3:59pm

4. Post-hearing

Resolved on a motion of Ms Hay, seconded by Mr Ayres:

That documents tendered during the public hearing be accepted by the Committee and published on the Committee's website after review.

LEGISLATIVE ASSEMBLY COMMITTEE ON ECONOMIC DEVELOPMENT
EXTRACTS FROM MINUTES

The Committee adjourned at 4:00 pm sine die.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 21)

Monday 19 August 2013

9.15 am

Waratah Room, Parliament House

Members Present

Mr Elliott (Chair), Mr Ayres (Deputy Chair), Mr Gulaptis, Ms Hay, Mr Parker

Staff in Attendance: Abigail Groves, David Hale, Emma Wood

1. Apologies

Late apologies were received from Mr Gulaptis and Ms Hay.

2. Confirmation of minutes

Resolved, on the motion of Mr Ayres: That draft Minutes No 20, 29 July 2013 be confirmed.

Inquiry into skill shortages in NSW

3. Correspondence

The Committee noted the following items of correspondence received:

- 17 July 2013 from the Australian Workforce and Productivity Agency attaching National Workforce Development Fund modelling data.
- 1 August 2013 from the Australian Centre of Excellence for Local Government attaching the National Local Government Workforce Strategy 2013-2020.

4. Transcript of public hearing 29 July 2013

Resolved, on the motion of Mr Ayres: That the transcript of the public hearing held in Dubbo on 29 July 2013 be published with names and personal identifying details in evidence provided by Mr Sutherland suppressed.

5. Submissions received

Resolved, on the motion of Mr Parker: That the Committee authorises publication of Submission No/s 44 to 47 and that the submissions be placed on the Committee's website.

6. Proposed public hearings

6.1 Proposed hearing dates

Resolved, on the motion of Mr Ayres: That the Committee hold public hearings in Coffs Harbour on Monday 16 September 2013, and in Sydney on Wednesday 9 October 2013 in Sydney.

6.2 Proposed witness lists

Resolved, on the motion of Mr Parker: That the Committee invite the following witnesses to appear at the public hearings:

Coffs Harbour on Monday 16 September 2013

- Coffs Harbour City Council
- Australian Hotels Association/Tourism Accommodation Australia (local representatives)
- Members of Coffs Harbour Chamber of Commerce
- Southern Cross University

Sydney on Wednesday 9 October 2013

- NSW Business Council
- NSW Minerals Council
- Australian Hotels Association/Tourism Accommodation Australia
- Institute of Public Works Engineering Australia
- Local Government Managers Australia
- TAFE/Office of Education
- Department of Trade and Investment

7. Public hearing

7.1 Media orders

Resolved, on the motion of Mr Ayres: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 19 August 2013 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

7.2 Publication orders

7.2.1 Transcript of evidence

Resolved, on the motion of Mr Parker: That the corrected transcript of evidence given on 19 August 2013 be authorised for publication and uploaded on the Committee's website.

7.2.2 Answers to questions on notice

Resolved on the motion of Mr Parker: That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witness, and that once received, answers to questions on notice be published on the Committee's website.

The public hearing commenced at 9:25 am. Witnesses and the public were admitted. The Chair made a brief opening statement.

The following witnesses from the Migration Institute of Australia were sworn and examined:

- Ms Angela Chan, National President
- Mr Kevin Lane, General Manager Professional Support

Ms Chan agreed to forward to the Committee the following document:

- Briefing notes prepared by the Migration Institute of Australia on skill shortages in the restaurant industry

Evidence concluded, the witnesses withdrew.

The following witnesses from Unions NSW were affirmed and examined:

- Mr Chris Christodoulou, Assistant Secretary
- Ms Kate Minter, Research Officer

Mr Christodoulou tendered the following document:

- Amended submission to the inquiry from Unions NSW

Evidence concluded, the witnesses withdrew.

The following witness from the Association of Professional Engineers, Scientists and Managers Australia (APESMA) was affirmed and examined:

- Mr Paul Davies, Director NSW

The following witness from the Local Government Engineers' Association (LGEA) was affirmed and examined:

- Mr Gordon Brock, Director

Mr Davies tendered the following document:

- Document titled 'Summary of what's needed to fix the engineering skills gap'

Evidence concluded, the witnesses withdrew.

The following witnesses from the Australian Industry Group were affirmed and examined:

- Mr Mark Goodsell, Director NSW
- Ms Gail Silman, Education and Training Officer

Evidence concluded, the witnesses withdrew.

The following witness from Charles Sturt University was affirmed and examined:

- Mr Mark Burdack, Director Corporate Affairs

Evidence concluded, the witness withdrew.

The following witnesses from National Disability Services were sworn and examined:

- Mr Scott Holz, State Manager
- Mr Mike Field, Manager carecareers

The following witness from National Disability Services was affirmed and examined:

- Ms Jay Richardson, Manager Workforce Development

Evidence concluded, the witnesses withdrew.

The following witness from the Australian Medical Association was affirmed and examined:

- Professor Brad Frankum, Board Member

The following witness from the Australian Medical Association was sworn and examined:

- Mr Sim Mead, Director Policy and Communications

Evidence concluded, the witnesses withdrew.

The following witness from the Auburn Employment Working Group was sworn and examined:

- Ms Adama Kamara, Community Projects Officer

The following witness from the Inner West Skills Centre was affirmed and examined:

- Ms Patricia Frost, Chief Executive Officer, Inner West Skills Centre

Evidence concluded, the witnesses withdrew.

The public hearing concluded at 4:15 pm. Witnesses and the public withdrew.

8. Publication of documents tendered

Resolved on the motion of Ms Hay: That the amended submission of Unions NSW tendered by Mr Christodoulou be published on the Committee's website.

Resolved on the motion of Mr Gulaptis: That the document tendered by Mr Davies during the public hearing be accepted by the Committee and published on the Committee's website.

9. ***

10. Next Meeting

The Committee adjourned at 4:20 pm until Monday 16 September 2013.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 22)

Monday 16 September 2013

9.18 am

Council Chambers, Coffs Harbour City Council

Members Present

Mr Elliott (Chair), Mr Coure, Mr Gulaptis, Mr Parker

Staff in Attendance: Abigail Groves, David Hale

1. Apologies

Ms Hay

2. Confirmation of minutes

Resolved, on the motion of Mr Parker: That draft Minutes No 21, 19 August 2013 be confirmed.

3. Committee Membership

The Chair reported the change in the membership of the Committee as recorded in the Votes and Proceedings, No 163, Tuesday 10 September 2013, entry 13. The Chair welcomed the appointment of Mr Coure to the Committee in place of Mr Ayres, discharged.

4. ***

5. ***

Inquiry into skill shortages in NSW

6. Correspondence

The Committee noted the following item of correspondence received:

- 2 September 2013 emails from Mr John Carven regarding ICT industry certification.

7. Answers to questions taken no notice

Resolved, on the motion of Mr Parker: That the following answers received be published on the Committee's website:

- Unions NSW submission to TAFE NSW
- Briefing note prepared by Ms Angela Chan on behalf of restaurateurs, with names suppressed.

8. Submission received

Resolved, on the motion of Mr Parker: That the Committee authorises publication of Submission No 48 on the Committee's website with name suppressed.

9. Public hearing

9.1 Media orders

Resolved, on the motion of Mr Coure: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 16 September 2013 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

9.2 Publication orders

9.2.1 Transcript of evidence

Resolved, on the motion of Mr Coure: That the corrected transcript of evidence given on 16 September 2013 be authorised for publication and uploaded on the Committee's website.

9.2.2 Answers to questions on notice

Resolved on the motion of Mr Coure: That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witness, and that once received, answers to questions on notice be published on the Committee's website.

The public hearing commenced at 9.30 am. Witnesses and the public were admitted. The Chair made a brief opening statement.

The following witness from Coffs Harbour City Council was sworn and examined:

- Mr Barry Davis, Economic Development Officer

Mr Davis tabled the following documents:

- Switched on Coffs Digital Strategy
- Southern Cross University: Economic Impact of the Universities in the Regional Universities Network
- Regional Initiative for Social Innovation and Research
- Coffs Harbour City Centre Master Plan
- TAFE Directors Australia: Cost-benefit analysis and returns from additional investment in Vocational Education and Training: Executive Summary
- Documents describing haptic technology
- Coffs Harbour Economic Strategy
- Coffs Harbour City Council Workforce Management Plan
- Bellingen Shire Council Workforce Management Plan

Evidence concluded, the witness withdrew.

The following witness from W E Smith Engineering Pty Ltd was sworn and examined:

- Mr Paul Trotman, Manufacturing Manager

Evidence concluded, the witness withdrew.

The following witness from the Australian Apprenticeships Centre was sworn and examined:

- Mr Gerard Klinkers, Apprenticeship Consultant

Evidence concluded, the witness withdrew.

The following witness from Regional Development Australia Mid North Coast was sworn and examined:

- Ms Jenni Kew, Operations Manager

The following witness from Regional Development Australia Mid North Coast was affirmed and examined:

- Ms Jacquie Houlden, Board Member

Evidence concluded, the witnesses withdrew.

The following witness from Tourism Accommodation Australia was sworn and examined:

- Mr Dene Zahner, General Manager, Novotel Coffs Harbour Pacific Bay Resort

The following witness from Tourism Accommodation Australia was affirmed and examined:

- Ms Paige Sinclair, General Manager, Dolphin Marine Magic

Evidence concluded, the witnesses withdrew.

The following witness from Southern Cross University was affirmed and examined:

- Professor David Lynch, Head of Campus

Evidence concluded, the witness withdrew.

The following witnesses from Nambucca Shire Council were sworn and examined:

- Mr Wayne Lowe, Manager Business Development
- Ms Adrienne Smith, Director Mid Coast Trucks
- Ms Reanna Grace, Macksville High School

Mr Lowe tabled the following documents:

- Documents prepared by Mid North Coast Inc addressing the terms of reference
- Nambucca Shire Council Economic Development Plan
- Documents prepared by Nambucca Vehicle Body Manufacturing Cluster outlining the development and objectives of the cluster

Evidence concluded, the witnesses withdrew.

The public hearing concluded at 3.30 pm. Witnesses and the public withdrew.

10. Publication of documents tendered

Resolved on the motion of Mr Gulaptis: That the documents tendered by Mr Davis and Mr Lowe during the public hearing be accepted by the Committee and published on the Committee's website.

11. ***

12. Next Meeting

The Committee adjourned at 3.35 pm until Wednesday 9 October 2013.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 23)

Wednesday 9 October 2013

9.44 am

Waratah Room, Parliament House

Members Present

Mr Elliott (Chair), Mr Coure (Deputy Chair), Mr Gulaptis

Staff in Attendance: Abigail Groves, David Hale, Meike Bowyer

1. Apologies

Ms Hay, Mr Parker

2. Confirmation of minutes

Resolved, on the motion of Mr Gulaptis: That draft Minutes No 22, 16 September 2013 be confirmed.

Inquiry into skill shortages in NSW

3. Correspondence

The Committee noted the following item of correspondence received:

- 19 and 20 September 2013 Felicity Taylor-Edwards, Chief Executive Officer, RDA Orana, providing information concerning regionally-based qualified nurses, and enclosing the Orana Workforce Planning and Development Strategy.
- 30 September 2013 Mr Barry Davis, Coffs Harbour City Council enclosing the Coffs Harbour Airport Master Plan.

Mr Coure requested that a full copy of the Coffs Harbour Airport Master Plan be provided to all Members.

4. Answers to questions taken on notice

Resolved, on the motion of Mr Gulaptis: That the following answer received be published on the Committee's website:

- Mr Mark Burdack, Charles Sturt University – summary of Education Investment Fund grants.

5. Submissions received

Resolved, on the motion of Mr Coure: That the Committee authorises publication of Submissions No 49 and No 50 on the Committee's website with contact details suppressed.

6. Public hearing

6.1 Media orders

Resolved, on the motion of Mr Coure: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 9 October 2013 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

6.2 Publication orders

6.2.1 Transcript of evidence

Resolved, on the motion of Mr Coure: That the corrected transcript of evidence given on 9 October 2013 be authorised for publication and uploaded on the Committee's website.

6.2.2 Answers to questions on notice

Resolved on the motion of Mr Coure: That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witness, and that once received, answers to questions on notice be published on the Committee's website.

The public hearing commenced at 9.50 am. Witnesses and the public were admitted. The Chair made a brief opening statement.

The following witness from Muswellbrook Shire Council was affirmed and examined:

- Councillor Martin Rush, Mayor

The following witness from Cessnock City Council was sworn and examined:

- Ms Jane Holdsworth, Economic Development Officer

Evidence concluded, the witnesses withdrew.

The following witnesses from Tourism Accommodation Australia were sworn and examined:

- Ms Carol Giuseppi, NSW Director
- Mr David Bark, General Manager, Crowne Plaza Hunter Valley

Evidence concluded, the witnesses withdrew.

The following witnesses from the NSW Business Chamber were affirmed and examined:

- Mr Luke Aitken, Senior Manager Policy
- Mr Nick Minto, Senior Policy Adviser

Evidence concluded, the witnesses withdrew.

The following witness from the NSW Minerals Council was sworn and examined:

- Mr Andrew McMahon, Director People and Skills

Evidence concluded, the witness withdrew.

The following witness from the Institute of Public Works Engineering Australia was sworn and examined:

- Mr John Roydhouse, Executive Officer

Evidence concluded, the witness withdrew.

The following witness from the Office of Education was sworn and examined:

- Mr David Collins, General Manager State Training Services

The following witness from TAFE NSW was sworn and examined:

- Ms Margy Osmond, Chair, TAFE Commission Board

The following witness from TAFE NSW was affirmed and examined:

- Dr Catherine Burrows, General Manager TAFE Strategy and Finance

Evidence concluded, the witnesses withdrew.

The following witness from NSW Trade and Investment was sworn and examined:

- Ms Amanda Chadwick, Executive Director Innovation and Industry Policy

Evidence concluded, the witness withdrew.

The public hearing concluded at 4.50 pm. Witnesses and the public withdrew.

7. Publication of documents tendered

Resolved on the motion of Mr Coure: That the document tendered by Mr Roydhouse, and the revised submission tendered by Ms Chadwick during the public hearing be accepted by the Committee and published on the Committee's website.

8. General Business

Resolved on the motion of Mr Coure: That the Committee conduct a further public hearing or hearings if required, to hear evidence from witnesses representing the mining, retailing, aged care and other industries, on a date or dates to be fixed.

9. Next Meeting

The Committee adjourned at 4.55 pm, *sine die*.

MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 24)

Wednesday 13 November 2013

11:32 am

Room 1254, Parliament House

Members Present

Mr Elliott (Chair), Mr Coure (Deputy Chair), Mr Gulaptis, Ms Hay, Mr Parker

Staff in Attendance: Abigail Groves, David Hale, Emma Wood

1. Confirmation of minutes

Resolved, on the motion of Mr Coure: That draft Minutes No 23, 9 October 2013 be confirmed.

Inquiry into skill shortages in NSW

2. Answers to questions taken on notice

Resolved, on the motion of Mr Parker: That the following answers received be published on the Committee's website:

- Professor David Lynch, Southern Cross University – Regional Universities Network Report
- Mr Andrew McMahon, NSW Minerals Council – industry statistics regarding 457 visa holders, and regional relocation grants.

Mr Coure requested that a full copy of the Regional Universities Network Report be provided to all Members.

3. Inquiry Update

The Chair gave an update on progress. Discussion ensued.

4. Next Meeting

The Committee adjourned at 12.00 noon, *sine die*.

DRAFT MINUTES OF PROCEEDINGS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT (NO 25)

Wednesday 26 March 2014
10:21 am
Room 1254, Parliament House

Members Present

Mr Elliott (Chair), Mr Gulaptis, Ms Hay, Mr Parker

Staff in Attendance: Carly Maxwell, David Hale, Emma Wood, Meike Bowyer

1. Apologies

Mr Coure (Deputy Chair)

2. Confirmation of minutes

Resolved, on the motion of Mr Gulaptis, seconded Mr Parker: That draft Minutes No 24, 13 November 2013 be confirmed.

Inquiry into skill shortages in NSW

3. Consideration of Chair's draft report

The Chair spoke to the draft report, previously circulated. Discussion ensued.

The Committee agreed to consider the recommendations and then consider the report chapter by chapter.

Ms Hay moved that Recommendation 3 be amended by inserting the words 'when the local demand cannot be met', after the word 'employers'.

Amendment agreed to.

Ms Hay moved that Recommendation 5 be amended to omit the words:

'The Committee recommends that the NSW Government recommend to the Commonwealth Government that it review the role and responsibilities of the Regional Development Australia network to enhance and streamline the migration system with a view to making it more regionally and sub-regionally responsive, including the expansion of the skills list to include semi-skilled level 4 work with application to the agriculture and hospitality industries amongst others.'

and insert instead:

'The Committee recommends that the NSW Government recommend to the Commonwealth Government that it review the role and responsibilities of the Regional Development Australia network to enhance and streamline the migration system. The Committee found that Regional Development Australia needs to be more regionally and sub-regionally responsive. The skills

list should include semi-skilled level 4 work with application to the agriculture and hospitality industries amongst others.’

Amendment agreed to.

Ms Hay moved that Recommendation 7 be amended by inserting the words ‘and workplace advice’, after the word ‘experience’.

Amendment agreed to.

Mr Parker moved that Recommendation 19 be amended by inserting the word ‘relevant’ before the word ‘university’.

Amendment agreed to.

Mr Gulaptis moved that Recommendation 20 be amended by omitting the word ‘fund’ and inserting the word ‘support’ before the word ‘TAFE’.

Amendment agreed to.

Resolved, on the motion of Ms Hay, seconded Mr Gulaptis: That the recommendations as amended, stand as part of the report.

Resolved on the motion of Mr Gulaptis, seconded Mr Parker: That Chapter One stand as part of the report.

Resolved on the motion of Mr Parker, seconded Mr Gulaptis: That Chapter Two stand as part of the report.

Resolved on the motion of Mr Gulaptis, seconded Mr Parker: That Chapter Three stand as part of the report.

Resolved on the motion of Mr Parker, seconded Mr Gulaptis: That Chapter Four stand as part of the report.

Mr Parker moved that paragraph 5.26 be amended by inserting the words ‘well-managed’ before the word ‘internships’.

Amendment agreed to.

Resolved on the motion of Ms Hay, seconded Mr Gulaptis: That Chapter Five as amended, stand as part of the report.

Ms Hay moved that Finding 6 be amended by adding the words ‘The Committee also found that more incentives would encourage regional relocations’ after the word ‘communities’.

Amendment agreed to.

Resolved on the motion of Mr Gulaptis, seconded Ms Hay: That Chapter Six as amended, stand as part of the report.

Resolved on the motion of Mr Gulaptis, seconded Ms Hay: That the draft report as amended, be the report of the Committee and that it be signed by the Chair and presented to the House.

Resolved on the motion of Mr Parker, seconded Mr Gulaptis: That the Chair, the Committee Manager and the Senior Committee Officer be permitted to correct stylistic, typographical and grammatical errors.

Resolved on the motion of Mr Gulaptis, seconded Mr Parker: That, once tabled, the report be published on the Committee's website.

The Committee discussed the tabling arrangements.

4. ***

5. Next meeting

The Committee adjourned at 11.05 am, sine die.