

**Submission
No 10**

SKILL SHORTAGES IN NSW

Organisation: NSW TAFE Commission Board

Name: Ms Sue Sim

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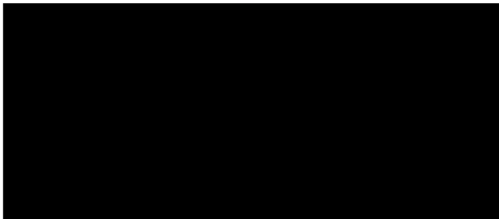
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Dear Dr Groves

I am pleased to provide the NSW TAFE Commission Board's submission to the NSW Legislative Assembly Committee on Economic Development's Inquiry into skill shortages in particular industries, professions and communities in NSW.

I would be happy to discuss this submission with the Committee at any time.

Yours sincerely



Margy Osmond
Chair
NSW TAFE Commission Board
13 June 2013



Introduction

The NSW TAFE Commission Board (the Board) welcomes the opportunity to contribute to the NSW Legislative Assembly Committee on Economic Development's Inquiry on skills shortages in New South Wales. The Board is responsible for providing strategic advice to the NSW Minister for Education and for monitoring the performance of TAFE NSW against key state and national indicators including *NSW 2021: A Plan to make NSW number one*. In this submission, the Board has particularly focused on the unique responsibilities of TAFE NSW to anticipate and support industry and regional demand for skills and on opportunities to expand delivery to international students.

The Board makes two recommendations:

Recommendation 1: The NSW Legislative Assembly Committee on Economic Development recognise the role of TAFE NSW in supporting the economic and social priorities of NSW and adequately fund the provision of services across the State to maintain this role.

Recommendation 2: Consider making representations to the Commonwealth Government to extend international students' eligibility for visas and post study work rights to those seeking to enrol in a public TAFE Institution.

The role of TAFE NSW - Identifying and responding to skill shortages

Through the *Technical and Further Education Act 1990 (NSW)*, TAFE NSW has statutory responsibilities to provide training for individuals and communities in support of the State's economic and social development. TAFE NSW is the leading tertiary provider in Australia. In 2012, TAFE NSW had 579,719 enrolments across all fields of education and in qualifications from foundation level courses to Bachelor degrees.

TAFE NSW offers unparalleled breadth and depth of training across its network of ten TAFE NSW Institutes and 130 campuses. Each TAFE NSW Institute is embedded within its community, has extensive business and community partnerships and offers training and related services customised to the specific needs of the region including addressing specialist training requirements of regional and remote communities.

A key role of TAFE NSW is to provide training for the occupations that drive the productivity and growth of New South Wales. TAFE NSW prioritises the delivery of training to support growing industry areas with strong job prospects.

Through independent analysis, research and comprehensive industry consultation, TAFE NSW anticipates industry demand for training and skills. TAFE NSW Institutes consult and partner with Industry Skills Councils (ISCs) and NSW Industry Training Advisory Bodies, the Department of Trade and Investment, Regional Infrastructure and Services, industry associations, and local enterprises and communities. Based on this evidence, public funding is allocated to training according to the skills in demand in each region. TAFE NSW is uniquely able to rapidly respond to the changing needs of the economy, region by region.

For example, the Health Care and Social Assistance sector is the largest employer in NSW and is expected to continue to expand significantly in response to the increase in the ageing population. Between 2008 and 2012, TAFE NSW significantly increased core funded VET-related delivery aligned to the Health Care and Social Assistance sector. For example, TAFE NSW Health Services and Community Services enrolments increased by approximately 64 per cent. Furthermore, compared with the same time in 2012, enrolments have increased in 2013 by 3.6 per cent for Community Services and 3.1 per cent for Health Services.

Supporting regional and remote communities and industry

TAFE NSW Institutes support all areas of the State including many disadvantaged and remote communities. Across NSW, the level of regional enrolments has increased. In 2008 the number of students from regional/remote areas enrolled at TAFE NSW was 199,360. By 2012 this figure had grown by almost 19 per cent to 236,849. Of these 2012 regional/remote enrolments, over 107,000 were enrolled in Certificate III and above qualifications and more than 22,000 were in Diploma and above qualifications.

Aboriginal communities from rural and remote NSW benefit from TAFE NSW Institutes' innovative delivery approaches. As an example, TAFE NSW – Western Institute's *Western Connect* provides training within isolated and remote communities in NSW, directly where students live, through mobile learning units, connected classrooms and online learning. Similarly, TAFE NSW – South Western Sydney Institute flexibly delivers the Certificate IV in Frontline Management to over 100 Aboriginal and Torres Strait Island caseworker staff with the national *Aboriginal Employment Strategy* using recognition, gap training, workplace training and mentoring services across NSW.

TAFE NSW Institutes are ideally positioned to respond in a timely way to significant changes in local industry. For instance, TAFE NSW – Illawarra was part of the State Government's rapid response team that supported retrenched workers from BlueScope Steel in Port Kembla in 2011. In 2012, TAFE NSW – North Coast Institute provided training in Business Administration, Forklift Licence, Engineering – Mechanical Trade, Hospitality and Food Safety to workers who were retrenched as a result of closures at South Grafton Abattoirs and Ingham's Chickens. The Institute also delivered training for the Kempsey Bypass Alliance (KBA), a partnership

between the NSW Roads and Maritime Services and Leighton Contractors, enabling existing and new workers, many from local Aboriginal communities, to develop their skills to adapt to the fast paced and changing construction industry.

Anticipating the changing nature of work

In addition to responding to forecast changes in the level of employment by occupation, TAFE NSW also considers the changing nature of skills required for many occupations. Increasingly, industry is demanding soft skills and higher order skills. TAFE NSW consultations with national ISCs indicate the need for problem solving and contingency planning skills at every job level, while basic management, leadership and business skills are also a priority.

For example, TAFE NSW – Northern Sydney Institute recently offered customised workforce development solutions to the Department of Family and Community Services through the *Towards a Better Future Project*. The Institute provided recognition of prior learning, skills gap training and workplace mentoring so that regional Aboriginal and Torres Strait Islander employees could achieve the Vocational Graduate Certificate in Community Services Practice (Statutory Child Protection) and Diploma of Community Services (Case Management).

Technological change is also driving increased demand for higher level technical skills and specialist skills, for example, motor mechanics now need more electrical skills. Skilled migration can fill some of the immediate need in areas of significant jobs growth. However, it is also clear that upskilling the existing workforce is necessary for industry to increase productivity and achieve competitive advantage in the longer term.

Supporting specialist and niche industries

TAFE NSW Institutes' centres of excellence offer training for specialist occupations as well as for high cost programs in thin but strategic industries. This training often requires specialised and expensive infrastructure. For example, TAFE NSW – Sydney Institute expanded its capacity to support changes in the transport industry by constructing the AutoCel in 2012. This purpose built, state of the art transport technology facility supports training for jobs in light automotive, spare parts, marine, motorcycle and outdoor power equipment. It contains equipment for online simulation which provides flexible training for students to study on-site or remotely.

TAFE NSW has also increased the delivery of work-based and flexible training to better meet the needs of employers and industry across all sectors. Between 2008 and 2012, TAFE NSW delivery outside the classroom increased from 28 per cent to over 45 per cent of delivery effort.

TAFE NSW is the leading provider of apprenticeship training in NSW. Many of these trades have been identified by the Australian Workforce Productivity Agency as 'specialised occupations', where shortages can undermine industry competitiveness. In 2012, TAFE NSW enrolled over 42,700 apprentices and 14,500 trainees. Approximately 88 per cent of apprenticeship completions in NSW were TAFE NSW apprentices.

Achieving State and national goals

Ambitious State and Commonwealth targets are in place to double enrolments and completions qualifications at or above Diploma level and to halve the proportion of Australians without Certificate III qualifications. These targets are driven by the need to keep the State competitive in an increasingly globalised economy. TAFE NSW supports the achievement of these goals and has significantly increased the delivery of higher level qualifications. For example in 2008, enrolments in programs at or above AQF Certificate III made up almost 43 per cent of all TAFE NSW enrolments. By 2012, this had grown to almost 50 per cent. Over this same period, completions of qualifications at or above AQF Certificate III as a percentage of all completions also grew by over 9.3 percentage points. The percentage of enrolments at or above Diploma level also increased from 9 per cent to 13 per cent over the same period.

TAFE NSW Higher Education

In 2012, TAFE NSW has increased opportunities for students across the State to access higher education. TAFE NSW now offers a range of degrees including:

- Bachelor of Design (Interior Design)
- Bachelor in Early Childhood Education and Care (Birth – 5)
- Bachelor of 3D Art and Animation
- Bachelor of Applied Finance (Financial Planning)
- Associate Degree of Accounting
- Bachelor of Information Technology (Network Security)

In 2012, TAFE NSW graduated its first higher education students, in the Bachelor of Design (Interior Design). In 2013, over 550 students are enrolled in TAFE NSW Higher Education undergraduate programs at nine locations.

The move to a demand driven training market

TAFE NSW is transforming the way it does business to compete in a more contestable training market while still fulfilling its role as the public training provider delivering on Government priorities. TAFE NSW Institutes are operating more autonomously and building their commercial and entrepreneurial capabilities.

TAFE NSW has recently conducted a major consultation with stakeholders on the role of TAFE NSW and its effectiveness in meeting local industry and community needs. It is clear to the Board that the community and industry have high expectations of TAFE NSW, particularly in rural and regional centres. To meet these expectations, TAFE NSW maintains an extensive footprint of colleges across all regions of NSW and provides essential, 'wrap around' support services such as counselling, disability support and language, literacy and numeracy tuition. These services are essential but are costly to maintain.

Recommendation 1: The NSW Legislative Assembly Committee on Economic Development recognise the role of TAFE NSW in supporting the economic and

social priorities of NSW and adequately fund the provision of services across the State to maintain this role.

International education

The TAFE NSW brand is widely recognised both nationally and internationally for quality, reliability and for providing industry standard training. In addition to its contribution to the skills development of NSW, in 2012 TAFE NSW enrolled 3,805 international students from 97 countries. As well as growing local enrolments of international students, TAFE NSW leads large-scale workforce capability development in 37 countries including Asia, South Asia, Europe, the Americas and the Middle East. International education has made a significant contribution to the NSW and Australian economies and will continue to be central to Australia's future in the Asian Century.

Australia's international education industry has been affected by the high Australian dollar and changes to both Commonwealth international education regulations in 2010 and subsequently, in 2011, to immigration rules. Australian Education International year-to-date figures for February 2013 show VET enrolments and commencements fell nationally by 13.9 per cent and 4.5 per cent respectively in the past 12 months. This follows four successive years of declining international onshore commencements in the VET sector.

The Board notes that international students wishing to study with TAFE NSW are disadvantaged by Commonwealth policies that favour universities. Extending streamlined visa processing and post-study work rights to international students to the VET sector are also a key priority action in the *NSW Strategy for business migration and attracting international students*¹. The NSW Premier, the Hon Barry O'Farrell MP, supports low risk, high quality VET providers like TAFE NSW having access to the same market advantages as universities, to help maintain Australia's booming tertiary education sector. Premier O'Farrell has specifically called for the Commonwealth to address the disadvantages faced by VET providers, stating:

"Extending these post-study work rights will also mean we are better able to address areas of the economy where there are currently skills shortages such as hospitality, ICT and building and automotive trades."²

The Board supports legislative and regulatory measures to increase domestic and offshore delivery of international education by high quality VET providers. The Board asks the NSW Government to make representations to the Commonwealth to enable students wishing to enrol with high quality and low risk TAFE providers to have access to the same streamlined visa processing as students enrolled at universities.

¹ Trade and Investment (March 2012) *NSW strategy for business migration and attracting international students* (p.5)

http://www.business.nsw.gov.au/data/assets/pdf_file/0016/21193/nsw_strategy_busmig_students_20120319.pdf

² The Hon Barry O'Farrell MP, Premier of NSW Media release, Saturday 27 October 2012.

Recommendation 2: Consider making representations to the Commonwealth Government to extend international students' eligibility for visas and post study work rights to those seeking to enrol in a public TAFE Institution.

Conclusion

The purpose of TAFE NSW, as set out in the TAFE NSW Strategic Plan 2011 – 2013, is to “meet government priorities by building social and economic capacity and develop the skills that industry and communities need for success”. The Board is committed to the goals set out in NSW 2021, specifically increasing training participation generally as well as the number of people completing higher-level qualifications. The Board would welcome the opportunity to meet with members of the Legislative Assembly's Committee on Economic Development to discuss further the contribution TAFE NSW can make to reduce skill shortages and the contribution of skilled migration.