

**Submission
No 35**

SKILL SHORTAGES IN NSW

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Re: Skills Shortages in NSW (Inquiry)

On behalf of Regional Development Australia Central West I wish to submit the following response to the Skills Shortage in NSW (Inquiry).

Regional Development Australia – Central West (RDACW) is part of a national network of 55 locally managed, not-for-profit incorporated associations and is jointly funded by the Australian and NSW Governments. Our region extends from Lithgow in the east to Lake Cargelligo in the west and comprises the eleven local government areas of Lithgow, Oberon, Bathurst, Blayney, Orange, Cabonne, Cowra, Parkes, Forbes, Weddin and Lachlan.

RDA Central West Regional Plan key strategies for economic development and sustaining regional communities are:

1. Economic Development:

- Facilitate alliances and develop networks of innovators, investors, entrepreneurs and government to increase commercial opportunity.
- Promote and assist with investment attraction, retention and employment growth.
- Support the development of hard and soft targeted infrastructure projects to meet the needs and opportunities of the Central West Region.

2. Environmental sustainability:

- Foster cultural change to adapt to a changing environment.
- Promote innovation and investment in new sustainable technologies.

3. Social Inclusion:

- Assist regional communities to plan for services and access to Government programs.
- Assist in maintaining and improving the wellbeing of the economy, communities and environment in response to the impact of population changes.

Identifying gaps and areas of need in particular industries, professions and communities:

All of the above strategies are impacted by skill shortages in some way therefore RDACW have taken the approach of considering skills issues in relation to each of these strategies.

The following growth sectors (table 1) are all impacted by skills shortages and are using different means to cope from downsizing their business, to owners and staff working longer hours, to sponsoring skilled migrants under the skilled migration program (temporary and permanent pathways) and implementing new management strategies and technologies to assist fill the gap.

The industries and businesses know their skill shortage areas; the biggest problem is this can change depending on the current economic position of the industry and business. The local, national and global economic situation can mean that an industry suffering significant skill shortages can change overnight if their economic position is compromised.



The growth sectors below in the Central West region can be assisted by creating and supporting a robust economy that will provide them with the opportunity to fill the skill shortage gaps by being able to provide a stable and progressive work environment to attract and retain skilled workers.

1. Growth Sectors (Source: AEC Group 2012- Invest Central NSW)

Transport & Logistics	Distribution centres, intermodal operations, warehousing, transportation services
Agribusiness	Agri-processing, water technology, biomass, agricultural services
Professional Services	Financial and business services, engineering, research and development
Health	Specialty medical services, healthcare services, aged care
Advanced Manufacturing	Food and beverage manufacturing, advanced equipment, industrial machinery and equipment
Education and Research	Tertiary education and training, health training, agri-research
Technology Services	Renewable technologies, ICT, creative industries
Tourism	Accommodation, business travellers, leisure product development

2. Key Industry Snapshot – Central West (Source: AEC Group 2012- Invest Central NSW)

Mining: 18.5% of Gross Regional Product 5.2% Employment	The sector is driven by two major gold/copper mines, Newcrest Cadia Hill/Ridgeway and Rio Tinto North Parkes. Coal mining in the region is situated around the Lithgow area.
Manufacturing: 8.3% of Gross Regional Product 9.0% Employment	Nestle Purina, Electrolux, Thales, Simplot and Mars all have large manufacturing operations in the Central West NSW region. The diverse manufacturing sector includes timber products, mining supplies, food and beverage, industrial equipment, wine and white goods.
Agriculture: 6.1% of Gross Regional Product 9.5% Employment	Wool, cattle and wheat have been the backbone of the economy in parts of the region for years and currently provide raw materials to advanced manufacturing companies.
Public Administration and Safety: 6.2% of Gross Regional Product 7.1% Employment	Given the population of the region, there is a large public service sector including offices of State and Federal Government departments. The centres of Bathurst, Orange and Lithgow play a role in this industry.
Health: 7.8% of Gross Regional Product 12.8% Employment	The region is well provisioned by a range of healthcare services. Major new hospitals in Bathurst and Orange have recently been built, demonstrating the continuing strength of this sector.
Education: 5.6% of Gross Regional Product 9.5% Employment	Similar to healthcare, education opportunities abound in the region. Charles Sturt University campuses in Bathurst and Orange and several TAFE Western campuses provide a choice of institutions and courses. The region has a range of disciplines available to study with the University of Notre Dame's Clinical School (Lithgow), University of Western Sydney outreach campus (Lithgow) and University of Sydney School of Rural Health (Orange). Excellent primary and secondary schools, both private and public, further support the education sector.
Transport and Logistics 4.8% of Gross Regional Product 4.2% Employment	The sector is supported by the National Logistics Hub in Parkes and the intermodal facility in Blayney and Bathurst. The region is close to Sydney and Canberra and is traversed by major national road and rail routes creating strategic competitive advantages for transport and logistics.

Regional Skilled Migration:

Regional Development Australia Central West (RDACW) has been gazetted by the Federal Department of Immigration and Citizenship (DIAC) as a regional certifying body. In this role the RDACW considers applications from regional businesses who are applying to DIAC to sponsor a skilled migrant to fill a skill shortage or occupations in high demand. RDACW maintains a watching brief on skill shortages in the region through ongoing consultation with businesses, Job Services Australia, the Department of Education and Workplace Relations (DEEWR) and (DIAC).

The visa that RDACW certify:

- Regional Sponsored Migration Scheme (subclass 187/119) Direct Entry Scheme: This visa gives the skilled migrant permanent residency in Australia. The businesses are required to provide two years full-time employment to the migrant. The sponsored occupation must be an ANZSCO skill level 1-3. For information on the ANZSCO Codes and the RSMS visa go to www.immi.gov.au/employers/anzsco.

The table below shows the number of certified business sponsored occupations from the year 2005 to 2013. (The information on visa numbers from 2005 to August 2009 was made available from the Central West Regional Development Board Inc., who was the certifying body up to 31 August 2009).

Year:	No of certifications for the Regional Sponsored Migration Scheme visa:
2005	16
2006	13
2007	27
2008	22
2009	42
2010	54
2011	78
2012	187
1 st half of 2013	43
Total:	482

The skilled migration visas give business the ability to fill skill shortage occupations that cannot be filled from the Australian workforce. Some occupations are more in demand than others for example all Health and Allied Health occupations are critically needed, First Class Welders, Pressure Welders, Electricians, Engineers (civil and mechanical), butchers, mechanics (diesel & automotive).

RDACW as part of its consultation compiled information on skills shortages across the region. The region continues to have shortages in occupations that require a high skill level and/or relevant years of experience. Many shortages experienced in the Central West are being experienced globally, therefore creating a high level of competition in attracting and retaining skilled employees.

Identifying strategies for government to assist in addressing skill shortages.

1. RDACW is undertaking the following project as a strategy to assist in addressing skill shortages in collaboration with three levels of Government and industry.

Central West Skills Project:

One of Regional Development Australia's (RDA) key objectives is to raise awareness of programs and services available to regional communities to assist with skill shortages.



The Skills Roundtable:

Regional Development Central West (RDACW) in partnership with a number of government and business/industry groups organised and hosted a Central West Education, Skills and Industry Roundtable to facilitate the development of a regional skills plan and whole-of-government approach to linking industry needs with education, training and employment opportunities.

For more information on this project and to download the full report, presentations and project notes go to www.rdacentralwest.org.au/projects-services.

Strategies, solutions and big picture approaches from the Skills Roundtable:

The 70 plus participants at the roundtable discussed and identified:

- Current and future regional skill needs for the Central West
- Learnt more about the education, skills and employment trends for the region
- Together facilitated the development of a regional skills plan and whole-of-government approach to linking industry needs with education, training and employment opportunities.

The group identified the following items:

- Industry focused literacy and numeracy
- Cross sector planning, led by industry
- Partnership approaches community focused
- Matching aspirations with capabilities and job realities
- Careers advisers – clear role more resources
- Data/evidence best practice needs
- Implementation and replication of trade training centres particularly in areas of new technology and emerging industries
- Communication/awareness especially more communication and awareness about industry opportunities – good news and clear entry points
- Employer training in selection processes
- Flexible policy approach to case management e.g. for job service providers
- Engage parents on behalf of the children's learning
- Attitudinal change/lifelong learning and perception (community and industry)

Opportunity:

- To provide adequate local data on industry changes and future skills needs (over 5 years) to inform planning and development of skills programs and initiatives.
- Assist industries to build capacity to identify needs and develop linkages with education and training providers, support organisations, programs and initiatives.
- A whole-of-government approach to develop partnerships and collaboration to access expertise and resources.
- Development of business clusters to provide support on workforce and management issues to build capacity amongst like businesses.

CWESIC currently:

- The roundtable identified a number of issues which were then discussed by the CWESI Community working group categorising the issues into the following sub-groups:
 - Industry focused literacy and numeracy.
 - matching aspirations with capabilities and job realities (includes careers advisory roles, engaging parents and lifelong learning).
 - cross sector collaboration,
 - Apprenticeship completions group.
 - Communications group.
- CWESI Community working group with representatives from State and Federal Government, local organisations and industry continues to meet bi-monthly.
- The CWESIC sub-groups meet regularly to work on delivering regional programs and discuss solution based initiatives to address the specific issues identified in each of their categories.
- The CWESIC sub-groups representative reports at the working group network meetings providing an update on activities and raising issues or solution based ideas for discussion.
- The CWESI Community working group's key role is to strengthen regional partnerships through collaboration on solving issues and developing innovative solutions. Its role is to communicate the activities of the group and to increase the knowledge of the community on education, training, assisted learning programs and support organisations available to provide pathways to employment.
- RDACW is the Secretariat for the CWESI Community working group and a member of the Language, Literacy and Numeracy sub-group.



2. RDACW Invest Central NSW:

The Invest Central NSW is an initiative of RDA Central West in partnership with Central NSW Councils. The project goal is to build an information platform using current ABS Statistics, to provide the region with a standard set of data and analysis of the current economic climate and outlook to support investment growth and attraction. The Invest Central NSW package is available from the RDACW website www.rdacentralwest.org.au and is comprised of the following:

- Central NSW economic profile (Central West & Centroc) – updated 2011 ABS statistics.
- Central NSW Economic Data warehouse tool hosted on RDACW website – updated 2011 ABS statistics.
- 16 LGA profiles (Central West & Centroc) – updated using Invest Central NSW Economic Profile and from information provided from individual Councils.
- Opportunity Assessment Central West region (11 Councils) – completion date 31 July 2013. Purpose to identify key economic drivers and growth opportunities. The opportunity assessment will be aligned with each Councils strategic plan with workshops being planned to discuss the assessments.
- Export/Import analysis and supply chains (11 Councils) – completion date 31 January 2014. Purpose is to provide analysis of the economic value of exports and imports in the region and key industry drivers of freight movements connecting to National ports.
- Freight Study (11 Councils) – completion date 28th February 2014. Purpose of the project is to conduct research that will provide a detailed assessment of freight transport linkages to and from the Central West region and the associated implications for freight policy.
- Alignment of regional strategic plans to identify priority actions (2013-2016). For the purpose of:
 - Strategies aligned across RDACW, Centroc and Council's Integrated Planning with linkages to the NSW 2021 plan and Federal policy and programs.
 - To establish a strategic approach to identifying regional priorities that can feed into the review of the Central West Regional Action Plan.
 - To strengthen regional strategic partnerships to support economic development activities.

3. Issue - measuring skill shortages:

An issue that makes identifying and measuring occupational skill shortages difficult is the number of different agencies that collect data and provide analysis. The issues are:

- a. Data is collected numerous times by different agencies or organizations (State and Federal government departments, education and training providers, business associations, economic development organisations, local government etc.) with slightly different geographical boundaries therefore potentially duplicating the data collection and analysis across boundaries.
- b. Industry and businesses are being continually consulted and surveyed to get their current and projected skill shortage areas; inclusive of questions regarding their training requirements and future needs. The response to surveys and consultation from what RDACW has experienced is certainly decreasing which questions the robustness of the collective data and analysis.
- c. To put together a report on the Central West regions skill shortage projected figures for the next five years would mean sorting primary and secondary data from these agencies into a data set that matches the Central West geographical area and analyzing the information to compile an accurate report.

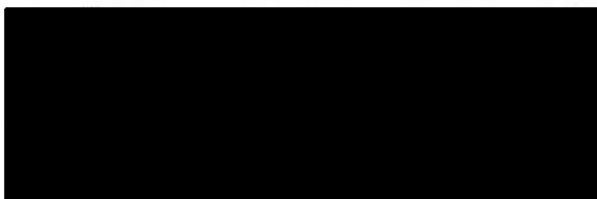
A strategy is needed to provide a coordinated approach to collecting data on current and future skills needs and information on education and training requirements. The coordinated approach could collect primary and secondary data across the State and make it available in a raw format with the full methodology.

This would mean that a coordinated partnership approach across three levels of Government would allow a planned and strategic delivery of information on skills shortages that can be used to inform education and training, economic development, investment and social planning on an ongoing basis.

The coordinated partnership approach across all levels of Government would ensure that a standard set of data is used at all times which can be collated for specific geographical areas and purposes.

RDA Central West would value a strategy that would provide access to skill shortage information that can be used for regional planning purposes and to build on the Invest Central NSW information platform. It is the RDA networks role to assist with regional facilitation and avoid duplication in regional initiatives across three levels of Government.

Yours sincerely



Sandy Morrison
Chair

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