

## **INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW**

**Organisation:** Legislative Assembly  
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**Theme:**

**Summary**



PARLIAMENT OF NEW SOUTH WALES  
LEGISLATIVE ASSEMBLY



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The Inquiry Chair  
State Development Committee  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

**Submission to the Inquiry into Skills Shortages in Rural and Regional NSW**

Dear Chair

I wish to highlight some of my concerns in regard to the skills shortage in rural and regional NSW. Skills shortages are a great concern for rural and regional communities. They constrain output and investment, lower productivity, and can lead to inflationary wages.

The Australian Business Limited NSW Mid Term Report Card survey of 600 businesses released in March 2005 found 79% of businesses believe the NSW Government is not doing enough to address the current skills crisis. There are skills shortages in all of the traditional trades; residential, commercial and industrial trades, engineering, vehicle and electrical trades, printing, wood, furniture and hairdressing.

It is the view of many employers that the current training delivery system in NSW is inflexible and unresponsive to the needs of business and industry and is a contributor to the NSW skills shortage.

Whilst local governments, regional business organizations, Area Consultative Committees and Regional Development Boards should contribute significantly to provide local skills need intelligence and to influence course content, it is the role of the State Government to deliver training opportunities in skills shortage sectors and to provide a suitable regulatory framework for private providers.

NSW's major training provider, TAFE needs to have the flexibility to meet the needs of a changing employment environment. In 2003, TAFE in NSW had 541,970 course enrolments and 251,812 course completions. (ie only 46% of courses commenced were completed). As a result significant public resources have been spent on providing training for students who have failed to gain skills accreditation.

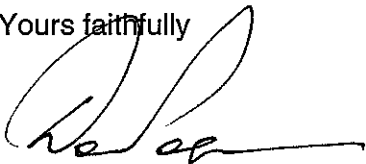
Businesses have criticized the TAFE system for its focus on process rather than outcomes, for its lack of flexibility, and its 'schools' rather than 'business' culture. It is essential that the TAFE system is reformed to provide greater flexibility and responsiveness to the needs of business in NSW.

The Commonwealth Government's commitment of \$351million over five years to establish 24 Australian Technical Colleges will assist in addressing the issue of skills shortages. The Technical Colleges will be run independently and promote choice, flexibility and excellence in vocational education. Unlike existing State run training providers, the Technical Colleges will be closely linked with local industry and community representatives and should be supported. Importantly, the initiative is expected to assist in altering community attitudes to traditional trades.

The Commonwealth Government has also made an offer for a new training agreement with the NSW Government which would deliver \$1.6 billion or 42,500 new training places over four years. Whilst Queensland has already signed a similar Agreement with the Commonwealth, thus far the NSW Government has failed to do so. Without such an Agreement in place NSW risks exacerbating the skills shortage as trainees move interstate.

I urge the Committee to consider the need for greater training flexibility in order to address the current skills shortage, particularly in rural and regional areas where training opportunities are limited and increasingly centralized.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Don Page', with a stylized flourish at the end.

**Don Page MP**  
**MEMBER FOR BALLINA**  
**DEPUTY LEADER- NSW NATIONALS**  
**SHADOW MINISTER FOR SKILLS DEVELOPMENT AND TRAINING**  
**SHADOW MINISTER FOR REGIONAL DEVELOPMENT**