

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

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**Theme:**

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**Summary**

This submission was compiled by the Community Relations Commission For a multicultural NSW and includes contributions from the following member agencies of the NSW Government Immigration and Settlement Planning Committee:

- Community Relations Commission For a multicultural NSW (CRC) – Committee Chair
- NSW Department of Education and Training (DET)
- NSW Department of Commerce
- NSW Department of Local Government (DLG)
- NSW Department of Ageing, Disability and Home Care (DADHC)
- NSW Department of Housing

This submission draws on the work of the Community Relations Commission Committee on the Recognition of Overseas Nursing Qualifications and the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW.



Community Relations Commission  
For a multicultural NSW

**Submission to the**  
**Parliament of New South Wales**  
**Legislative Council**  
***Standing Committee on State Development***

***Inquiry into skills shortages in rural and  
regional NSW***

September 2005

## Acknowledgements

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## Acronyms

AMES –	Adult Migrant English Service
BVET –	NSW Board of Vocational Education and Training
CACC –	Construction Agency Coordination Committee
COAG –	Council of Australian Governments
CRC –	Community Relations Commission For a multicultural NSW
CSU –	Charles Sturt University
CTP –	Contracted Training Provision Program
DADHC –	NSW Department of Ageing, Disability and Home Care
DEST –	Commonwealth Department for Education, Science and Training
DET –	NSW Department of Education and Training
DEWR –	Commonwealth Government Department of Employment and Workplace Relations
DLG –	NSW Department of Local Government
DoHA –	Commonwealth Government Department of Health and Ageing
DSRD –	NSW Department of State and Regional Development
DVC –	Department for Victorian Communities
LGMA –	Local Government Managers Australia
LGSA –	Local Government and Shires Associations of NSW
MCIMA –	Ministerial Council for Immigration and Multicultural Affairs
MODL –	Migration Occupations in Demand List
MURRAYROC –	Murray Regional Organisation of Councils
OQU –	Overseas Qualifications Unit (Victoria)
RCB –	Regional Certifying Body
RDB –	Regional Development Boards
REROC –	Riverina Eastern Regional Organisation of Councils
RMIF –	Regional Migration Incentive Fund (Victoria)
RMS –	Regional Migration Strategy (Victoria)
RSMS –	Regional Sponsored Migration Scheme
SCIMA –	Standing Committee of Immigration and Multicultural Affairs
SDAS –	Skilled Designated Area Sponsored (Visa)
SIR –	Skilled Independent Regional (Visa)
SMU –	Skilled Migration Unit (Victoria)
SOL –	Skilled Occupation List
SSASSL –	Sydney and Selected Areas Skilled Shortage List
SSSL –	Sydney Skills Shortage List
STNI –	State Territory Nominated Independent scheme
USQ –	University of Southern Queensland
UTS –	University of Technology, Sydney
VET –	Vocational Education and Training

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**NSW PARLIAMENT LEGISLATIVE COUNCIL  
INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW**

## **Introduction**

Critical skills shortages across a range of occupations, industries and regions are constraining the economic development of New South Wales. State and Local Government, industry and unions agree that reducing skills shortages is a priority concern for the State.

State-wide skills shortages, both in the public and private sectors, have been identified in the areas of construction, planning, engineering, manufacturing, and in the automotive, electrical, and food trades. There are also critical shortages in human services areas such as childcare and nursing, including aged care. In addition, large peak industry groups such as the AiGroup and Australian Business Limited also report difficulties experienced by members in attracting a range of skilled labour.

Rural and regional areas of NSW have been particularly affected by specific areas of skill shortages within the workforce. This submission will outline the acute problems of skills shortages in rural and regional NSW and address the on-going challenge of attracting and retaining skilled workers in rural and regional areas of the State.

The settlement of skilled migrants in rural and regional areas remains a priority for the NSW Government. This submission highlights the need for on-going cooperation between Commonwealth and NSW Government agencies in attracting skilled migrants to rural and regional NSW, in recognising overseas skills and qualifications, and in establishing adequate settlement services, including skills training, for refugee settlers in regional NSW.

This submission will outline the role of several NSW Government agencies in assessing and responding to skills shortages, particularly in regards to skills training.



## **(a) The current and future demand for labour**

### **A-1 Current skills shortages in the public sector**

#### ***A-1-1 Skills shortages in the local government sector***

Local governments throughout NSW are aware of and directly affected by skills shortages. In many rural and regional communities the local council is the major employer. Therefore, local councils are one of the industries that are acutely affected by skills shortages in rural and regional NSW.

Like other sectors of employment, the local government sector is encountering difficulties in obtaining and retaining professional and para-professional staff. Skills shortages are particularly acute in the professional and para-professional areas of planning and building. Furthermore, these problems are likely to increase in line with the ageing of the workforce.

Addressing skills shortages within the NSW local government sector is a high priority for the NSW Department of Local Government (DLG). Late last year DLG joined with the Local Government and Shires Associations of NSW (LGSA), Local Government Managers Australia (LGMA), TAFE NSW and the Centre for Local Government at the University of Technology, Sydney (UTS) to establish the Professional Skills and Training Shortages Taskforce (the Taskforce). The Taskforce has been established to assist in addressing current and projected skills shortages in key professional and para-professional areas of employment in local government and to encourage retention of existing qualified professional staff in local government.

The Taskforce consults with and draws upon the support and advice of affected stakeholders, including relevant peak professional and representative bodies, other State Government departments and training and education institutions.

The Taskforce recognised the need to obtain better quantitative and qualitative information on skills shortages among NSW councils in order to identify areas of priority and commissioned a survey of councils to identify areas of skills shortages and opportunities for improvement in the context of current recruitment and staff development practices.

The Taskforce commissioned Red Letter Information Pty Ltd to survey a sample of sixty-six councils, drawn from the DLG Group classifications. The survey, which took the form of a structured telephone interview, involved twenty-two councils each from rural, regional and metropolitan NSW. In summary, 92.4% of councils reported a current skills shortage or identified emerging skills shortages.

#### **Council Survey Results – Regarding areas of skills shortage**

The main areas of identified skills shortage for local councils, in order of priority, are:

- Planning (town planners & statutory planners)

- Engineers (civil, design, traffic, utilities)
- Environmental, health & building
- Trades (mechanics, building related)
- Finance
- Childcare

## **Planning**

Nearly all local councils mentioned planning as a specific area of skills shortage. For the forty-four rural and regional councils surveyed, thirty-five councils (80%) identified planning as an area of skills shortage.

In terms of the main reasons for the shortage, most councils commented on the overall industry shortage and the minimal number of applicants who apply for planning positions across the State, while other councils noted the dominance of the private sector, which offers greater appeal, and better pay and benefits. Nearly a third of councils said there is a shortage of students completing planning tertiary qualifications.

## **Engineers**

Almost three quarters of councils (survey respondents) mentioned engineering as a specific area of skills shortage, particularly civil engineers. Thirty-three of the regional and rural councils (75%) identified shortages in this area, with central NSW councils having the highest level of shortage in the State (88%).

The main reasons cited for the shortage include the impact of development in the eastern part of the State (increasing demand), a shortage of students completing engineering courses, difficulty in attracting candidates to rural locations, uncompetitive rates of pay or the unappealing image of local government.

## **Environmental, health and building**

This group of professionals includes inspectors, surveyors and officers. Nearly one third of councils identified shortages in these areas, with the majority of these councils located in the north east of the State.

Councils mentioned an overall industry shortage, with minimal numbers of applicants responding to job vacancies, along with a lack of tertiary students completing qualifications in the area, and a higher standard of qualifications demanded across the board.

## **Trades**

A minority of councils (27%) identified the trades as an area of skills shortage, specifically in the areas of mechanics and building-related trades. Shortages were evenly distributed throughout the State.

Respondents identified two main reasons for the shortage of tradespeople - an uncompetitive rate of pay, specifically in local government as opposed to private sector and an overall shortage of apprenticeships being completed.

### **Finance**

A minority of councils (20%) mentioned shortages in finance related areas – accountants, finance managers, rating and purchasing. Half of the councils identifying skills shortages in these areas are located in central NSW.

Respondents mentioned uncompetitive rates of pay, rural location and a lack of qualified applicants as key reasons for the skills shortages.

### **Childcare**

Nearly 15% of councils identified a shortage of childcare professionals. This includes childcare and early childcare directors, teachers and untrained assistants.

Key reasons identified for the skills shortages include lack of internal and external development and training, and poor remuneration.

Local government strategies to address skills shortages in rural and regional NSW will be outlined under Term of Reference C.

## ***A-1-2 Skills shortages in government construction and home building projects in regional NSW***

A shortage of construction suppliers has recently been recognised in the Western, Riverina and far North Coast regions of NSW. Also, over the last two to three years there has been an ongoing difficulty to attract applicants for Project Manager positions in the Riverina/Western parts of the State and to a lesser degree other parts of the State, as well as difficulty in getting graduates to move to rural NSW.

When tendering for smaller value major capital works valued from \$0.5 million up to about \$3.0 million in the Western and Riverina regional areas, there tends to be difficulty in establishing tender panels from locally based tenderers. Feedback indicates that due to the relatively small government capital works program in these regional areas, most local contractors are unwilling to make the investment in management systems required by government (eg OH&S, Environmental, Industrial, Quality, Training etc). As a result, in an attempt to obtain effective competition and value for money from the tendering process, Sydney based firms are included as tenderers.

As for the Far North Coast, anecdotally, contractors based in that regional area are obtaining higher margins from an overheated south-east Queensland market than is available from local work. There are, however, a larger number of skilled contractors in this regional area compared with Riverina/Western and accordingly, the tendering problems experienced with Riverina/Western are not present.

Preliminary research into the availability of contractors in Bathurst and Orange for hospital construction projects indicates that due to the size of these projects, it is likely that the tenders will be large construction firms based in Sydney. Some subcontractors may be local, however due to the specialised nature and size of the projects, it is likely that many of these too will come from the Metropolitan area (from Newcastle to Wollongong, and possibly even Canberra).

For economic reasons, contractors may not wish to base themselves in an area where there is not a continuous flow of work, or too great a cost in travelling. Anecdotal evidence suggests that building contractors are not keen to take on apprentices as they cannot assure them of work, are too expensive to keep, and do not return a profit for several years. With little chance of receiving localised training the young people leave the rural areas for the cities to gain some sort of work.

### ***A-1-3 Skills shortages in care and support services***

The NSW Department of Ageing, Disability and Home Care (DADHC) employs a large number of people across four regions in rural and regional NSW in a range of occupational groups providing services to older people, people with a disability and their carers.

A large proportion of the DADHC budget is spent on nursing and allied health to support people with complex health care needs and challenging behaviours. However, DADHC has identified a serious shortage of Therapists (Occupational, Physiotherapy and Speech Pathology) and Nursing and Allied Health Professional staff in regional and rural areas, particularly outside non-regional centres. The demand for Therapists and Nursing and Allied Health Professionals is unlikely to diminish in the foreseeable future.

DADHC has identified the following problems relating to regional skills shortages and recruitment in the care and support services:

- The lack of a sufficiently trained residential support worker pool in regional areas.
- The retention of new recruits is a concern - turnover rates can be as high as fifty percent.
- The continuing depletion of professional skills from rural to urban areas.
- The ageing of the workforce: a significant workforce cohort is aged between 45-55 years, requiring the need to strategically plan for anticipated departure from workforce from this age group.
- Labour shortages lead to competition between agencies for staff, which require creative solutions.
- Pressure for nursing staff to become proficient in an increasing range of medical and health support procedures.

DADHC is addressing these problems through various change management programs including industrial relations award negotiations and workforce planning activities. These issues highlight the need:

- For less restrictive work practices and defined areas of professional practice within and between professional groups.
- For further investment in training.
- To redesign existing job roles and create new job roles to facilitate multi professional and multifunctional approaches to workforce planning.
- To support hybrid roles, based on the premise that work should be undertaken by those competent to carry out tasks, not necessarily by those who have traditionally undertaken those roles.
- To retain quality of training and vocational outcomes

### **A-1-4 The shortage of nurses in NSW**

A report commissioned by the Commonwealth Department for Education, Science and Training (DEST) in 2002 estimates an excess demand of 40,000 registered nurses in Australia by 2010 (see Karmel and Li 2002).<sup>1</sup> This report did not break down that figure by State, so no specific estimate is available for New South Wales. Anecdotal evidence suggests, however, that the nursing shortage is acute in NSW, and that shortages present significant problems for the future of health services in rural and regional areas of the State.

In its response to national nursing shortages outside the metropolitan areas, the Commonwealth Government implemented the Rural and Remote Nurse Scholarship Program in 1998 to assist professional development and skill training for registered and enrolled nurses working in remote and rural areas as well as those wishing to train and practice in these areas.

Another option for addressing the shortage of nurses is the recruitment of overseas qualified nurses. To this end, in late 2004 the NSW Premier approved the establishment of the Community Relations Commission Committee on the Recognition of Overseas Nursing Qualifications, to examine a range of strategies to overcome identified barriers to the recruitment of overseas qualified nurses while maintaining high standards of health care and patient safety. The Committee's objectives are detailed under section, *F-1-10 Recognition of Overseas Nursing Qualifications*. The Committee is due to report at the end of September 2005.

## **A-2 Skills shortages in the Motor Vehicle Repair Industry**

The NSW Department of Commerce reports anecdotal evidence of widespread skills shortages in the motor vehicle repair industry, e.g. motor mechanic, auto electrician, panel beater and vehicle painter. The situation in rural and regional areas is exacerbated by access to training (i.e. need to travel to other regional centres or even to the metropolitan area to attend TAFE), the need for block release taking young apprentices away from their families for days at a time and the low rate of expenses payments during block release.

The motor vehicle repair industry is still a very traditional industry and compared to emerging technologies does not necessarily have the appeal to young people,

especially when a four-year apprenticeship at low wages is necessary to gain entry to the trade. The issue has been a matter of concern to the industry for a considerable time. The Automotive Training Board of NSW has conducted at least one seminar to consider issues associated with shortages and in recent times is developing proposals regarding the shortening of the terms of apprenticeships.

### **A-3 Employment trends and future skills shortages**

A fundamental impediment to the development of a skilled labour force is the growth of non-standard forms of employment. Trends suggest that a growing component of the conventional full-time workforce is being replaced by a largely transient labour supply comprised of a pool of part-time, casual and labour hire employees, as well as a body of independent contractors.

Not only does this present potential problems for policy makers presiding over industrial relations systems predicated on a standard model of employment, it also has a direct impact on many of the industries experiencing skills shortages, which are all areas where non-standard forms of employment are prevalent.

These temporary and supplementary workers are denied basic entitlements to sick leave, recreation leave, superannuation and other benefits which apply to permanent workers, and importantly their access to training and skill enhancement is significantly limited.

To some extent, this may be seen as a corollary of these sorts of employment relationships. Training is essentially an investment in labour, so when labour becomes more mobile, the reciprocal benefit of training suffers. Employers are less inclined to allocate time and money into training if they will not be enjoying the results of the original outlay.

The available research confirms that these mobile categories of workers tend to receive less structured vocational education and training opportunities than permanent and, especially, full-time permanent employees.

The trend towards non-standard forms of employment directly impacts upon the skills shortages situation in NSW.

### **A-4 Apprentices, Trainees and the Federal Industrial Relations Agenda**

Any strategy to address skills shortages in regional and rural NSW should take account of the Commonwealth Government's announced plans to restructure industrial relations systems nationally. While legislation is yet to be passed, the information available at this stage suggests that the plans to strip awards of facilitative training provisions will have a major deleterious impact on skilled workforces in regional NSW.

Of primary concern is that the Commonwealth Government has announced that industrial awards will be stripped back to five major conditions. This will mean that

current award provisions which assist apprentices and trainees to complete off-the-job training will be removed. In practical terms, the following sorts of arrangements will be removed from industrial awards:

- apprentices and trainees will not be guaranteed that they will be paid for the time that they spend attending TAFE;
- apprentices and trainees will not need to be released by their employers from work to attend training, even if this training occurs partially within the employee's own time;
- employers of apprentices and trainees will not need to pay the course fees incurred as part of the apprenticeship/traineeship, or the fares incurred by apprentices and trainees in travelling to TAFE (this has particular impact on apprentices and trainees in regional NSW who attend block training courses);
- adult apprentices and trainees may not be guaranteed higher pay rates; and
- employers will not have to ensure that apprentices/trainees are supervised by qualified trades workers.

If these award provisions are removed, individual apprentices and trainees will need to negotiate these entitlements with the employer at the time of commencing the apprenticeship or traineeship. Combined, the removal of these award entitlements will make apprenticeships and traineeships less appealing to all workers, and particularly adult apprentices who may be forced to train on junior wages for up to four years.

Another impact of the proposed Federal industrial relations and VET changes will be to remove penalty rates and loadings from awards. The loss of award provisions providing evening penalty rates and face-to-face teaching loads will reduce the attractiveness of teaching as a career for the best trades workers. In time, this will reduce the quality of vocational education.

Combined, the impact of the proposed Federal changes may have a counter-effect to any strategies which enhance participation in vocational training in regional NSW.

## **A-5 General factors affecting movement between metropolitan and regional centres**

There are many disincentives for skilled workers moving from metropolitan to regional centres in NSW. These same disincentives also contribute to the movement of skilled workers out of rural areas and towards urban centres. These disincentives include:

- Difference in real estate values between city and regions.
- Growing disparity in house prices between inland and coastal regional areas.
- Potential loss of the second household income because working partner may not be able to get another job in the new location, at the same salary.
- Working partners may not be willing, or interested, in moving to a new location for either personal or professional reasons.

- Perceptions that there are limited social opportunities in the regions (also by people from coastal regions).
- Perception that education and health facilities are limited or of a poor quality in the regions.
- Limited work opportunities for children of employees in regional areas to secure work.

NSW must address these economic and social disincentives if it is to find solutions to skills shortages in rural and regional areas of the State.

## **(b) The economic and social impact of the skills shortage**

### **B-1 The impact on standards and quality in regional construction and home building projects**

As stated at A-1-2, building contractors may not wish to base themselves in an area where there is not a continuous flow of work, or too great a cost in travelling. This may result in fewer licensed contractors in some areas and consumers may turn to unlicensed people to get work done.

It is often the case that when major project builders from metropolitan areas contract for work in rural areas their regular subcontractors will not travel to undertake the contracted work. The project builders then rely on local subcontractors who may not have the knowledge about what is expected of them to complete the work at the standard required. There is little supervision by the builder because of the distance involved.

This is also a training issue as metropolitan based subcontractors have the ability to learn on the job because they are doing similar work on a frequent basis for the same builders. Some regional subcontractors may not access the benefits of being supervised by a large and experienced building firm and may work for more small building firms with different expectations of quality. The precedent of quality may then be set by the subcontractor rather than the builder, i.e. the subcontractor ends up being self taught and if poorly supervised and supported may continue with poor work practices. The problems manifest on project homes where a standard quality is expected.

Anecdotal evidence suggests that building contractors are not keen to take on apprentices as they cannot assure them of work, are too expensive to keep, and do not return a profit for several years. With little chance of receiving localised training the young people leave the rural areas for the cities to gain some sort of work.

An option could be that students enrol in a full time training program at their nearest TAFE College and then be required to undertake a period of verified practical experience with a builder to qualify for a relevant licence. Builders in the rural areas would receive some value for their money, they would not lose the student for block



release practical sessions and the student could start to form a basis for full time employment.

### **B-3 Impact of skills shortages on councils meeting their statutory obligations**

Councils have a range of statutory obligations they are required to meet. Unfortunately, the current skills shortages are impacting on the capacity of some councils to meet these obligations.

When asked (in a DLG survey of skills shortages in local government) how they are meeting their statutory requirements in light of the identified shortages, the majority of councils advised they are contracting out to consultants or using casual employees to meet immediate demands.

A large number of councils indicated they are resorting to increasing the workload on current employees, by spreading the workload internally and by increasing overtime. In such cases, councils noted the pressure this is placing on existing employees and the potential longer-term implications this may have on the capacity of councils to retain and attract staff.

Some councils advised they are having difficulty meeting their current workload, and that some work is not being done. Others suggested that essential tasks are being done, while other areas of work are being delayed.

Some councils indicated they are actively trying to retain and attract staff in order to meet their statutory obligations, through strategies such as matching the salary and work conditions of the private sector, internal promotion, up-skilling, creating a flexible work environment and presenting an image of “employer of choice”.

### **B-4 Social and economic impact of skills shortages in care and support services**

The Department of Ageing, Disability and Home Care (DADHC) has identified the following economic and social impacts of current skills shortages in care and support services:

- Economic costs to agencies through increased expenditure on casual staff and overtime.
- Cost to community of loss of service infrastructure.
- Cost to government of fragmented and inequitable services.
- Social impacts – young children failing to reach developmental milestones or individual potential; ongoing service dependency; contribution to family breakdown; failure at school; not transitioning to work force; ongoing economic and social dependency.
- Limited access to service for target groups.

- Limited choices of services for target groups i.e. respite, social activities.
- Limited choice of service providers.
- Reduction of support services.
- Increase strain on medical services in rural areas.
- Increase pressure on carers and families.
- Increased risk of using health system for respite.
- Increase of unnecessary entry to health system due to limited medication/ support services.
- Increased risk of premature entry into residential care.
- Major infrastructure shifts to larger centres i.e. hospitals etc.

**(c) The strategies and programs of local governments to retain and attract skilled workers including opportunities for strategies and programs in conjunction with non-government bodies such as regional business organisations and Area Consultative Committees and Regional Development Boards**

## **C-1 Local government initiatives to address skills shortages**

### ***C-1-1 Recruitment and retention of council staff***

Many councils are being proactive in their attempts to address their skills shortages. Over 80% of councils have advised the department of Local Government (DLG) that they have implemented initiatives to help address the skills shortages, or that they have plans to do so.

Broadly, these initiatives can be grouped into recruitment strategies and strategies aimed at improving retention of existing staff.

#### **Recruitment**

Traineeships are the most popular recruitment initiative, with nearly a third of councils mentioning this form of recruitment strategy. For example, one respondent from northeast NSW identified environmental health officers and strategic planners as a key area of focus for traineeships.

A minority of councils identified recruitment strategies designed to increase the attractiveness of their organisation as an employer, whether financial or lifestyle related, as a means of improving their organisation's competitiveness in a highly competitive employment market.

Respondents also mentioned longer-term recruitment initiatives, such as career planning with high schools, while others said they are implementing short-term recruitment initiatives, such as graduate schemes, which are promoted directly to university students. For example, one respondent from central NSW identified an engineering cadetship at Newcastle University.

Two councils have implemented recruitment strategies to attract international candidates.

While not actively being undertaken yet, a number of councils identified the option of collaboration with other councils for resource sharing. Several councils indicated they are in the early stages of planning and development for such an arrangement. These collaborative strategies are focusing on areas of identified skills shortages, such as engineering, town planning, health and building inspectors and childcare.

## **Retention**

Councils reported a variety of creative approaches to retaining their existing staff, which range from up-skilling existing employees through training and development initiatives through university or TAFE courses, or increasing the organisation's attractiveness through lifestyle-related initiatives such as financial rewards, salary sacrificing, education assistance, flexible hours or yoga classes.

Councils also mentioned the redesign of positions to increase the scope or attractiveness of a key role.

Unfortunately, a number of respondents reported problems in their efforts to implement up-skilling or retraining of staff, whether because of the relatively high average age of the workforce, lack of interest among employees because of the commitment required, or the perceived lack of financial reward.

It is noteworthy that nearly all regional councils (95.5%) are considering or have implemented retraining or up-skilling as a means of addressing the skills shortages.

## **Early Stage Initiatives**

Around a quarter of respondents said they are in the early stages of planning initiatives to overcome skills shortages.

Consistent with respondents who are already implementing initiatives, planning projects mentioned include collaborating with education providers, such as Wollongong University, through traineeships and career promotion, and collaborating with other councils to analyse local skills shortages or to develop resource sharing initiatives.

A substantial group of councils also highlighted the need for long-term strategies such as targeting younger candidates.

One council mentioned the need to facilitate easier entry into the planning profession by lowering the education requirements.

## ***C-1-2 Activities by other regional bodies***

The Department of Local Government (DLG) is aware of the efforts and initiatives of a number of other regional bodies to address skills shortages. These efforts are

focused on the shortages facing the relevant local councils, who are typically among the largest of employers in rural and regional NSW.

It is anticipated that many of these bodies will be providing independent submissions to the inquiry outlining their initiatives. Please refer, therefore, to submissions by regional councils organisations, including:

- Murray Regional Organisation of Councils (MURRAYROC)
- Riverina Eastern Regional Organisation of Councils (REROC)
- Southern Councils Group

Each of these organisations is working with relevant peak business bodies in their region to coordinate skills shortage strategies in the private and public sector. An example of one such initiative is provided below, under *C-1-3*.

### ***C-1-3 Attracting civil engineers to the Riverina***

The local Institute of Public Works Engineering Australia group, through the Riverina Eastern Regional Organisation of Councils (REROC) has developed innovative short and long term strategies to attract civil engineers to work in councils in the Riverina. These include:

#### **Short Term**

- Development of a slogan “*Take a Job Get the Lifestyle*” (plus promotional material)
- Internships and job placements in regional councils. This involves a presentation to UTS engineering students to offer them jobs in councils and show them the benefits of living in the region. UTS uses the sandwich course approach where the student does six months full time study and then is available to work in an organisation for six months.

#### **Long Term**

- Provide work experience places for students during university holidays.
- Promote a career in civil engineering at schools.
- Provide fully funded HECS based scholarships.
- Negotiations are ongoing with both Charles Sturt University (CSU) and University of Southern Queensland (USQ) that will enable civil engineering students to partially complete their course through both institutions. It is envisaged that students would complete their first year (or 18 months) of study at CSU under a B. App. Sc. course and then complete their studies part-time through USQ’s distant education facilities to gain a degree in engineering.
- Provide guaranteed work to students after completing the CSU component of their study whilst they complete their distance education studies through USQ.

### ***C-1-4 Department of Local Government actions in response to this Inquiry***

The Department of Local Government (DLG) proposes, through its Skills Shortages Taskforce, to review all submissions made to the inquiry from relevant regional bodies and to use the information provided in those submissions to identify opportunities to link together/partner with those bodies.

One of the key objectives of the Taskforce is to identify and inform councils of innovative initiatives - the Inquiry will assist in identifying such initiatives.

The Taskforce will also ensure that the Inquiry's report and its findings are well publicised among councils.

The Taskforce will also review the Inquiry's recommendations to determine which recommendations are relevant to the Taskforce's terms of reference and then assess the role it can play in acting upon those recommendations.

<h3><b>(d) Consider appropriate models from other states in interacting with the Commonwealth's skilled regional migration programs</b></h3>
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### ***D-1 Victoria's Skilled Migration Strategy 2004-2007 and Regional Migration Incentive Fund***

At the May 2005 Meeting of the Ministerial Council for Immigration and Multiculturalism (MCIMA), the Victorian Government provided information on its *Skilled Migration Strategy 2004-2007* (MCIMA Information Item 24) and its *Regional Migration Incentive Fund (RMIF)* (MCIMA Information Item 23). These information items are attached at Appendix A for the benefit of the Inquiry.

<h3><b>(e) Coordination between Local, State and Commonwealth Governments, to attract and retain skilled workers</b></h3>
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### **E-1 Co-ordination Strategies**

#### ***E-1-1 Current Co-ordination Strategies***

The June 2005 Council of Australian Governments (COAG) meeting noted that a more responsive and flexible national apprenticeship, vocational education and training, and skills recognition system is vital to meeting both current and future skills needs. To this end, COAG agreed to establish a joint Commonwealth-State working group to address the barriers across the vocational education and training (VET) system to achieving such a national approach. The working group will provide its report to COAG on options and recommendations, including an implementation proposal, in December 2005. The NSW Government has supported these steps, and the Cabinet Office is chairing an inter-departmental group to present a cross-government submission to the national working party. The NSW Department of Commerce is represented on this group.

The Department of Commerce is also the Chair of the Construction Agency Coordination Committee (CACC), which brings together the NSW Government's construction agencies to develop, implement and promote improved practices and standards and a streamlined approach to government construction procurement. These include policies and requirements across all agencies and the establishment of requirements to be met by industry wishing to do business with the Government.

The Training Management Guidelines encourage the integration of training and skills development into the culture of enterprises in the construction industry. Agencies will report on their compliance with the requirements of the Guidelines for employment of apprentices and for training by contractors under Government contracts.

Further information is available at <http://www.construction.nsw.gov.au>

### ***E-1-2 Suggested Co-ordination Strategies to Attract and Retain Skilled Workers***

Co-ordination strategies to attract and retain skilled workers in rural and regional NSW should include:

- Partnerships between government/industry/community organisations to promote positive aspects about Rural/Regional areas.
- Partnerships with local organisations to get the message across about the benefits of living in regional NSW, e.g. promotional material produced by Riverina Regional Development Board; Riverina Area Consultative Committee; Riverina East Regional Organisation of Councils.
- Promote work opportunities within Government agencies.
- Establish a regional recruitment strategy that could be used to promote regional employment.
- Co-operation between government agencies employing similar professions to offer a broader range of experiences to both undergraduate and post-graduate students. If the lack of available work for graduates is an issue for one department then to avoid the problem of one department owning a resource the Government could establish an employment group, such as exists for

apprentices, where the cadet/graduate is hired to each agency for say 12 months before moving on to gain experience in another organisation.

- Modify recruitment processes e.g. improve wording of advertisements; extend reach of advertisements e.g. work associations, industry bodies, rural/regional organisations.
- Regional representatives on interview panels for regional positions.
- Include information on the benefits of living and working in regional NSW in recruitment information packs.
- Incentives for staff to transfer from one location to another e.g. subsidised housing; rent assistance; salary loading by way of area allowance or position upgrade. (The provision of housing could also help other staff who may be required to transfer, for short periods, to help overcome peaks in workloads at particular office locations.)
- More attractive salary scales and clear career paths.
- Graduate placements, cadetships, university scholarships.

**(f) The impact of the Commonwealth's regional migration program including assessing the long term jobs and investment outcomes and considering possible recommendations to encourage sustainable regional development in NSW.**

## **F-1 Skilled migration: cooperative strategies addressing skills shortages in rural and regional NSW**

The settlement of skilled migrants in rural and regional areas remains a priority for the NSW Government. Skilled migration to rural and regional NSW is being promoted by the NSW Government as a response to skills shortages in these areas. Regional migration is also being promoted as a response to the on-going challenge of a growing metropolitan population and the infrastructure cost it represents on the Sydney basin.

The Community Relations Commission for a multicultural NSW (CRC) and the Commonwealth Department of Immigration, Multiculturalism, and Indigenous Affairs (DIMIA) have entered a cooperative strategy to promote migration and settlement in regional and rural NSW. In addition to consultations with local government, the organisations have embarked on a series of consultations in regional NSW to meet with local employers to discuss various aspects of rural and regional migration, including the employment of skilled migrants outside of the Sydney metropolitan area.

CRC chairs the NSW Government Immigration and Settlement Planning Committee and the NSW Implementation Group of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW, both of which are involved in developing



cooperative strategies to promote and facilitate skilled migration to rural and regional NSW. These strategies are outlined in the following sub-sections.

Despite these achievements, to date, there still remains a limited number of skilled migrant-specific programs in operation in rural and regional NSW and there exists low levels of knowledge regarding migrant skills, recognition processes and specific cultural training. It is important that if this issue is to be pursued, that the Commonwealth provide continued support to regional and rural employers, as well as skilled migrants themselves to understand processes in skills recognition. It is the Commonwealth government's responsibility to ensure that programs such as the Migrant Skills Strategy are funded and implemented.

It must also be stressed that for regional migration programs to succeed, appropriate housing must be built in those areas that offer employment opportunities – this could be achieved through collaborative arrangements with the three tiers of government, and/or incentives to private developers. The NSW Department of Housing supports coordination between Local, State and Commonwealth Governments, on initiatives to attract and retain skilled workers. The Department of Housing would be interested in participating in discussions with other agencies on this matter, recognising that the provision of affordable housing is critical to the success of such initiatives.

### ***F-1-1 Promotion of Skilled Migration Onshore and Offshore***

The Australian States arranged for a promotion of business and skilled migration to Australia in London on 15 March 2005. Over 1,200 people registered to attend. NSW was represented by London office staff. NSW RCBs sent promotional material on their regions to London for show to attract SIR applications.

The Commonwealth has projected a 26% growth in accepted applications under these visa programs which include regional employer nominated visas where the application is certified by NSW RCBs. NSW certified 265 regional employer nominated visas in 2004. The Commonwealth has also recently implemented several administrative changes which will make it easier for company employees on Business (Long Stay) Temporary 457 visas to apply for employer nominated permanent residence visas. This may increase the use of the Business (Long Stay) Temporary 457 visa. The Department is regularly asked to advise foreign investors on the use of this visa indicating strong interest in this visa class.

The Commonwealth increased from 2 April 2005 the national minimum salary threshold for Business (Long Stay) Temporary 457 and employer nominated permanent residence visas from \$46,620 to \$50,775 pa for ICT occupations and from \$37,720 to \$39,100 pa for other occupations.

### ***F-1-2 Skilled Designated Area Sponsored Visa Becomes a Two Stage Visa***

The implementation of a two stage visa to ensure that visa holders remain in areas where skill shortages have been identified in regional areas and to counter the recent trend for a significant number of those on SDAS visas to leave regional areas and resettle in non-designated urban areas is supported by the NSW Government Immigration and Settlement Planning Committee.

This reflects a key issue for the migration program. Many visa programs are now predicated on directing migrants to regional areas of Australia, including less populous States. The Department of Immigration and Multicultural and Indigenous Affairs advises that it has very limited legal power to require migrants to settle in specific regions, particularly once the migrant is granted permanent residence. Many migration agents and migrants are not yet aware of this situation and if they become aware, significant numbers of people may gain easier entry via regional areas as a prelude to settling in metropolitan areas. The success of these visas is then be based on encouraging migrants to stay in preferred states or regions by streaming them to second stage regional visas and local settlement services. It remains to be seen how successful this will be.

Recommendation 3 of the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* (see Appendix B) notes that applicants for a Skilled Australian Sponsored visa who are sponsored by relatives residing in Sydney should be required to have skills and experience in an occupation that appears on the Sydney Skills Shortage List (SSSL). This was compiled by the NSW Government based on skill shortage research undertaken by the Commonwealth Department of Employment and Workplace Relations (DEWR).

In August 2004 NSW provided DIMIA with the skills shortage list, to be called the Sydney and Selected Areas Skilled Shortage List (SSASSL) and defined areas to be affected (in Sydney and suburbs, Gosford, Newcastle and Wollongong).

At the MG Meeting on 27 August, the Commonwealth stated the view that because of the breadth of the list, it was unlikely to reduce level of migration to Sydney. DEWR noted that the Sydney labour market was tight (4 percent unemployment).

### ***F-1-3 Enhancements to the Skilled Independent Regional (SIR) Visa***

The NSW Government has supported enhancements to the SIR visa as there is a strong demand to remedy skill shortages identified in regional NSW.

At the CRC Settlement Services Coalition meeting 16 February 2005 further concerns were raised about the large gap in services and workers being inundated and unable to assist skilled migrants. Skilled migrants are not eligible for the job network. There is also a lack of expertise – an engineer needs specialist knowledge and advice to assist them in obtaining work. Services need to be there to help them get local experience and advice. A brokerage system is needed to help them access the job network.

Recommendation 5 and 6 of the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* (see Appendix B) concern the application of the Skilled Independent Visa in NSW.

Applicants for a Skilled Independent visa who score five points below the applicable pass-mark should be granted a three-year temporary visa on the condition that they live and work in regional NSW. All areas of NSW are covered except Sydney, Newcastle, Wollongong and NSW Central Coast.

NSW sponsored 38 SIR visa applications from January to June 2005. This rate of sponsorship will grow.

Seven NSW Regional Certifying Bodies (RCBs) are now participating in the program – Riverina, Orana, Central West, Hunter, New England, Murray and Capital Region. New England Regional Development Board has been gazetted as an RCB.

The geographic coverage of the SIR visa by post code has been finalised by gazette notice by DIMIA.

DSRD is to provide DEWR with details of skill shortage survey outcomes.

NSW SIR visa applicants will be granted Regional Sponsored Migration Scheme (RSMS) visa at second stage ensuring that they must remain in the region for a further two years.

### ***F-1-4 Trade Skills Training Visa***

This visa will come into effect 1 November 2005 in pilot areas. The Trade Skills Training Visa will allow overseas apprentices, after successful completion of their training, to apply for permanent residence in Australia under one of the existing regional migration categories. NSW would support a two staged permanent visa process to apply in these cases to minimise resettlement into non designated urban areas.

### ***F-1-5 Expansion of the Migration Occupations in Demand List (MODL)***

The Migration Occupations in Demand List (MODL) is a subset of the Skilled Occupation List (SOL) and comprises occupations that have been identified by DEWR as being in long term persistent shortage in Australia.

Recommendation 3 of the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* (Appendix B) concerns the application of a specific Sydney Skills Shortage List.

Applicants for a Skilled Australian Sponsored visa who are sponsored by relatives residing in Sydney should be required to have skills and experience in an occupation

that appears on the Sydney Skills Shortage List (SSSL), which could be compiled by the NSW Government based on skill shortage research undertaken by the Commonwealth Department of Employment and Workplace Relations (DEWR), rather than an occupation that appears on the DIMIA Skilled Occupations List (SOL).

DIMIA prepared the NSW Sydney and Selected Areas Skilled Shortage List (SSASSL), gazetted on 8 September 2004 for new applications from that date.

### ***F-1-6 Web Portal on Skills Recognition Procedures***

NSW has continued to support DIMIA's development of a national web portal on Australia's skills assessment and recognition processes.

Recommendation 20 of the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* (see Appendix B) concerns steps to be taken by all relevant agencies to improve access for business and skilled migrants to information on available services.

The NSW Monitoring Group of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW agreed to look into building web information pages on skilled migration with specific information on NSW services into an existing website, possibly DSRD. It was agreed that pages would include information on English Language Training, Education, Health and Housing. This will be subject of a further inter-agency meeting later this year.

### ***F-1-7 Expanding the Working Holiday Visa program***

The Commonwealth has also allocated additional points to many of the skills in short supply in regional NSW based on advice from DSRD and others and will allow Working Holiday Makers to apply while still in Australia. This could allow NSW to capture more of the skills required in regional NSW under this visa program.

### ***F-1-8 Creating a New Regional Business Visa***

This matter was the subject of discussions at two meetings of the Commonwealth/States Working Party on Skilled Migration and a Discussion Paper issued by DIMIA in mid 2004. There was a further special meeting of Commonwealth and States officials in Sydney on 8 December 2004 at which there was agreement to amendments to the business skills program to enhance dispersal to regional and low growth areas.

The Director General of the Department of State and Regional Development wrote to DIMIA on 21 September 2004 outlining NSW's position.

The new Business Skills Program introduced from 1 March 2003 has already led to a significant change in the distribution of business migrants among the

States and smaller States are receiving a significantly increased share. Any change so soon after the fundamental change to the program from 1 March 2003 also has potential to confuse business migrants and therefore dissuade business migration to Australia.

NSW accepts that some agribusinesses may find it difficult to reach the turnover requirement within 2-4 years for permanent residence. NSW has supported proposals to allow the sponsoring State or Territory government to waive turnover requirements for businesses in regional areas under extraordinary circumstances provided that they have the personal and business assets to sustain losses from low turnover.

NSW, Victoria and Queensland did not support further changes to the business migration program at the May 2005 Meeting of the Ministerial Council for Immigration and Multicultural Affairs (MCIMA).

SA, NT and Tasmania support creating a new business visa with lower selection criteria for settlement in the smaller states. However the selection criteria they proposed are so low that they are likely to lead to a large number of unprofitable businesses and the migrants involved are likely to then move to the bigger cities.

There are a limited number of possible amendments to the business skills visa program to enhance dispersal to regional areas over which there is consensus between the States and the Commonwealth. These include waiving turnover requirements for businesses in regional Australia under exceptional circumstances and requiring provisional visa holders moving from their original sponsoring state to another state to seek agreement from the original sponsoring state through a letter of release.

The smaller states have pointed out that small owner-operator service providers (eg tradesmen and professional service providers such as physiotherapists) may find it difficult to meet the requirements for business skills migration. These type of small business operators are on the margins of the business migration program, but there may be a need for such operators in regional Australia and consideration could be given to possible changes to the skilled migration program (not the business skills program) to meet this need.

South Australia asserts that due to the higher cost of doing business in the large states migrants should be directed to smaller states. This is a flawed argument. The availability of a wide range of business services at competitive prices as well as larger domestic markets makes it more likely that new start up and small business will succeed in larger states.

At the MCIMA meeting in May 2005, NSW reiterated its position that the amendments to the business skills program agreed between the Commonwealth and States officials at the meeting of the Commonwealth/States Working Party on Skilled Migration on 8 December 2004 should be pursued, and DIMIA give further consideration to migration options for small owner-operator service providers under the general skilled migration program.

### ***F-1-9 Changes in Health Requirements for Overseas Trained Doctors***

At the SCIMA meeting of 12 November 2004 the Committee considered the issue of a health waiver for certain skilled permanent resident applicants. Resulting from this, DIMIA sought views on the introduction of a health waiver for certain skilled permanent resident applicants from DoHA and States/Territories.

NSW proposed at MCIMA 2004 that the Council seek more flexibility in granting visas for overseas trained doctors with specific medical needs. Specifically:

- That in the case of overseas medical practitioners who are prepared to live and work in rural/regional areas, there should not be any bureaucratic hurdles to facilitate their stay.
- Accordingly, it is requested that the Commonwealth examine options for greater flexibility, and possibly lower thresholds, for overseas trained doctors willing to practice in rural/regional areas.

At SCIMA 2003 a joint Commonwealth/NSW paper was raised *4.5 Operation of the health requirement for skilled migrants including rural doctors*. Again, NSW sought a health waiver be applied for skilled migrants, especially for overseas trained doctors who would fill shortages in rural and regional NSW.

### ***F-1-10 Recognition of Overseas Nursing Qualifications***

One strategy addressing the shortage of nurses in NSW is the recruitment of overseas qualified nurses.

To this end, in late 2004 the NSW Premier approved the establishment of the Community Relations Commission Committee on the Recognition of Overseas Nursing Qualifications. The Committee has been established to:

- examine the requirements of the Nurses and Midwives Board of NSW, specialist colleges and other nursing organisations or by statute, which impact on the ability of a nursing graduate, particularly those with qualifications from the Philippines, Indonesia and India to obtain registration or employment in the NSW health sector.
- examine the differential requirements or differential concessions for employment as nurses that apply to individuals with overseas, particularly Filipino, Indonesian and Indian nursing qualifications.
- examine overseas models for recruiting and preparing nurses trained overseas to work in different countries' health systems, including the use of government-to-government agreements.

- examine preferential work arrangements, concessions and opportunities that may arise through the use of various visa options for trainees.

In this regard the Committee will:

- examine and identify barriers to the employment of Filipino, Indonesian and Indian trained nurses in the NSW health sector.
- propose a range of strategies to overcome the identified barriers while maintaining high standards of health care and patient safety.

The Committee's membership is comprised of representatives from the following NSW and Commonwealth Government agencies:

- Community Relations Commission For a multicultural NSW – lead agency (Chair and Secretariat)
- NSW Department of Health
- Nurses and Midwives Board of NSW
- NSW Nurses Association
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA)

There is a clear agreement between these agencies to work collaboratively together to remove barriers while ensuring that standards are not lowered.

The committee is examining the possibility of recruiting nurses from the Philippines, India and Indonesia who are most likely to meet the standards for registration or who could meet the standard with a moderate amount of extra training. This may involve identifying the highest quality training institutions in those countries (for example, the University of Indonesia in Jakarta) and interviewing candidates in their home countries.

The committee is examining the bridging courses and overseas models for recruiting nurses.

The committee will report its findings and recommendations to the NSW Premier.

### ***F-1-11 Employment of Overseas Trained Teachers***

Current regulations and conditions relating to visa classes restrict the NSW Department of Education and Training (DET) from employing overseas qualified teachers to meet specific skill shortages in the teaching force.

DET has recommended that DIMIA consider the following changes to assist the employment of overseas trained teachers:

- *Working While Studying* – Increasing the maximum number of hours that students on a visa can work from 20 hours to 24 hours would enable the Department to employ them as teachers for three days per fortnight.
- *Working Holiday Visa* – This visa provides for a maximum stay of 12 months in Australia with a maximum of 90 days of casual work allowed with any one employer. DET suggests that the visa's conditions be amended to enable employment with an employer for more than 90 days within the 12 month stay, e.g. three school terms (150 days);
- It is recommended that another class of visa be provided with conditions that allow a 12 month stay with employment with the one employer for the full 12 months. Such a visa would allow for flexibility in employment of teachers particularly for hard to staff areas of the state and in secondary teaching areas where there is a shortage of qualified teachers in areas of mathematics, technological and applied studies and science, particularly physics;
- *Tourist Visa* – It is recommended that this visa be amended to enable qualified overseas trained teachers to be able to work for the period of their stay so they can be employed by DET to teach in NSW government schools.

DET is particularly concerned about the need to obtain criminal record checks from overseas countries for overseas trained teachers or teachers visiting Australia on visas. It is recommended that DIMIA cooperate with the Department of Education and Training to investigate ways in which overseas trained teachers can be better screened for criminal offences, including sex offences.

## ***F-1-12 Skills Recognition, Upgrading and Licensing***

The Community Relations Commission For a Multicultural NSW coordinated the submission of the NSW Government to the House of Representatives Joint Standing Committee on Migration Inquiry into Skills Recognition, Upgrading and Licensing. It contained a list of 14 Recommendations highlighting the need for collaboration between the Commonwealth and State and Territory agencies on improving systems of overseas skills recognition. This list of recommendations is attached at Appendix C.

## ***F-1-13 Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW: current status of implementations***

The *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* contains an extensive list of recommendations for the promotion and facilitation of skilled migration to rural and regional NSW, and for co-operative strategies involving Local, State, and Commonwealth Governments working together towards these ends. The Working Party report has been endorsed by the Minister for



Immigration and Multicultural and Indigenous Affairs and the Premier of New South Wales. The Report is publicly available. A summary of the report's recommendations is attached at Appendix B.

The NSW Monitoring Group of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW has been working closely with the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), NSW and ACT & Regions Regional Outreach Officers, to implement the Report's recommendations. The principal focus of the recommendations is to divert the level of migration from Sydney to regional NSW. The following actions have been undertaken to implement the Report's recommendations:

#### Migration Mechanisms

- Monitoring of the impact of the Sydney and Selected Area Skill Shortage List as an accurate measure of skills shortages in Sydney for migration purposes.
- Gazette Notice signed by Minister Vanstone on 23 November 2004, Adult Migrant English Service (AMES)/TAFE to provide fee-for-service English language tuition to enable skilled migrants under the Skilled Designated Area Sponsored (SDAS) visa to upgrade their English from functional to vocational.
- Extensive marketing, information and promotion of business and skilled migration in regional NSW and ACT, with a focus on Universities, regional educational institutions, regional employer groups and all employers (large and small), Industry representative bodies such as the Australian Chamber of Commerce and Industry and Local Government.
- Continuing work on developing a Sydney-specific salary threshold for employer sponsored skilled migration (permanent and temporary).
- NSW sponsored 38 SIR visa applications from January to June 2005.

#### Employment

- Development of a standard methodology for producing region-specific skills shortage lists, in collaboration with the NSW Regional Development Boards (RDB), Department of State and Regional Development (DSRD) and the Commonwealth Department of Employment and Workplace Relations (DEWR). This methodology will build on the outcomes of an evaluation that has been undertaken by DEWR on regional skill shortage instruments that have been developed in other states and territories.
- Ongoing promotion of the Skill Matching Database to regional employers, with a particular focus on the pilot regions identified in the Report.

#### Access to Services and Settlement Assistance

- Developing new pages on "Settling in Regional Australia", on DIMIA's *Life in Australia* website. A snapshot of local services available in key regional centres will be provided, to encourage and assist with the settlement of business and skill migrants in regional Australia. The new pages are planned to go on line from the end of June 2005.

- Continued work with Local Councils, to build local infrastructure and facilities in regional centres for supporting population growth and retention through skilled migration.
- Enhancing the NSW Government *Streets Festival* funding program, to achieve longer term benefits from facilitating Local Council and business involvement in supporting the settlement of business and skilled migrants in regional NSW.

#### Pilot Programs

- Initial discussion on developing a framework for evaluating the impact of the whole-of-government strategies, identified in the Report, in the pilot regions. The evaluation is scheduled to be undertaken in 2006. Further work will continue in future meetings on developing the framework.

### **(g) The adequacy of current measures to record and report on the skills shortages**

## **G-1 Identifying skills shortages in NSW**

In NSW, planning at the strategic level to identify the skill needs of metropolitan and regional workforce is a primary responsibility of the NSW Board of Vocational Education and Training. The Board's current measures to record, report on, and respond to skills shortages are detailed under Term of Reference (h) below.

### ***G-1-1 Region-specific skills shortage lists***

Current measures used to record and report on skills shortages do not provide detailed region-specific information. Region-specific skills shortage lists are required if the problem of skills shortages in rural and regional NSW is to be targeted effectively.

The *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* included the following recommendation (see Appendix B for the full list of recommendations):

**Recommendation 16:** Regional Development Boards (RDBs), in consultation with the Department of Employment and Workplace Relations (DEWR), the NSW Department of State and Regional Development (DSRD) and relevant local councils, should consider the feasibility of producing region-specific skills shortage lists.

In response to this, the Commonwealth Department of Employment and Workplace Relations (DEWR) is currently looking at a number of issues in relation to undertaking regional skills surveys. The following have been suggested as important considerations to include in a regional skills survey:

- multiplier factor, ie., the new skills needs created from increased economic activity being generated through the filling of existing skill vacancies;
- staff retention and turnover for regional employers.

DEWR indicates it may prove difficult to come up with a comprehensive list of occupations in shortage at the local regional level, due to the small numbers of employers involved. It can be difficult to get an adequate sample size at the regional level, to obtain sufficiently robust skills shortage lists. As such, DEWR would be concerned if the results of such surveys were seen as definitive. DEWR is also developing a standard set of questions to achieve consistency of survey information being collected between regions.

DEWR conducted a survey of 250 employers, with the State Department of Victorian Communities, to identify skill shortages in regional Victoria. Similar surveys are also planned for Perth, with three Area Consultative Committees.

DEWR has reported on and tabled the results of pilot Regional Skill Shortages Surveys for Adelaide, Townsville and the Riverina. The pilots covered some 650 employers and 1,550 vacancies.

In NSW, New England, Illawarra and Mid North Coast RDBs have finalised skills audits for their regions. Copies of reports have been given to DEWR.

DEWR is to report to the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW on the outcome of the evaluation of the initial pilots and the further development of a regional skills shortage instrument.

## **(h) The methods used by current training organisations including TAFE to assess skill needs in rural and regional NSW and their response to identified needs**

### **H-1 NSW Department of Education and Training (DET) responses to skills shortages**

The NSW Department of Education and Training (DET) plays a key role in providing vocational education and training to meet ongoing skills needs and skill shortages, particularly through TAFE NSW and its State Training Services. As evidenced below, the Department has a demonstrated commitment to the equitable provision of training delivery and services to regional and rural areas of NSW.

The Department has in place the structures, flexibility and programs, has implemented a wide range of specially targeted initiatives, and has a diversity of methodologies for quickly identifying and responding to regional skills shortages. These operate at the

State-wide, regional and local community levels and incorporate whole-of-government, industry and community partnerships.

A significant issue for the State, however, is the resourcing of these responses. A significant proportion of the NSW vocational education and training system is funded by the Commonwealth under national-state funding agreements.

The new proposed Agreement for 2005-2008 will provide only 2.6 per cent growth in financial resources for the national training system over four years, which will not provide for sufficient growth in training places to meet the pressures of skill shortages and other training demands.

### ***H-1-1 Identifying and responding to skill needs: NSW Board of Vocational Education and Training (BVET)***

In NSW, planning at the strategic level to identify the skill needs of metropolitan and regional workforce is a primary responsibility of the NSW Board of Vocational Education and Training.

The Board provides the State Government and the Minister for Education and Training with strategic advice about the NSW vocational education and training system, oversees policy and planning initiatives, and fosters partnerships between key stakeholders in the NSW training system. The Board functions as the State Training Agency for the purposes of allocating recurrent and capital Commonwealth funding.

#### ***Industry Skills Forum***

The Board is informed by an Industry Skills Forum. The Forum is a high-level, tripartite advisory committee which provides strategic advice on labour market trends, industry skill needs, priorities for training provision, strategies to increase industry participation in training, and on the quality and the responsiveness of training services.

The Forum's membership includes a broad cross-section of industry, including small business. It comprises the NSW chief executives of peak business associations such as Australian Business Limited and the Australian Industry Group, Unions NSW and trade unions, and Departmental representatives.

#### ***NSW employment projections data***

Detailed employment projections for NSW form a key role in the Board's strategic planning. The Board has since 2000 commissioned the National Institute of Economic and Industry Research to provide and update employment projections for the State. The most recent projections cover 2003-2008<sup>2</sup> and are currently being updated to 2010.

Projections cover macro-economic influences and employment projections by occupation, by industry, metropolitan and non-metropolitan regions, and by TAFE NSW regions.

The extensive database and an overview report are provided to TAFE NSW planners, NSW Industry Training Advisory Bodies, Vocational Education Consultants, and other Department of Education and Training areas involved in training delivery planning. The occupational projections provide an insight into the likely job openings and skill needs of different regions of NSW

## ***H-1-2 Future skill needs: NSW Strategic Plan for Vocational Education and Training***

The key planning framework developed by the Board to address future skill needs in NSW is the *NSW Strategic Plan for Vocational Education and Training*. The strategic plan for 2002-2004<sup>3</sup> provided three broad strategic directions, which include a specific regional NSW focus:

- skills for the new economy
- skills for regions and communities
- skills for participation

The plan is informed by projections of industry, economic and occupational trends, regional statistical profiles, data from commissioned research, and extensive formal consultations with industry, community groups, training organisations, trade unions and government agencies.

A key aspect of the Strategic Plan is to encourage and equip training providers to become active agents and leaders within regional areas and to work with business, government and community agencies to ensure regional economic development and community building. It is through this role of “learning broker” that training providers can ensure that training needs are anticipated and met in regional NSW, particularly among small and medium businesses.

Guided by this strategic framework, many targeted training initiatives in NSW have adopted whole-of-government approaches and involved partnerships between industry, employers, education sectors and the local communities.

The NSW Strategic Plan for Vocational Education and Training 2005-2008 is near completion and will be released in the near future.

### ***Strategic VET Plan Consultation***

State-wide consultative forums involving industry, employer and employee groups, training providers, community groups and government agencies were held across the State in February-March 2005. The consultations ensured appropriate, timely feedback was received from rural and regional areas, particularly on the issue of skills shortages. Based on a public discussion paper, forums were held in Sydney, Newcastle, Parramatta, Wollongong, Wagga, Dubbo, and Coffs Harbour involving over 440 representatives and 30 written submissions.

### ***H-1-3 Research and demonstration projects***

The Board identifies and helps meet the skill needs of metropolitan, rural and regional NSW through research and demonstration projects<sup>4</sup>. It has undertaken a wide range of projects exploring the skill implications arising from the fundamental changes the Australian economy has undergone in recent years.

Projects have addressed strategic issues such as skills and regional development, new and innovative ways of work and training, labour force characteristics, skilled migration, and the ageing of the labour force.

### ***H-1-4 BVET Regional Consultations***

The Board's commitment to regional and rural NSW is also demonstrated by its program of regular visits to communities outside of Sydney to consult with local industry, business, training providers and the general community about the challenges they face in terms of skills development and employment. Public forum discussions are a feature of such visits. Since 1997 the Board has visited 30 communities outside Sydney including some of the most remote communities in NSW.

### ***H-1-5 TAFE NSW***

TAFE NSW's 10 Institutes and 130 campuses offer over 1,200 courses which are all work-related and developed in association with industry using nationally developed training packages. In 2004 it enrolled over 500,000 people and increased enrolments in skill shortage areas, particularly in the trades.

In 2004, Institutes outside the Sydney Metropolitan Area accounted for 43% of TAFE NSW enrolments. Institutes outside Sydney, Hunter, and Illawarra accounted for 25% of all enrolments.

Western Institute is geographically the largest of the TAFE NSW Institutes and services 48% of geographical NSW, includes some of the most isolated and remote communities in Australia. New England Institute and Riverina Institute service a geographic area of approximately 106,000 km and 125,000 km respectively.

### ***Planning overview***

Planning in TAFE NSW is a coordinated process involving individual Institute planning managers and a central TAFE Policy, Strategy and Review unit.

In 2003, TAFE NSW implemented a Service Delivery Strategy which documents the service provision and accountabilities of TAFE NSW as a whole. As such it guides the development of each Institute Service Delivery Strategy and provides a focal point for the state-wide aggregation of Institute planning and intended service outcomes data.

Within this framework, each TAFE NSW Institute develops a Service Delivery Strategy that incorporates the planned service provision and accountabilities of the Institute according to a series of agreed performance measures. At the broadest level an Institute's Service Delivery Strategy establishes a clear alignment between the Institute's course delivery profile and the demand determined by local, State-wide and national industry and community needs.

### *Planning process*

The central TAFE NSW Policy, Strategy and Review unit provides advice on State-wide priorities, and reviews and reports on performance. The TAFE NSW Institutes make decisions about which courses and modules will be delivered at the local level, based on an assessment of training need and demand and taking into account the factors listed above.

TAFE NSW Institutes plan their delivery profile for each academic year taking into account a wide range of planning inputs:

- Government commitments and priorities
- national strategies and priorities
- State funding agreement strategies
- Department of Education and Training and TAFE NSW strategic directions
- TAFE NSW delivery targets
- available resources
- advice from TAFE NSW Curriculum Centres
- industry and community consultation
- review of TAFE NSW statistics
- review of external data (e.g. ABS, Commonwealth Department of Employment and Workplace Relations, National Centre for Educational Research)
- review of employment and workforce data and other relevant research
- TAFE NSW Capital Plan

Each Institute formulates a business plan prior to each financial year and submits their Service Delivery Strategies to the central TAFE Policy, Strategy and Review unit. The Service Delivery Strategies are then aggregated into an overarching TAFE and Community Education Portfolio Plan.

Specific areas of delivery such as skill shortage areas are also analysed for planned State-wide, metropolitan and regional delivery.

The TAFE NSW planning process incorporates ongoing review and reporting of planned versus actual training delivery. In some cases Institute delivery plans have been re-aligned once their impact on the region or State has been determined.

Specific accountabilities are established through the performance management process and include the setting of individual Institute targets for:

- achievement of Annual Student Hours training delivery targets
- achievement of financial targets
- net annual contribution to revenue from externally funded sources
- student completion rates
- student and employer satisfaction measures

### ***Regional and rural delivery planning***

TAFE NSW is committed to inclusiveness and being responsive to the changing external environment. Institutes across NSW align their delivery to support regional and community development through collaborative consultation, partnerships and joint ventures with other agencies and organisations. All TAFE NSW Institutes actively implement a whole-of-government approach to business through working with other Government agencies.

Regional areas of NSW have been particularly affected by the impact of the current drought and specific areas of skill shortages within the workforce. Regional Institutes have established Regional Coordination Management Groups which establish priorities and working parties in the areas of community services and natural resource management to focus the whole-of-government approach. Institutes also support community capacity-building in rural and remote communities through industry consultation and partnerships and participation in local initiatives.

Community consultation is a critical tool for TAFE NSW in addressing regional and rural area skill needs and shortages.

#### ***TAFE NSW regional consultation***

In late 2004, New England Institute conducted seven forums with a range of communities throughout the region, including some communities which identified as Aboriginal. The forums were attended by over 100 industry, community and Aboriginal representatives. A wide range of improvements for TAFE delivery in the region were identified and were included in the Institute's Service Delivery Strategy.

Skill shortages are monitored carefully across the state and regional areas at an Institute and state level. Advice from TAFE NSW Curriculum Centres, reviews of employment and workforce data, industry and community consultation and external data such as that available from the Australian Bureau of Statistics, Department of Employment and Workforce Relations and the National Council for Vocational Education Research are all used in the planning of regional and State-wide delivery.



Training opportunities are extended across regional and rural areas by utilising flexible learning strategies including technology-based delivery and mobile training delivery units. The Mobile Adult Learning Units are used on a rotational basis to cater for demand in training in smaller communities, in preference to creating a costly local infrastructure.

TAFE NSW Centres of Excellence are located in the larger regional centres within travelling distance of the smaller communities in order to provide training opportunities in high-cost trade and emerging skill needs areas.

### ***H-1-6 Industry Training Advisory Bodies***

State-funded NSW industry training advisory bodies are key agencies for obtaining industry advice and support for critical operational areas of the NSW vocational education and training system. They provide the principal means for NSW to obtain detailed industry advice and information on training needs.

There are 20 industry training advisory bodies, each covering a particular industry area. Their activities are overseen by Boards whose membership comprises senior enterprise, employer, and union stakeholders of the industry and its various sectors.

The industry training advisory bodies provide independent, representative advice on the following key priority areas:

- apprenticeship and traineeship arrangements in NSW
- vocational education and training in schools
- validation of industry skill development needs and directions
- development, review and implementation of training packages
- accreditation and registration process in NSW

The advice and support of industry training advisory bodies assists the NSW Department of Education and Training in planning and formulating policy, designing industry-specific skill shortage strategies, initiatives and programs, purchasing training, and allocating resources. They make a significant contribution to improving the flexibility and responsiveness of the State's vocational education and training system.

Resourcing of NSW industry training advisory bodies has been problematic since the Commonwealth withdrew its significant contribution to their joint funding two years ago. Since that time NSW has maintained its traditional contribution to their operation.

Resourcing issues have meant that currently only five industry advisory bodies have the ability to provide regional-level, as opposed to State-wide, identification of skill shortage occupations, sectors and geographical areas.

## ***H-1-7 State Training Services***

### **State Training Centres**

The Department's 11 regionally-based State Training Centres provide a crucial link between the Department's strategic planning and the local delivery of training, particularly in terms of providing targeted and timely responses to regional skill shortages through various State Training Services programs.

As part of their provision of comprehensive, one-stop training services to their region, the State Training Centres:

- identify the best use of Departmental industry and community training program resources
- strengthen links between training and regional development initiatives
- contribute to strategic training planning processes such as the NSW Strategic Plan for Vocational Education and Training
- identify capital and training requirements
- enhance cross-sectoral, whole-of-government planning

The State Training Centres employ a wide range of methods to identify local skill needs, including through regional consultations and public forums, collaborative research, surveys, receipt and analysis of submissions, and linking with other Departmental stakeholders.

The Centres also have formal linkages with other regional coordination bodies such as Regional Development Boards, Area Consultative Committees, and local Chambers of Commerce.

#### ***State Training Centre input to regional planning***

In 2005 the New England Area Consultative Committee undertook a regional Skills Audit which was partly funded by TAFE NSW-New England Institute. The resulting Skills Action Plan aims to remedy identified local skill shortages through cooperative partnerships between government, business and the community. The regional State Training Centre was a member of the project's Steering Committee, acted as consultant for the final report, and will be a key partner in the action plan's implementation.

Through these methods the Centres produce training purchasing profile for their region. Each profile details the region's demographics, industry employment, existing training delivery, identified training needs, and proposed training strategies. These profiles are used to inform various State Training Services programs, including those outlined below.

### **NSW Open Training Market**

In line with national training agreements and user choice policy, NSW operates a competitive training market where both public and private training providers are contracted to deliver publicly-funded training, including for all traineeships and

selected apprenticeships and for direct purchasing of training by the Department of Education and Training.

In 2005, there are 354 registered training organisations, a third interstate-registered, on the Approved Providers List to deliver publicly-funded training under the Open Training Market.

The 2005 budget for the NSW Open Training Market is \$68 million.

### **Apprenticeships and traineeships**

The NSW Apprenticeship and Traineeship Training Program is the main element of the Open Training Market. Under current national user choice policy the skills needs being met by the program are primarily determined by employer demand rather than government direction in terms of the program's capacity to respond to priority skills needs and shortages.

All existing traineeships are available under user choice in NSW. There are an additional 14 apprenticeships available under user choice in selected areas identified as strong, sustainable markets. These account for over half of all apprenticeship commencements. Overall, user choice in NSW accounts for 83% of all new entrant trainee and apprentice commencements.

NSW has taken a cautious approach to user choice in regional NSW, concerned about the vulnerability of training organisations in these thin markets.

Existing worker traineeships are not funded in NSW, although the Commonwealth provides employer incentives for establishing such traineeships. This has proved sufficient incentive for existing worker traineeships to account for a third of all traineeship commencements in 2004.

In 2003, 43% of some 15,000 apprenticeship commencements and 46% of some 40,000 new entrant traineeship commencements were outside the Sydney Metropolitan Area.

Following declines or marginal growth in previous years, 2004 saw a resurgence in apprenticeship training, with a very strong 19% increase in commencements.

In terms of employer-demand driven traineeships, the Department of Education and Training recently completed an independent review of the traineeship system and is currently looking at ways it can improve the system's ability to better direct resources towards meeting critical skills needs, particularly in regional areas of NSW.

Two other Open Training Market programs more directly and strategically address existing and emerging skill shortages. These are the Contracted Training Provision Program and the Pre-Vocational Training Program. In both programs the Department of Education and Training sets the priority skills needs to be targeted. In 2004, both programs were significantly expanded and more closely aligned to meeting critical existing and emerging skill shortages across NSW, with a particular focus on boosting training in traditional trades (see further below).

## **Industry Training Purchasing Priorities**

Industry Training Purchasing Priorities<sup>5</sup> guide the Open Training Markets' direct purchasing programs, including the Contracted Training Provision and Pre-Vocational Training programs (see below), and are updated annually.

The priorities target a wide range of existing critical trade and non-trade skill shortages, as well as emerging skills needs which have the potential to become critical skill shortages in the future. A specific objective in the priorities is training to support rural and regional economies.

Input to the development of the priorities include consultation with a wide range of stakeholders including NSW Government departments such as State and Regional Development and Agriculture, State Training Centres, regional development bodies, peak industry groups, and NSW industry training advisory bodies. Relevant data sources and other research are also sourced.

## **Contracted Training Provision**

The Contracted Training Provision (CTP) Program purchases training from public and private registered training organisations to meet NSW-determined strategic skills needs. The program purchases customised, part-qualification courses to meet local skills needs identified under the Open Training Market's Industry Training Purchasing Priorities.

The Industry Training Purchasing Priorities include an explicit focus on rural and regional economies. This focus includes training to support such NSW strategies as the Government's Rebuilding Country NSW strategy, the NSW Salinity Strategy, the Department of Primary Industries' drought strategies, and the Premier's Department strategy, Leadership development for rural communities. Specific sectors targeted under the Priorities include Major rural food exporters, Fishing and Aquaculture, and Metalliferous mining. A range of Indigenous training needs in regional NSW are also specially targeted. Training purchased under most other Priorities also include some regional component.

In 2005 to date, \$27 million has been spent under the CTP program. Training purchased has included in critical trade skill shortage areas such as automotive, electrotechnology, engineering, and construction.

Some 51% of CTP funding in 2004 and 2005 has purchased training for 10,700 people outside the Sydney Metropolitan Area.

## **Pre-Vocational Training**

The Pre-Vocational Training Program provides preparatory training that articulates into relevant apprenticeships and traineeships.

In 2003 and 2004, more than \$7 million was invested in pre-apprenticeship and pre-traineeship training for 4,600 people in skill shortage areas. These areas included

critical trade skill shortage areas such as automotive, electrotechnology, engineering, and construction, and critical non-trade skill shortage areas such as aged care and child care.

#### **Illawarra Apprenticeship Pilot**

The Apprenticeship Pilot Project is an initiative of the Illawarra Apprenticeship Committee, comprising a wide range of local stakeholders including NSW Department of Education and Training and TAFE NSW. The Project provides pre-apprenticeship training to young people and encourages employers to employ them. The Pre-Vocational Training Program has provided \$1.3 million in 2004 and 2005 to support training for 620 young people. The 2004 classes have led to 82 participants gaining apprenticeships.

A further \$5 million will be expended in the second half of 2005. As well as targeting trade shortage areas, a doubling of places has been targeted for aged care and child care.

### **Group Training**

Group training organisations employ apprentices and trainees and manage the provision of their on-the-job training through the use of host employers, including many small businesses which may not have the capacity for such direct employment.

Since 1995, the number of apprentices and trainees employed by the 32 publicly-funded group training organisations has more than doubled. Currently they employ around 10% of all apprentices and new entrant trainees in NSW.

In 2004-2005, joint public funding of over \$3 million by the Commonwealth and NSW for group training resulted in increased trainee and apprentice numbers, an expansion of range of industries they are employed in, and the provision of equitable training opportunities.

Group training strategically targets trade skill shortages, disadvantaged groups, rural and remote placements, and local community needs. The funding model which is used to publicly support group training companies includes a higher payment for trainees and apprentices located in regional and rural areas.

An additional \$1 million in State funds has been allocated for 2005-2006 for further incentives for group training organisations to employ an additional 800 apprentices in trade skill shortage areas. The Commonwealth is yet to agree to match the additional State funding.

### ***H-1-8 Initiatives to increase apprenticeships***

A wide range of new, targeted NSW initiatives was recently announced through the \$7 million *NSW Government's Plan for securing our skilled workforce*<sup>6</sup>. The initiatives will increase future apprenticeship commencements, particularly in critical

shortage areas, through making apprenticeships more flexible and attractive to both employers and prospective apprentices, including through:

- *car registration rebate* - introduction of a \$100 rebate for 25,500 first and second year apprentices.
- *improved travel assistance* - a doubling of the rate for 5,000 apprentices and trainees from regional and rural NSW.
- *accelerated pre-apprenticeships* - a new TradeStart@TAFENSW initiative will enable 660 young people, half of them outside the Sydney Metropolitan Area, to concentrate their first year of TAFE NSW apprenticeship training into just 16 weeks. Training is being conducted in a range of critical trade skill shortage areas including engineering, automotive, electrical, construction, food and hairdressing. Graduates will be job-matched to an employer to continue their apprenticeship.
- *group training* - provision of an additional \$1 million in State funding (a 66% increase) for group training to deliver an extra 800 apprentices for small businesses and rural, regional and disadvantaged communities.
- *government construction projects* - introduction of a new reporting system to ensure that 20% of trade work on projects worth more than \$2.5 million is performed by apprentices.
- *government-employed apprentices* - the NSW government will provide additional employment opportunities for apprentices, building on the 1,200 apprentices currently employed in the sector.
- *fast-track adult trade training* - in the manufacturing industry experienced but unqualified workers can now access new training to complete an apprenticeship in less than two years. NSW is working with industry and unions to develop similar models in other industries.
- *TAFE NSW infrastructure* - \$80 million for TAFE NSW capital works to support an extra 5,600 places for apprenticeships and high-demand occupations over the next four years.

The Department of Education and Training will also spend \$100,000 in 2005 to increase employer awareness of provisions for competency-based early completion of qualifications, including apprenticeships, and establish more streamlined approval procedures.

## **H-1-9 Skills Centres**

The Skills Centre program forms a part of the Commonwealth Infrastructure Program and provides capital funding for the establishment or expansion of training facilities or skills centres. There are three components to the program:

- Industry based Skills Centres
- Skills Centres for School Students
- VET Infrastructure for Indigenous People

#### *Industry-based Skills Centres*

The Industry-based Skills Centre program promotes flexibility, responsiveness and diversity in the training market through providing capital infrastructure grants for training facilities which have matching industry financial support.

This national program allocates \$7 million annually, with states bidding for funds on a project basis. Funds are provided for establishment costs and an industry contribution of at least 50% is required.

Of the 29 skills centres established in the State to date 17 (59%) are located in rural and regional NSW.

#### *Skills Centre for School Students*

This program furthers the development of vocational education for school students by providing capital funds to assist in the establishment of dedicated skills centres to create training opportunities for school students in years 11 and 12, particularly for apprenticeships and traineeships.

The program has an annual national allocation of \$4 million. Funds are distributed to states on an agreed share basis, with NSW receiving \$1 million.

Of the 23 skills centres for school students established to date 15 (65%) are located in rural and regional NSW.

#### *VET Infrastructure for Indigenous People*

This program provides capital funding to assist the delivery of vocational education and training to indigenous people.

Under this national program \$4 million is allocated annually, with states bidding for funds on a project basis. The program specifically targets the establishment of projects in rural and regional locations and all 16 projects established or being developed under this program are located in rural and regional NSW.

### ***H-1-10 Recognition of trade skills and qualifications***

The formal recognition of trade skills and experience which have been obtained through training or on-the-job experience in Australia or overseas but have not resulted in formal qualifications is an important contributor to meeting trade skill shortages. The Department has processes in place to recognise trade skills (including overseas-attained skills) and assess overseas qualifications. These equally benefit people in rural and regional areas as well as in metropolitan locations.

Trade skills may be recognised by the Department's Vocational Training Tribunal for the purposes of employment and for further education and training. Trade skills recognition can also be a pre-requisite for licensing in some trade occupations. The Certificates of Proficiency or Craft Certificates issued are accepted throughout Australia and recipients are formally recognised as tradespeople.

People helped include those new to the country (migrant and family), those temporarily working in Australia, and those returning to Australia after a significant time overseas. Trade tests are generally co-ordinated by TAFE NSW and cost the applicant \$250. The Department contributes \$800 to \$1,000 to meet the full cost. Assessment also indicates where further formal training may be required.

In terms of recognition of overseas qualifications, the Department maintains an Overseas Skills Advisory Service for permanent residents and people who have a visa that allows them to work with no restrictions. Overseas qualifications are assessed in accordance with the Australian Quality Training Framework.

### ***H-1-11 Support for skilled migration***

An important strategy to address skills shortages, in particular in rural and regional areas, is attracting skilled workers from overseas under the temporary migration program.

The Commonwealth Government, as part of its migration program, attracts both permanent and temporary migrants to Australia to fill vacancies in identified areas of need. However, the Commonwealth does not provide the same level of funding support for the education of the dependants of temporary residents as it does for the dependants of permanent migrants.

Specifically, the Commonwealth does not provide funding to states for the on-arrival English language tuition of the school-aged dependants of temporary visa holders.

There is a need for greater coordination between the Commonwealth and State Governments and between NSW Government agencies on skilled migration issues specifically and skill shortages in rural and regional areas generally.

The Commonwealth Government should at the least provide funding to states for the on-arrival English language tuition of school-aged dependants of temporary visa holders recruited to fill identified skills shortages.

### ***H-1-12 Resourcing issues***

In line with national training agreements and user choice policy, NSW receives funding from the Commonwealth for the development of vocational education and training in the State. The funding received is allocated by the NSW Board of Vocational Education and Training, the State Training Agency. They account for the



budget of the Open Training Market (traineeships, selected apprenticeships and direct Departmental purchasing of priority training) and for approximately a third of TAFE NSW funding.

The Australian National Training Authority Agreement for 2001-2003 was rolled over for 2004 and again for the first six months of 2005, while Commonwealth planning and negotiation with the states on a new national training agreement continue.

NSW, like other states, has been accommodating the need to deliver more places to train students in skill shortage areas without any additional resources from the Commonwealth.

The Commonwealth has offered the states almost \$5 billion as part of a new funding agreement for vocational education and training for 2005-2008 but the quantum of funds on offer, as in past agreements, fails to keep pace with projected demand for training.

The Commonwealth's funding offer for 2005-2008 represents a national increase in funding over the period of \$215 million, of which \$52 million is estimated to be indexation. Indexation does not provide for additional training places. A portion of the additional funding, while new to the Commonwealth-State training funding arrangements, has been used in previous years to purchase training directly in the market and will not represent additional training effort.

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

At the Ministerial Council meeting on 10 June 2005, State Ministers raised their concerns with the Commonwealth Minister regarding the level of funding offered in the Commonwealth-State Training Funding Agreement.

The Victorian Minister for Education and Training has ordered a departmental inquiry into its vocational education and training system. The inquiry was called in response to surveys that found that a lack of skilled workers in Victoria was limiting employment and growth opportunities for Victorian companies. The inquiry will consider the appropriateness of current apprenticeships and traineeships, the efficiency of school-based vocational training in schools and look at new models to improve efficiency.

In announcing the inquiry Minister Kosky drew attention to the inadequacy of the current funding offer from the Commonwealth "which does not even offset against CPI increases, let alone growing the training system."

The Commonwealth's Australian Technical College initiative is another example of inadequate response to skill shortages. These colleges will not reduce skill shortages in the short term and will take between six to eight years before they have any impact

on the serious skill shortages being experienced by the traditional trades across Australia. The Commonwealth needs to provide additional funding in the short term so that the states can deal with immediate and emerging skill shortages.

## APPENDIX A

### **Victoria's *Skilled Migration Strategy 2004-2007* and *Regional Migration Incentive Fund***

The following paper was presented by the Victorian Government at the May 2005 Meeting of the Ministerial Council for Immigration and Multicultural Affairs (Information Item 24):

The Premier of Victoria launched Victoria's *Skilled Migration Strategy 2004-07* in the regional centre of Bendigo on 30 April 2004. The Strategy outlines the Government's commitment to attracting and retaining more skilled migrants to the State, particularly to regional Victoria.

The Strategy is complemented by Victoria's Population Policy Statement, *Beyond Five Million* (December 2004). The Victorian Government recognises that skilled migration is an important source of population growth for the State in the context of an ageing population, declining birth rates and emerging skills shortages.

#### **Elements of the Strategy**

The Victorian Government has committed an additional \$6 million over four years (2003-04 to 2006-07) to fund the Strategy to increase Victoria's share of skilled and business migrants.

Key components of the Strategy are:

- An international and domestic marketing strategy;
- the *Regional Migration Incentive Fund* (details provided below at D-1-1); and
- targeted programs to attract and support migrants to Victoria, including:
  - services provided by the Skilled Migration, Business Migration and Overseas Qualifications Units;
  - work experience for new migrants provided by the *Overseas Qualified Professionals Program* ; and
  - services of the Ethnic Communities Council of Victoria to support regional communities in their efforts to attract, settle and retain skilled migrants.

#### International and domestic marketing strategy

The *Live in Victoria* website ([www.liveinvictoria.vic.gov.au](http://www.liveinvictoria.vic.gov.au)), launched on 30 April 2004, is an important marketing tool where potential migrants are most likely to find practical information to assist them in making their decision about migrating. The information includes services available, such as education and housing; requirements and contacts to work in particular occupations, job opportunities, requirements for state and regional sponsored migration programs, and profiles that inform migrants about living and working in regions throughout the State. In March 2005, over 46,000 unique visitors viewed the site.

### Skilled Migration Unit (SMU)

A main function of the SMU located within Employment Programs in the Department for Victorian Communities is to promote Victoria's migration programs overseas and to link skilled migrants to Victorian employers with skill shortages.

From 2000 to 7 April 2005, the Victorian Government, through the SMU, has nominated 2,689 skilled migrants (excluding family members) to settle in Victoria through the State Territory Nominated Independent (STNI) scheme. Since 1 July 2004 it has sponsored 551 migrants (excluding family members) through the Skilled Independent (SIR) scheme.

The Department of Immigration and Multicultural and Indigenous Affairs has approved 46 SIR visa applicants for Victoria (data from DIMIA).

### Business Migration Unit

The Victorian Government has also increased its sponsorship of business migrants to Victoria, with 254 business migrants sponsored to establish businesses in Victoria during 2003-04. It is anticipated that, within four years of arrival, these migrants will contribute over \$200 million in capital investment and employ over 700 people in Victoria.

### Overseas Qualifications Unit (OQU)

The Unit provides overseas-qualified professionals, who have settled in Victoria, with assistance to obtain Australian recognition of their overseas qualifications to enable them to utilise their skills in the Victorian labour market. The Unit also assists those whose qualifications are not recognised to access further education and training pathways in order to make the most of their skills and experience.

In 2003-04, the Unit provided 4,289 client services, including over 2,000 academic assessments.

In addition, the Unit organised workshops for over 170 accountants, childcare workers and IT professionals in 2003-04 to help them prepare for the Victorian job market. Workshops included information about professional registration, upgrading skills and preparing for and obtaining employment.

## ***Victoria's Regional Migration Incentive Fund***

The following paper was presented by Victoria at the May 2005 Meeting of the Ministerial Council for Immigration and Multicultural Affairs (Information Item 23):

The Regional Migration Incentive Fund (RMIF) is a key component of *Victoria's Skilled Migration Strategy 2004-07* (see D-1). The RMIF provides funding of \$3 million over three years (2005-07), aimed at supporting sustainable industry and growth in Provincial Victoria by:

- assisting regional communities to attract, settle and retain skilled migrants; and
- helping to meet identified skill shortages by matching skilled migrants with regional job opportunities.

The 11 RMIF regions are Ballarat, Bendigo, Geelong, Gippsland, Horsham, Mildura, Shepparton, Swan Hill, Wangaratta, Warrnambool, and Wodonga and their neighbouring regions. The RMIF regions, working with the Department for Victorian Communities, have identified a wide range of industry, community and migrant needs activities, including:

- the identification of skills needs and shortages;
- regional marketing and promotion;
- analysis of migrants' needs;
- community and business awareness training;
- development of cultural kits for new migrants;
- identification of training opportunities;
- establishment of new residents support networks;
- mapping of local services including education and health; and
- relocation assistance for migrants.

The regions have also developed partnerships amongst a wide range of local and regional organisations, including:

- Local Government;
- multicultural organisations;
- Area Consultative Committees and other local economic development bodies;
- Local Learning and Employment Networks;
- not-for-profit incorporated community organisations;
- industry representative bodies and employers;
- community welfare and housing sector; and
- Education and training providers (including Universities, TAFE, and ACE).

Each region, working with Employment Programs in the Department for Victorian Communities (DVC), has drafted a Regional Migration Strategy (RMS), and each receive up to \$90,000 per annum for three years as a contribution towards the development and implementation of its RMS. To date, the launch of the RMS in Ballarat, Gippsland and Bendigo has raised the profile of the RMIF in the targeted communities.

In addition to funding to the 11 RMIF regions, DVC has funded the Ethnic Communities Council of Victoria (\$80,000 per annum for three years) to assist regions with attracting and settling skilled migrants, utilising their network of regional ethnic community councils and other migrant support/settlement agencies.

## APPENDIX B

### REPORT OF THE COMMONWEALTH/NSW WORKING PARTY ON MIGRATION TO SYDNEY AND REGIONAL NSW: SUMMARY OF RECOMMENDATIONS

#### MIGRATION MECHANISMS

- Recommendation 1:** The existing Adult Migrant English Service (AMES)/TAFE partnership should explore the feasibility of providing fee-for-service English language tuition to enable skilled migrants who agree to reside in regional NSW to upgrade their English skills from functional to vocational English.
- Recommendation 2:** If the provision of fee-for-service English language tuition is determined to be feasible under Recommendation 1, applicants for Skilled Designated Area Sponsored visas who:
- are sponsored by relatives living in regional NSW
  - do not speak vocational English but are assessed as possessing functional English
  - have pre-paid for English language tuition to upgrade their English skills to vocational English; and
  - otherwise satisfy the DIMIA requirements for these visas
- should be granted visas under the Skilled Designated Area Sponsored category.
- Recommendation 3:** Applicants for a Skilled Australian Sponsored visa who are sponsored by relatives residing in Sydney should be required to have skills and experience in an occupation that appears on the Sydney Skills Shortage List (SSSL), which could be compiled by the NSW Government based on skill shortage research undertaken by the Commonwealth Department of Employment and Workplace Relations (DEWR), rather than an occupation that appears on the DIMIA Skilled Occupations List (SOL).
- Recommendation 4:** Recommendation 3 should be introduced initially for a period of two years. It should only be implemented on a more permanent basis if a review of its operation in the period of two years establishes that the SSSL is a sufficiently accurate measure of skill shortages in Sydney to be used in this way.

- Recommendation 5:** Applicants for a Skilled Independent visa who score five points below the applicable passmark should be granted a three-year temporary visa on the condition that they live and work in regional NSW.
- Recommendation 6:** An applicant for permanent resident under a Skilled Independent visa who was granted a temporary visa in accordance with Recommendations 5 should only be able to apply for permanent residence once the applicant has resided and worked in regional NSW for at least two years.
- Recommendation 7:** Employers wishing to sponsor applicants for visas under the Employer Nomination Scheme (ENS) for positions in Sydney should be required to meet a higher salary threshold, reflecting the higher average weekly earnings in Sydney.
- Recommendation 8:** If the higher salary threshold under Recommendation 7 proves not be sufficiently effective on its own, further consideration should be given to restricting applications under the ENS for positions in Sydney to occupations on the Sydney Skills Shortage List.
- Recommendation 9:** Employers wishing to sponsor applicants for Temporary Business (Long-Term) visas for positions in Sydney should be required to meet a higher salary threshold, reflecting the higher average weekly earnings in Sydney.
- Recommendation 10:** If the higher salary threshold under Recommendation 9 proves not to be sufficiently effective on its own, further consideration should be given to restricting applications under Long-Term Temporary Business visas for positions in Sydney to occupations on the Sydney Skills Shortage List.

## **EMPLOYMENT**

- Recommendation 11:** DIMIA, Department of State and Regional Development (DSRD), Community Relations Commission (CRC), Regional Development Boards (RDB), Area Consultative Committees (ACCs), Regional Certifying Bodies (RCBs), Local Government Association of NSW and Job Network to use their respective regional structures to disseminate information and promote skilled migration and the Skill Matching Database (SMD) amongst employers.
- Recommendation 12:** DIMIA, in consultation with the Department of Employment and Workplace Relations (DEWR) and the NSW Government, should consider piloting increased access to the SMD by making it available through Job Placement Organisations (JPO).

- Recommendation 13:** DIMIA, DRSD and CRC should collaborate on future activities to promote skilled migration to regional employers, in conjunction with relevant local councils and regional advisory committees.
- Recommendation 14:** RDBs and RCBs should be the point of contact for regional employers to seek further information about skilled migrants.
- Recommendation 15:** DIMIA and DSRD should cooperate to ensure RDBs have appropriate information and training to fulfil their role under Recommendation 14.
- Recommendation 16:** RDBs, in consultation with DEWR, DSRD and relevant local councils, should consider the feasibility of producing region-specific skills shortage lists.
- Recommendation 17:** DEWR should inform new migrants of the availability of those Job Network and Centrelink services that are available to migrants in their first two years, including access to job matching services.
- Recommendation 18:** The NSW Department of Education and Training (DET) should explore the potential for existing Skilled Migrant Placement Officer (SMPO) projects to provide outreach services to pilot regions on a case-by-case basis.

## **ACCESS TO SERVICES**

- Recommendation 19:** Local councils in regional NSW should be encouraged to work with their local communities to attract migrants with specialist skills in demand in their regions. Local councils may determine to make available any special incentives on a case-by-case basis.

## **SETTLEMENT SUPPORT**

- Recommendation 20:** Steps should be taken by all relevant agencies to improve access for business and skilled migrants to information on available services.
- Recommendation 21:** The CRC, NSW Premier's Department and the Commonwealth Department of Transport and Regional Services (DoTaRS) should consider the extent to which their existing programs could be used to fund or support interested councils or communities, to facilitate the settlement of business and skilled migrants in regional NSW. DIMIA should consider the merit of extending its planned diversity management pilot projects to regional NSW.
- Recommendation 22:** Relevant local councils, with the assistance of the CRC and existing regional community and government advisory bodies, should facilitate community harmony



activities to aid the integration of business and skilled migrants into regional communities. DIMIA should continue to fund *Living in Harmony* projects in regional NSW.

**Recommendation 23:** Local councils should be encouraged to support local communities in providing community development and support services for business and skilled migrants in regional NSW.

**Recommendation 24:** DIMIA should disseminate information to stakeholders in regional NSW, including information on its planned diversity management pilot projects in Queensland and Northern Territory. DIMIA should consider the merit of extending its planned diversity management pilot projects to regional NSW.

## **PILOT PROGRAMS**

**Recommendation 25:** The success of the whole-of-government strategies to be implemented in the pilot areas should be assessed by a group including representatives of all the agencies that participated in the Working Party, together with representatives from the pilot areas. The group should be convened by the Minister for Immigration and Multicultural and Indigenous Affairs and the NSW Premier in 2006.

**Recommendation 26:** DIMIA and CRC should jointly monitor and, if necessary, undertake a review of settlement needs in the pilot regions. Should it be determined that migrants in the pilot areas do not have sufficient access to required services, the CRC and DIMIA should cooperate to find a solution.

**Recommendation 27:** All of the whole-of-government strategies (Recommendations 11-24) should be implemented in the pilot areas. Where the strategies require additional financial or other resources, they should be implemented first in the pilot areas and extended to other areas only if resources are available.

**Recommendation 28:** DIMIA should advise migration agents of any visa changes and pilot programs to be implemented arising from this Report, and encourage migration agents to provide this information to clients and potential clients who are considering migration to NSW.

**Recommendation 29:** The following ABS Statistical Divisions should be selected as the pilot regions:

- Murrumbidgee

- Northern; and
- Central West.

## **APPENDIX C**

### **NSW Government submission to the House of Representatives Joint Standing Committee on Migration Inquiry into Overseas Skills Recognition, Upgrading and Licensing: SUMMARY OF RECOMMENDATIONS**

#### **Recommendation 1:**

DIMIA should ensure that families of skill stream migrants, family stream migrants and, wherever possible, humanitarian entrants are informed of the importance of having transcripts of academic records and original copies of qualifications available for recognition purposes when they arrive in Australia.

#### **Recommendation 2:**

DIMIA, DEWR and DEST should work in collaboration with relevant State and Territory agencies including the NSW Department of Education and Training, in particular, State Training Services and TAFE NSW, to develop State and Territory-specific information strategies.

#### **Recommendation 3:**

DEST and DEWR should review the availability and appropriateness of Commonwealth programs in order to maximise skilled migrants' integration into the Australian labour market in jobs related to their previous qualifications and skills. Particular regard should be given to the availability of bridging, refresher and upgrading training programs that:

- provide specifically designed modules to facilitate recognition and understanding of local legislation, standards and practices
- incorporate Australian workplace orientation modules (cross-cultural communication skills, job-seeking skills, OH&S etc)
- provide integrated English language training
- provide for local work experience opportunities in the skilled migrant's field of expertise, and
- can be accessed by the under-employed.

#### **Recommendation 4:**

Commonwealth-funded refresher bridging and upgrading programs should be available to full-time employed overseas qualified migrants who are seeking recognition.

**Recommendation 5:**

Australian citizens returning after significant time overseas with qualifications gained overseas should have access to programs (including English language programs) that will facilitate the recognition of their overseas qualifications and their opportunities for employment.

**Recommendation 6:**

DIMIA should consider facilitating recognition, particularly for families of skill stream migrants, family stream migrants and humanitarian entrants by extending its fee-free document translating service to incorporate:

- transcripts of academic records required for recognition purposes
- all employment certificates that establish requisite on-the-job training for the recognition of trade skills
- documents that attest to off-the-job training required for issuing a trade certificate.

**Recommendation 7:**

DIMIA should consider fee-free translations of statutory declarations completed by humanitarian entrants who are seeking skills recognition

**Recommendation 8:**

Data on the occupation, qualifications, age, English language proficiency levels and LGA of intended residence of family members of skill stream migrants, family stream migrants and humanitarian entrants should be made available by DIMIA to government agencies for planning purposes.

**Recommendation 9:**

DIMIA should consider researching the post-arrival experiences of families of skill stream migrants, family stream migrants and humanitarian entrants in its Longitudinal Survey of Immigrants to Australia.

**Recommendation 10:**

DIMIA should make data available in relation to entrants who gained recognition pre-arrival (skill stream migrants) and those who will seek skills recognition post-arrival (families of skill stream migrants, family stream migrants and humanitarian entrants with overseas qualifications and skills) including their:

- Australian Standard Classification of minor occupations prior to arrival
- local government area (LGA) of intended residence
- country where qualifications were completed
- English proficiency levels/groups.

**Recommendation 11:**

The Commonwealth Government should consider establishing an employment program to provide up to six months' work experience so that migrants with overseas qualifications and skills are able to obtain the local work experience sought by employers.

**Recommendation 12:**

The TAFE NSW practice of developing resources to guide assessment for entry and/or advanced standing in TAFE NSW courses should be considered as a model of best practice for possible adoption by other educational institutions.

**Recommendation 13:**

The Commonwealth Government should consider the establishment of a one-stop recognition information, referral and advisory service catering for the recognition of trade and professional skills and qualifications at a state and territory level and that this service cater for the differing language and educational backgrounds of migrants.

**Recommendation 14:**

That work continue at a national level, such as being taken by the Overseas Qualifications Conference, to address issues of quality in assessment documentation.

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## References

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<sup>2</sup> *NIEIR Employment Projections for NSW* [www.bvet.nsw.gov.au/vetplan/trends.htm](http://www.bvet.nsw.gov.au/vetplan/trends.htm)

<sup>3</sup> *NSW Strategic Plan for Vocational Education and Training 2002-2004*,  
[www.bvet.nsw.gov.au/pubs/vet.htm](http://www.bvet.nsw.gov.au/pubs/vet.htm)

<sup>4</sup> *Board of Vocational Education and Training projects*,  
[www.bvet.nsw.gov.au/projects/index.htm](http://www.bvet.nsw.gov.au/projects/index.htm)

<sup>5</sup> *Industry Training Purchasing Priorities for the 2005 APL Contract*,  
[www.det.nsw.edu.au/trainingmarket/tmtender/2005\\_guidelines.htm](http://www.det.nsw.edu.au/trainingmarket/tmtender/2005_guidelines.htm)

<sup>6</sup> *Securing our skilled workforce*,  
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