

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

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Date Received: 11/11/2005

Theme:

Summary

**Submission to
Standing Committee on State Development
Legislative Council
Parliament NSW**

**~ Inquiry into Skills Shortages in
Rural and Regional NSW ~**

August 2005

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
INTRODUCTION.....	9
TERMS OF REFERENCE.....	11
1. THE CURRENT AND FUTURE DEMAND FOR LABOUR.....	11
1.1 <i>The Current Demand for Labour</i>	11
1.2 <i>Future Demands for Labour</i>	11
1.3 <i>NSW Farmers' Association's Surveys on Skills Shortages</i>	13
1.4 <i>Upskilling of Existing Workers in Rural and Regional NSW</i>	15
2 THE ECONOMIC AND SOCIAL IMPACT OF THE SKILL SHORTAGE.....	16
2.1 <i>Evidence of Skill Shortages.....</i>	16
2.2 <i>National Skill Shortage List – Australia 2004</i>	16
2.3 <i>Skill Shortage for NSW (March 2004)</i>	17
2.4 <i>Apprenticeship as a Means of Addressing Skill Shortages</i>	19
2.5 <i>Demographic Projections</i>	24
2.6 <i>What Does and Ageing Population Mean for Business and the Community?</i>	25
2.7 <i>Ageing of the Australian Workforce - Occupations.....</i>	25
2.8 <i>Ageing of the Australian Workforce - Industries</i>	26
2.9 <i>Skills Required in the Agricultural Sector</i>	27
2.10 <i>Economic and Social Impact.....</i>	28
3 STRATEGIES & PROGRAMS OF LOCAL GOVERNMENTS TO RETAIN & ATTRACT SKILLED WORKERS	30
3.1 <i>Strategies and Programs of Local Government Concerning Skilled Workers</i>	30
3.2 <i>Difficulties in Attracting and Retaining Skilled Workers in Regional Areas</i>	31
4 CONSIDER APPROPRIATE MODELS FROM OTHER STATES IN INTERACTING WITH THE COMMONWEALTH'S SKILLED REGIONAL MIGRATION PROGRAMS.....	32
4.1 <i>Skilled Migration Schemes</i>	32
4.1 <i>Appropriate Model.....</i>	32
5 COORDINATION BETWEEN LOCAL, STATE AND COMMONWEALTH GOVERNMENTS, TO ATTRACT AND RETAIN SKILLED WORKERS	34
5.1 <i>The New England North West Area Consultative Committee Survey.....</i>	34
5.2 <i>Uptake of Government Programs.....</i>	35
5.3 <i>The Challenge of Attracting and Retaining Rural Youth.....</i>	36

6	THE IMPACT OF THE COMMONWEALTH'S REGIONAL MIGRATION PROGRAMS	38
6.1	<i>Regional Sponsored Migration Scheme (RSMS)</i>	38
6.2	<i>Economic Impact of Migration</i>	39
6.3	<i>Seasonal Labour Shortages</i>	40
7	THE ADEQUACY OF CURRENT MEASURES USED TO RECORD AND REPORT ON SKILL SHORTAGES	41
7.1	<i>The National Centre for Vocational Education Research (NCVER)</i>	41
7.2	<i>Employment and Workplace Relations Services for Australia</i>	42
8	THE METHODS USED BY TRAINING ORGANISATIONS INCLUDING TAFE TO ASSESS SKILL NEEDS IN RURAL AND REGIONAL NSW AND THEIR RESPONSE TO IDENTIFIED NEEDS	44
8.1	<i>Rural Education and Training Background</i>	44
8.2	<i>Rural Student Access to Tertiary Education</i>	46
8.3	<i>Barriers to Meeting Skill Needs</i>	47
8.4	<i>Agricultural Education at Different Levels</i>	49
8.5	<i>Models Used By Training Institutions and Organisations</i>	53
8.6	<i>FarmBis Funding</i>	56
8.7	<i>Vocational Education and Training</i>	57
9	OTHER ISSUES	60
9.1	<i>Decentralisation</i>	60
9.2	<i>City Centric Views</i>	60
10	CONCLUSION	62
	ANNEX 1	64
	ANNEX 2	66
	ANNEX 3	69
	ANNEX 4	73

EXECUTIVE SUMMARY

The agricultural sector is one of the leading sectors of the Australian economy, contributing 10% to our Gross Domestic Product, 11% of employment and exporting goods worth \$26.1 billion.

There have been widespread and increasing skill shortages in the agricultural and trade sectors in Australia, evident by the skilled vacancies index for total trades increasing from May 2001 to a peak in May 2004. There are widespread reports of skills shortages in non-professional occupations in the agricultural sector throughout Australia. Skill level requirements in the agricultural sectors have increased, due to technological advances in the industry and workforce restructuring.

Employment in agricultural industries is dominated by on farm production, transportation, processing and value adding which each account for close to three quarters of the workforce.

The age profile of the industry is older than is found in the workforce as a whole and alarmingly so. In terms of adaptation, managing an ageing workforce will impact on production first, with the remainder of the agricultural sectors facing issues at the same pace as other sectors in the economy.

The key non-managerial and non-professional occupations employed in the Agriculture, Forestry and Fishing sector accounts for almost 77% of the total agricultural sector workforce, and well over three quarters of the non-managerial and non-professional workforce (23%).

A usual precondition for the existence of skill shortages is a rising demand for skilled labour. This does appear to be the case in the agricultural sector.

There has been considerable growth in employment over the last five years in fourteen major industries as shown in Table 1. However jobs were lost in agriculture, manufacturing wholesale trade sectors.

The skill profile of employment in Agriculture, Forestry and Fishing is skewed towards less-skilled workers.

Agriculture, Forestry and Fishing sectors employ a higher proportion of mature age workers than the workforce as a whole, with 41% aged 45 years to 65 years and the highest proportion aged 65 years and over with 9.1% compared to 1.7% for all industries.

The number of apprentices and trainees is negligible in the agricultural sector which is reflected in somewhat older age profile of the agricultural workforce.

Forecasts for agricultural production and exports are expected to continue rising in the coming years, strengthened by Free Trade Agreements with a number of countries, improved commodity prices and industry investment. Economic forecasters, however, are consistent in estimating a net employment decline over the next decade.

Labour retention in the agricultural sector is the most tractable issue to address in the short-term to remedy skill shortages. It accounts for a much greater loss of skills than retirements due to ageing.

The Association has prepared detailed responses on each of the terms of reference and proposes the following recommendations:

1. CURRENT AND FUTURE DEMAND FOR LABOUR

The Association recommends that:

- 1.1 *The Commonwealth, in conjunction with state and territory governments, develop a new, integrated, nationally consistent approach to the collection and reporting of the complete range of statistical information on the labour market and current and future skill needs. This would entail:***
 - agreement between all stakeholders on the relevant indicators of skill supply and demand, including underlying drivers, and consistent collection approaches; and*
 - inclusion of information on skill shortages and regional labour markets.*
- 1.2 *Increased flexibility in traineeships be introduced to assist employers to up-skill workers to meet the skills requirements.***
- 1.3 *The Recognition of Prior Learning/Recognition of Current Competencies (RPL/RCC) process be reviewed to enable the identification of existing relevant skills and mapping them to process industry relevant competencies that would assist industries to select and up-skill recruits from target groups.***
- 1.4 *Funding and incentive arrangements be reviewed to increase flexibility, for example, by targeting gap training (units of competency) and recognition of current competency, and by developing competency based funding formulae.***
- 1.5 *Changes be made to the eligibility criteria for employer incentives to assist industries to up-skill adult (under 50 year old) workers and to train across a broader range of levels, including Certificate II.***

2. THE ECONOMIC AND SOCIAL IMPACT OF SKILL SHORTAGE

The Association recommends that:

- 2.1 *The Commonwealth and State governments should identify and develop strategies to address impediments to genuine work placements, including the affordability of public liability insurance and workers compensation, so that young people have increased opportunity to gain work experience and build their skills.***
- 2.2 *The selection criteria for recruits be broadened to enable the recruiting for generic skills, attitude and aptitude due to the demographic imperative to encourage people to enter, remain in or return to the work force and to increase the pool of candidates.***
- 2.3 *Strategies be developed by the government to address skills gaps in agri-based industries so that employers have the right people with the right skills.***

2.4 *The Commonwealth and NSW State governments consider introducing a separate scheme to support the training of existing workers in agricultural related industries in place of incentives under the New Apprenticeship scheme.*

3. THE STRATEGIES AND PROGRAMS OF LOCAL GOVERNMENTS TO RETAIN AND ATTRACT SKILLED WORKERS

The Association recommends that:

3.1 *Action be taken by government on the need for unemployed people in rural and regional towns to have recognition of their current level of employability skills and for assistance with upgrading these to make them employable.*

3.2 *Incentives be provided to rural and regional companies to implement initiatives for improved career paths to address skill and labour shortages.*

4. APPROPRIATE MODELS FROM OTHER STATES IN INTERACTING WITH THE COMMONWEALTH'S SKILLED REGIONAL MIGRATION PROGRAMS

The Association recommends that:

4.1 *The NSW Government undertakes a study to map the existing agricultural professional and trade base skills in NSW and determine areas of future need before the matter becomes critical*

4.2 *Commonwealth, State and Territory Governments discourage the use of the business skills migration scheme as an alternative to educating and training Australian workers.*

4.3 *The Queensland Government model for interacting with the Commonwealth's skilled regional migration programs is reviewed with a view to making appropriate changes to the NSW model to make it more effective.*

5. COORDINATION BETWEEN LOCAL, STATE AND COMMONWEALTH GOVERNMENTS, TO ATTRACT AND RETAIN SKILLED WORKERS

The Association recommends that:

5.1 *Flexibility and responsiveness in the training system be increased and that national coordination in the following areas be improved:*

- *Support for recognition of competency*
- *Support for gap skilling*
- *Realistic government assistance to employers*
- *National coordination*
- *Incentives for adult trainees and apprentices*
- *Funding/incentives for Certificate II.*

5.2 *Government provides comprehensive information and guidance to employers and employees on the various training programs. This could include, for example:*

- *Assisting companies to work with their local schools to establish school based traineeships and providing liaison with Department of Education and Training (DET)*
- *Working with industry to establish appropriate pre-employment training programs such as computer literacy, interpersonal skills and to access any available funding for implementing them.*
- *Promoting links between industry and local agencies such as job network providers, Group Training Organisations and New Apprenticeships Careers (NACs).*

6. IMPACT OF THE COMMONWEALTH'S REGIONAL MIGRATION PROGRAMS AND LONG TERM JOBS AND INVESTMENT OUTCOMES

The Association recommends that:

- 6.1 Any migration of skilled workers should not be at the expense of training and up-skilling of local workers*
- 6.2 The review of Training infrastructures and deregulatory measures be extended so that the migrant and backpacker labour forces can be used as a means of solving seasonal (harvest) labour shortages.*
- 6.3 A fixed term rural residency be a pre-requisite for migrant medical professionals to practice in Australia and this be enshrined in their practicing certificate granted by the Australian Medical Association.*

7. THE ADEQUACY OF CURRENT MEASURES USED TO RECORD AND REPORT ON THE SKILL SHORTAGE

The Association recommends that:

- 7.1 Local Governments be encouraged to engage in surveying and compiling database on local skills needs and employment data.*
- 7.2 Local Governments should facilitate access to development planning tools such as those offered by Trade Development Council (TDC), CARE and IRF.*

8. THE METHODS USED BY TRAINING ORGANISATIONS INCLUDING TAFE TO ASSESS SKILL NEEDS IN RURAL AND REGIONAL NSW

The Association recommends that:

- 8.1 NSW Government reviews its policy on FarmBis III proposals to secure the \$15 million Federal Government funding for training purposes.*
- 8.2 The courses on professional development for apprentices and trainees provided by NSW Government and private education providers also be delivered locally in small regional towns.*
- 8.3 Consistency and integration of training products between the recognised and unrecognised training sectors be reviewed.*
- 8.4 Bridging of the gap between recognised and unrecognised training be reviewed and that co-operation between the training and rural sectors is increased.*

- 8.5** *More information on the reforms that have taken place in training, the New Apprenticeships programs, competencies, and how to utilise Training Packages be made available to agricultural workers.*
- 8.6** *Documentation of available training products with a full overview of training courses available and a list of providers be made available to the agricultural sectors.*
- 8.7** *There is a need for greater synergies between VET providers, higher education providers, industry and 'centres of excellence' to address the range of training needs within the agricultural sector.*
- 8.8** *There must be more flexibility from registered training organisations on how training is delivered, the timing of courses and release times, and that more training should be delivered on the farm.*
- 8.9** *A national auditing process be established to ensure that quality outcomes are obtained from training.*
- 8.10** *A cross-sector industry training module be drawn up to enable casual or seasonal workers to qualify for multi-skilled full-time jobs across occupations such as shearing, shed hands, pruners, fruit and vegetable pickers and packers.*
- 8.11** *Training packages aimed at multi-skilling of personnel in computer skills, machine skills, agronomic skills aimed at supporting the development of better career pathways for workers in the agricultural sector be developed to encourage new entrants and to retain youth in the industry.*

9. OTHER RELEVANT ISSUES

- 9.1** *The Association recommends that the government review its current centralization policies with a view to decentralizing more of its services to rural and regional NSW to revive the economy and to attract and retain skilled workers in the bush.*
- 9.2** *The Association recommends that the NSW Government honour the commitment given by Premier Morris Iemma on the need to establish innovative approaches to job creation and investment in rural NSW to revive the rural and regional economy.*

INTRODUCTION

NSW Farmers' Association (the Association) is an apolitical voluntary industry body representative of the whole farming community in NSW. Through its commercial, policy and lobbying activities it provides a powerful and positive link between farmers and the public.

Rural communities form the economic heart of rural Australia, and the cultural backbone of our nation. Australian agriculture produces \$36 billion in food and fibre, and is the foundation of a \$55.3 billion food processing industry and a \$74.6 billion food retail service. Combined with flow-on effects throughout the economy, Australian agriculture contributes almost 3% of our GDP. This compares to mining at 4% and manufacturing at 11%. However the "interdependence of agriculture and other parts of the economy was highlighted in the 2002-03 drought. A fall in the gross value of agricultural production of 19% (around \$32 billion) as a result of the drought led to a decline in Australian GDP of around 1% in 2002-03¹. The agricultural sector provides 11% of employment and almost 20% of exports.

More than 780 000 jobs around Australia depend on farmers, while the farm sector supports 1.6 million jobs in total. In 2001/02 – the last financial year not dramatically impacted by drought – agriculture contributed \$10.2 billion to the NSW economy and employed more than 122 000 people. This represented 26% of the total value of Australian agricultural production.

A number of critical economic sectors in Australian industry are reportedly experiencing a skills crisis, with many employers reporting increased difficulties securing staff with the necessary skills in their industries and the agricultural sector is no exception. A recent Senate Committee on Employment, Workplace Relations and Education References (2003)² inquiry into skills in Australia claimed that Australia is facing a major skills formation challenge, both in the immediate future and accelerating over the next two decades, due to the combined effect of a shrinking cohort of young workforce entrants, a depleted stock of skills in some key industries and occupations and the accelerating need for new skills, flowing from technological and business process change.

A skills shortage is defined by Shah and Burke (2003)³ as when the demand for a particular occupation is greater than the supply of workers who are qualified, available and willing to work under existing market conditions. The Department of Education, Science and Training (DEST, 2002)⁴ noted that skill shortages are typically for specialised and experienced workers, and can coexist with relatively high unemployment overall or in the occupation. An occupation may be in shortage even though not all specialisations are in shortage. Occupations may be in shortage in particular geographical areas and not in others. Skill shortages generally involve skills that require a significant period of training and/or experience. DEST (2002) distinguished a shortage from skills gaps, which occurs when the workforce (new or existing) is under-skilled relative to some desired level.

¹ Lu L and Hedley D (2004). *Economic Roundup: Autumn*. Australian Government Treasury, Canberra.

² Senate Committee on Employment, Workplace Relations and Education References 2003 Bridging the skills divide. Canberra: Parliament House. Accessed at http://www.aph.gov.au/SENATE/committee/EET_CTT/skills/report/report.pdf

³ Shah, C. and G. Burke 2003 Skills shortages: concepts, measurement and implications. Centre for the Economics of Education and Training Working Paper No.52, Monash University.

⁴ Department of Education, Science and Training 2002 Nature and causes of skill shortages: reflections from the Commonwealth National Industry Skills Initiative Working Groups. Commissioned by the Department of Education, Science and Training. Prepared by the Department of Employment and Workplace Relations and the National Centre for Vocational Education Research.

DEST (2001)⁵ commented that for skilled occupations, skill shortages can exist at most stages of the business cycle. They also noted that skill shortages can occur when occupations and industries experience moderate growth, or even where there was overall employment decline.

A Victorian dairy industry report⁶ broadens the concept of skill shortages to that of **skill gaps**. A similar concept is found in the UK Department of Education and Employment task force report⁷ and in other recent DfEE work. The DfEE defines a skill gap as a 'deficiency' in employee skills that reduces business performance, and which may or may not be manifested in current recruitment difficulties (skill shortages). Skill gaps may be filled by finding new skilled people, or by upgrading the skills of existing workers.

Another recent DfEE research paper⁸ tends to bridge the difference between skill shortages and skill gaps. However, the point is made that estimates of skill shortages tend to underestimate the damage to the economy, as enterprises may eliminate the shortages over the longer run by adopting a 'lower skill technology', at a significant cost to productivity and performance.

A similar point is made by Curtain (1996)⁹, who suggests that Australia is locked into a 'low skills–low quality' cycle, paying insufficient attention to the need for high-level intermediate skills in export-exposed sectors of industry. This assessment is particularly relevant to Australia's rural industries and emphasises the need for upgrading of skills.

The Association recognises the importance of skilled workers in maintaining the viability, innovativeness and sustainability of Australian agriculture. Education, training and up skilling the agricultural related workforce is a priority issue for the Association. The Association has been concerned with the lack of skilled workers and its impact on rural and regional economy which is in deep slump even as agriculture has undergone massive changes in the way it does business.

The Legislative Council's Standing Committee on State Development's inquiry into skill shortages in rural and regional NSW is therefore timely. This inquiry is of particular interest to the Association and we appreciate the opportunity to present our views to the Committee.

⁵ Department of Education, Training and Youth Affairs 2001 Rising to the challenge. Building professional staff capability in the Australian minerals industry for the new century. Report prepared by World Competitive Practices Pty Ltd for the Australasian Institute of Mining and Metallurgy. Accessed at http://www.dest.gov.au/archive/highered/eippubs/eip01_5/01_5main.pdf

⁶ Centre for Workplace Culture Change, 1999. Managing skill transitions in the dairy industry, CWCC, RMIT, Melbourne.

⁷ Department for Education and Employment, 1998. Towards a national skills agenda:

⁸ Haskel, J & Holt, R 1999, *Anticipating future skill needs: Can it be done? Does it need to be done?*, Skills Task Force research paper 1, Skills Task Force, Department for Education and Employment, London.

⁹ Curtain, R 1996, *Is Australia locked into a low skills/low quality cycle?*, Working paper, no.10, Monash University–ACER Centre for the Economics of Education and Training, Melbourne.

TERMS OF REFERENCE

1. The Current and Future Demand for Labour

1.1 The Current Demand for Labour

The ongoing drought in many parts of Australia has been a major factor in job losses in *Agriculture, Forestry and Fishing*, with employment falling by 44 800 or 11% in the five years to February 2004. Significantly, most of the falls in employment occurred in the past two years with the majority of sectors of the industry affected. A recovery in employment in Agriculture can be expected once seasonal conditions improve, although long-term employment growth is likely to be limited. The current demand for employment for the various industries is shown in Table 1.

Table 1: Industry Employment and Employment Change

Industry	Employment		Employment Change				Projected Job Growth to 2010-11	
	Feb 2004		5 years to Feb 2004		2 years to Feb 2004			
	'000		'000	%	'000	%	% pa	'000 pa
Agriculture, Forestry and Fishing	379.0		-44.8	-10.6	-67.3	-15.1	0.5	1.9
Mining	96.1		18.5	23.9	14.9	18.4	-0.5	-0.5
Manufacturing	1057.8		-11.9	-1.1	-21.6	-2.0	-0.4	-4.7
Electricity, Gas and Water	73.3		9.1	14.2	6.8	10.3	-1.1	-0.7
Construction	771.2		139.0	22.0	68.3	9.7	1.6	13.0
Wholesale Trade	447.1		-57.2	-11.3	11.9	2.7	-0.9	-4.0
Retail Trade	1443.9		134.8	10.3	62.2	4.5	2.0	31.9
Accommodation, Cafes and Restaurants	471.7		61.0	14.9	11.7	2.5	2.4	12.7
Transport and Storage	434.5		15.1	3.6	25.0	6.1	1.0	4.5
Communication Services	171.5		22.6	15.1	5.6	3.4	1.3	2.4
Finance and Insurance	350.6		32.2	10.1	7.3	2.1	0.6	2.1
Property and Business Services	1127.4		176.5	18.6	92.5	8.9	3.0	37.7
Government Administration	439.4		89.2	25.5	44.8	11.4	1.1	5.3
Education	693.9		84.9	14.0	44.5	6.8	1.1	7.7
Health and Community Services	960.4		140.0	17.1	47.7	5.2	3.0	32.3
Cultural and Recreational Services	241.1		30.2	14.3	3.3	1.4	2.2	5.9
Personal and Other Services	362.9		27.2	8.1	2.7	0.8	1.9	7.4
TOTAL (all industries)	9580.0		885.1	10.2	391.0	4.3		

Source: the figures in the table are from the ABS Labour Force Survey, February 2004. DEWR seasonally adjusts and trends the data.

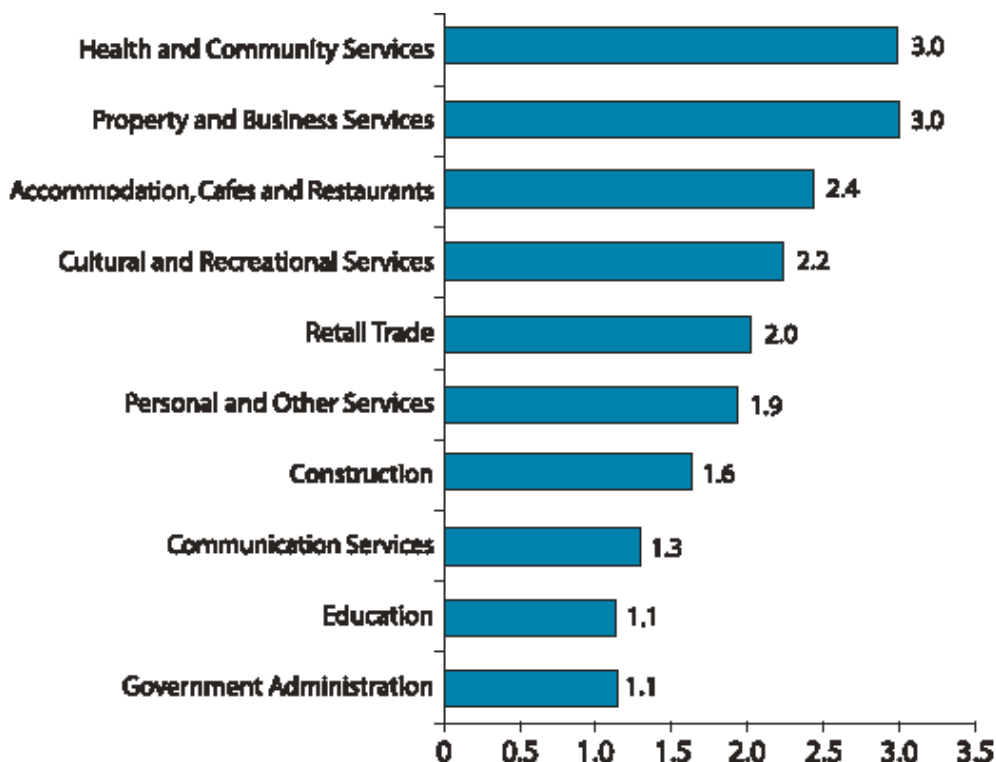
1.2 Future Demands for Labour

Department of Employment and Work Relations (DEWR) prepares indicative projections of employment growth for around 150 industries, presently to 2010-11. These are based on forecasts from economic forecasting organisations, especially the Centre of Policy Studies (CoPS) at Monash University, and information on recent employment growth, industry trends and prospective industry developments.

The strongest growth industries in the seven years to 2010-11 are expected to be Property and Business Services and Health and Community Services (both 3.0% per annum), followed by Accommodation, Cafes and Restaurants, Cultural and

Recreational Services, Retail Trade and Personal and Other Services as shown in Figure 1.

Figure 1: Strongest Projected Employment Growth by Industry to 2010-11 (%pa)



Source: DEWR Job Outlook, June 2004

The annual projected growth in the labour market in the various industries by numbers is shown in Figure 2.

Figure 2: Employment Growth by Industry 5 Years to February 2004 ('000)



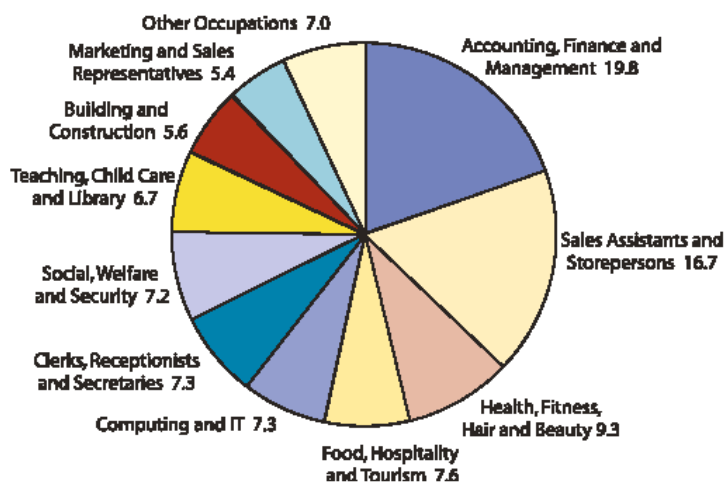
Source: DEWR Job Outlook, June 2004

1.2.1 Which occupations will provide most new jobs?

There are 19 broad occupational groups in the DEWR occupational structure. The largest share of new jobs is expected to be for Accounting, Finance and Management (20%), Sales Assistants and Storepersons

(17%), Health, Fitness, Hair and Beauty (9%) and Food, Hospitality and Tourism (8%) as shown in Figure 3. Agriculture falls in the Other Occupation category.

Figure 3: Projected Employment Growth by Occupational Group to 2010-11 (%Share)

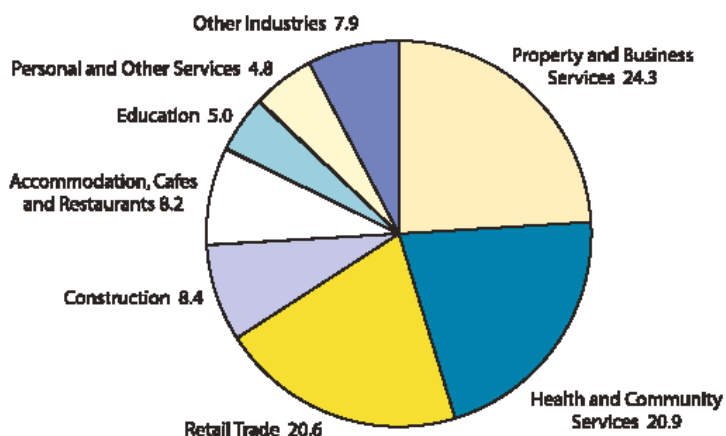


Source: DEWR Job Outlook, June 2004

1.2.2 Which industries will generate most new jobs?

There are jobs with good prospects and career opportunities across all industries. Most new jobs in Australia, however, are expected to come from a handful of strongly growing service industries. Five broad industries are expected to provide more than 80% of new jobs to 2010/11 – four in every five new jobs – with the largest share for Property and Business Services (24%) as shown in Figure 4. Agriculture will be competing with seven other industries for younger people joining the workforce.

Figure 4 :Projected Employment Growth by Industry Group to 2010-11 (%Share)



Source: DEWR Job Outlook, June 2004

1.3 NSW Farmers' Association's Surveys on Skills Shortages

The Association firmly believes that the future of rural NSW depends on the strength and resilience of small rural towns. As part of Building Rural Communities Project the Association sent out survey questions to 66 towns

across NSW with an even distribution from the north, south, central and far western regions to seek their views on State of government services, level of innovation, government assistance, major inhibitors to growth and development and lessons from towns doing well – notable attributes. The questionnaire in part also sought members views on skill shortages. The following highlights a number of key issues relevant to this inquiry.

- Health

A common theme from the survey comments and the community consultations was that there are still major problems in health for rural NSW. More than 50% of respondents reported that health services have declined or not changed in the last five years. Access to Allied Health Professionals was raised as a major issue. One town reported *“no physiotherapist and 4 hours to regional centre”*, reflecting the challenges faced by extremely limited health services. These results closely align with the Association’s wider member survey, where health was identified as the number one concern across the state. The following health issues were raised as specific areas of concern:

- Problems recruiting doctors, dentists, nurses, physiotherapists and all allied health workers remain unsolved.
- Problems with staffing cutbacks rated highly, as reflected in the following comments from a central western town: *“staff cutbacks with more work, not less –we have 6 new beds, but no new staff”* and a town from the central tablelands: *“we have a new MPS hospital, but it is only running at 70% due to staffing cutbacks”*.
- Poor access to specialists was reported across most of NSW, with the exception of the far north-western and western towns with high indigenous populations. These towns were said to be well serviced by specialists who are flown in from Sydney and Newcastle every six to eight weeks.

- Professional Expertise

The professional expertise available in all small towns surveyed ranged from OK to non-existent. Respondents reported a lack of educated people available to take on leadership roles; lack of medical, nursing and allied health workers; large gaps in the financial sector; and difficulty in finding reliable tradesmen. Respondents also reported that Councils are experiencing difficulties in attracting engineers, with recent Shire amalgamations a further deterrent.

- Skills Development

All towns reported the ongoing difficulty faced by professional experts in upgrading their skills and knowledge. As most relevant courses are only available in regional centres, which could be up to three or four hours away, there is a huge cost in terms of both travel and time lost. This is particularly so for small business owners, who are forced to pay back-up staff. Some towns reported that new measures have been put in place for doctors to upgrade their skills, which is a positive step forward for those towns.

- Education

The following education issues were raised as specific areas of concern:

- Many comments related to the increases in fees for TAFE courses and cuts to local courses, with no rural skills courses available in many smaller towns. Respondents expressed that this has a direct link to

youth and unemployment issues.

- The vast majority of respondents reported limited tertiary opportunities due to isolation, the cost of living away from home, increases in university fees, and difficulty accessing the Youth Allowance.
- Many respondents referred to the State pre-school funding issue, which was reported to be forcing community-based pre-schools to increase fees, placing pressure on many families. Some communities reported that they are considering converting their pre-school into Federally-funded long day care centres to address this issue.

1.4 Upskilling of Existing Workers in Rural and Regional NSW

In view of the ageing population especially in the agricultural sector and the competing interests for limited new apprentices from other sectors in the next seven years, the Association through its own survey has come to the conclusion that one way of addressing the shortage of skilled workers in rural and regional NSW is to up-skill the existing workers. The Association suggests the following.

Recognition of prior learning (RPL) and recognition of current competencies (RCC) are proving to be important avenues for encouraging farmers and existing employees to upgrade skills and need to be embraced. Some sectors such as Cotton and horticulture are utilising the mechanism as a means of retraining workers and are conducting skill audits prior to RPL. In many instances, FarmBis funding has been the funding mechanism used to conduct skill audits. However this is now not possible for most sectors as the government has failed to allocate funding for the FarmBis program. The issue of Farm Bis is discussed further at Section 8.6.

Recommendations

The Association recommends that:

- 1.1 The Commonwealth, in conjunction with state and territory governments, develops a new, integrated, nationally consistent approach to the collection and reporting of the complete range of statistical information on the labour market and current and future skill needs. This would entail:***
 - agreement between all stakeholders on the relevant indicators of skill supply and demand, including underlying drivers, and consistent collection approaches;***
 - inclusion of information on skill shortages and regional labour markets;***
- 1.2 Increased flexibility in traineeships is introduced to assist employers to up skill workers to meet the skills requirements.***
- 1.3 The RPL/RCC processes is reviewed to enable the identification of existing relevant skills and mapping them to process industry relevant competencies that would assist industries to select and up skill recruits from target groups.***
- 1.4 Funding and incentive arrangements be reviewed to increase flexibility, for example, by targeting gap training (units of competency) and recognition of current competency, and by developing competency based funding formulae.***
- 1.5 Changes be made to the eligibility criteria for employer incentives to assist industries to up skill adult (under 50 year old) workers and to train across a broader range of levels, including Certificate II.***

2 The Economic and Social Impact of the Skill Shortage

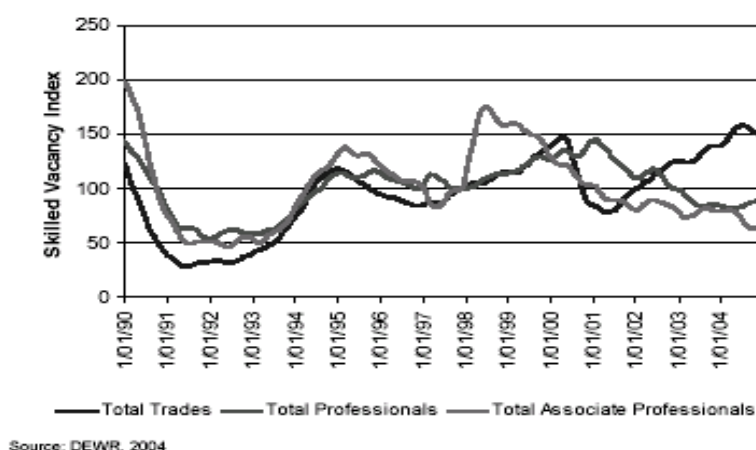
2.1 Evidence of Skill Shortages

Evidence of the skills shortage is shown in the skilled vacancies index (SVI), which is released monthly by the DEWR^a. Index values for professionals, associate professionals and trades since 1990 are shown in Figure 5.

Overall, the pattern of the three groups has been relatively similar over the years, except for associate professionals in 1998 and 1999, and trades since 2001. For the past four or five years, until late 2004, the professional and associate professional groups have maintained a steady decline in Index values, and are both below the 'skill shortage' factor (SVI < 100). In contrast, the trades have steadily increased from July 2001 until August 2004, when the group reached its maximum SVI value (160.8).

It is evident from Figure 5 that there has been a skills shortage (SVI > 100) in the trades for most of the period since 1998, except between October 2000 and December 2001.

Figure 5: Skilled Vacancies Index, for Total Trades, Total Professionals and Total Associate Professionals, 1990-2004



^a The Index is based on a count of skilled vacancies in the major metropolitan newspaper of each State and the Northern Territory, usually on the first Saturday of each month (the count is conducted on the second Saturday in January and when the first Saturday is part of a national long weekend). The data published are trend data (November 1997=100). Because of the procedure used for trending, the figures for the six months prior to the current month are subject to revision.

DEWR data on skill vacancies reveals that some skill shortages in the trades have persisted over the past 20 years, apart from the recessions of the early 1980s and early 1990s.

2.2 National Skill Shortage List – Australia 2004

The National Skill Shortage List for the whole of Australia for 2004 is shown in Table 2.

Table 2: National Skill Shortage in Various Professions (March 2004)

Registered Nurse	Child Care Coordinator
• Accident/Emergency	Child Care Worker
• Aged Care	Civil Engineer
• Cardiothoracic	Accountant
• Community	Enrolled Nurse
• Critical/Intensive Care	Dentist
• Indigenous Health	Pharmacist (Hospital/ Retail)
• Neonatal Intensive Care	Occupational Therapist
• Neurology	Radiation Therapist
• Oncology	Podiatrist
• Operating Theatre	Nuclear Medicine Technologist
• Paediatric	Sonographer
• Palliative Care	Speech Pathologist
• Perioperative	Diagnostic Radiographer
• Rehabilitation	
• Renal/Dialysis	
• Registered Midwife	
• Mental Health Nurse	

Table 3: National Skill Shortage in Various Professions (December 2004)

Engineering Trades	Electrical & Electronic Trades	Construction Trades	Food Trades	Other Trades
Metal Fitter	Electrician	Carpenter and Joiner	Chef	Hairdresser
Metal Machinist	Refrigeration and Air-Con Mechanic	Fibrous Plasterer	Cook	Furniture Upholsterer
Toolmaker	Electrical Powerline Trades	Bricklayer	Pastrycook	
Metal Fabricator	Electronic Instrument Trades	Solid Plasterer		
Welder	Electronic Equipment Trades	Plumber		
Sheetmetal Worker		Cabinetmaker		

2.3 Skill Shortage for NSW (March 2004)

Professionals

- **Child Care Coordinator:** shortages are mainly for degree qualified coordinators in long day care centres.
- **Child Care Worker:** shortages are particularly evident in long day care centres.

- **Civil Engineer:** shortages especially for senior Civil Engineers in: design; consulting engineers with a good understanding of building codes and; structural engineers with experience of high rise building services.
- **Electrical Engineer:** shortages especially for Electrical Engineers with experience in building services, consulting and electrical substation or railway design.
- **Registered Nurse:** indigenous health is not recognised as a separate specialisation in NSW.
- Separate information on perioperative nursing is not available for NSW.
- **Enrolled Nurse:** shortages are especially for mothercraft, mental health and acute care.
- **Dentist:** shortages are especially in the public sector and regional/rural areas.
- **Occupational Therapist:** shortages especially for Occupational Therapists in senior roles and for specialists in mental health.
- **Physiotherapist:** shortages are especially in the public sector.
- **Diagnostic Radiographer:** Shortages especially for Diagnostic Radiographers with experience in MRT, mammography and CT.
- **Secondary Teacher:** Recruitment difficulties are for maths/science, technical and applied studies, especially in the public sector in some locations.
- **Lawyer:** Shortages particularly for Lawyers with experience in family law.

Trade

- **Metal Fitter:** shortages are evident for basic trades skills but especially for hydraulics and for shutdown and maintenance work.
- **Metal Machinist:** shortages are especially evident for Metal Machinists with experience in CNC machinery and hand-operated heavy industrial machinery
- **Toolmaker:** shortages are particularly for Toolmakers with broad trade skills, hand-operated tooling, CNC machining, plastic injection moulding, precision jobbing.
- **Metal Fabricator:** shortages are especially for Metal Fabricators with ability to work from plans, multiskilled tradespersons and those with experience in weld purging.
- **Welder:** shortages are especially for Welders with skills in stainless steel, aluminium, TIG and MIG welding.
- **Sheetmetal Worker:** shortages are especially for Sheetmetal Workers with welding skills.
- **Motor Mechanic:** shortages are especially for Motor Mechanics with specialist skills and experience in suspension, wheel alignment, engine reconditioning, used car dealerships and four wheel drives.
- **Panel Beater:** recruitment is particularly difficult for panel beaters with skills in prestige vehicle repairs.
- **Electrician:** shortages are apparent across most sectors including commercial and industrial work, domestic building maintenance, communications cabling and electrical fitting.
- **Refrigeration and Airconditioning Mechanic:** shortages are apparent across most sectors, but especially for commercial airconditioning in Sydney.

- **Electrical Power Line Tradesperson:** shortages are evident in maintenance and new supply work in both the power generation and distribution sectors.
- **Electronic Instrument Trades:** shortages are especially being experienced for positions requiring highly specialised experience in specified types of PLCs and control systems and positions requiring dual qualifications in electrical and instrumentation work.
- **Electronic Equipment Trades:** shortages are mostly for repairers experienced in specific equipment makes and models.
- **Business Machine Mechanics:** isolated recruitment difficulties exist for positions requiring experience in particular business machinery makes and models.
- **Communications Trades:** shortages are less severe for cabling technicians.
- **Carpenter:** shortages are most apparent for new residential building, residential maintenance and formwork carpentry.
- **Fibrous Plasterer:** shortages include plasterboard fixing, cornice fixing and ornate plastering.
- **Bricklayer:** shortages are restricted to trade-level bricklayers.
- **Plumber:** shortages are evident in both the commercial and residential sectors and for roof plumbers.
- **Baker:** shortage is mainly confined to broad trades skills, hand moulding skills and experience in specialised breads such as sourdough, gluten-free etc.
- **Pastrycook:** shortage is mainly confined to broad trade skills and experience in making pastries from scratch.
- **Wood Machinist:** shortages are especially for CNC skills, a range of experience with panel saws, spindle moulders, also experience in solid timber, laminated wood or composite material.
- **Cabinetmaker:** shortages are especially for the detailed joinery and fine furniture sector..
- **Furniture Upholsterer:** shortages are especially for positions requiring quality re-upholstering/recovering experience, but there is also a short supply of combination skills required for tasks like re-covering/automobile trimming and making custom built furniture for refurbishments.

Many of the above skills are required by the rural and regional businesses and farmers in NSW to effectively operate their businesses. The skill shortage comparison between States and Territories is at Annex 1.

2.4 Apprenticeship as a Means of Addressing Skill Shortages

Increasingly, we are being reminded just how few qualified trades people are in Australia. According to recent findings by employer group, the Australian Chamber of Commerce and Industry (ACCI) skill shortages are now the number one constraint on business investment.¹⁰ Such a finding is somewhat surprising considering efforts by the Commonwealth Government to encourage apprenticeships through its New Apprenticeship Program.

¹⁰ Australian Chamber of Commerce and Industry, 2004. Survey of Investor Confidence.

2.4.1 *New Apprenticeship Scheme*

There is a New Apprenticeships scheme which can assist businesses to take on apprentices or trainees. The Australian Government provides the financial incentives for the employers and the NSW Government's commitment represents the cost of training, either public or private; a travel allowance for the apprentice for block training in the regional centre (some are required to travel to Sydney) and a provision for payroll tax concessions if applicable. The positives of the apprenticeships scheme are:

- Employers are given an incentive of \$4 400, with a possible further \$1 100 for a skill shortage incentive; or an innovation incentive of \$1 200 for an electrical/IT trade, and an incentive if the area is in drought;
- The employer only pays apprenticeship wages;
- There is a living away from home allowance for those who move to bigger towns;
- Apprentices are eligible from 15 years of age up with no upper limit;
- The apprenticeship can start in Years 11 and 12;
- Local councils are eligible for the apprenticeship scheme;
- There is extra money for an aboriginal strategy – mentoring;
- Traineeships apply to farming as well, as sons and daughters can be employed – rural traineeship program;
- In a skill shortage industry – \$5 500 incentive; and
- Training can be delivered in the workplace if employer is willing to take the responsibility – no block release.

2.4.2 *Shortcomings of the Apprenticeship Scheme*

While there are many positives of the apprenticeship schemes the Association questions why then, are there not more businesses taking on apprenticeships in country towns?

Between 1987 and 2001, traditional trade apprenticeships have declined by more than 15%¹¹. There are a number of factors which have been identified as cause in the decline of trade apprenticeships. Some of the reasons are:

- Many consider the incentive is not sufficient: apprenticeships are four years – the incentive is a one off payment, not \$4 400 for each year. The payment is split with one at the beginning of year 1 and one at the end of year 4.
- Lack of business confidence - economic environment where town is not growing.
- Age of many tradesmen in country towns – many in their 50s and 60s.
- Difficulty in the engineering trades to find apprentices.
- Fear that they may be training up a competitor, particularly in the building trades. Not enough business in small towns for too many electricians for example.

¹¹ Toner, P, 2003. Declining Apprentice Training Rates: Causes, Consequences and Solutions.

- Some apprentices are head-hunted in the third and fourth year – welders for example – there is nothing to stop them walking off.
- The block training is in the regional centres and for some trades, in Sydney.
- Block training can be 1 day a week or 3 days every 3 weeks (block release) for automotive trades for example – difficult from more isolated areas.
- The living away from home allowance can act as a disincentive for young people to stay in their local town.
- There is more incentive for an employer to take on a trainee for one year rather than an apprentice for four years, as there is no more money for the extra years.
- Many small businesses may not be aware of the scheme – requires better marketing to convince employers.
- Low wages in comparison to other youth wages. At present an 18 year old apprentice entering the manufacturing industry is paid \$6.20 per hour while a fast food trainee can expect between \$7.50 and \$8.70 per hour. This makes a difference of \$50 to \$100 a week.¹²

a) *Casual Labour Versus Apprenticeships*

There is also some suggestion that the New Apprenticeship Program has unknowingly assisted large chainstores to use the scheme to employ young people as trainees in areas that may not need any formal training. Over the last ten years, employers have favoured casual labour over full time employment. Dr John Buchanan from the Australian Centre for Industrial Relations Research and Training argues that employers are reluctant to commit to employing staff on a long term basis¹³.

b) *Downsizing and Centralisation Policy*

The downsizing of the public sector is another possible cause in the decline of trade apprenticeships. Traditionally employers such as the Water Board, Public Works Department and the railways were key employers of apprentices. Telstra, at one time had training colleges in each state and capital city which trained thousands of technicians. Those colleges have since been closed and training is now done in front of a computer. The justification for reviewing the current centralization policy is presented at 9.1.

c) *Unfair Stigma*

There is an unfair stigma attached to those in trades. There has developed a general misconception that all students should complete a HSC and go to university if they want to have any measure of success in their lives. Having a trade is seen as something less than a university degree even though both take approximately the same length of time.

In this regard the Association concurs with the comments made by the Federal Minister for Education, Science and Training, Hon Dr Brendan Nelson that a cultural change is required to change the huge

¹² Australian Council of Trade Union, 2004. Background Paper: Australia's Looming Skills Shortage

¹³ ABC Radio, 2004. Background Briefing 28th November.

emphasis currently placed on a University education by schools and families. More emphasis must be placed on promoting careers based on practical skills as vital to Australia's economy and development, and equally as rewarding as those requiring a University degree.

The Association is of the view that if the viability and sustainability of Australian agriculture is to improve, education, research and advisory programs must be not only supported, but championed by the NSW Government.

d) *Structural Issues*

It is clear there may be structural issues for small country towns emerging from this scheme. The necessity for the apprentice/trainee to travel long distances to undertake training in a regional centre means many would decide to move to the centre for the duration of the apprenticeship. The living away from home allowance is an added incentive for young people to move to bigger centres. Although unintentional, this scheme could be said to be making it more difficult for small country towns to retain their youths.

e) *The Training System for New Apprenticeships – Systemic Inconsistencies and Policy Interpretations*

The Association is concerned about a range of issues in the context of achieving a fully integrated and nationally consistent VET system.

While we acknowledge the capacity of the New Apprenticeship system to meet some of the current and emerging needs of the rural industry, the effectiveness of New Apprenticeships for the rural industry is being impaired by systemic inconsistencies and policy interpretations. The system would be greatly enhanced by a consistent approach to flexible training delivery, assessment procedures and employer incentive regimes across State/Territory jurisdictions. The variations in regulations and complexity of process across States is an issue that needs to be addressed, particularly as State policy is determined in capital cities which are perceived to have little relevance to rural and remote regions. More on City-centric views is discussed at 9.2.

- Group Training Companies (GTCs) are not operating effectively in rural Australia because of thin markets. While some funding is provided to Group Training Companies to operate in rural areas, barriers still exist. Most Group Training Companies still operate within the boundaries of larger regional centres and do not service rural areas outside these centres because of the higher costs involved with large distance travel.
- Employers are unable to access employer incentives for adult New Apprentices who hold a qualification at AQF level III or higher in an unrelated field. This is acting to preclude people retraining in areas of high demand such as viticulture if they have been previously employed in a declining industry.
- Few farms are able to employ someone either full-time or on a continuous basis for reasons such as improvements in farm practices, increased mechanisation and associated technological applications, and reduced farm profitability.

- While many farmers would like to employ a New Apprentice they are unable to offer continuity of employment for the term of the contract of training.
- Some labor hire companies have been able to offer full-time employment to workers by developing a regional seasonal calendar and grouping employment across a farm sector. This concept needs further investigation.

2.4.3 *Addressing Skills Shortages Through a National Approach to Apprenticeships, Training and Skills Recognition*

The Council of Australian Governments (COAG) at its June 2005 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. Raising and recognising the skill level of the Australian workforce will improve workplace participation and productivity and help address the challenge of an ageing population.

While there has been significant reform of the Vocational Education and Training (VET) system in recent years, COAG agreed that there is scope for further whole-of-government action. It agreed that the creation of a genuinely national approach to apprenticeships and training will help Australia respond to its skills shortages and provide more opportunities for young Australians.

COAG agreed to establish a joint Commonwealth-State working group to address the barriers across the VET system to achieving such a national approach. COAG agreed that this working group will examine:

- effective implementation of full mutual recognition of skills qualifications across Australia;
- an appropriate system for recognition of overseas qualifications;
- shortening the duration of apprenticeships where competencies are demonstrated and enabling school-based apprenticeships;
- ensuring maximum flexibility in training for employers and apprentices;
- effective competition between training providers;
- allowing intermediate or specialised qualifications as well as full apprenticeships;
- the impact of skills shortages on particular industries and regions; and
- the merits of a purchaser/provider split for apprenticeship funding.

The working group will provide its report to COAG on options and recommendations, including an implementation proposal, in December 2005. COAG also noted that discussions were continuing on the Commonwealth-State Funding Agreement for Skilling Australia's Workforce.

2.4.4 *The NSW Government's Plan for Skilled Workforce*

The NSW Government in March 2005 allocated \$7.15 million for training resources on skill shortages. The plan is aimed at producing more trained and job ready workers in the areas where the economy needs them most.

The plan aims to make apprenticeships more attractive to employers and to young people and is focused on preparing young people for work now and into the future. The NSW vocational education system has been

expanded through significant increases in TAFE places, new vocational courses in the HSC and new partnerships with industry.

The package is aimed at recruiting an extra 5000 new apprentices in NSW by 2006. The package includes:

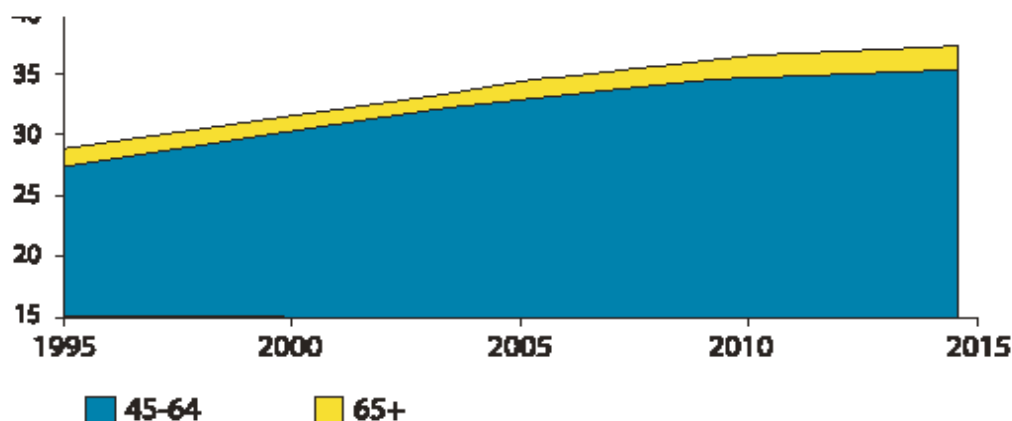
- Discount on the cost of car registration during the apprentice's first and second year
- A living away from home allowance for apprentices from regional NSW
- Assistance to place apprentices with employers after they have completed a 16 week pre-apprenticeship TAFE course¹⁴

Perhaps the most contentious issue of the plan is to cut the training years from four to three years. There is a fundamental problem with this plan. The fourth year of an apprenticeship for the employer is often seen as a payback year. By the fourth year TAFE training is completed and the apprentice has enough experience to work without close supervision. This is a time for the employer to reap the rewards of having a well trained employee. Often apprentices leave their employer after their apprenticeship. The fourth year provides at least some reward for the years of training the employer has provided. Specific details of the plan is at Annex 1.

2.5 Demographic Projections

According to DEWR, Australia is now facing a major demographic challenge as the population is ageing, driven by declining fertility and mortality rates. The mature age population has increased strongly since 1996, up by nearly 1.4 million. The Australian Government's *Intergenerational Report* projected that, over the next 40 years, the proportion of Australians aged 65 years and over will almost double to around 25% as shown in Figure 6.

Figure 6: Percentage of the Workforce Aged 45 Years and Over (1995-2015)



Source: ABS Labour Force Projections 1999 to 2116 Cat no 6260.0

The DEWR projections indicate that over next 10 years the 45-64 age cohort will increase by around 274,000 while the increase in the 25-34 age cohort will be around 3 000; the 15-24 cohort will increase by 27 000; and the 35-44 cohort will increase by 22 000.

¹⁴ Mitchell, A, "Premier's New Deal for Young Workers, SMH, 20th March 2005

This is likely to result in increased competition for job candidates, with all industry sectors trying to recruit from the smaller populations in the younger age groups. Recent topical issues are germane. There has been publicity about strategies for encouraging older workers to remain in the workforce; encouraging those not in the work force to take up employment, including the unemployed, the disabled and people on parenting allowances; and government consideration of increased immigration.

Many of these responses to the labour force 'squeeze' are likely to result in increased demand for up skilling of workers to meet the needs of the employing industries. This will have high impact in the process manufacturing sectors where there is high flexibility to employ inadequately skilled workers. For adult, mature aged and immigrant workers – all of whom can be expected to have some existing skills – the current focus of the training system on time-based completion of whole qualifications imposes a training regime which is often a disincentive to both employers and learners. The related time-based funding and incentive arrangements also act as a deterrent to the implementation of the Recognition of Prior Learning/Recognition of Current Competencies requirements of the Australian Quality Training Framework.

2.6 What Does and Ageing Population Mean for Business and the Community?

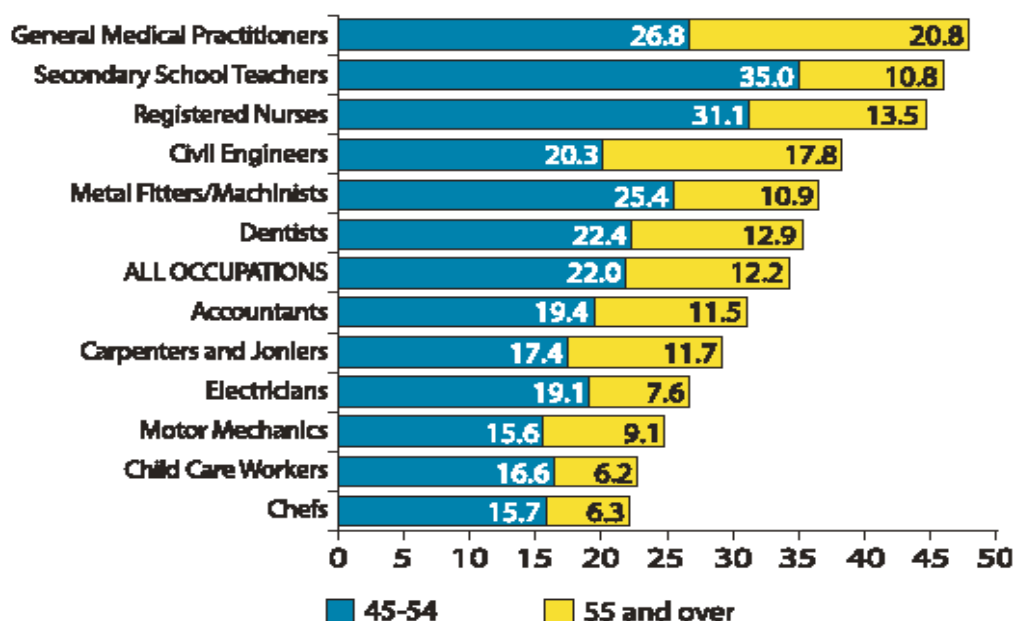
DEWR is predicting that the growth in the labour force will slow each year. While there are currently six workers for each retired person, this will decline to only three workers for each retiree by 2025. In coming years, the supply of mature age workers will grow much faster than the supply of younger workers. The current working age population grows by 170,000 people a year. However, as a result of trends already in place, it is predicted that the working age population will grow by just 125,000 for the entire decade of the 2020s.

Ageing of the NSW population has been occurring for sometime and the pace of ageing is expected to accelerate ahead as highlighted below. As a result the economic and fiscal impacts are expected to intensify over the coming decades.

2.7 Ageing of the Australian Workforce - Occupations

Figure 7 shows the proportion of persons aged 45 to 54 years and 55 years and over currently employed in selected occupations where there are skill shortages. This suggests that the occupations, that currently have a high proportion of persons aged 45 years and over, could experience continuing shortages as a result of workforce ageing.

Figure 7: Percentage of Workforce Aged 45 years and Over by Selected Occupation

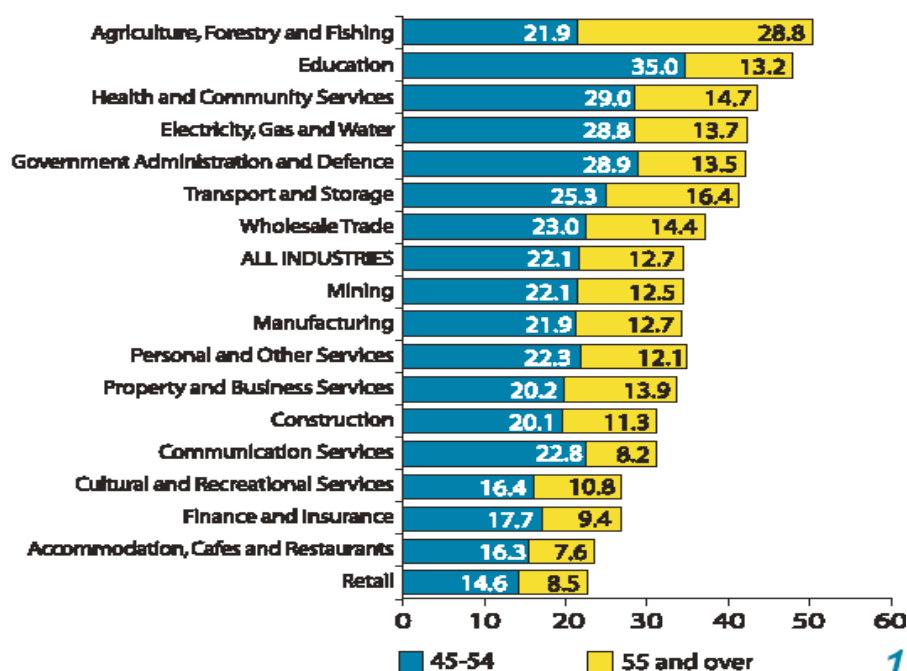


Source: DEWR Job Outlook, June 2004

2.8 Ageing of the Australian Workforce - Industries

The age profile for industries shows quite a difference in the proportion of the workforce aged 45 years and over. Agriculture has the highest proportion of workers aged 45 years and over (about half) and Retail Trade and Accommodation, Cafes and Restaurants have the lowest proportions (less than a quarter of their workforce). Figure 8 shows the proportion of persons aged 45 to 54 years and 55 years and over currently employed in each industry.

Figure 8: Percentage of Workforce Aged 45 Years and Over by Industry



Source: DEWR Job Outlook, June 2004

The figures for the Agriculture, Forestry and Fishing sector which is further elaborated below, suggests that with the aging workforce there will be a greater need for up-skilling of the workforce especially as the industry adopts new technology to improve efficiency and productivity.

2.9 Skills Required in the Agricultural Sector

The range of skills-sets required in rural communities is diverse and growing, particularly as a result of transitioning to new technologies in many rural sectors. The ageing population in rural areas as highlighted above combined with rapid declines in the number of young farmers entering the industry, is leading to skills shortages in a number of areas.

A study conducted by the Victorian Department of Primary Industries has revealed that the number of young farmers is rapidly declining in Australia, falling by 60% in 25 years¹⁵. Just 3300 people aged under 25 entered farming between 1996 and 2001. The exodus of rural youth to coastal cities in search of jobs has resulted in the average age of the Australian farmer being 57. If this trend continues, NSW could lose a generation of young farmers, leading to massive skills shortages.

The ACTU Background Paper – Australia's looming skills shortage¹⁶ identified that Australian industry is facing a severe skill shortage in the coming years – largely as a result of an ageing industry workforce and a decline in the rates of apprentices in training. In the manufacturing industry alone – a sector critical to rural communities – a shortage of 130 000 skilled workers is predicted in the next five years. The paper referred to research conducted by the University of Western Sydney confirming a long-term decline in the proportion of apprentices in training, which the ACTU estimates translates to a shortfall of up to 25 000 apprentices a year. The paper also made reference to a recent Australian Chamber of Commerce and Industry survey, which identified skills shortages as the number one constraint on business investment, with severe skills shortages already being experienced in country and regional towns as well as in suburban metropolitan areas. This was supported by a recent Australian Industry Group study, also quoted in the paper, which found that 60% of businesses in rural NSW are suffering from skills shortages. The ACTU calculates that the skills shortage in traditional trades alone is set to cost the Australian economy up to \$735m a year in lost output – or in real terms almost \$9b over the next ten years (almost \$3b of this in NSW).

There is a high uptake among farmers in all sectors in quality assurance (QA) training integral to implementation of QA programs. Currently the QA training is fragmented and need to be rationalized.

The delivery of training on the job is important, particularly in relation to chemical usage and occupational health and safety-related areas and need to be implemented as soon as possible.

There is a need for training in finance and management for the existing workforce, many of whom have agricultural qualifications.

Many farmers are interested in upgrading their skills and learning new management and office practices associated with computing.

¹⁵ Young farmers thin on the ground. ABC NewsOnline. 10 February 2004.

¹⁶ Australia's looming skills shortage, July 2004. http://www.actu.asn.au/public/news/files/skill_shortage_paper.pdf

In addition to maximising the value of VET, ways should be found to transmit an understanding of best practice and innovative management at the farm enterprise level.

2.10 Economic and Social Impact

Using standard ABS multipliers (where a \$1 million drop in agricultural output leads to a consequential loss of 13 jobs across the non-agricultural economy), the flow-on job losses stemming from the estimated loss of \$8 billion from farm GDP would be some 100 000 people in other (non-farm) sectors. Further, there is a large time lag associated with bringing these skills back to rural communities, meaning that the full impacts of drought on employment and skilled labour may not be felt for years.

The number of unemployed and unemployment rates in NSW and statistical local areas for March quarter 2004 to March quarter 2005 is presented at Annex 3. The figures reveal that unemployment rates in rural and regional NSW ranges from a low of 1% in Yarrowlumla with a labour force of 194 to a high of 14.3% in Nambucca with a labour force of 6,817. The unemployment rates in rural and regional NSW generally averages around 7%.

The unemployment rates in rural and regional NSW in comparison to whole of NSW and whole of Australia is summarized below:

Table 4: Comparison of Unemployment Rates

Regions	Unemployment No.		Unemployment Rate (%)		Labour Force March 2005
Australia	599 300	554 400	5.9	5.4	10 312 100
New South Wales	190 700	180 500	5.7	5.3	3 376 500
Sydney	113 800	103 000	5.2	4.6	2 214 600
Rural and Regional NSW	76 900	77 500	6.5	6.7	1 161 900

The figures show that a staggering 43% of all of the unemployed in NSW are in rural and regional NSW. The unemployed in rural and regional NSW as a percentage of whole of Australia is 14%.

There are a number of reasons for high unemployment in rural and regional NSW and these include:

- The age and qualification profiles of the workers in rural and regional NSW suggest substantial skill gaps making the workers unemployable.
- Since the transformation of agriculture in the last 2 decades, training has not kept pace with these changes and large proportion of the rural population do not have the necessary skills to perform the job.
- Companies have been relocating from smaller towns due to worsening infrastructure.
- Government departments, Banks and other large companies have rationalized their operations and closed down smaller branches, and
- The lack of appropriate training programs to up-skill the workers.

Skill Shortage - Pork Industry Case Study

The Australian pork industry has experienced ongoing difficulties in attempting to recruit appropriately qualified people at all levels of employment within the industry.

Producer consultations held around the country in March and April 2004 clearly showed the concern amongst many in the industry about the difficulties experienced with the recruitment and retention of suitable staff. These issues were also raised during Australian Pork Limited's (APL's) producer consultations meetings on the draft Industry Restructure Plan also held throughout the country in October and November 2004.

Some producers have indicated that the recent financial crisis in the industry means they are not able to pay a competitive wage or attract appropriately skilled labour. Producers have also highlighted the lack of a skilled quality labour pool in many rural areas.

Also of concern to the industry is the increasing difficulty of attracting students to practice in the veterinary field of pigs. Sydney University veterinarian academic, Dr. Trish Holyoake, has noted that students have a preference to practice in metropolitan areas in a small animal practice.

Recommendations

The Association recommends that:

- 2.1 The Commonwealth and State governments should identify and develop strategies to address impediments to genuine work placements, including the affordability of public liability insurance and workers compensation, so that young people have increased opportunity to gain work experience and build their skills.**
- 2.2 The selection criteria for recruits be broadened to enable the recruiting for generic skills, attitude and aptitude due to the demographic imperative to encourage people to enter, remain in or return to the work force and to increase the pool of candidates.**
- 2.3 Strategies are developed by the government to address skills gaps in agri-based industries so that employers have the right people with the right skills.**
- 2.4 The Commonwealth and NSW State governments consider introducing a separate scheme to support the training of existing workers in agricultural related industries in place of incentives under the New Apprenticeship scheme.**

3 Strategies & Programs of Local Governments to Retain & 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

Traditionally, local governments tended to focus on, and were mostly responsible for, decisions relating to land use zoning and associated infrastructure requirements. However, over the past decade or more there has been increased engagement by local government, through the Australian Local Government Association (ALGA), in the development of national regional development policy. There is also evidence of a steady devolution of responsibility to local government alongside a growing expectation by State and Federal Governments that local shires adopt a more strategic approach to their activities.

As a consequence we have seen the development of corporate and strategic planning documents among the larger shires and some efforts to develop regional approaches to particular issues of common interest or concern. The presence of Voluntary Regional Organisation of Councils (VROC) arrangements, which go back over 70 years in many parts of Australia, has provided the backbone to emerging strategic initiatives among neighbouring shires in many regions.

3.1 Strategies and Programs of Local Government Concerning Skilled Workers

Some of the strategies of the local government to retain and attract skilled workers include:

- offering the best possible quality of life and environment for all residents
- implementing principles of social justice and equity
- achieving best practice in rural and regional design
- providing appropriate protection and enhancement of heritage character and cultural identity
- designing and implementing programs that ecologically sustainable and provides for the retention of important features of the natural environment
- ensuring that projects are efficiently designed that makes best use of land, infrastructure and services
- providing the choice of housing sought by communities
- offering varied and accessible employment opportunities

Some of the broad programs and projects undertaken by local governments to retain and attract skilled workers include:

- pursuing greater efficiency, community orientation and quality outcomes in procedures for development control and other forms of regulation associated with the planning and management of urban areas.
- Implementing planning programs that addresses the need for better environmental design within both housing stock and public buildings, with particular emphasis on solar access, latitude design modifications, alternative wastewater use, land subdivision, use of communications technology, shared facilities and economy of scale.
- promoting and funding better urban design outcomes; supporting rural and regional infrastructure projects; participation in integrated planning and service delivery projects

As can be seen from the above a range of strategies, programs and projects have been used or proposed by the local governments to attract and retain suitably skilled labour. However these strategies and programs do not seem to be working as more and more people are leaving the regions for metropolitan areas.

3.2 Difficulties in Attracting and Retaining Skilled Workers in Regional Areas

The State Chamber of Commerce (2000)¹⁷ there are several reasons for the difficulty in attracting and retaining skilled in regional areas and these relate to:

- lack of recreational and cultural facilities
- lack of quality educational facilities – particularly nearby private schools
- inability of regional business to pay metropolitan wage rates
- limited employment opportunities and job prospects; and
- reduced access to medical facilities and doctors

According to the State Chamber of Commerce, regional businesses have identified lifestyle as the most important factor in attracting skilled workers to regional areas. The fact that regional areas afford more relaxed, slower pace of life in country surrounds can be synonymous with an improved quality of life. One Chamber commented:

“Some people want to relocate out of Sydney for the quiet life. Most don’t. They want the coastal or rural life, but they still want good coffee, they want kids schooling, want access to libraries, restaurants, city type activities. People naturally enough would like the best of both worlds. That is why the idea of stimulating the growth of regional centres is essential.”

Recommendations

The Association recommends that:

- 3.1 Action be taken by government on the need for unemployed people in rural and regional towns to have recognition of their current level of employability skills and for assistance with upgrading these to make them employable.**
- 3.2 Incentives be provided to rural and regional companies to implement initiatives for improved career paths to address skill and labour shortages.**

¹⁷ State Chamber of Commerce, 2000. Regional Business Development Analysis, Submission to the Federal Government’s Regional Business Development Analysis Panel.

4 Consider Appropriate Models from Other States in Interacting with the Commonwealth's Skilled Regional Migration Programs

4.1 Skilled Migration Schemes

Current legislation, which is administered by the Department of Immigration, Multi-Cultural, and Indigenous Affairs (DIMIA), provides for three primary skilled migration mechanisms. Each has the potential to offer relief to employers that cannot fill vacancies from the local labour market for skilled (ASCO Codes 1-4) and semi-skilled workers (listed in DIMIA's Skilled Occupation List)¹⁸. The summary of the three primary skill migration mechanisms is at Annex 3.

4.1 Appropriate Model

The Queensland Government model appears to gel well with the Commonwealth's Skilled Regional Migration Program. The model is aimed at:

- promoting the benefits of skilled migration to regional areas
- working with local governments, community organisations and employers interested in skilled migration
- using the skill matching database to ensure that details are available to employers in regional or low population growth areas who are looking to fill skilled vacancies
- identifying and ensuring that appropriate post arrival services are available to successful migrants.

The Department of State Development, Trade and Innovation is the central entry point for Queensland businesses to access government services and provides extensive business information, advice and support. The Department manages the skilled migration program in Queensland through the Business Migration Unit and develops strategies such as targeted marketing, promotion, sponsorship, support services and whole-of-government coordination. It ensures that:

- economic growth is fostered and developed;
- export capacity is strengthened;
- increased investment is encouraged;
- priority industries are supported;
- efforts are made to address skill shortages;
- families of skilled migrants are supported; and
- regional growth is supported.

State Development works in partnership with Commonwealth Department of Immigration, multicultural and Indigenous Affairs (DIMIA) and with other Queensland Government agencies, to ensure the success of skilled regional migration program.

The Skilled Migration Program links directly to initiatives under the Government's agenda such as the Department of State Development's *Queensland Government Trade Strategy: Export Solutions*, and *World Class Manufacturing Queensland*, and the Department of Employment and Trainings *Skilling Queensland* and Education Queensland's *Education 2010*.

¹⁸ See: <http://www.immi.gov.au/migration/skilled/sol.htm>

Recommendations

The Association recommends that:

- 4.1 NSW Government undertakes a study to map the existing agricultural professional and trade base skills in NSW and determine areas of future need before the matter becomes critical***
- 4.2 Commonwealth, State and Territory Governments discourage the use of the business skills migration scheme as an alternative to educating and training Australian workers.***
- 4.3 The Queensland Government model for interacting with the Commonwealth's skilled regional migration programs be reviewed with a view to making appropriate changes to the NSW model to make it more effective.***

5 Coordination Between Local, State and Commonwealth Governments, to Attract and Retain Skilled Workers

5.1 The New England North West Area Consultative Committee Survey

The New England North West Area Consultative Committee (NENWACC) including Local Government areas of Armidale Dumaresq, Glen Innes, Gunnedah, Guyra, Gwydir, Inverell, Liverpool Plains, Moree Plains, Narrabri, Severn, Tamworth Regional, Tenterfield, Uralla and Walcha, carried out a survey of businesses in August 2004 and among other findings reported that there was a lack of information within all Local Governments concerning professional and skill training opportunities which was hindering the retention of skilled workers. The report also highlighted the lack of information on industry base and growth opportunities within each Local Government Area which made it difficult to attract workers into the region.

The report used The Australasian Pacific Aeronautical College (APAC) of Tamworth as an example to argue for industry cluster opportunities to provide a basis for employment opportunities in the region.

The Australasian Pacific Aeronautical College (APAC) was established in Tamworth in 2001 in response to the national and international shortage of skilled and qualified aviation engineering staff. The college now provides unique access to a range of resources which enhance the range and quality of training programs for domestic and international customers, including students, aerial agricultural services, aircraft maintenance operators and large airlines.

The NENWACC believes that the region has the capacity to respond strategically to other such skills gaps by forming partnerships within the region. The report suggests that each Local Government area should sponsor and incubate developing industries that fit with their natural assets, in order that the industry base of the region can move forward sustainably.

NENWACC argues that industry clustering also creates economies of scale, providing the potential to secure larger contracts within the region. It highlights that a number of small industry clusters have begun to develop in the region based around the metal fabrication and engineering, food and wine, poultry and other agriculture sectors.

The NENWACC study suggests that attraction and retention of skilled workers could be enhanced through the following principles:

- **Individual Considerations**
People are making decisions to stay in the Region on the basis of satisfactory work and private life experiences and relocate to the Region on the basis of perceived work and private life benefits.
- **Community Considerations**
That regional economic development is the sum of economic decisions and actions at the community level and strong community leadership is essential to effective local economic development.
- **Enterprise Considerations**
That fast-growing businesses are the engine of employment and that most employment will be created through entrepreneurial activity.
- **Regional Considerations**
That clustering strengthens regional and local relationships, enhances regional and local collaboration and improves industry scale.

- Government Role**
 That governments have a joint responsibility to provide a stable legislative and regulatory business environment, promote understanding of world competitive business practices, invest in physical, intellectual and social amenity and facilitate changes in attitudes and behaviour that trigger economic growth.
- Development Practices**
 That development depends on proponents focusing scarce resources for maximum effect and development proponents must learn from other regions' successes and failures.
- Economic Considerations**
 That regional development activity should focus on maintaining core primary industries and activities to value-add to primary product should be enhanced through inter-industry linkages among regional businesses.
- Education and Training Considerations**
 That schools in small population centres must accept responsibility for education of the whole community and clusters should be formed linking business, educational and training institutions to stimulate local/regional awareness of the importance of training.

5.2 Uptake of Government Programs

A survey by the Association revealed that 67% of the respondents reported that their towns have accessed the Rural Transaction Centres (RTC) program. This was followed closely by the *Regional Solutions* program.

The most utilised State program was reported to be the *Main Street/Small Towns* program, with more than 65% of respondents reporting that they have accessed the program. In terms of respondent uptake, there was a significant gap to the next most successful program, with only 25% of respondents utilising the *Towns and Villages Futures* program. Details of the survey are shown in Table 4.

Many concerns in the written comments reflect the perception that small towns in the shire often miss out on the funding. Others reflect dissatisfaction with the programs being competitive and self-selective, as many towns find difficulty with the application process.

Table 4: Respondent Uptake of Government Assistance Programs

Most Used Federal Programs (of the 13 available)		Most Used State Programs (of the 12 available)	
Rural Transaction Centres (RTC)	67%	Main Streets/Small Towns	67%
Regional Solutions	56%	Towns and Villages Futures	25%
Small Grants	39%	Business Retention and Expansion	25%
Regional Tourism	39%	Regional Business Development	22%
Regional Assistance	28%	Regional Business and Investment	14%
Potential Leaders (Rural Community)	28%	Strengthening Local Communities	14%
Can Do Community	22%	Developing Regional Resources	11%
Local Solution to Local Problems	22%	Regional Aboriginal Business Link	8%

(Apart from RTC and Main Streets/Towns programs, approximately 40% of respondents did not know which programs had been used)

Although the Federally-funded RTC program has been highly successful, some small towns reported that they have no resources to manage the RTC and have run out of ideas after the big start. A comment on programs from a small

southern town reinforces this problem: *“Often these programs send in a consultant who is paid for the work they do. They are sometimes the only winners - the town is left with ideas, but no resources or leaders to implement them”*. This was echoed by a central western town: *“Business and strategic plans are no use when there is no money to implement them”*.

An initiative, which is working well in other states, and has recently been implemented in NSW, could have positive outcomes for retaining youth in the country. This School to Industry project is part of a national initiative funded by the Australian Government Department of Education, Science and Training (DEST) and managed by Rural Skills Australia (RSA). RSA is a not-for-profit organisation formed by the National Farmers’ Federation (NFF). Its role is to help increase the skills base of rural industries, particularly in the areas of agriculture, horticulture and veterinary nursing. The School to Industry Project aims to:

- Increase the capacity of industry to promote and support school to industry partnerships;
- Increase the participation rate of students undertaking Structured Workplace Learning (SWL) and school based New Apprenticeships (SBNA) in agriculture and horticulture;
- Promote the diversity of career opportunities in the rural industries to career advisers, VET teacher, parents, students and the employment and training sectors; and
- Develop a rural focussed enterprise education model.

The ongoing challenge for the project is to identify industry participants who are willing to host a student in the workplace. To ensure that our local communities remain viable, young people need to see that there are opportunities at a local level that can lead to a rewarding career. The benefits that flow on to the community once employers take on young people are many.

In some parts of the north-west and west of the state, action is urgently needed to turn around long term problems such as high welfare dependency and youth unemployment, high indigenous unemployment, a lack of skills in the working age population and low levels of post school qualifications.

The Barwon Darling Alliance is a unique collaboration between the local governments of Conamble, Walgett, Brewarrina, Bourke and Central Darling and the Murdi Paaki ATSIC Regional Council. The Alliance has a plan to bring together local, state and federal government and private organisations and individuals under a five year trial of a custom designed socio-economic zone. This plan centres on job stimulation and set of on-the-ground actions to build up the overall capacity of local people and their communities. Residents see little if any improvement in employment opportunities in these areas, despite the millions of dollars being spent by all levels of Government in ad-hoc programs.

5.3 The Challenge of Attracting and Retaining Rural Youth

The challenge of attracting and retaining rural youth in rural and remote NSW was identified as a key area of concern. Respondents put forward several recommendations to attract and retain youth in their community:

- Provision of more cultural and sporting, outdoor and leisure activities;
- Provision of more local traineeships and apprenticeships;
- Addressing the public liability issues with regard to facilities/sport;

- Provision of long term, low interest loans to assist the educated and innovative young people to become established in agriculture; and
- A 'whole of government' approach to addressing the poor opportunities and education standards in the Barwon Darling Alliance shires (bullying and violence, absenteeism, juvenile crime).

Recommendations

The Association recommends that:

5.1 Flexibility and responsiveness in the training system is increased and that national coordination in the following areas is improved:

- ***Support for recognition of competency***
- ***Support for gap skilling***
- ***Realistic government assistance to employers***
- ***National coordination***
- ***Incentives for adult trainees and apprentices***
- ***Funding/incentives for Certificate II.***

5.2 Government provides comprehensive information and guidance to employers and employees on the various training programs. This could include, for example:

- ***Assisting companies to work with their local schools to establish school based traineeships and providing liaison with DET***
- ***Working with industry to establish appropriate pre-employment training programs such as computer literacy, interpersonal skills and to access any available funding for implementing them.***
- ***Promoting links between industry and local agencies such as job network providers, Group Training Organisations and NACs.***

6 The Impact of the Commonwealth's Regional Migration Programs

6.1 Regional Sponsored Migration Scheme (RSMS)

The State specific and regional migration initiatives were developed to assist States and Territories to address skill shortages in regional areas and to influence the distribution of skilled migrants.

Under the Regional Sponsored Migration Scheme (RSMS), 106 skilled migrants and their families were granted visas in 2002, a 50 per cent increase from 2000/01.

The RSMS enables regional employers to nominate skilled persons for permanent entry when they are unable to recruit from the local labour market. Figures indicate that more regional employers are making use of the RSMS to find skilled migrants to fill vacancies they cannot fill from the local labour market.

The number of people receiving visa grants under RSMS in NSW exceeded results of previous years, making up about one half of the grants under these initiatives. Examples of persons who migrated under RSMS for regional NSW include doctors, nurses, mechanics, an engineer, a psychologist, a gymnast coach and a shipwright. Their skills were sought in such places as Albury/Wodonga, the Central Coast, Deniliquin, Dubbo, Griffith, Nowra, Tamworth, Wagga and Walgett.

Applicants are only required to meet threshold criteria of age, skill and English proficiency. They do not need to meet the general skills points test pass mark.

The RSMS category allows people who are temporary residents under a Business (Long Stay) visa to apply for permanent residence if they have successfully established a business venture in regional NSW and are sponsored by the NSW Government.

Table 5: NSW - Visa Grants By Category Under State Specific Migration Mechanisms: 1997-98 to 2001-02

Category	1997/98	1998/99	1999/00	2000/01	2001/02
RSMS	70	39	18	70	106
STNI	0	0	0	0	3*
Regional Linked & SDAS	1	2	9	61	79
SAL**	79	77	118	116	21
SSBS***	5	15	12	24	18
REBA	0	0	0	0	1
Total	155	133	157	271	228

* Refers to a Skill Matching visa granted through sponsorship under RSMS

** Refers to applicants under this category who obtained bonus points because their sponsor lived in a designated area.

*** Includes applications processed under offshore subclass 129 (State/Territory Sponsored Business Owner), offshore subclass 130 (State/Territory Sponsored Senior Executive), onshore subclass 842 (State Territory Sponsored Business Owner) and onshore subclass 843 (State Territory Sponsored Senior Executive).

RSMS: Regional Sponsored Migration Scheme

STNI: State/Territory Nominated Independent Scheme

Regional Linked & SDAS: Regional Linked and Skilled - Designated Area Sponsored Category

SAL: Skilled Australian Linked Category

SSBS: State Sponsored Business Skills

REBA: Regional Established Business in Australia Category

The 1997-98 *Settler Arrivals statistical report* shows that 11,287 people migrated to the State through the Skill stream IN 1997-98, up from 8,805 in 1996-97.

However, there should be more Government initiatives to encourage more skilled migrants to settle outside of metropolitan areas if rural and regional NSW is to benefit from skilled migrants. If government is serious about the benefits skilled migrants can bring to rural and regional NSW then it needs to review the Regional Sponsored Migration Scheme (RSMS).

6.2 Economic Impact of Migration

The NSW economy stands to grow by \$60 billion a year and each citizen will be \$703 a year better off by 2022 under the current migration program, according to modelling carried out for the Federal Government¹⁹.

According to economic modelling consultant Econtech the migration program would provide a huge stimulus to the NSW economy by 2022. The report says more than 500,000 jobs will be created in NSW and consumption will grow by \$46.9 billion a year (in 2000/01 dollars) until 2022, compared with a zero intake.

The report assumes 139,700 new permanent arrivals each year, leading to a national population of 24.5 million in 2021/22.

The new arrivals would slow the ageing of the population, the report says. It projects 19.2 per cent of the population will be over 65 by 2021/22 with no migration, but that group would comprise only 17.7 per cent with high migration levels.

The Government's focus on skilled migration ahead of humanitarian and family entrants would help raise the nation's skill levels. The report says that the average skill for migrants in total under the current migration intake is higher than the average skill level for existing residents. This means that by 2021-22 the migration intake will cause a steady rise in average skill level of the Australian workforce.

NSW stands to benefit most from migration, the report says, gaining more than a third of the economic benefit of 2 million extra people in the country by 2021/22. Gross state product is forecast to rise by \$59.5 billion a year over the period, in 2000-01 dollars. This compared with the 2003-04 GSP of \$270 billion.

Having 744 000 additional people in NSW will create 512 000 extra jobs, the report says.

While NSW would gain the biggest economic benefit from migration over the period, other states would reap greater benefits for the number of immigrants they attract. While NSW stands to benefit by 526 jobs per 1000 migrants, Victoria would gain 603, South Australia 623 and the Northern Territory 795.

While the Association welcomes migration intake which stimulates demand and enhances the provision of labour, skills, technology, business investment and awareness of valuable export markets, it is important that government gives attention to attracting semi-skilled workers who could improve their skill base in Australia through the new Apprenticeships Program.

¹⁹ Murphy, P, 2001. The economic impact of 2000/01 migration program changes, Econtech Pty Ltd., report for Department of Immigration and Multicultural Affairs

6.3 Seasonal Labour Shortages

Seasonal labour shortages are occurring in the rural industry across Australia. Labour-hire companies are helping to fill the gaps, but in viticulture and horticulture the day-labour arrangements can be disruptive with little continuity of workers.

Migrant and 'backpacker' labour is useful and in some cases is the favoured solution, but there are gaps in introductory training and infrastructure (transport, housing). For safety reasons, language and literacy training is essential for new migrant workforces found in viticulture and horticulture.

Horticulturists have commented that the backpacker labour force could be expanded if age restrictions and tax regulations associated with their working visas could be relaxed. This is a complex issue beyond an education and training portfolio, however, it should be noted that

the migrant and backpacker community is an important and valued supply of seasonal labour in the rural industry.

Solutions to labour shortages in the industry cannot be separated from initiatives to improve career and occupational pathways. Vineyard and horticulture farm owners highlighted the difficulties they were having locating skilled and seasonal labour for harvesting tasks. Since they cannot employ labour continuously throughout the year, they are unable to train effectively. On the other hand, staff provided by labour-hire companies and other sources have not been adequately trained.

Recommendations

The Association recommends that:

- 6.1 Any migration of skilled workers should not be at the expense of training and up-skilling of local workers***
- 6.2 The review of Training infrastructures, and deregulatory measures to be extended so that the migrant and backpacker labour forces can be used as a means of solving seasonal (harvest) labour shortages.***
- 6.3 A fixed term rural residency be a pre-requisite for migrant medical professionals to practice in Australia and this be enshrined in their practicing certificate granted by the Australian Medical Association.***

7 The Adequacy of Current Measures Used to Record and Report on Skill Shortages

The following organisations have been responsible for collecting and analysing data on skill shortages:

- NSW Premiers
- NSW Department of State & Regional Development
- NSW Department of Infrastructure Planning and Resources
- University of New England
- CARE (Socio-economic study into the Namoi Valley)
- Kamillaroi Regional Council – Skills project
- National Centre for Vocational Education Research (NCVER)
- Employment and Workplace Relations Services for Australia
- Department of Employment and Workplace Relations (DEWR)

Perhaps the two most important organisations that collect and analyse skill and employment data are the National Centre for Vocational Education Research and Workplace Relations Services for Australia.

7.1 The National Centre for Vocational Education Research (NCVER)

The National Centre for Vocational Education Research (NCVER) is a not-for-profit company owned by the state, territory and federal ministers responsible for vocational education and training (VET). In this capacity, NCVER:

- collects and analyses national VET statistics and survey data
- undertakes a strategic program of VET research and development
- communicates the outcomes of its research and data analysis to policy-makers and practitioners
- collects and makes available VET research findings from Australian and international sources through the VOCED database
- undertakes commercial consultancies
- builds links with similar international organisations to foster comparative analysis and collaborate on issues of mutual interest.

NCVER is responsible for collecting and managing national VET and New Apprenticeship statistics, and managing national surveys of TAFE graduates and students, and employers' views of training.

NCVER undertakes a strategic program of research, and collects and provides VET research findings from Australian and international sources through the VOCED research database.

NCVER actively communicates this information to the state, territory and federal governments, industry, the VET sector and the community.

Additionally, NCVER undertakes consultancy work specialising in industry skills studies, conducting program evaluations, and undertaking statistical analyses of various aspects of VET.

7.2 Employment and Workplace Relations Services for Australia

Employment and Workplace Relations Services for Australia is part of DEWR and compiles and analyses the following statistics.

- **Labour Market Analysis**
Labour market and vacancy reports including: Leading Indicator of Employment; Regional updates; Australian Jobs; Australian Regional Labour Markets; Job Outlook; Labour Economics Office; Skill shortages; Small area labour markets; Vacancy Reports.
- **Australian Jobs**
Information about the Australian labour market, including past employment trends, projected employment growth by industry and occupation, and information on job prospects. Useful for those exploring careers or seeking employment now.
- **Australian Regional Labour Markets**
The quarterly Australian Regional Labour Markets publication presents statistics on employment, unemployment, the unemployment rate and the participation rate by ABS labour force region.
- **Job Outlook**
Information on industries and occupations with good prospects. Vital for employment services, career advisers, job seekers, job changers and those exploring career options.
- **Labour Economics Office**
Located in each state and territory, the Labour Economics Offices monitor and analyse trends in state and territory economies and labour markets.
- **Labour Indicator of Employment (DEWR)**
The Leading Indicator was developed to give advance warning of turning points in cyclical employment. It is a composite indicator combining the cyclical elements of six component series which have been shown to lead employment consistently over the past two decades.
- **Regional Employment Profiles: industry and occupation**
Contains employment profiles for DEWR Labour Market Regions (LMRs) and Employment Service Areas (ESAs) based on ABS 2001 Census data. The profiles include data by both Industries and Occupations. There are 19 Labour Market Regions and 137 Employment Service Areas.
- **Skill Shortage**
The lists include information on skill shortages for Professionals, Trades and Information and Communication Technology (ICT) skills in Australia.
- **Small area labour markets**
Estimates of the number of unemployed persons and unemployment rates for approximately 1,350 Statistical Local Areas across Australia. Also estimates of the main labour market aggregates for the 19 DEWR labour market regions.
- **Vacancy reports**
DEWR Skilled Vacancies Index (SVI), ICT Vacancy Index and Vacancies on Australian JobSearch by occupation
- **Australian labour market update**
Australian Labour Market Update is a quarterly publication which explains the labour market for those seeking jobs in Australia, particularly migrants.

Recommendations

The Association recommends that:

- 7.1 Local Governments are encouraged to engage in surveying and compiling database on local skills needs and employment data.***
- 7.2 Local Governments should facilitate access to development planning tools such as those offered by TDC, CARE and IRF***

8 The Methods Used by Training Organisations Including TAFE to Assess Skill Needs in Rural and Regional NSW and Their Response to Identified Needs

The Association is committed to ensuring that rural families have access to high quality education services. Education plays a vital role in delivering agricultural competitiveness and provides an opportunity to nurture our vibrant rural youth. Whether attending a local rural school or boarding in a major regional centre, students should be allowed to attend the education institution of their choice. However, this choice can be significantly influenced by the availability of adequate and affordable facilities, access to educational allowances and reliable, all-weather transport. Whilst some regions have seen improvements in some or all of these areas, there is more work to be done to achieve more equitable education services for students in rural and remote NSW from preschool right through to tertiary and vocational education.

8.1 Rural Education and Training Background

DETYA (DETYA 2000)²⁰, the Rural and Industries Research Development Corporation RIRDC 1998²¹ and NCVER (NCVER 1998²², 1999a²³) summarise recent trends in schooling, postsecondary education and VET for rural and remote Australia. In these papers, 'metropolitan' or 'urban' refers approximately to the eight capitals and other large centres over 100 000, 'rural' to population centres under 100 000 and over 5000, and 'remote' to other sparsely populated areas meeting defined criteria of low population and high remoteness.

In 1998, DETYA finds that young people from rural (63 per cent) and remote (54 per cent) areas are somewhat less likely to finish Year 12 than those in capital cities (67 per cent). These gaps shrink in the case of females. There is also (map 69 of the *Social atlas*, cited in appendix B) evidence of better educational continuation in coastal compared to inland areas.

Only 42 per cent of rural and remote young people completing Year 12 in 1994 went on to university compared to 59 per cent of urban. However, the 1994 percentages of teenagers participating in VET and apprenticeships were higher in rural Australia than in urban Australia.

Rural and remote students have slightly lower rates of achievement and completion in their school and post school studies, with the exception of the trades. Rural Year 12s and rural apprentices go for the more traditional subject choices. Young rural students (and their homes) are less likely to take up information technology.

On 1996 figures, about seven per cent of the rural workforce have degrees, compared to 15 per cent of the urban workforce. However, about 25 per cent of both groups have diplomas or trades qualifications. Rural Indigenous Australians rate well below urban Australians on Year 12 completions, but once again the gap closes in the case of trade completions.

When we move from the *rural* workforce to the *agricultural* workforce, the qualifications profile dips. Although agriculture has a level of trade-technical

²⁰ Department of Education, Training and Youth Affairs (DETYA) 2000, Comparison of performance in and attitudes to education and training between urban and regional areas, DETYA, Canberra.

²¹ Rural Industries Research and Development Corporation (RIRDC), 1998. Farmer education and training: Issues for research and development, RIRDC, Kingston, ACT.

²² National Centre for Vocational Education Research, 1998. Industry training monograph: Agriculture, Forestry and Fishing, NCVER, Adelaide.

²³ National Centre for Vocational Education Research, 1999a. Australian vocational education and training 1997: Rural and remote students, NCVER, Adelaide.

qualification comparable to that of the overall workforce, RIRDC (1998) points to the marked difference in the proportions holding associate diploma or higher qualifications (12 per cent versus 26 per cent on 1995 figures). The lower overall participation rates of rural people in tertiary (post-secondary) education, RIRDC contends, are a consistent trend that is not likely to disappear quickly.

On 1997 ABS figures, the industry monograph (NCVER 1998) for agriculture estimates that about six per cent of the agriculture division of employment has a degree qualification, seven per cent diploma and seven per cent skilled vocational qualification (total 20 per cent). The equivalent all-industry percentages are 17 per cent, 9 per cent and 13 per cent, totalling 38 per cent.

The RIRDC report draws unfavourable comparisons between the qualifications profile of Australian agriculture and that of European or USA agriculture. It notes that about half of the Australian universities offer agriculture and related education, adding up to about 12 000 agriculture and animal husbandry students in Australian universities at 1996. This is two per cent of the total, rather lower than the equivalent percentage in the VET sector (see below), and lower than the agriculture workforce as a percentage of the total workforce. The *Good universities guide* by Ashenden & Milligan 2000²⁴ counts 18 universities in agriculture education but only about 9000 students on 1999 figures.

The report, *Australian VET in 1997: Rural and remote students* (NCVER 1999a), estimates 415 000 rural (28 per cent out of a total of 1.46 million) students and 48 000 remote (three per cent of total) students in VET as at 1997. NCVER finds these percentages have increased slightly to 30 per cent and four per cent respectively by 1999. Relative to their metropolitan counterparts, the rural and remote students are slightly more likely to be male, older, and studying part time.

Just as smaller proportions of rural and remote school students complete Year 12, NCVER also finds that smaller proportions of the 1997 rural (34 per cent of total) and remote (34 per cent) VET students have Year 12 compared to metro VET students (52 per cent). Updating with 1999 figures, the respective percentages are fairly similar at 35 per cent, 32 per cent and 50 per cent.

The employment and field-of-study profiles of the rural and remote students are fairly similar to those of the metro students. As would be expected, the main difference is that rural and remote students are more likely to be studying in the field of land and marine resources and animal husbandry. When studying at trades and skilled levels, the rural and remote students are about as likely to complete VET 'modules' (units of training) as their metro counterparts. Over 76 per cent of metro VET students live within 20 km of their VET provider, versus 47 per cent and 32 per cent respectively for rural and remote students. The percentage of students doing some or all of their courses by correspondence is 6–7 per cent in metro Australia, just seven per cent in rural Australian and 11 per cent in remote Australia. However, correspondence becomes the dominant form of provision once rural and remote students live more than 100km from their providers.

The above review of the aggregate figures for school and post school educational participation tends to suggest a strong rural disadvantage. The same review shows that this is less so in the VET sector, where rural and remote students have comparatively good rates of participation and outcome compared to their urban counterparts.

²⁴ Ashenden, D & Milligan, S. 2000, *The good universities guide to universities, TAFEs and private providers in 2000*, Hobsons, Perth.

'People from rural and remote areas,' notes the *Annual national report 1998* (ANTA 1999a), 'participate in VET at higher levels than their population proportion'. A similar point arises from NCVER estimates prepared for the Ministerial Review of Post Compulsory Education and Training in Victoria. Comparing ABS and NCVER data, the capital cities absorb more than their fair share of *all* post secondary enrolments (about 69 per cent) compared to their share of national population (56 per cent). Once again, this difference evaporates in the VET sector of post-secondary education, where the capitals' share of enrolments (58 per cent) is very close to their share of national population (56 per cent).

8.2 Rural Student Access to Tertiary Education

Many young people from rural and remote areas leave school highly motivated and ready to continue their education through a tertiary institute to prepare themselves for their chosen careers. Unfortunately, far too many find the hurdles and obstacles insurmountable, with many good students missing out on a learning and life opportunity that most urban students take for granted.

In 2001, 59% of all youth were living with parents either as dependent students or non-dependent children, with the proportion of young adults living in the parental home, particularly in the 20-24 years age group, having increased since the 1980s²⁵. The Isolated Children's Parents' Association (ICPA) has advised the Association that 76% of full-time students and 58% of part-time students attending University in Australia live at home. Students from rural and remote areas generally can not live at home (due to the distance from the educational institution) and most must take a year off after leaving school in order to earn the required amount of money to qualify for 'independent' Youth Allowance. Of those students who defer, ICPA has advised that 55% are struggling to support themselves.

The start-up costs associated with commencing tertiary studies (whether at University, Agricultural College, TAFE or a private institution) are significant. These costs include fees, books, travel, basic furniture, stationery, computer etc, which can amount to approximately \$6 000, with ongoing weekly costs on top of approximately \$350/week. Tertiary students living at home are often in a position to use their Youth Allowance payments for books, course costs and even entertainment. Unfortunately, the Living Away from Home rate of the Youth Allowance does not reflect the costs for students from isolated areas. In addition, the small amount of money a student can earn before it affects Youth Allowance payments presents more difficulties for young country people struggling to make ends meet.

The Association supports the ICPA as it continues to lobby for a Tertiary Access Allowance. This would be a separate, stand alone allowance for rural and remote students who are forced to live away from home to further their education (similar to the Apprentice Scheme).

In 2000, the Human Rights and Equal Opportunities Commission (HREOC) highlighted the causes for the poor tertiary uptake of rural students. Sadly, there has been little improvement in the five years since the findings in the report were released. This is a key area where the Australian Government could make a significant difference.

²⁵ Australian Bureau of Statistics (2004): 2059.0 Census of Population and Housing: Australia's Youth.
<http://www.abs.gov.au/Ausstats/abs@.nsf/0/ab3f340b33c8abc4ca256e97007a7857?OpenDocument>

8.3 Barriers to Meeting Skill Needs

A number of issues were identified by the Association members as barriers to meeting skill needs. While the members of the Association endorse the benefits of training, they are unable to take full advantage of training opportunities because of poor marketing and communication relating to training and inconsistent or overlapping training products inappropriate for farm employment or not providing recognised training.

- **Training opportunities inappropriate for farm employment**

One of the most significant enterprise barriers to training is that it is perceived not to suit employment in the rural industry, an industry which is characterised by predominantly casual or seasonal employment, except for family or core members of the farm business. In particular, horticulturists reported they are unable to realise the return on training investment for casual or seasonal employees. The inconsistency between training and employment is highlighted in a number of the research findings relating to educational participation and qualification.

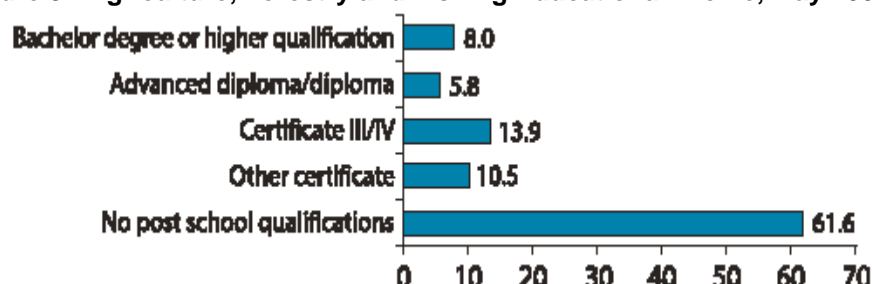
Most of the current training does not suit the current occupational categories in agriculture. The Occupational Categories in Agriculture, Forestry and the Fishing sectors can be summarised as follows:

Table 9: Occupational Categories in Agriculture, Forestry and Fishing

Occupation	No. in Industry
Livestock Farmers	93 400
Farm Hands	74 500
Crop Farmers	49 400
Mixed Crop and Livestock Farmers	42 600
Bookkeepers	8 300
Fishing and Deck Hands	7 400
Nursery and Garden Labourers	7 200
Shearers	4 800
Hand Packers	4 300

The above figures reveal that the skill profile of employment in Agriculture, Forestry and Fishing is skewed towards less-skilled workers. Almost two thirds of workers do not have post-school qualifications. The education profile of the agricultural sector is highlighted in figure 9 below.

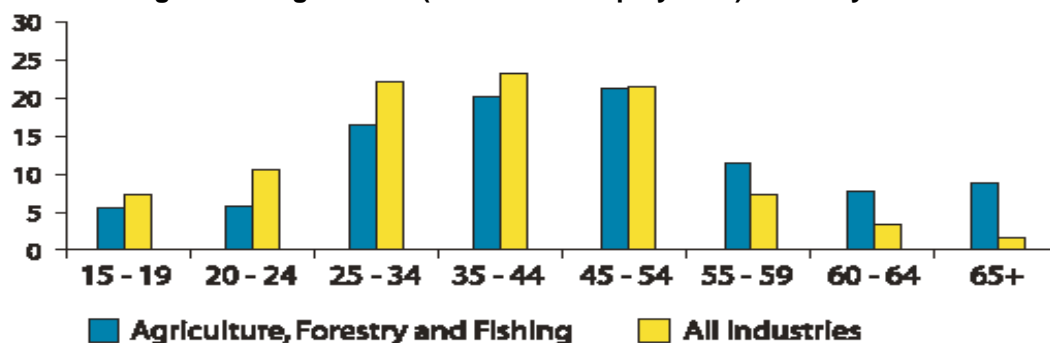
Figure 9: Agriculture, Forestry and Fishing Educational Profile, May 2003 (%)



While on-the-job experience may be more important than formal qualifications in this regionally dispersed industry, the need for upskilling of the workers cannot be over emphasized in view of the rapidly changing technologies in the agricultural sector.

The other reason why many current training programs do not suit the workers in the agricultural sector is because the sector employs a higher proportion of mature age workers than the workforce as a whole, with 41% aged 45 years to 64 years, and the highest proportion aged 65 years and over (9.1% compared to 1.7% for all industries) as shown in Figure 10.

Figure 10: Age Profile (% Share of Employment) February 2004



A report of the National Industry Skills Initiative identified specific skill gaps and skill shortages in four rural industry sectors (Wool Production, Horticulture, Viticulture and Cotton Production). Several factors were identified that influence the supply and demand of skills in rural industries, including differential changes in productivity, the take up of technology and the need for replacement and improvement in the skill base because of the age and gender profile of the workforce.

- **Training Costs**

While noting some additional incentives are available for rural/regional programs, the Association members are of the view that there is not enough recognition by policy-makers of the costs associated with the large distances from training providers to farms, and between farms and training locations. Many hidden costs associated with travelling large distances, for employers, trainees and training providers, are often not taken into account. In cotton farming, for example, there may be a 400km distance between trainees in a region. Group Training Companies are not targeting rural areas because of the travel and distance problems and associated costs.

There are issues concerning occupational health and safety training, and insurance cover for young inexperienced drivers. Safety concerns with assessing the skills of young or inexperienced trainees using vehicles, plant and equipment (cotton growing) or chemicals (viticulture) on farms were mentioned. Livestock producers have safety issues associated with employing young people and the need for basic safety training before they start working on farms.

- **Poor Communication About Training Options**

Industry representatives are concerned about fragmented training information. Many farmers are unaware of developments in training reform and, in particular, are not aware of Training Packages, competency standards or New Apprenticeships.

Although New Apprenticeships are being promoted through advertising campaigns, including a rural focus, about 25 per cent of respondents to the questionnaire that was distributed as part of the industry consultations were not aware of New Apprenticeships. About 30 per cent were not aware that skilled, unqualified farmers through a registered training organisation could

undertake recognition of prior learning and current competencies. This is a concern given New Apprenticeships have been marketed heavily since their inception in 1996, at which time RPL and RCC were already an integral part of the training system.

In regions where farmers are aware of the reforms to training there is strong support for initiatives such as:

- RPL utilising skills audits that were available through FarmBis
- on-the-job training
- training for existing workers
- school-based New Apprenticeships
- quality assurance training.

Although there is a unified national VET system, difficulties arise because of a proliferation of short training courses that are not aligned with the Training Packages. Recognised training is delivered by the VET sector. Unrecognised training may be delivered through Commonwealth and State agriculture agencies (including funded activities that were available under the FarmBis program) or private sector firms. Unfortunately for the consumers, there does not always appear to be a developed, co-operative relationship between these sectors, although a delivery principle of the FarmBis program was that over time activities under the program was to be linked to industry competency standards.

8.4 Agricultural Education at Different Levels

8.4.1 HSC Syllabi

One possible explanation for school leavers not pursuing post school agricultural qualifications could be due to:

- a change in the content of Agriculture syllabi with a trend away from the “how animals and plants work and how we can manage them for sustainable production” towards an emphasis on the social and environmental impacts of agriculture.
- far greater emphasis on literacy skills in HSC examinations assessed through terms such as “evaluate”. This has had the unintended(?) effect of students who have very good agricultural knowledge and skills but not advanced literacy skills being heavily disadvantaged in their attainment of high marks at these exams. (this has been so for rural and remote students particularly for boys from rural and remote areas.)
- the scaling of subjects for the University Admission Index (UAI) through mapping against the highest levels of English has reduced the likelihood of top students in the subject being able to gain the maximum UAI mark. (hence James Ruse Agricultural High School in Sydney no longer making 2 unit Agriculture compulsory)

These factors have resulted in students wishing to work on farms or become involved in scientific agricultural research not electing to study the subject for the HSC.

According to Harris 2005²⁶ the “Clever country” and similar campaigns resulted in a community belief that Agriculture was a “sunset industry” and that there was no future for any young boy or girl in Agriculture. Most parents and teachers advised that students had to “get into computers” to have any future.

This was reinforced by the design of Year 7 to 10 curricula that focused upon the design and use of technology by all rather than the development of skills that could be used in the traditional trades and agriculture. This is best illustrated in the demise of the “Sheep Husbandry and Wool Technology”.

Thus the focus of what is to be taught in schools has often moved away from the development of skills and knowledge that permit young men and women to enter the workforce and be able to be useful employees, to meeting some other political or social agenda that often represents the needs and aspirations of the cities or universities rather than those of rural students, communities and employers.

8.4.2 Agricultural Colleges

A large proportion of our rural youth are keen to pursue long-term careers in agriculture. In order to encourage the continuation of these positive pursuits, it is vitally important that students have access to a range of tertiary institutions, including Colleges of Agriculture. NSW has two agricultural colleges, namely the CB Alexander Agricultural College and Murrumbidgee College of Agriculture.

The CB Alexander Agricultural College is based in Tocal in the Hunter Valley. The college provides full-time and part-time award courses, short courses and home study courses to assist farmers and landowners.

The Murrumbidgee College of Agriculture is located in Yanco in the Riverina. Farmers within three hours of Yanco grow all of Australia's rice and the majority of NSW grapes, while the area also has two of the largest feedlots in NSW and the state's second largest chicken meat producer. As such, the college is ideally located to service the thriving agricultural sector in the Riverina of NSW. The college provides a range of adult education and training services for the rural sector. Until December 2003, the college also provided residential courses, of particular importance to farmers located in the more remote areas of the state, especially the Western Division.

The Association remains extremely concerned about the closure of residential courses at the Murrumbidgee College of Agriculture, as it has removed options for future students in the southern and much of the western regions of the state to undertake agriculture related courses. The decision by the NSW Government to close full-time, residential courses at the college was made without consultation with key stakeholders, including students, staff, the Management Committee and local communities.

The questionable process adopted in announcing the closure of residential courses was also recognised by the NSW Legislative Council,

²⁶ Harris G. 2005, Submission to the inquiry into rural skills training and research, Farrier Memorial Agricultural High School, Tamworth, NSW.

as outlined in the following excerpt from the Chair of the General Purpose Standing Committee No 5²⁷, Mr Ian Cohen MLC:

The decision to cease full-time residential courses at Murrumbidgee College of Agriculture (MCA) was announced by the Minister for Primary Industries on 3 September 2003, and all residential facilities at the College were closed by the end of 2003. While some consultation was undertaken in formulating the original 2000 Report, the final decision was made without fully consulting teachers, students or the local community and has been the subject of considerable concern by the affected communities. The lack of consultation was a major factor in influencing the Legislative Council to refer the matter to General Purpose Standing Committee No 5 for inquiry and report.

The Association shares the views of the General Purpose Standing Committee No 5 that “residential facilities are a necessity rather than a luxury for isolated students, indigenous students and farmers attending short courses at MCA”¹. Furthermore, the Committee’s recommendation that “the Department [of Primary Industries] explore, in consultation with other agencies, innovative ways by which the residential facilities at MCA can be reopened” is fully supported by NSW Farmers Association. It is vitally important that affordable residential options are provided for college students originating from more remote parts of the state. The residential facilities at the college are a wasted resource, not only to the college and the local community, but also to the agricultural sector more broadly.

While most of the courses previously available at the Murrumbidgee Agricultural College were offered through Tocal in 2004, there are factors that inhibit this learning. The differences in geographic conditions mean that practical learning is done in an environment that is substantially different from the farming conditions faced in the south and west of the State. While some practical work in these areas is possible, this is not a substitute for daily exposure to particular geographic conditions. It has also meant that the specialisation in relation to irrigation / rangeland environments can not be adequately addressed.

It is alarming, although not surprising, to note that only one student in fact transferred from Murrumbidgee Agricultural College to Tocal in 2004. This is despite the assumptions made by the NSW Government that students would simply transfer, and the fact that 10 travel scholarships were available to encourage continuing students to transfer to Tocal. Again this brings into question the process by which the decision was made and the possible poor timeliness of communication to students about the assistance available to them to continue their education at Tocal.

The Association strongly supports the re-opening of MCA, taking advantage of its unique position to focus on irrigation and rangelands issues. Until the residential facilities are re-opened for the purposes of providing adult education and training services to the rural sector, access to these services will be increasingly difficult for rural and remote students.

²⁷ Murrumbidgee College of Agriculture : [report] / General Purpose Standing Committee No. 5. [Sydney, N.S.W.]

8.4.3 Technical Colleges

As a result of the decision to abolish the Australian National Training Authority in July 2005, its former responsibilities will be transferred to the Department of Education, Science and Training. As part of the transition, 24 Australian Technical Colleges will be established across the country to provide tuition in both academic and vocational education for students in Year 11 and 12. Eight 'priority regions' in NSW were nominated for the new Technical Colleges, namely the Hunter, the Illawarra, Queanbeyan, Port Macquarie, Lismore/Ballina, Dubbo, Gosford, and Western Sydney. The Association is concerned that these 'priority regions' have exposed clear gaps in terms of rural and remote representation. Moreover, it would appear that the Australian Technical Colleges will be limited to 'traditional trades', rather than including training specific to the rural sector. It is therefore questionable whether these new colleges will address skills shortages in rural and related industries.

The final report of the Rural Industry Task Force – *Back to skills: redressing current and emerging skills shortages in rural industries*²⁸ (part of the Australian Government's National Industry Skills Initiative) – identified a range of skill shortage areas. A key finding of the report was that "the Task Force believes that it is important that rural and related New Apprenticeship commencements be encouraged and closely monitored during drought recovery. Pressure must be maintained on State and Territory Governments to appropriately resource New Apprenticeship Delivery"². It is therefore unclear why the briefing material supporting the Australian Technical Colleges does not appear to include training for rural and related industries as a priority.

8.4.4 University Training

A range of tertiary institutions offer agriculture-related degrees, however, the Association is concerned that both the uptake and availability of these degrees appears to be trending negatively.

In the case of uptake, members have reported key factors as isolation; the cost of living away from home; increases in university fees; and difficulties accessing Youth Allowance. Whilst these issues are often shared by urban students, the tyranny of distance exacerbates the impact for rural and remote students. The Association recognises the importance of our youth to the ongoing success of rural communities, and is committed to providing opportunities for young people to learn new skills that will add enormous value to both their industry and their community. The Association offers a Tertiary Scholarship program to encourage the further development of tomorrow's industry and community leaders. Every year, the Association awards five scholarships worth \$5 000 each to tertiary students in NSW. The scholarships are awarded on the basis of all round ability, leadership qualities, a commitment to agriculture and academic achievement. This competitively sought after scholarship program assists rural and remote students to study in whichever field they choose, not necessarily agriculture related. For example, the 2005 scholarship recipients include students of Medicine/Surgery; Veterinary Science; Nursing; Rural Science and Physiotherapy. The scholarship recipients'

²⁸ A summary of the final report of the Rural Industry Task Force for 2001/03
(http://www.getatrade.gov.au/documents/Summary_of_the_final_report_of_the_rural_industry_task_force_for_2001-2003.pdf)

impressive commitment to agriculture and rural communities help to ensure that rural NSW continues to thrive based on a strong skills-base.

In the case of availability, the Association is maintaining a close working relationship with all major tertiary institutions in an attempt to provide regular input and feedback in terms of course content and structure. The Association is particularly concerned by the review of existing Faculty of Rural Management courses and staffing arrangements at the Orange campus of Charles Sturt University (CSU). Until 2004, the University of Sydney managed the campus, which offered a number of degrees of critical importance to the agricultural sector. This campus is now managed by CSU.

The Association was advised of the review in early 2005. Whilst the review appears quite broad in nature, the Association is extremely concerned that the review may lead to the demise of the Farm Management course previously provided by the University of Sydney, and now offered through CSU.

The Farm Management course offered by the university is one of few in the country that offers a truly multidisciplinary training ground for future farm managers. Whilst some other universities offer agricultural science and agribusinesses degrees, the management model that has been put in place through the Farm Management course is quite unique, and has been extremely well received by the farming community. Given the labour shortage being experienced across much of rural and remote NSW at present, it is vitally important that this course be maintained and strongly supported. As such, the Association is providing a submission as part of the review process.

The Association will continue to monitor both availability and uptake of tertiary education to rural and remote students as an ongoing concern.

8.5 Models Used By Training Institutions and Organisations

There are many models in NSW of successful partnerships forged between VET providers and enterprises to the economic and social benefit of local communities.

For example: *The Northern Rivers Regional Development Project – Bringing Vocational Education and Training to Cellulose Valley – Lismore*

Some of the practical outcomes from the project included the provision of workforce planning and recruitment advice to 13 businesses, resulting in traineeships for mature-aged women and school leavers; specialised training brokered for 12 businesses, provision of prevocational training for 6 organisations and specialized on the job training for 3 businesses.

Collaboration with local Job Network agencies and RTOs also led to a one-stop shop service and the development of marketing materials to assist businesses relocating to the area.

8.5.1 TAFE

TAFE NSW – Northern Sydney Institute and Northern Sydney Area Health Service (NSAHS) are collaborating to train health workers in a range of skills, from office computing to perioperative nursing. This training

partnership has already benefited around 500 NSAHS employees, helping them to gain important skills.

From the Upper Hunter Valley to the Central Coast, TAFE NSW – Hunter Institute delivers training to meet the needs of rural and urban clients. In this issue we profile the Institute's current activities as well as its exciting plans to meet the training needs of the future.

The State's manufacturing and engineering sector has recently been the subject of extensive research to identify and set plans to overcome serious skills shortages. In response, TAFE NSW – Manufacturing, Engineering, Construction and Transport Curriculum Centre is launching a number of initiatives. These include New Manufacturing Workforce Skill Development Networks, a New Manufacturing Web Portal and an innovative Training Brokerage Service.

The Macarthur Apprentice Recruitment Strategy (MARS) is an excellent example of a training brokerage model already at work. TAFE NSW – South Western Sydney Institute is uniting local Vocational Education and Training providers and industry support agencies to recruit and train new workers in manufacturing and engineering trades. The MARS project won an award in last year's Macarthur Industry Awards.

8.5.2 *The MARS Model*

In an innovative undertaking to overcome skills shortages in the manufacturing and engineering sector, TAFE NSW has become a coordination agent, uniting Vocational Education and Training providers and industry support agencies.

The Macarthur Apprentice Recruitment Strategy (MARS) was initiated as a combined venture between TAFE NSW – South Western Sydney Institute, Macarthur Group of Companies and the Australian Industry Group. The program, being trialed and promoted by TAFE NSW, offers a collaborative and cooperative solution for industry to develop much-needed workforce skills. The power of the program has already been recognised: MARS won the Manufacturing Support Category in the Macarthur Industry Awards 2004.

Manufacturing employers in south western Sydney face skill shortages and have problems in recruiting young people into manufacturing and engineering trades. Now, MARS is successfully engaging a growing number of new recruits across a range of companies. Recruits undertake entry-level training at Certificate II and are granted full credit for their achievements as they move into apprenticeship training programs. TAFE NSW is currently promoting the roll-out of MARS programs statewide and will include other Group Training Companies, other industry sectors and other regions.

The MARS program hinges on TAFE NSW coordinating a consortium of interested parties including the Australian Industry Group, Macarthur Group Training, host employers, TAFE NSW trainers, local High School Careers Advisors and local Parents and Citizens Association groups. Through this coordinated network, manufacturing and engineering careers are actively promoted and initiated in the community. The skill requirements of enterprises are determined and matched with appropriate training for new recruits.

Key elements of the MARS training brokerage model include:

- Coordinated response to local enterprise, community and industry skill needs, involving direct liaison with interested parties via strategically developed networks
- Capacity to match competency development with the most appropriate VET provider
- Active marketing and promotion of manufacturing and engineering as a viable career opportunity for young people
- Streamlined career development pathways for new recruits into the sector.

This commercial training model is proving successful in the Campbelltown/Ingleburn area,' explained Brian Mulvey, Senior Education Officer, South Western Sydney Institute, Manufacturing and Engineering Faculty. 'In 2004, there were sixteen trainees and this year twelve have already been signed up. There's great potential for the MARS model to be taken up by other Institutes across the State. Offshore commercial training possibilities are already arising from interest generated by MARS, and TAFE PLUS customised training can also be developed for clients based on enquiries about how MARS is helping to address skills shortages.

8.5.3 *School-Based Traineeships*

One company has invested significant time and money into enlisting school based new apprentices. They identified that the school system tends to push students towards university pathways and that parents push against trade qualifications which are seen as 'getting your hands dirty' roles.

The company identified that it wanted to 'capture' year 10 students who are making choices about subjects and career pathways. They approached local schools and met with school principals. They also attended P&C meetings to promote awareness of the company, the traineeships and potential for employment with the company.

The company now has 20 trainees who attend school 3.5 days per week, go to TAFE for a half day and an evening, and work on site one day per week with training and support from the company. They also offer paid work to the trainees during school holidays. The trainee is covered by insurance as an employee. The traineeship equates to two VET units and forms part of the HSC.

While there are currently no school based traineeships for the process manufacturing qualifications, the company uses business services traineeships and provides as much industry context as possible. For example, trainees do their computer work in the batching area. The company finds that the traineeships give the student an experience of the company and the industry; they also give the company an experience of the student. Many of the trainees have been recruited into permanent employment with the company. The company reports work place cultural change is resulting from the traineeships – operators are becoming father figures and no longer allow bullying or swearing.

8.6 FarmBis Funding

Perhaps the most significant and disappointing limitation to improving the availability and adequacy of education and research services in the agriculture sector is the failure of the NSW Government to deliver on their commitment to FarmBis III.

As stated previously, farmers and rural communities in NSW are now at a disadvantage to their counterparts in every other part of Australia due to the absence of FarmBis III. FarmBis training has not been implemented on the ground since September 2003 – almost two full years ago. Due to the extreme financial impacts of drought, many farmers simply could not afford to seek out alternate training without the assistance of this critical program.

The Association is concerned that without the previously successful structure in place through FarmBis, the linkages and coordination between education, research and extension could diminish to the point that they no longer exist. This would be a catastrophic outcome for farm families and rural communities across NSW.

As stated previously, the Association has viewed the Agriculture Advancing Australia FarmBis program as one of the critically important mechanisms by which the Australian Government can support education, research and advisory programs to support the viability and sustainability of Australian agriculture. However, farmers and rural communities in NSW are no longer able to access this vitally important program. NSW Farmers Association is keen to discuss with the Australian Government – as a matter of urgency – alternate means by which the Australian Government can work directly with the Association to support education, research and advisory programs.

FarmBis is a Federal program matched dollar for dollar by the State Governments, offering a subsidy towards the cost of specified training courses that encourages farmers to improve their business and natural resource management skills. In early 2003, expenditure was exceeding expectations in NSW and the subsidy was reduced. Quality Assurance (QA) and Chemical User courses were then excluded from FarmBis. This training made up a significant proportion of the FarmBis expenditure. FarmBis II funding in NSW ran out in September 2003, nine months earlier than the scheduled program end of 30 June 2004.

Just prior to the commencement date of the new program, the Federal Agriculture Minister, Hon Warren Truss, announced significant changes would be required to implement FarmBis III. To avoid delays in implementation, Minister Truss offered to extend the old program until December 2004, while the new details were being ironed out. Some states accepted the offer. The NSW Government did not, meaning that the training gap continued.

There was no reference to the future of FarmBis in the NSW Budget handed down 24 May 2005. The NSW Government announced two days later that FarmBis III would not be implemented in NSW, meaning that NSW farmers would be the only farmers in the country not to have access to this very popular program.

The NSW Government has since announced that it will introduce an alternate 'agricultural education strategy' with a \$5.8m budget allocation, which will include:

- Residential courses and distance education for students, leading to Certificate and Diploma qualifications;

- A pilot program to provide specialized short courses for part-time farmers; and
- The creation of 'Pro-Farm', a series of short courses for farmers and agribusiness professionals.

The Association was not at any stage consulted by the NSW Government prior to the announcement of this alternate 'agricultural education strategy'. In fact, despite the new program being scheduled to commence 1 July 2005, as at late June 2005, the Association had still not seen any detail on the new approach, other than a basic overview listed in a media release from the Minister for Primary Industries.

The Association has grave concerns about this new strategy. It should be noted that the \$5.8m allocation covers all three aspects of the package. It would therefore appear that only a small portion of these funds will go towards those courses that will be subsidised, as the Department of Primary Industries has since advised that not all courses will attract a subsidy. The \$15 million previously allocated by the Federal Government for FarmBis III in NSW is now lost for the training agenda. Moreover, industry was not consulted at any stage about this proposal, which could effectively lead to a monopoly in the training field in NSW.

The Association is seeking urgent discussions with the NSW Government on this issue. However, the signs for the future of rural training in NSW appear quite ominous at this stage.

8.7 Vocational Education and Training

Only about 20 per cent of the agricultural workforce has skilled vocational or higher level qualifications compared to nearly 40 per cent of the general workforce. In Europe and the USA, both the agricultural workforce and the general workforce have higher levels of qualifications than the Australian agricultural workforce.

Research identifies themes for improving VET across rural/regional areas and these include:

- involvement of local planning agencies such as regional development boards
- the importance of training intermediaries (New Apprenticeship Centres)
- raising the career image and training awareness to young people in both rural and metropolitan areas
- encouraging training for productivity and income gains; and
- overcoming cost, delivery and assessment problems.

There are low proportions of rural VET students in distance education, despite a nominally good spread of public sector and private VET providers to meet the dispersed training needs. Limited access to technology and internet facilities may play a part in this.

The variable quality of telecommunications in rural Australia is hampering the delivery of education and training. Poor and non-existent, or expensive, internet and communication provision in remote areas is an impediment to accessing on-line training.

With different assessment practices being used across the country, concern has been raised across all four industry sectors about the quality of assessment.

The Association members have identified a need for multi-skilling because of productivity improvements which have occurred in all sectors. With increased mechanisation there is a need for operational skills such as tractor-driving, which have sophisticated on-board computers, as well as manual skills such as pruning or fencing.

Problems encountered with trainees include:

- training off the job held at inconvenient times
- difficult to train employees at busy times such as shearing and harvest
- lack of continuous work
- course commitments often clash with seasonal work commitments such as harvest
- too much paper work
- poor resource materials and application of materials to needs in the workplace.

Recommendations

The Association recommends that:

- 8.1 NSW Government reviews its policy on FarmBis III proposals to secure the \$15 million Federal Government funding for training purposes***
- 8.2 The courses on professional development for apprentices and trainees provided by NSW Government and private education providers are also delivered locally in small regional towns***
- 8.3 Consistency and integration of training products between the recognised and unrecognised training sectors are reviewed.***
- 8.4 Bridging of the gap between recognised and unrecognised training is reviewed and that co-operation between the training and rural sectors is increased.***
- 8.5 More information on the reforms that have taken place in training, the New Apprenticeships programs, competencies, and how to utilise Training Packages is made available to agricultural workers.***
- 8.6 Documentation of available training products with a full overview of training courses available and a list of providers are made available to the agricultural sectors.***
- 8.7 There is a need for greater synergies between VET providers, higher education providers, industry and 'centres of excellence' to address the range of training needs within the agricultural sector.***
- 8.8 There must be more flexibility from registered training organisations on how training is delivered, the timing of courses and release times, and that more training should be delivered on the farm.***
- 8.9 A national auditing process is established to ensure that quality outcomes are obtained from training.***
- 8.10 A cross-sector industry training module is drawn up to enable casual or seasonal workers to qualify for multi-skilled full-time jobs across occupations***

such as shearing, shed hands, pruners, fruit and vegetable pickers and packers.

- 8.11** *Training packages aimed at multi-skilling of personnel in computer skills, machine skills, agronomic skills aimed at supporting the development of better career pathways for workers in the agricultural sector are developed to encourage new entrants and to retain youth in the industry.*

9 Other Issues

9.1 Decentralisation

Over the last few years the debate on decentralization in various literature has focused on:

- the advantages of decentralised governance in terms of unemployment and poverty reduction, political participation, government accountability, responsiveness of public policies and service delivery;
- the limitations to what decentralisation can achieve and the balance between centralisation and decentralisation: which areas are best addressed by which level of government?
- the reform of the state and systems of governance that decentralisation requires and facilitates, as decentralisation alters the structure and institutions of governance;
- the political, financial, administrative and capacity preconditions for successful decentralisation.

Successive governments in NSW implemented piece meal decentralization and this has not provided the desired outcome as there was no sustained political will for full decentralisation. The piece meal decentralization brought some inefficiencies in the system and this led to rationalization of the services in rural and regional NSW which resulted in the withdrawal of certain services from these areas. In order to avoid inefficiencies in the institutional arrangements, decentralisation must be part of an integrated development policy reflecting locally owned models and the Local Government's commitment.

However, over the years local government responsibilities have increased to include issues such as: social services (education, health care), infrastructure (roads, water and irrigation, sewage), the environment (natural resources), social safety nets and policing.

The Association is of the view greater decentralization in NSW holds promise for improving the delivery of services, as citizen input (participation) and oversight (accountability) tend to enhance the responsiveness of public policies, especially in the social arena. Decentralised governance may, *prima facie*, be more likely to adopt pro-poor policies, as local elites can be very successful in directing expenditure policies to their advantage in addressing unemployment and poverty issues in rural and regional NSW. Similarly decentralization will also assist in addressing the skills gap and skill shortage problem as Local Governments will have more say in training and retraining programs.

Recommendation

The Association recommends that:

- 9.1 The government review its current decentralization policies with a view to decentralizing more of its services to rural and regional NSW to revive the economy and to attract and retain skilled workers in the bush.***

9.2 City Centric Views

The rationale for most regional policies is to try and counter the inequities that result from regional disparities. Much of the debate in Australia about regional divides is really about city and country. In Sydney, we live with the spectre of the city-country divide described often in the media.

The role of cities in economic development, and the concentration of economic activity in larger places, is well known and easily explained. The well known economist Paul Krugman has stated:

Step back and ask, what is the most striking feature of the geography of economic activity? The short answer is surely concentration²⁹.

Two Australian observers (Spiller and McDougall) have argued, in similar vein:

Australia used to ride on the sheep's back and the miner's barrow. Today it is powered by the shiny towers in our central business districts, by our vibrant inner city neighbourhoods and our suburban enterprises.

However, the Federal Treasurer Hon. Peter Costello was recently reported as saying that due to drought a fall in agricultural production and rural exports is not enough to derail the strong growth of the entire economy.

This is a 'city-centric' remark, and shows little understanding of the way a drought cuts jobs, bankrupts business and destroys farming communities. "It is not so much the fact that agriculture contributes four per cent to the country's GDP, it is the fact that in many communities throughout Australia the income flows from our exports form the basis of local economic activity.

Little did the Treasurer realise at the time of making his statement that a fall in the gross value of agricultural production of 19% (around \$32 billion) as a result of the drought would lead to a decline in Australian GDP of around 1% and a loss of 44 800 jobs or 11% in the five years to February 2004.

The Treasurer's comments had ignored the social impact of drought, and the multiplier effect it has in regional communities. Such 'city centric' views do not help rural and regional Australia. Similar views are also held by city media and some corporate Australia especially in relation to farming and the environment.

The figures in the submission reveal the ageing workforce in the agricultural sector and the demand for skilled workers in the next 7 years is going to be greater than the number of skilled workers to be trained under the apprenticeship schemes. The majority of the apprenticeship courses are targeted for traditional trade such as electrician, plumbers, carpenters, and hospitality workers. There are hardly any apprentice courses for agri-based industries.

The best hope for getting trained workers in the short to medium term is through up-skilling of the existing workforce through FarmBis funded training programs. Yet the NSW Government has decided not to participate in the FarmBis III programme.

The Association is of the view that such 'city centric' policies are not in the best interest of rural and regional NSW and that there has to be a more balanced approach to policy formulation to bridge the gap between city and country divide.

Recommendation

The Association recommends that:

9.2 *The NSW Government honour the commitment given by Premier Morris Iemma on the need to establish innovative approaches to job creation and investment in rural NSW to revive the rural and regional economy.*

²⁹ Colits, P. 2003, The regional divide and the future of small towns, Regional development conference, 'From strength to strength', Timaru, New Zealand.

10 Conclusion

Australia's productivity gains in the agricultural sector over the last 25 years, stimulated by economic reforms and improved technology are well known. However less well recognised till now is the price that we have paid as a result of reduced funding of skills formation. Perhaps the next wave of productivity gains in the agricultural sector will need to be founded on new skills formation strategy. This will require increased public and private sector investment in training and up-skilling of workers in the agricultural sector, as well as policy settings and a training delivery framework that supports a new and more effective approach to skills formation adequately supported by an improved information base.

It is doubtful any one solution will solve the skills crisis emerging in the agricultural and other sectors of the economy. Any policy to address the skills shortage could prove difficult because the issue crosses state and federal areas of power.

Despite this there are a number of issues that were highlighted in the submission which could be addressed at the State level to tackle skill shortages in NSW and these include:

- Specific skill gaps and skill shortages were identified in the rural industry sectors and a number of factors were identified that influence the supply and demand of skills in rural industries. These were differential changes in output and productivity across industry sectors, variations in employment prospects and farm incomes, an ongoing need for replacement and improvement in the skill base because of the age and gender profile of the workforce, poor technology uptake and a range of education and training needs.
- Training programs were not relevant to the farming sector, the need for more on-farm training, new farming methods and technologies, training in finance and management, new management skills and office practices and more flexibility in Training Packages and the need to implement the available flexibilities in arrangements for New Apprenticeships in the rural industry were also identified. The need for cross-sectoral or cross-occupational training and cross-industry vocational training was also highlighted.

Some of the more specific issues identified and highlighted in the submission which need addressing by the Standing Committee include:

- While farmers endorse the benefits of training, opportunities for training are not consistent with farm employment patterns, which in general are not continuous or full-time. There is poor communication about training options to farmers.
- There is a need for training products to be consistent and integrated between the recognized and unrecognized training sectors and for linkages to be developed between the two sectors (i.e. the formal VET sector associated with qualifications and the informal system of training usually involving short courses not linked to VET and qualifications).
- A number of potential planning, participation and pathway-related barriers to satisfying skill needs in the rural industry exist in the VET system. These include:
 - the need for VET planning to address strategic skill needs
 - gaps in VET participation that tend to undermine skill solutions
 - the different training needs of specific rural industries
 - inadequate pathways to skills and qualifications which are disadvantaging rural industry.
- The effectiveness of New Apprenticeships is currently being imperilled by differences across States and Territories, in administrative arrangements, employer incentives and interpretation of policies. The system would be greatly

enhanced by a consistent approach to flexible training delivery including user choice, assessment procedures and employer incentive regimes.

- There is an urgent need for VET providers and centers of excellence (including universities) to identify and promote links between the rural industries, to ensure the delivery of increased upskilling opportunities and career pathways to industry, in particular, the provision of opportunities for certificate level to upgrade to diploma and degree levels.

ANNEX 1

Details of New Apprenticeships Plans Announced by the Carr Government in March 2005

- Provide \$2 million to establish TradeStart – a 12-month pilot scheme in which 450 apprentices will be able to do their first year of TAFE training in 16 weeks before they start work. This program will meet strong demand for more job ready apprentices in skill shortage areas.
- TradeStart graduates will be able to access a job matching service. This pilot service will match apprentices to employers. Employers wishing to take on an apprentice will be able to access this service through any one of the Department of Education and Training's network of Apprentice Centres across the state, or by ringing a 1300 number.
- Provide a \$100 rebate on the cost of car registration for first and second year apprentices in NSW. This will act as an added incentive for young people considering an apprenticeship as part of their career.
- Provide additional travel support for the 5000 apprentices from rural and regional NSW by doubling their overnight accommodation allowance from \$14 to \$28 per day at an additional cost of \$1.6 million. This will apply to apprentices who have to be away from home for at least two days at a time to undertake their off the job training. Overall the Government will now be committing \$4.4 million to this program.
- Invest an additional \$1 million in Group Training to deliver an additional 800 apprentices for small businesses, rural, regional and disadvantaged communities. This will make the employment of apprentices simpler and faster. The scheme is operated on a not for profit basis whereby apprentices can be shared across a number of employers. This is good news for small businesses that don't have the capacity to employ an apprentice alone. This will bring the NSW Government's commitment to group training up to \$2.64 million.
- 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. The NSW Government will work with industry and unions to develop similar models in other industries.
- Place renewed emphasis on guidelines for training on government construction projects. These guidelines require that building construction projects worth more than \$2.5 million must have 20% of the trade work undertaken by apprentices. We will introduce a new reporting system to better manage compliance with the policy.
- The state government currently employs over 1,200 apprentices and will continue to provide additional employment opportunities for apprentices.

TAFE

- In 2005 we have planned for a further increase of 13,000 places taking the total to 521,000.

- TAFE will adjust its program to ensure areas of skills shortage are a priority. We will support capital-intensive apprentice training with more than \$80 million allocated to the TAFE capital works program. Over the next four years this will support an additional 5,600 places for apprenticeships and high demand occupations.
- The TAFE capital plan will see major refurbishment of facilities across 10 TAFE Institutes. This investment will provide the additional capacity needed to deliver in areas like child studies, health, light automotive, metal engineering and electrical trades.
- Establish additional courses in areas of skill shortage and emerging occupations such as digital media, aged care and environmental construction.

Schools

- Consolidate VET in schools by strengthening pathways between school and work. In 2005 over 40% of students in Years 11 and 12 will undertake a VET course as part of their senior studies; 80% of these students will spend time in on the job training with over 18,800 host employers across the state.
- Work with education, community and industry groups to support the career and work transition for young people as they leave school.
- Provide seed funding for 55 Careers Expos across NSW. These will provide an important opportunity to employers to introduce our young people to the wide variety of careers available in their industries. *The Government will be consulting with the relevant stakeholders including business and unions regarding the implementation of these initiatives.*

ANNEX 2

Skill Shortage List - Professionals March 2004

ASCO	Occupation	AUST	NSW	VIC	QLD	SA	WA	TAS	NT
CHILD CARE									
1295-11	Child Care Coordinator*	N	M* R-D	S*	S	D	R	S	D
6312-11sp	Child Care Worker*	N	M* R-D	S*	S	S	S	S	D
ENGINEERS									
2124	Civil Engineer*	N	S*	S	S*	S	S*		D
2125-11	Electrical Engineer* ¹		M*	S*			S*		
2125-13	Electronics Engineer ¹		R						
ACCOUNTANTS*		N	S	S*	S*	S		S*	D
REGISTERED NURSES*									
2323-11	Registered Nurse (general)*	N	S	S	S	S	S	S*	S
	Accident/Emergency	N	S	S	S	S	S	S	S
	Aged Care*	N	S	S	S	S	S	S*	S
	Cardiothoracic	N	S	S	S	S	S	S	S
	Community*	N	S		S	S	S	S*	S
	Critical/Intensive Care	N	S	S	S	S	S	S	S
	Indigenous Health*	N	*		S	S	S		S
	Neonatal Intensive Care	N	S	S	S	S	S	S	S
	Neurological	N	S	S	S	S	S	S	S
	Oncology	N	S	S	S	S	S	S	
	Operating Theatre*	N	S	S	S	S	S	S*	S
	Paediatric	N	S	S	S	S	S	S	S
	Palliative Care	N	S	S	S	S	S	S	
	Perioperative*	N	*	S	S	S	S	S	S
	Rehabilitation*	N	S	S	S	S	S	S*	S
	Renal	N	S	S	S	S	S	S	S
2324-11	Registered Midwife	N	S	S	S	S	S	S	S
2325-11	Mental Health Nurse	N	S	S	S	S	S	S	
3411	Enrolled Nurse*	N	S*	S	S	S	S	S	S

ASCO	Occupation	AUST	NSW	VIC	QLD	SA	WA	TAS	NT ¹
HEALTH SPECIALISTS									
2381	Dentist*	N	S*	R*	S		S*		S*
2382-11,15	Pharmacist (Hospital/Retail)*	N	S	S*	S	S	R		D
2383-11	Occupational Therapist*	N	S*	S*	S	D	D*	S	R
2385-11	Physiotherapist*	N	S*	S*	S	S	S*	S	S
2386-11	Speech Pathologist*	N	M	S*	S	R		S	D
2388	Podiatrist*	N*	*	*	*	*	*	*	*
2391-11	Diagnostic Radiographer*	N	S*		S			S	S
2391-13	Radiation Therapist	N	S	S	S	S	S	S	
2391-15	Nuclear Medicine Technologist	N	D		S		S	S	
2391-17	Sonographer	N	S		S	S	S	S	S
2399-11	Audiologist ¹ *			S	S				S
SECONDARY TEACHERS									
2413-11	Secondary Teacher*		D*	*	R-D*	*	*	*	S*
	Manual Arts/Tech Studies*		D	S*	D	S	R-D*		
	Maths/Science		D		D	S		R-D	S
	Physics/Chemistry*				D		R-D*		S
	General Science*			S*	D				
	Maths*			S	D		R-D*		S
	LOTE*			S*	D	S*	R-D*		
	Home Economics*					S	R-D*		
	Information Technology			S	D				
	Special Education*						R-D*		
	Religious Education								S
	Physical Education			S					
2511	Social Worker ¹		R	R-D				R	R-D
2521	Lawyer ¹ *		R-D*	R-D*	S		S	S*	

1. Not all occupations assessed in all States

* = Shortages may be restricted to specialist skills. Occupations marked with an asterisk have qualifying comments below

N = National shortage

S = State-wide shortage

M = Shortage in metropolitan areas

R = Shortage in regional areas

R-D = Recruitment difficulties in regional areas

D = Recruitment difficulties

Skill Shortage List – Trades

December 2004

ASCO	Occupation	AUST	NSW	VIC	QLD	SA	WA	TAS	NT
ENGINEERING TRADES									
4112-11	Metal Fitter*	N	S*	S	S*	S	S*	S	S*
4112-13	Metal Machinist*	N	S*	S	S*	S	S	S	S
4113-11	Toolmaker*	N	S*	S	S	S	S	S*	na
4122-11	Metal Fabricator*	N	M-D,R*	S	S	S	S	S	S*
4122-15	Welder*	N	S*	S	S	S	S*	S	S*
4124-11	Sheetmetal Worker*	N	M-D,R*	S	S*	S	S	S	S
VEHICLE TRADES									
4211-11	Motor Mechanic*	N	S*	S	S	S	S*	S	S
4212-11	Auto Electrician*	N	S	S	S	S	S*	S	S
4213-11	Panel Beater*	N	S*	S	S	S	S	S	S
4214-11	Vehicle Painter	N	S	S	S	S	S	S	S
ELECTRICAL/ELECTRONICS									
4311-11,13	Electrician*	N	S*	S	S*	S	S*	S	S
4312-11	Refrigeration and Airconditioning Mechanic*	N	S*	S	S	S	S	S	S
4313-11	Electrical Powerline Trades*	N	S*	S	S	S	S	S	S
4314	Electronic Instrument Trades*	N	S*	S	S	D	S	S	M-D,R
4315-11	Electronic Equipment Trades*	N	S*	S*		D*		S	S
4315-13	Business Machine Mechanic*			D*				S	S
CONSTRUCTION TRADES									
4411-11	Carpenter and Joiner*	N	Se*	M-D,R	S*	Se	S	S	S*
4412-11	Fibrous Plasterer*	N	Se*	M-D,R	na	Se	S	S	S
4414-11	Bricklayer*	N	Se*	M-D,R	S		S	S	M*
4415-11	Solid Plasterer*	N	Se	M-D,R	na	Se	S	S*	S
4431-11	Plumber*	N	Se*	S	S*	S	S*	S	S*
FOOD TRADES									
3322	Chef*	N	S	S*	S	R	S*	S	S
4512-11	Baker*		S*	na	na	na	na	na	na
4513-11	Cook	N	S	S*	S				S
4512-13	Pastrycook*	N	R*	S*	S	R	S	S*	D
PRINTING TRADES									
4911-11	Graphic Pre-press Trades				S				
4912	Printing Machinist		R		S	D			
4913-11	Binder and Finisher			D	S				
WOOD TRADES									
4921-11	Wood Machinist*		S*	na	na	na	na	na	na
4922-11	Cabinetmaker*	N	S*	M-D,R*	S*	S		S	S
OTHER TRADES									
4931-11	Hairdresser	N	S	S	S	S	S	S	S
4942-11	Furniture Upholsterer*	N	S*	S	S	S	S	S	na

N – National shortage	S – State-wide shortage
M – Shortage in metropolitan areas	R – Shortage in regional areas
D – Recruitment difficulties	R-D – Recruitment difficulties in regional areas
M-D – Recruitment difficulties in metropolitan areas	na – Not assessed
e – shortage easing over the next 12 months	* – see comments on specialisation

ANNEX 3

NUMBER OF UNEMPLOYED AND UNEMPLOYMENT RATES, STATES/TERRITORIES AND STATISTICAL LOCAL AREAS, MARCH QUARTER 2004 TO MARCH QUARTER 2005: SMOOTHED SERIES

State Statistical Local Area	Unemployment				Unemployment Rate (%)					Labour Force	
	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2005
AUSTRALIA	599,300	586,000	579,100	566,900	554,400	5.9	5.8	5.7	5.5	5.4	10,312,100
New South Wales	190,700	186,500	183,300	180,400	180,500	5.7	5.6	5.5	5.4	5.3	3,376,500
Sydney	113,800	111,300	107,200	104,300	103,000	5.2	5.1	4.9	4.7	4.6	2,214,600
Ashfield (A)	1,640	1,659	1,376	1,079	926	7.4	7.5	6.1	4.7	4.0	23,178
Auburn (A)	2,070	1,818	1,576	1,533	1,722	8.1	7.2	6.4	6.4	7.3	23,444
Bankstown (C)	6,585	6,342	6,276	5,981	5,677	8.3	7.9	7.8	7.5	7.2	78,596
Baulkham Hills (A)	3,054	3,149	3,201	3,422	3,262	3.6	3.7	3.7	3.9	3.8	86,012
Blacktown (C) - North	1,973	1,858	1,676	1,565	1,510	4.5	4.2	3.8	3.6	3.5	42,998
Blacktown (C) - South-East	3,458	3,298	3,018	2,811	2,701	7.3	6.9	6.4	6.0	5.8	46,518
Blacktown (C) - South-West	5,491	5,236	4,802	4,523	4,390	13.1	12.4	11.5	10.9	10.7	41,209
Blue Mountains (C)	2,073	1,945	1,773	1,649	1,629	5.0	4.7	4.3	4.1	4.0	40,500
Botany Bay (C)	677	621	612	651	649	3.6	3.2	3.1	3.3	3.3	19,612
Burwood (A)	1,099	1,113	935	742	625	7.2	7.2	6.0	4.7	3.9	16,051
Camden (A)	940	918	916	829	729	3.7	3.7	3.6	3.3	2.8	26,091
Campbelltown (C)	7,709	7,689	7,635	6,881	6,019	10.3	10.3	10.2	9.1	7.7	77,703
Canterbury (C)	4,804	4,629	4,581	4,331	4,119	7.8	7.4	7.3	7.0	6.8	60,953
Concord (A)	559	570	490	399	351	3.6	3.6	3.1	2.5	2.1	16,354
Drummoyne (A)	693	720	610	494	423	3.4	3.5	3.0	2.4	2.0	21,189
Fairfield (C)	7,219	7,050	6,672	6,703	6,833	8.3	8.0	7.5	7.6	7.7	88,728
Gosford (C)	4,460	4,790	4,776	5,036	5,023	5.8	6.1	6.0	6.2	6.2	81,360
Hawkesbury (C)	1,366	1,303	1,217	1,145	1,106	3.9	3.7	3.5	3.3	3.2	34,208
Holroyd (C)	2,201	1,910	1,678	1,652	1,896	4.7	4.1	3.7	3.7	4.4	43,310
Hornsby (A)	2,981	3,057	3,076	3,228	3,016	3.5	3.6	3.6	3.8	3.6	84,600
Hunter's Hill (A)	241	227	199	182	188	3.7	3.5	3.1	2.8	2.8	6,629
Hurstville (C)	1,610	1,652	1,736	1,726	1,938	4.3	4.3	4.5	4.4	4.9	39,878
Kogarah (A)	996	1,022	1,074	1,080	1,203	3.6	3.7	3.8	3.8	4.1	29,087
Ku-ring-gai (A)	1,074	1,101	1,106	1,168	1,070	2.0	2.0	2.0	2.1	2.0	54,554
Lane Cove (A)	619	617	565	503	477	3.3	3.3	3.0	2.7	2.5	19,016
Leichhardt (A)	1,325	1,260	1,282	1,310	1,267	3.1	2.9	3.0	3.0	2.9	43,804
Liverpool (C)	4,252	4,144	3,935	4,035	4,162	5.2	5.0	4.7	4.8	5.0	83,850
Manly (A)	727	703	714	750	731	3.2	3.1	3.1	3.3	3.2	22,522
Marriekville (A)	2,605	2,432	2,392	2,451	2,396	5.7	5.2	5.1	5.2	5.1	47,138
Mosman (A)	432	412	373	347	335	2.7	2.6	2.3	2.2	2.1	16,165
North Sydney (A)	1,527	1,470	1,321	1,186	1,127	3.8	3.7	3.3	2.9	2.8	40,584
Parramatta (C)	3,144	2,715	2,390	2,338	2,672	4.1	3.6	3.2	3.2	3.8	70,938
Penrith (C)	5,652	5,418	4,989	4,728	4,551	5.8	5.5	5.1	4.9	4.8	95,657
Pittwater (A)	866	831	842	868	842	2.6	2.5	2.5	2.6	2.5	33,087
Randwick (C)	2,652	2,603	2,657	2,416	2,420	4.1	4.1	4.1	3.6	3.5	68,820
Rockdale (C)	2,356	2,392	2,486	2,460	2,756	5.2	5.2	5.3	5.2	5.7	48,348
Ryde (C)	2,918	2,858	2,641	2,469	2,549	5.4	5.3	4.9	4.5	4.6	55,424
South Sydney (C)	3,204	3,013	3,035	3,151	3,109	5.8	5.3	5.3	5.5	5.4	57,378
Strathfield (A)	984	1,015	847	666	559	6.8	7.0	5.8	4.5	3.7	15,090
Sutherland Shire (A) - East	1,606	1,662	1,743	1,715	1,898	2.8	2.9	3.0	2.9	3.1	60,260
Sutherland Shire (A) - West	1,233	1,269	1,341	1,353	1,534	1.8	1.9	1.9	1.9	2.1	71,661
Sydney (C) - Inner	159	149	148	158	164	4.7	4.3	4.2	4.5	4.7	3,526
Sydney (C) - Remainder	450	425	427	456	461	3.7	3.4	3.4	3.6	3.7	12,620
Warringah (A)	2,234	2,102	2,104	2,220	2,195	2.7	2.6	2.6	2.7	2.7	80,563
Waverley (A)	1,531	1,501	1,527	1,393	1,366	4.4	4.4	4.4	3.9	3.7	36,879
Willoughby (C)	1,336	1,298	1,185	1,083	1,054	3.9	3.8	3.4	3.1	3.0	35,021
Wollondilly (A)	985	959	933	841	754	4.9	4.8	4.6	4.1	3.6	20,799
Woollahra (A)	771	772	785	713	683	2.7	2.7	2.7	2.4	2.2	30,467
Wyong (A)	5,223	5,565	5,513	5,873	5,883	8.8	9.3	9.1	9.5	9.5	62,250
Balance of New South Wales	76,900	75,200	76,100	76,100	77,500	6.6	6.5	6.5	6.6	6.7	1,161,800
Albury (C)	1,431	1,337	1,217	1,233	1,425	6.1	5.7	5.1	5.2	6.1	23,364
Armidale Dumaresq (A) - City	510	528	554	562	571	5.3	5.5	5.7	5.8	5.9	9,703
Armidale Dumaresq (A) Bal	97	101	106	107	109	4.4	4.6	4.8	4.9	4.9	2,210
Ballina (A)	1,048	1,010	1,034	1,094	1,155	5.6	5.5	5.7	6.2	6.6	17,469
Balranald (A)	75	71	66	67	75	4.9	4.6	4.3	4.4	5.0	1,514

NUMBER OF UNEMPLOYED AND UNEMPLOYMENT RATES, STATES/TERRITORIES AND STATISTICAL LOCAL AREAS, MARCH QUARTER 2004 TO MARCH QUARTER 2005: SMOOTHED SERIES (Contd.)

State	Unemployment				Unemployment Rate (%)					Labour Force	
	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2005
Statistical Local Area											
Barraba (A)	76	76	81	82	80	7.6	7.6	8.1	8.2	7.9	1,009
Bathurst (C)	642	670	720	729	720	4.2	4.4	4.7	4.7	4.6	15,546
Bega Valley (A)	948	827	887	832	813	6.5	5.8	6.3	6.0	5.8	13,958
Bellingen (A)	538	516	522	544	582	9.6	9.2	9.5	10.2	11.0	5,283
Berrigan (A)	222	214	196	192	208	5.3	5.1	4.6	4.5	5.0	4,186
* Bingara (A)	63	64	64	61	57	7.0	7.1	7.1	6.7	6.3	911
Bland (A)	97	94	98	99	101	3.0	2.9	3.0	3.1	3.1	3,262
Blayney (A) - Pt A	109	114	121	122	114	4.8	5.0	5.3	5.4	5.0	2,295
* Blayney (A) - Pt B	41	40	40	40	38	4.9	4.8	4.7	4.7	4.5	849
Bogan (A)	112	114	118	115	111	7.2	7.4	7.6	7.4	7.1	1,554
Bombala (A)	65	57	57	49	46	4.4	4.0	4.0	3.5	3.2	1,416
Boorowa (A)	48	43	48	44	40	3.7	3.4	3.9	3.6	3.3	1,230
Bourke (A)	135	143	154	159	163	7.1	7.6	8.1	8.4	8.6	1,904
* Brewarrina (A)	130	122	122	121	124	13.4	12.6	12.6	12.5	12.7	976
Broken Hill (C)	825	837	876	864	844	9.7	9.9	10.3	10.1	9.8	8,585
Byron (A)	1,698	1,594	1,610	1,692	1,796	11.7	11.0	11.3	12.3	13.2	13,645
Cabonne (A) - Pt A	47	48	49	50	50	3.5	3.6	3.7	3.7	3.7	1,347
* Cabonne (A) - Pt B	20	21	22	22	22	3.5	3.7	3.9	3.9	3.9	569
Cabonne (A) - Pt C	134	140	151	155	155	3.0	3.2	3.4	3.5	3.5	4,447
Carrathool (A)	74	64	55	55	60	3.8	3.3	2.8	2.8	3.1	1,935
Central Darling (A)	126	130	133	131	125	11.4	11.9	12.1	11.9	11.3	1,108
Cessnock (C)	1,850	1,826	1,858	1,872	1,825	8.8	8.6	8.8	8.8	8.6	21,186
Cobar (A)	124	133	145	152	152	4.7	5.1	5.5	5.8	5.8	2,632
Coff's Harbour (C) - Pt A	1,740	1,674	1,713	1,796	1,927	7.7	7.4	7.8	8.4	9.1	21,210
Coff's Harbour (C) - Pt B	557	530	538	554	593	7.8	7.4	7.7	8.1	8.8	6,750
* Conargo (A)	36	34	32	34	39	3.8	3.6	3.3	3.6	4.1	942
Coolah (A)	94	96	104	104	104	5.3	5.4	5.9	5.9	5.8	1,788
Coolamon (A)	89	80	73	72	78	4.3	3.8	3.5	3.4	3.8	2,070
Cooma-Monaro (A)	183	162	173	156	151	3.6	3.2	3.5	3.2	3.1	4,901
Coonabarabran (A)	211	217	229	232	231	7.2	7.5	7.8	7.9	7.9	2,942
Coonamble (A)	134	132	130	123	117	5.8	5.7	5.6	5.3	5.0	2,328
Cootamundra (A)	222	202	184	192	225	6.1	5.5	5.0	5.2	6.2	3,613
Copmanhurst (A)	143	136	137	144	154	6.7	6.4	6.6	7.1	7.7	2,001
Corowa (A)	198	181	160	158	175	4.7	4.3	3.8	3.7	4.2	4,184
Cowra (A)	328	343	376	379	365	5.5	5.8	6.3	6.4	6.1	5,991
Crookwell (A)	84	75	82	73	69	3.8	3.5	3.8	3.4	3.2	2,127
Culcairn (A)	94	85	75	78	90	4.8	4.3	3.7	3.9	4.6	1,966
Deniliquin (A)	197	187	176	185	212	4.7	4.4	4.1	4.3	5.0	4,217
Dubbo (C) - Pt A	765	780	814	823	828	4.3	4.4	4.6	4.7	4.7	17,783
Dubbo (C) - Pt B	77	78	82	82	83	4.0	4.1	4.3	4.3	4.3	1,931
Dungog (A)	197	198	194	186	180	5.4	5.2	4.8	4.4	4.2	4,292
Eurobodalla (A)	1,215	1,084	1,150	1,039	994	8.7	7.9	8.6	7.7	7.4	13,425
* Evans (A) - Pt A	25	27	29	29	29	3.5	3.8	4.1	4.1	4.1	713
Evans (A) - Pt B	84	88	95	96	95	3.9	4.1	4.4	4.5	4.4	2,148
Forbes (A)	271	291	308	296	277	5.8	6.2	6.6	6.3	5.9	4,713
Gilgandra (A)	100	96	101	102	102	4.5	4.3	4.6	4.6	4.6	2,232
Glen Innes (A)	187	190	199	199	198	7.2	7.3	7.6	7.6	7.5	2,627
Gloucester (A)	147	149	148	144	142	7.1	7.0	6.5	6.0	5.8	2,432
Goulburn (C)	588	519	536	481	461	5.5	5.0	5.2	4.7	4.5	10,292
Grafton (C)	546	517	520	544	582	6.9	6.6	6.8	7.3	7.9	7,389
Great Lakes (A)	1,292	1,324	1,308	1,267	1,224	11.4	11.2	10.4	9.7	9.2	13,367
Greater Lithgow (C)	635	651	693	703	707	7.0	7.3	7.7	7.8	7.8	9,056
Greater Taree (C)	1,353	1,312	1,363	1,444	1,555	6.9	6.7	7.1	7.8	8.5	18,341
Griffith (C)	543	500	452	467	544	4.0	3.7	3.3	3.4	4.1	13,388
Gundagai (A)	93	88	77	78	86	4.4	4.1	3.6	3.7	4.1	2,100
Gunnedah (A)	394	403	425	427	431	6.8	7.0	7.4	7.4	7.4	5,791
Gunning (A)	33	31	31	28	28	2.3	2.2	2.2	2.0	2.0	1,378
Guyra (A)	150	157	165	164	162	7.5	7.9	8.2	8.2	8.0	2,015
Harden (A)	87	75	79	72	75	4.5	4.0	4.3	3.9	4.1	1,837
Hastings (A) - Pt A	948	911	937	994	1,084	5.6	5.4	5.6	6.2	6.8	15,960
Hastings (A) - Pt B	707	667	675	712	774	6.1	5.7	5.9	6.4	7.1	10,947
Hay (A)	86	76	68	66	73	4.5	4.0	3.5	3.4	3.9	1,890
Holbrook (A)	34	33	32	34	40	2.6	2.5	2.4	2.6	3.1	1,305
Hume (A)	147	136	126	128	144	3.5	3.2	3.0	3.0	3.4	4,185

NUMBER OF UNEMPLOYED AND UNEMPLOYMENT RATES, STATES/TERRITORIES AND STATISTICAL LOCAL AREAS, MARCH QUARTER 2004 TO MARCH QUARTER 2005: SMOOTHED SERIES (Contd.)

State	Unemployment					Unemployment Rate (%)					Labour Force	
	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2005	
Statistical Local Area												
Inverell (A) - Pt A	155	161	164	160	154	7.0	7.3	7.4	7.2	6.9	2,223	
Inverell (A) - Pt B	372	380	387	379	369	7.5	7.7	7.8	7.7	7.4	4,964	
Jerilderie (A)	15	15	16	18	22	1.4	1.4	1.4	1.6	2.0	1,084	
Junee (A)	187	170	154	155	173	7.3	6.6	5.9	6.0	6.7	2,567	
Kempsey (A)	1,069	1,030	1,053	1,110	1,190	9.1	8.8	9.1	9.9	10.7	11,086	
Kiama (A)	345	343	333	321	310	3.7	3.6	3.5	3.3	3.2	9,764	
Kyogle (A)	378	360	371	391	423	8.7	8.3	8.7	9.5	10.4	4,077	
Lachlan (A)	187	193	203	203	199	5.1	5.3	5.6	5.6	5.4	3,663	
Lake Macquarie (C)	5,631	5,593	5,727	5,697	5,474	6.2	6.1	6.3	6.2	6.0	91,596	
Leeton (A)	307	300	278	281	314	5.1	4.9	4.5	4.6	5.2	6,050	
Lismore (C) - Pt A	1,306	1,222	1,222	1,276	1,370	8.6	8.1	8.2	8.9	9.6	14,259	
Lismore (C) - Pt B	505	472	473	494	531	7.9	7.4	7.5	8.1	8.8	6,036	
Lockhart (A)	66	59	54	53	60	3.5	3.1	2.9	2.8	3.2	1,856	
* Lord Howe Island	1	0	0	0	0	0.4	0.0	0.0	0.0	0.0	259	
Maclean (A)	559	533	540	569	614	8.2	7.8	8.1	8.8	9.6	6,407	
Maitland (C)	1,815	1,813	1,848	1,836	1,788	6.4	6.4	6.5	6.4	6.3	28,595	
Manilla (A)	113	115	119	120	116	8.2	8.4	8.7	8.7	8.4	1,383	
Merriwa (A)	53	53	51	48	45	5.1	4.9	4.4	4.0	3.7	1,232	
Moree Plains (A)	632	656	682	674	659	7.5	7.8	8.1	8.0	7.8	8,500	
Mudgee (A)	550	583	628	619	606	6.5	7.0	7.5	7.4	7.2	8,459	
Mulwaree (A)	171	151	157	142	137	4.8	4.4	4.6	4.2	4.0	3,403	
Murray (A)	163	153	142	141	152	5.1	4.7	4.4	4.4	4.8	3,191	
Murrumbidgee (A)	41	38	35	36	41	2.7	2.5	2.3	2.3	2.7	1,521	
Murrumbidgee (A)	61	67	67	67	64	6.3	6.7	6.2	6.0	5.6	1,139	
Muswellbrook (A)	484	507	509	485	476	6.9	7.0	6.6	6.0	5.8	8,247	
Nambucca (A)	856	839	866	916	972	11.8	11.6	12.2	13.3	14.3	6,817	
Narrabri (A)	417	425	442	439	423	5.6	5.7	5.9	5.9	5.6	7,552	
Narrandera (A)	149	138	125	124	139	4.5	4.2	3.7	3.7	4.2	3,280	
Narromine (A)	152	149	149	144	144	4.4	4.3	4.3	4.2	4.1	3,474	
Newcastle (C) - Inner	283	279	283	281	276	10.6	10.3	10.4	10.4	10.2	2,710	
Newcastle (C) - Remainder	5,066	5,007	5,115	5,138	5,015	7.4	7.2	7.3	7.4	7.2	69,611	
* Nundle (A)	43	44	46	47	46	6.4	6.6	6.9	7.0	6.8	674	
Oberon (A)	78	79	83	84	85	3.2	3.3	3.5	3.5	3.5	2,420	
Orange (C)	848	868	904	909	902	4.6	4.7	4.9	5.0	4.9	18,479	
Parkes (A)	410	422	439	435	422	5.9	6.1	6.3	6.3	6.0	6,992	
Parry (A) - Pt A	183	190	199	202	201	6.2	6.4	6.7	6.8	6.7	2,980	
Parry (A) - Pt B	217	222	232	232	233	6.2	6.4	6.6	6.6	6.6	3,522	
Port Stephens (A)	1,678	1,684	1,726	1,727	1,674	6.2	6.2	6.3	6.3	6.1	27,476	
Pristine Waters (A) - Nymboida	143	136	137	143	154	6.6	6.3	6.5	7.0	7.6	2,025	
Pristine Waters (A) - Ulmarra	270	258	262	273	290	9.7	9.3	9.6	10.3	11.0	2,629	
Queanbeyan (C)	627	569	593	532	511	3.3	3.0	3.2	2.9	2.8	18,430	
Quirindi (A)	123	124	129	128	124	5.1	5.2	5.3	5.3	5.1	2,431	
Richmond Valley (A) - Casino	336	319	327	344	364	7.3	6.9	7.2	7.8	8.4	4,347	
Richmond Valley (A) Bal	338	318	327	347	380	7.3	6.9	7.2	7.9	8.7	4,356	
Rylstone (A)	141	144	151	150	147	8.5	8.7	9.1	9.0	8.8	1,669	
Seone (A)	250	249	239	226	216	5.2	5.0	4.4	4.0	3.8	5,705	
Severn (A)	98	98	102	102	99	7.2	7.2	7.5	7.5	7.2	1,376	
Shellharbour (C)	2,362	2,361	2,278	2,150	2,018	8.6	8.5	8.1	7.5	7.0	28,921	
Shoalhaven (C) - Pt A	1,254	1,208	1,323	1,378	1,674	9.3	9.5	10.6	10.9	12.7	13,169	
Shoalhaven (C) - Pt B	1,795	1,717	1,876	1,938	2,331	8.4	8.5	9.4	9.7	11.1	20,938	
Singleton (A)	429	444	442	438	429	4.1	4.1	3.8	3.7	3.5	12,224	
Snowy River (A)	192	161	159	141	137	4.2	3.6	3.7	3.2	3.2	4,347	
Tallaganda (A)	59	51	54	47	45	3.8	3.4	3.6	3.2	3.0	1,486	
Tamworth (C)	1,136	1,162	1,214	1,224	1,219	6.4	6.6	6.8	6.9	6.8	17,893	
Temora (A)	161	150	130	129	141	5.4	5.0	4.3	4.3	4.7	2,970	
Tenterfield (A)	211	219	231	229	224	6.9	7.2	7.5	7.5	7.3	3,085	
Tumbarumba (A)	68	64	58	58	63	3.7	3.4	3.1	3.1	3.4	1,837	
Tumut (A)	308	288	257	250	277	5.3	4.9	4.3	4.3	4.8	5,807	
Tweed (A) - Pt A	1,385	1,285	1,288	1,333	1,412	7.1	6.6	6.7	7.2	7.7	18,401	
Tweed (A) - Pt B	1,004	935	949	1,010	1,089	8.0	7.4	7.7	8.5	9.2	11,842	
* Unincorp. Far West	42	43	45	44	43	7.6	7.9	8.2	8.0	7.8	552	
Uralla (A)	147	149	155	157	156	5.0	5.1	5.3	5.3	5.3	2,956	
* Urana (A)	24	21	18	18	23	3.1	2.7	2.3	2.3	3.0	766	
Wagga Wagga (C) - Pt A	1,355	1,255	1,163	1,193	1,362	4.7	4.4	4.0	4.1	4.8	28,498	

**NUMBER OF UNEMPLOYED AND UNEMPLOYMENT RATES, STATES/TERRITORIES AND
STATISTICAL LOCAL AREAS, MARCH QUARTER 2004 TO MARCH QUARTER 2005:
SMOOTHED SERIES (Contd.)**

State Statistical Local Area	Unemployment				Unemployment Rate (%)					Labour Force	
	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2004	Jun 2004	Sep 2004	Dec 2004	Mar 2005	Mar 2005
Wagga Wagga (C) - Pt B	108	100	92	93	104	3.8	3.5	3.2	3.3	3.7	2,796
Wakool (A)	103	98	94	96	109	4.0	3.7	3.6	3.7	4.2	2,588
Walcha (A)	66	69	70	68	66	3.9	4.1	4.2	4.0	3.9	1,692
Walgett (A)	384	387	401	398	385	10.2	10.3	10.6	10.6	10.2	3,792
Warren (A)	94	97	100	100	97	5.1	5.3	5.5	5.5	5.3	1,844
Weddin (A)	67	70	75	77	76	3.7	3.9	4.2	4.3	4.2	1,796
Wellington (A)	290	293	303	306	306	8.0	8.2	8.4	8.5	8.4	3,625
Wentworth (A)	330	310	284	280	311	8.9	8.3	7.6	7.5	8.5	3,674
* Windouran (A)	10	10	9	10	11	4.3	4.3	3.8	4.3	4.7	232
Wingecarribee (A)	739	689	736	755	908	3.7	3.7	4.0	4.1	4.7	19,341
Wollongong (C)	7,948	7,958	7,674	7,228	6,830	9.1	9.0	8.5	8.0	7.4	92,142
Yallaro (A)	55	59	62	62	60	3.5	3.8	4.0	4.0	3.8	1,570
Yarrowlumla (A) - Pt A	153	137	144	133	128	2.4	2.2	2.3	2.1	2.1	6,189
* Yarrowlumla (A) - Pt B	3	3	2	2	2	1.5	1.5	1.0	1.0	1.0	194
Yass (A)	140	120	124	112	113	2.3	2.0	2.1	1.9	2.0	5,784
Young (A)	346	312	332	306	293	5.8	5.4	5.8	5.4	5.1	5,704

ANNEX 4

SUMMARY OF SKILLED MIGRATION SCHEME

INTRODUCTION

An overview follows of the skilled migration visa categories, as they were administered by DIMIA in January 2005. As the availability of certain classes of visas, and visa criteria, may change from time to time, the information below should be regarded as *for information only*. More up to date information can be found on the DIMIA website: <http://www.dimia.gov.au>

REGIONAL SPONSORED MIGRATION SCHEME (RSMS)

RSMS provides assistance to employers that are not able to fill vacancies for skilled employees from the local labour market. RSMS offers significant advantages for employers. Under RSMS, the employer is required to sponsor a skilled migrant for two years, after which time the migrant may apply for a Permanent Visa.

The advantages of RSMS include:

- there is no cost to the employer;
- the migrant is eligible for Medicare whilst under sponsorship;
- the employer must sponsor the migrant for two years which ensures the employer will have
- the skilled employee for that time; and
- the migrant may apply for citizenship after the two year period and hence is able to live and work anywhere in Australia.

The disadvantages of RSMS include:

- all costs are born by the migrant;
- the migrant has to work with the nominated employer noting that there is no guarantee that
- there will be a harmonious working relationship; and
- for migrants who are off-shore, RSMS visa's are processed off-shore and hence may take longer to process.¹

1 If the enquirer is on-shore, the RSMS visa application is processed in Australia.

SKILLED INDEPENDENT REGIONAL VISA 2

The Skilled Independent Regional (Provisional) Visa (SIR) enables State governments to nominate for migration skilled people whose occupation is listed on the DIMIA Skilled Occupation List and who have not met the pass mark according to DIMIA's independent skilled criteria.

Applicants for a SIR (Provisional) Visa are required to sign an undertaking with DIMIA and the NSW Government that they and the members of their family unit will live, work and study in a *regional area of low population growth outside the metropolitan areas of Australia* for the duration of the provisional visa.

2 The SIR is less direct in its impact to employers because the State determines the employment categories it will nominate.

Also, the SIR migrant does not have access to Medicare or other social benefits. Unlike an SIR visa, the RSMS visa links the migrant to the sponsoring employer for two years, obviating poaching by another employer.

The SIR Visa has two-stages:

- **Stage 1.** The skilled migrant can work in the regional area of his/her choice for the first two years.
- **Stage 2.** In the third and final year of the Provisional Visa, the migrant can be sponsored by a regional business.

The advantages of SIR visa include:

It covers persons whose occupation is listed on DIMIA's Skilled Occupation List who do not satisfy DIMIA's independent skilled criteria,

- the migrant may work in any nominated regional area,
- there is no cost to the employer, and
- the migrant may change jobs and go to another regional area if he/she chooses.
- The disadvantages of SIR visa include:
 - the employer has no guarantee that the migrant will stay for the first stage of their visa,
 - the migrant is not eligible for Medicare, and
 - the migrant must find a regional sponsor for the final (3rd) year.

TEMPORARY BUSINESS (457) VISA

The key criteria associated with the Temporary Business (457) Visa include:

- the business must meet identified sponsorship criteria, including minimum skill and salary levels;

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occupations are not necessarily limited to the DIMIA skills shortage list; and after initial sponsorship approval, the process of transferring to RSMS or SIR is relatively simple.

The advantages of the 457 Visa include:

- visa applications are processed in Australia and the approval time frame is therefore independent of waiting list constraints,
- the length of visa sponsorship is flexible between 3 months and 4 years and is therefore useful for businesses who are unable to offer longer contracts,
- the visa is a valid way for both the employer and employee to 'try' each other out, and
- a skills assessment is not required.

The disadvantages of the 457 Visa include:

- experience has shown that some small businesses may find agreeing to the visa requirements off-putting,
- visa holders are not eligible for Medicare, and
- visa holders could seek other work after arrival and can potentially 'move' without approval of the sponsoring business.