

**INQUIRY INTO VOCATIONAL EDUCATION AND
TRAINING IN NEW SOUTH WALES**

Organisation: Bright Employment

Date received: 18/08/2015



Dear Committee Members,

Thankyou for providing both Bright Employment and Bright Hospitality the opportunity to contribute to the inquiry into vocational education and training in New South Wales.

Whilst I have only worked in the Education and Training sector for the past 3 years, I have spent more than 15 years working in financial markets across Europe, Asia, China and the US. This has included over 10 years working a portfolio manager focussed solely on the development of China and its numerous investment opportunities. My past research and investments over this period included a significant focus on the education sector in China.

My wife Larissa and I started Bright Employment in 2013 with the goal of assisting migrants living in Australia to gain and keep meaningful employment. We felt that Australia was missing out on integrating hard working migrants into the Australian workforce, and we set out to build a model that assist 1000's of people through training and into employment.

As a large Australian family with 5 young children, Larissa and I set out to develop a specialist migrant services business that assists local migrants to gain the necessary training and support that leads to real employment outcomes. Over the past 2 years, this has been an extremely challenging yet highly rewarding experience that we feel is now sustainable as a business.

The main body of this submission will focus on our work in the Hospitality sector in NSW, including a brief overview of the additional work of Bright Employment in the Agriculture, Retail and Construction Industry.

[Watch Bright's Story Here \(4 mins\)](#)

Bright Hospitality has entered into a formal partnership with Wesley Mission to deliver the Breakfast and Dinner services to the residents of Edward Eagar Lodge in Surry Hills, Sydney. Our students will deliver 200 meals per day, 7 days per week, under the supervision of our experienced chefs and cooks. The program will be led by Ty Bellingham, and will be delivered in partnership with our 2 RTO partners, *Learning Sphere* and *The William Angliss Institute*. It creates the perfect synergy of marginalised people learning skills and training to feed other marginalised people.

This new hospitality training program will launch in September 2015 in partnership with more than 30 organisations including employment, training, supply and social partners. It will



deliver 3 separate skill sets drawn from Foundation skills, Certificate II in Kitchen Operations and Certificate II in Commercial Cleaning. Over 300 students will undertake a 6-week program that will include 2 weeks of Foundation Skills training and 4-weeks of practical skills training in a working commercial kitchen. We have left no stone unturned over many months to ensure that absolutely every possible pathway to meaningful employment is established. Full details of this training program are in the attached appendix.

We would like you for the opportunity to contribute to the development of training in NSW. Through Bright, Larissa and I are committed to developing unique training and employment pathways for vulnerable people from local migrant communities. We would like the opportunity to discuss our work in person with the committee if the opportunity arises. I can also be contacted on 0423 374 787 to discuss any details in this report

Many thanks and regards

Tim Davies
CEO
Bright Hospitality

Larissa Davies
Managing Director
Bright Employment



Addressing key inquiry terms of reference

1.b.iii The role played by public and private vocational education providers and industry in the development of opportunities for unemployed people, particularly migrants and persons in their mature age category, to improve themselves and increase their life, education and employment prospects.

As you can see from my presentation on the work of Bright Employment (Hospitality), we are playing a significant role in developing employment opportunities for unemployed migrants throughout Sydney to improve their lives, education and employment prospects.

Our experience shows that whilst there are significant barriers to employment for unemployed migrants, most Australians are willing to provide them with the opportunity of employment if they have the necessary skills and work ethic.

Unfortunately, recent federal government policies made through the recent JobActive changes in July 2015 will significantly decrease the ability of unemployed migrants to undertake the necessary training prior to securing meaningful employment.

Our experience with Job Services Australia has been generally poor with a few exceptions. Over the past few years, we have seen a significant percentage of potential students who have been “parked” by the JSA advisors and sent through a multitude of formal education courses with little employment outcomes. This has generally left students with little real belief that they can secure a career in their preferred field.

This has clearly been a major concern for the federal government with respect to the entire Job Services contract, as we can see under the new tender a much stronger link to jobs required before training can be commenced.

We see this as a significant issue for marginalised and migrant people, with the federal government system moving away from supporting people through the critical steps that lead to employment at the expense of reducing budget strains.

Whilst we understand better management of federal government employment programs is essential, removing the stepping stones to employment will move marginalised people further away from employment outcomes and create a larger financial burden on the welfare system.



It is therefore essential that the state government take the lead and provide funding for these critical “foundation skills” programs that provide both a stepping stone to employment but does not make it conditional on a link to employment. Striking a balance is critical for the long-term health of NSW.

Bright has partnered with RTO providers *Learning Sphere* and *The William Angliss Institute* to deliver a training program for 300 students per year in foundation skills (that get them ready for work), followed by vocational skills training in Commercial Cleaning and Kitchen Operations. Both of these disciplines have significant skills shortages for NSW businesses. This program have teamed up with 5-6 JobActive Providers to secure students, and ~10 large employers that will provide employment trials for graduates that lead to employment.

All parties in this program are private vocational education providers and leading industry participants. The provision of training funds via Smart and Skilled Funding has made it possible, as opposed to JobActive Federal funding that in our experience has too many conditions attached to lead to successful outcomes for all parties.

1.d The effect of competitive training on student access to education, training, skills and pathways to employment, including opportunities to further education and employment for the most vulnerable in our community

Bright has worked with vulnerable people from migrant communities over the past 2 years with a focus on securing long-term employment opportunities. The real challenge over this period was creating migrant sensitive training programs that were financially supported by government funds.

The development of the competitive training model has unfortunately worked against many vulnerable groups from gaining the necessary training support required to prepare for employment.

This is particularly true in the past Job Services Australia contracts, where the determination of an individuals barrier to employment (stream 1 to 4), and hence the level of funds permitted to be spent supporting, has hugely affected their success of securing employment. Whilst this makes sense on paper, our experience is that most vulnerable people have been incorrectly assessed (too high) and the system to change this assessment to a lower stream has been almost impossible.



For a competitive trainer, there is no profit to be made working with incorrectly assessed (high stream) students; therefore they will get no training under this model. This leaves the most vulnerable stuck in limbo, unable to get the necessary funding for training, resulting in a loss of confidence, poorer health and significant consequences for their family (for migrant communities in Australia).

The Smart and Skilled funding model is a significantly better option than the federal approach to training funding via Job Services Australia (now Job Active), especially for vulnerable, unemployed people aiming to undertake studies at the Cert II or III level. It is especially essential that funding “stepping stones to employment” programs (like Foundation Skills) will better prepare vulnerable students for either formal studies or work.

There are also some real challenges with vulnerable people accessing online training models for education. This group of students simply do not have the necessary equipment or experience with online studies, to use this channel effectively.

1.e The level of industry participation in the vocational education and training sector, including the provision of sustainable employment opportunities for graduates....

Our model is built around full industry involvement with the training and work placement model. We have partnered with 10 large hospitality providers (**Placement Partners**) in our upcoming Wesley Project with graduates offered work trials at the completion of their 6-week program.

Bright’s entire mission is to develop meaningful employment pathways for vulnerable people, rather than offering basic training and leaving the employment part to the student. For most migrant communities, the lack of local work experience and limited access to hospitality networks will be a significant barrier to overcome to secure employment.

Our experience with training competitors is that few offer any real connection to employers. Whilst this may be acceptable for local Australian students undertaking training, it is not acceptable for vulnerable people who are desperate for employment to reduce the financial burden on their families. Bright is unique in its approach to working only with marginalised people and providing that vital missing link.



To ensure we get real hospitality industry “Buy-in” into supporting our model, we have made the decision to move our Hospitality business into a Not-For-Profit structure. Removing Bright as a “financial Beneficiary” from the equation has resulted in much greater support to provide work trials for our students, as well as increasing the interest for our Placement partners to assist with the delivery of our program. Whilst this removes the ability for us to be repaid our initial capital in this program, it is far outweighed by the opportunity to genuinely create an employment pathway that reduces the final cost to both NSW and Australian governments.

Using experienced industry trainers with recent work experience is essential. Bright has employed 3 very experienced chefs and trainers to deliver our programs. Each has highly relevant experience across all facets of the hospitality industry and will be in constant contact with our Placement Partners to identify workers for their venues. Our Placement Partners have also committed to providing their own staff to assist with the delivery of training and meal service at our Wesley Project.

1.f.i Smart and Skilled reforms, including alternatives to the Smart and Skilled contestable training market and other funding policies

Our principal need at Bright is help to deliver our programs. We are not an RTO currently and therefore cannot attract funds directly to run our programs. We have formed a strategic alliance with highly supportive RTO partners like *Learning Sphere* and *William Angliss Institute* to deliver accredited training programs under their RTO licence.

We would like a system that allows non-RTO training groups that particularly address the vulnerable and migrant communities to access Smart and Skilled funding directly. Whilst this would require significant oversight by NSW government to ensure compliance, the benefit of getting these marginalised communities working and actively participating in the long-term development of NSW far outweigh the cost of managing these specialist programs.

Bright is also helping to assist vulnerable people recovering from drug and alcohol dependency through our partnership with Wesley Mission. We are effectively taking over running the food services at this care facility and delivering practical training to our 300 hospitality students per year. Our concern is that Smart and Skilled funding pool could change, or one of our RTO partners decides to take another direction. This would risk our entire program and result in the cancellation of the Wesley Mission project.



To balance this risk, Bright will seek grant funding from government and private sources so that the dependence on the NSW government via Smart and Skilled funding will be reduced. Bright will also look to set up a formal RTO structure in 2016/17 to reduce risks around partnership changes. In the short term however, accessing Smart and Skilled funding through a government assisted non-RTO grant would allow more vulnerable people to move into employment through our programs.



APPENDIX

- Scope of Bright Employment Commentary
- Bright Employment
- Bright Agriculture
- Bright Retail
- Bright Construction
- Bright Hospitality
 - Salvation Army Community Kitchen
 - Wesley Mission Hospitality Training Program
 - Supply Partnerships
 - Placement Partners
 - Mentor Program and Post Employment Support
- Experienced Staff
- Funding costs to date

Bright Employment

Bright Employment is currently moving our Hospitality arm into a Not-for-Profit business model, positioned as a hospitality industry solution to identify local workers from amongst migrant communities across Sydney. Tim Davies will be responsible for managing Bright Hospitality with our staff of 10 employees.

Bright Employment will remain a For-Profit entity and will focus on 3 specific areas:

- a. Agriculture Sector
- b. Retail Sector
- c. Building Industry

Bright Agriculture

Our work in the Agriculture sector has focussed on Tasmania. Since November 2013, Bright has operated as a labour hire model, providing local farmers with workers from local migrant communities living in either Launceston or Hobart. To date, we have provided employment to ~200 people, however securing consistent work for more than 40 staff over the full 12 months each year has been extremely difficult.



We have worked predominately with the wine and fruit industry in Tasmania over the past 2 years, where there is a significant shortage of local skilled workers in both summer and winter seasons. Bright has developed strong relationships with local migrants, predominately from the Bhutanese, African, Hazara (Afghanistan) and Burmese communities.

The biggest challenge we face in Tasmania has been competing with the large number of backpackers and foreign workers that secure work in Australia through short-term work contracts such as the *Pacific Island Scheme of Backpacker Visa Extension Scheme*. Over 90% of summer jobs continue to be filled by these foreign workers, leaving little work available for local migrants, who often bring farming skills to Australia from their home countries. This creates a significant financial burden for state and federal governments, as migrants become trapped on the “flywheel of welfare dependence” and lose their skills, their work ethics and finally their hope of a better life in Australia.

Bright has worked on building up the skills base of local migrants through targeted training prior to securing work. However, without a commitment of more work from local farmers, this training can end up being an additional financial cost to government.

Our business has operated at a loss for the past 2 years, forcing us to significantly downsize our employees. Low revenue has predominately due to farmers not willing to pay the additional cost of 7-10% (on base salary) placement fees to Bright. The fall in work ethic that is developing from long-term unemployment and welfare dependency has also resulted in local farmers preferring to hire Pacific Island workers and backpackers over locals.

Bright has recently secured funding through a partnership with TasTAFE and Skills Tas to provide training to 20 local migrants prior to commencing work in the Dairy Sector. This has been well received by local dairy farmers who have a significant labour shortage of suitable workers. Once Bright has secured a commitment to provide meaningful employment for each student, we will commence this program (likely start date in October for first batch of 10 workers).

Bright Retail

Bright has recently entered a partnership agreement with German retailing Group Aldi, and will soon commence a pilot program in Western Sydney to identify up to 25 suitable workers for their warehouse and retail operations. Aldi are committed to building a multicultural



workforce and we are excited about this opportunity. They are a strong believer in delivering consistent training to their workers through their Aldi University Program.

Bright Construction

Bright has also recently entered into a partnership with The Builders Academy (A division of Simmons Homes) to identify local migrants across NSW who would like to receive formal training and build careers in the construction and building industry. The Builders Academy has developed a strong reputation in Victoria for delivering skills based learning on the jobsite. Bright will be identifying suitable students to undertake workplace based training across multiple construction courses ranging from Certificate 2 up to Certificate 4 level.

Bright Hospitality

Our work in NSW focussed initially on the hospitality sector from February 2014. With almost 250,000 new jobs forecast by 2020, this sector provides local migrants with a significant opportunity to build a career in Australia. Many migrants coming to Australia also bring cooking and service skill experience with them from the country of origin, providing an opportunity to undertake RPL (recognition of Prior Learning) assessment and reducing overall training costs.

Ty Bellingham, formerly the Executive Chef at Sailors Thai in Sydney, developed our hospitality program at Bright. Ty increasingly became frustrated about failing to attract any local workers to Sailors Thai, so teamed up with Bright Employment to develop a local solution that could prepare local migrants to fill these positions.

Salvation Army Community Kitchen

Bright approached The Salvation Army in Auburn and established the “Auburn Connect Community Kitchen” as a practical training base. Our students produced up to 100 three-course lunchtime meals per day for local residents of Auburn.

We originally set out to build and deliver a 6-week commercial kitchen-training program that would provide new migrants with the necessary skills to start working in kitchens throughout Sydney. As this was Bright’s first formal training program (and we were not a registered training organisation [RTO]), we developed our own teaching material (17-unit theory course)



and delivered a non-accredited program in 2 parts; a 2-week theory component followed by a 4-week practical component in our working “community cafe”.

[Watch ABC24's News Report Here](#)

Over the 10 months from July 2014 to April 2015, Bright trained 65 students through our Auburn hospitality program. At the completion of training, we successfully placed 50% of these students into meaningful employment with hospitality operators across Sydney.

Unfortunately, only 50% of these students continued to remain in employment after 8 weeks. We were not happy with this outcome and felt we could significantly improve these figures if we made some changes to the program. Bright therefore made the difficult decision to close down the Auburn program after 10 months and go back to the drawing board.

After extensively analysing our model, we identified that the Auburn Program underperformed for the following 3 key reasons;

1. Failure of the hospitality industry to adopt the Labour hire model of Bright
2. Failure of the hospitality industry to accept the payment of the worker placement fees charged by Bright for its graduates
3. Insufficient Vocational Language training prior to commencement of employment

The most critical step we needed to take was to rebuild a model that had no placement fees that were preventing employers from trialling our students at the completion of their training. Our experience was that nearly all employers we contacted were keen to support our hospitality program but most of them would not be willing to pay the placement fee associated with employing Bright's students.

The labour hire model was also not well received by the hospitality industry. Most employers prefer to hire students directly onto their “books” and current employment laws provide employers with the flexibility to more easily let workers go during the first 6 months of their employment. Bright therefore needed to remove this hiring structure to increase employment outcomes from this program.

An area of our program that needed significant improvement was increasing the long-term employment outcomes for our students. Feedback from our clients was that our students had



the necessary vocational skills but did not have the English vocabulary skills to work effectively in a team.

Wesley Mission Hospitality Training program

We have developed an extensive program to be operated from the Wesley Missions Edward Eagar House in Surry Hills, Sydney. Bright has set out to deliver skills in the following core areas:

1. **Foundation Skills training** to better prepare students for the workplace prior to the commencement of formal training. This will include training in employability skills, working effectively with others and WH&S training. A critical element will be delivering vocational language training specific to the hospitality sector, essential to improving long-term employment outcomes.
2. **Cert II in Commercial Cleaning** in kitchen environment to give students the necessary hygiene skills to work as kitchen stewards of kitchen hands. Students who do not want to work in kitchen environment have the added skill sets to be employed as a more general commercial cleaner.
3. **4 units of Cert II in Kitchen Operations** to give students a good understanding of the correct use of commercial kitchen equipment, and the skills required to support chefs in the kitchen hand or level 1 cook positions

Both Bright and our RTO partners Learning Sphere and The William Angliss Institute believe that the inclusion of elements from all 3 of these programs best prepare students for entry level roles in the hospitality sector, providing a flexible skills set range that is attractive for employers.



Supply Partnerships

We have entered into Supply Partnership MOU's with 5 JobActive providers to ensure we have a consistent supply of students for our programs. These key supply partners are;

1. Global Skills
2. Settlement Services International (SSI)
3. Olympus
4. A4E
5. MTC

We are committed to providing non-accredited training and employment outcomes to Asylum Seekers with work rights, and will work with SSI, Asylum Seekers Centre, Startts and Life without Barriers to identify eligible Asylum Seekers for our program

Bright is also assisting SSI to develop work-for-the-dole programs in the hospitality sector that can assist us with identifying keen and competent participants who would like to undertake more formal training and employment post the completion of our program.

Placement Partners

We feel that it is essential we develop students directly for large hospitality operators to make our program successful, and have entered into Placement Partnership MOU's with 9 hospitality operators in this program. These partners include;

1. Merivale
2. The Star
3. Burger Project (Neil Perry)
4. Accor
5. HealthShare NSW
6. Spotless Group
7. The Sydney Collective
8. AboutLife
9. The Kitchen Food Company

The simple goal of our program was to prepare students with the necessary skills required to be productive in the hospitality industry on Day 1. Our placement partners have agreed to



provide work trials to our students at the completion of our program, with the goal of offering meaningful employment if graduates successfully pass their work trials.

Mentor Program and Post Employment Support

It is essential that we provide our graduates with mentor support in the first 12 months of their employment. Our experience with migrants is that things will go wrong in the first 6-8 weeks and without mentor support for both the employer and employee, loss of job through quitting or firing workers is usually the preferred solution. Bright has developed a mentor program to provide an alternate solution that helps both parties to understand workplace issues and improve worker retention.

Experienced staff at Bright

Having experienced staff with the necessary compassion and experience to support students from within migrant communities is critical to the success of our business. To run a successful program that can assist >200 students per year into employment, it is essential to have experienced staff in the following positions;

1. Chief Executive Officer
2. Executive Chef
3. Human Resources Case Worker
4. Mentor Program Case Worker
5. Program Operations Manager
6. Marketing & Communications Manager
7. Placement Partner Client Manager
8. Chef / Trainers (2)
9. Finance Controller

Funding Costs to Date

To date, Larissa and I have invested over \$1.5M in Bright Employment over the past 3 years. This is likely to continue to grow over the next 3-6 months by an additional \$300-400k.



Additionally, neither of us have drawn any income over the past 3 years in this project. Some students have been supported on this program through funding via Job Services Australia partners. In total this is approximately \$40,000 under our hospitality program.

We have deliberately avoided using federal or state government funds over the past 3 years to ensure we had maximum flexibility to create this program and develop meaningful employment pathways for vulnerable people. Now that we have developed the Wesley Program, we would like to engage with the NSW government to support our hospitality program and ensure Bright has sufficiently secure funding over the next 3 years to ensure our success.