

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

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

At Moree on Thursday 16 February 2006

The Committee met at 10.00 a.m.

PRESENT

The Hon. A. Catanzariti (Chair)

The Hon. G. J. Donnelly
The Hon. P. Forsythe
The Hon. M. J. Pavey
The Hon. C. M. Robertson

DONALD LAWRENCE TYDD, Executive Officer, New England North West Regional Development Board, P. O. Box 1138, Armidale,

MERYL LURLINE DILLON, Chair, New England North West Regional Development Board, Rusden Street, Armidale,

KATE WARE, Executive Officer, New England North West Area Consultative Committee, 429 Peel Street, Tamworth, and

KEVIN JOHN HUMPHRIES, Business Consultant and former Chairman of the New England North West Area Consultative Committee, 429 Peel Street, Tamworth, sworn and examined:

CHAIR: Would any of you like to make a brief opening statement?

Ms DILLON: The New England North West Regional Development Board has previously made a written submission and we have a further written submission we would like to seek leave to table today but we felt that rather than reading that out we would like to just speak to some issues that are perhaps particular and peculiar to this region. The area consultative committee and the board were involved in a skills study and the area consultative committee would like to present that study to the Committee today as well.

Ms WARE: If I could add to that? I have not been in the position of executive officer for very long but it was my understanding that that study had been sent to the Legislative Council. I have been told today that it has not, so we will table that.

CHAIR: Do you want us to go straight into questions?

Ms DILLON: I will just make a couple of general statements.

CHAIR: Before we start, I understand there is some media here this morning. The Committee previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the broadcasting guidelines are available from the table by the door. In reporting Committee proceedings, the media must take responsibility for what they publish. In accordance with these guidelines, only members of the Committee and witnesses may be filmed or recorded, people in the public gallery should not be the primary focus of footage or photographs.

Ms DILLON: I thought that it would probably be worthwhile to just raise some of the particular issues for this region because even though there are issues in skills attraction and retention, they are not necessarily the same right across the board. Some of the issues that we find are of particular import in this area are things like distance in relation to access to training, the lack of public transport in the region and the actual distance apart from all of our training institutions—sometimes it requires travel within the region of quite frequently three hours from places like Moree to Tamworth or other distant areas. It is quite limiting at times for people who are quite young—they may be apprentices of only 16 or 17 years of age, and to actually have to travel those distances it usually requires overnight stays and things like that, and in fact in many instances it requires overnight accommodation for most people when there is training within the region.

There are some issues in our region in relation to lifestyle that make it difficult for us to attract people. Everyone wants to go to the big city or to the sea. We talk about "sea change", well, it is not necessarily happening as much with inland country areas. It is quite a challenge for us to compete, I guess. There are issues in relation to the high Aboriginality of our community and that has huge impacts. Not being a member of the Aboriginal community myself I will not presume to represent those issues, but it is a big and very broad issues for our region.

There is the issue of the variability of employment, whether it be seasonal employment or the impact of drought, and that is a huge issue for our community. When we enter into droughts we lose a lot of the skills from our region. There is a lot of support given to farmers but there is not necessarily that support given to small business. So that is a big issue. Following a drought we have to reattract a whole lot of people into our region and that can be quite disjointing in lots of ways. There is an issue

of multiculturalism. In fact, we are not a hugely diverse community and there is not a great deal of support for a lot of overseas people who come to our region either through migrant support or just family and cultural support. We find that more and more we are having to attract people from overseas, and that becomes quite a barrier to people being keen to come to our particular area.

We have issues in this region particularly across borders and that relates to different types of access to training and things that occur in Queensland compared with New South Wales, the fact that you may get some support to attend training in New South Wales but once you start going across State borders you have got issues, and you would be very well aware of those from where you come from as well. Then there is the issue of the competition for skills, even in the agricultural industry, in that we have few skills but obviously they can go to the highest bidder, so to speak. So we have people who move from, say, grazing enterprises into irrigation enterprises because of the higher wages they pay. There are issues about the mining that is coming into our region and the way in which that is going to impact on the skills across the region, particularly when we have things like shortages of diesel mechanics and a whole lot of other things, that they will go to where they get the higher wages.

There are also issues about education providers and the appropriateness of some of the skills that are offered, who is offering them and the costs that are incurred. And there is a really strange one that has arisen out of HECS in that we are told that a lot of our young Australians are living overseas particularly in places like England and it is a great way to avoid having to pay your HECS back until you actually come back into the country. A quote the other day was about someone who is living overseas—a husband and wife living in London earning good wages have bought a property on the Gold Coast but they are still avoiding paying their HECS. So there are lots of issues and they are very broad.

CHAIR: Mr Humphries, did you want to make a statement at this stage?

Mr HUMPHRIES: I am happy to wait, Mr Chairman.

CHAIR: We will go straight into questioning. What are your respective roles and do you feel that your organisations are complimentary to one another? How do you work together to co-ordinate activities to promote your area and develop strategies for recording, monitoring and then addressing skills shortages?

Ms DILLON: Across the region I do believe we could actually do better. I see what occurs in other regions with great jealousy in some ways. We do work together in relation to a lot of projects that we have. We tend not to work together in relation to strategic planning as much, and I think that is a really important area that we should be looking at and one which our executive officer is now working towards having some sort of a joint planning day in which not only can we incorporate the area consultative councils' input but all of the economic development offices across the region as well. I think we could do better. I guess there are lots of issues about just how far apart we all are, and things like that, that makes getting together a little more difficult than it is in some other regions.

The Hon. PATRICIA FORSYTHE: In relation to that, the Committee has met with the regional development boards and area consultative committees together. I know that one is funded federally and one at State-level, but, beyond that, what is the difference? Perhaps you could each define how you operate and what your structure is because what we have seen to this point is some overlap in what you are both seeking to achieve, but not always working together to achieve your common ends. A wonder of the few would tell us what your structure is and about your mission statement?

Mr HUMPHRIES: I am happy to outline my brief summary at this point because I think it covers some of that. Before I do that I would like to table the Department of Transport and Regional Services Report that was completed at the end of 2004 for the New England and North West Area region. It related specifically to a skills audit. It was part of the consultancy that was initially co-operatively developed, I suppose you could say, between a number of bodies including the Regional Development Board, the Premier's Department and ourselves at that time. That report would go a certain way. We actually shut it down for a while but it was re-ignited in the latter part of 2004. I will just go through the summary because I think it answers a lot of those questions.

The Hon. CHRISTINE ROBERTSON: Are you going to elaborate on why it did not go forward in a certain way? You said you had shut it down for a while.

Mr HUMPHRIES: The initial consultancy—and I will cover it in the summary—relates to the fact that what we wanted was very much a coalface, on-the-ground consultancy, not just a review of previous studies that had been done. We wanted face-to-face interviews on the ground to include employers, training organisations, families, students and the indigenous community. The study is quite detailed. It is probably one of the most comprehensive done in any rural region of the State and it is quite generic to many regional areas.

Document tabled.

In the final quarter of 2004, the Area Consultations Committee with the support of New England TAFE commissioned a report aiming to establish baseline data about New England and North West industry and its regional skills base. Opportunities to identify skills gaps and opportunities for growth were assessed and explored. Data gathering will provide links to employment and strategies that can be employed by various agency providers—including ourselves and others here today—and industry groups to make a difference and grow the region. An identified steering committee was formed. That was made up of federal, State, industry bodies, local government and indigenous groups, shire councils. They are all listed in the report.

The steering committee's targets included: Collection of regional data on the current skills base in the region; identification of industry growth patterns, projected needs of local industry, and impediments to industry and employment growth in the region; identification of indigenous specific skills issues and opportunities, skilled migration opportunities, training and employment opportunities and industry cluster opportunities. Its purpose was also to improve knowledge of each local government area and the region's industry base, and to develop an implementation strategy based on opportunities available. The report, prepared by Participatory Corporate Development Pty. Ltd., was completed in December 2005 and a series of presentations to various stakeholders was undertaken in the first half of 2005. Mr Richard Kelloway was the lead consultant. At the time he was also working with Kamilaroi Lands Council groups that were looking at business strategies in the region, so he reasonably au fait with the area.

Extensive surveying was completed during the study, including individual business owners, trainees, community representatives, indigenous groups and government bodies. The report reflects a coalface approach in regard to data and information gathering. Previous data relating to the issue at hand was reviewed and incorporated in the report. I commend the SWOT analysis to the Committee as a brief summary exercise, and the Skills Audit and Strategic Plan as a detailed analysis of the employment and skills issues facing our region. This report would be the most comprehensive data and information-gathering exercise completed on this issue to date for our region. Strategies raised are not generic to our region, but generally symptomatic of regional New South Wales.

The region covered is largely static in terms of population trends. The region comprises just under 200,000 people, with agriculture-related activity the predominant business driver and employer. Larger regional centres are sustaining themselves with greater opportunity to capitalise on industry training and diversity of industry. Opportunities to grow targeted industries, such as education and mining, in parts of the region are evolving as a positive sign for identified growth. That is covered in the report. The challenge exists for industries such as agriculture to move towards value-adding processes, essential for the region to sustain its population and potentially achieve growth. Technology, which is replacing jobs, and the draw to larger regional centres and the city for young people seeking greater opportunity, is an identified trend that has placed many seasonal-based industries in a position of employment shortages as the region begins to step out of long-term drought conditions. I would not underestimate the impact of the drought.

The continual withdrawal by government departments of services to small country towns is exacerbating rural decline in many parts of the region. Local government in many cases is expected to pick up and deliver displaced services. This has not only the physical, economic and social effect on smaller communities, but also a psychologically negative effect in terms of trying to attract potential new residents to the area. Lack of continuity of targeted programs between the three levels of government is having a significant negative effect on rural and regional areas, particularly in terms of

infrastructure development, service delivery and a co-ordinated approach to areas such as training. Growth and confidence will be achieved in rural and regional areas through joint priority programs. Rural viability as a key platform in targeting skills shortages—people need to have confidence that there is a future in the region, and that is not necessarily the case at the moment.

To improve the current skills shortages across the region it will be important to build a culture that is dynamic in terms of education and training. Currently, this dynamic—as identified in the report—is lacking in traditional vocational training providers such as TAFE. Linkages between students, schools, training providers and industry are ad hoc and reliant on individual drivers in their communities. TAFE lacks flexibility in training delivery and is challenged to grow greater industry links developing a market response across the region, with particular reference to middle management. I say that because it is truly dependent on who are the people in their communities as opposed to a co-ordinated approach. Industry and community models, such as Warialda, need to be fostered on a wider scale. That is very much a community-based model.

As identified in the report, schools have a shared responsibility in opening opportunity for targeted programs, such as school-based traineeships. Families need to be educated as to opportunities within trade areas and within the region. There is a large gap between years 10 and 11 students and potential location opportunities that can be captured now that students are able to complete their higher school certificate studies in parallel with vocational training. I suspect that that would be a key platform to the Committee's findings. This pathway is critical to building a rural and regional skills base. That is an area that TAFE has also identified. Industry associations will be required more and more to support traineeships and take ownership for local skills development. They do not get off, either.

Industries such as agriculture and local manufacturers are facing skills and employment shortages due to an extent to relying on contract seasonal labour. Contract labour tends to be much more mobile and migrates to the highest bidder, which is why there has been a large drift of workers to areas such as Central Queensland. Mining remuneration remains extremely lucrative and is an extremely large draw out of our rural areas to Queensland and even to Cobar and other places in the Central West. Overregulation by various government bodies, and potential litigation, is directly impacting on the number of trainees and apprentices being taken on by employers. Small business and tradespeople constantly identify litigation over unfair dismissal, costs including training release and WorkCover issues as key reasons for not wanting to implore young people. Trade and business owners are generally conservative people. Many, for example, will work extensive powers, 60-70 hours per week, instead of employing an additional person or an apprentice or trainee. This needs to be addressed in order to promote a more positive business climate.

The report, in section 5.7.2 specifically outlines skills shortages, such as beauticians, builders, carpenters, chefs, electricians, plasterers, mechanics, panel beaters, fabricators, payroll and administrators, plumbers, shearers, truck drivers, welders-boilermakers, machinists and air-conditioning mechanics. Professional shortages include dentists, general practitioners, pharmacists, physiotherapist, podiatrists, accountants and financial advisers. In many cases it is harder to recruit professionals where there is a perception that quality of life and social amenity are less in country areas. This perception needs to be turned around. Planning, governing and industry bodies need to challenge the low levels of awareness and understanding of programs such as Regional Skills Migration. Someone needs to take responsibility and leadership for driving this program across the region. Currently, it is perceived to be too hard to access. I suspect there is something happening to that.

There are cultural awareness issues that are influencing potential employers, which need to be processed. Basically, we are not too keen to take on outsiders or immigrants. That was the response, so there is an ignorance factor. Regional migration is potentially a very positive short-term contributor to growing our area and providing additional skills in targeted areas. The report indicates that awareness of the program is low but interest is high—so that there is an opportunity. Currently, there is a regional shortfall of 800 jobs within this region that cannot and will not be filled by the current pool of people who live here. They need to come from somewhere if we are to maintain viability. There is an opportunity there. To say that we could not do better by accessing the migration program is really quite absurd. We do not have the people to fill the jobs that we have available now.

For those in their own businesses the report identifies that business is tough. Filling positions within the business rates as the highest frustration for many owners. Many owners are beginning to move away from relying solely on advertising for vacancies by placing more resources into internal training and up-skilling as a means of solving their situation locally. This is a positive step and this mood needs to be captured by the training and regulatory authorities. More creative and innovative solutions to meeting skills and employment demands are being discussed. Industry networking and clustering will facilitate greater training and skills development opportunity, provided that all bodies remain networked and engaged in the process. This process will necessitate regional planning that is more co-ordinated and focused and is currently the case. It will require resourcing and leadership that has the ability to build community capacity, and draw rural communities together in a network that has the ability to leverage opportunity and growth from within.

I have left comment on indigenous employment and skills development until last because I believe, as covered in the report, that it warrants particular attention. Many indigenous communities in smaller towns across this region are at crisis point. Generally, community employment programs have failed, with little effective co-ordination and those skills or training outcomes. Traditional education systems have largely failed indigenous communities, with innovative and effective solutions very scarce indeed. We, as a region and in our own communities, need to take greater ownership of these issues and seek new ways of working, educating and training. Leadership needs to be promoted within the indigenous community, and governments more committed to seeking creative, innovative and collaborative solutions.

In many cases the growing indigenous population can be seen as an opportunity of meeting many of the regional employment and skills shortages. The issue facing indigenous communities where there is work, as opposed to no work, needs differentiating and appropriate outcomes identified for those communities—one size does not fit all. Work, not welfare, outcomes are critical pillars for all communities. This is a complex issue across our region that needs courageous leadership and total commitment within a timely manner. How we build community and confidence in our region requires good planning. Good planning requires good information as a base tool. This report provides a very valuable planning tool for people interested in growing our region at a time when we are challenged to work together more at an intra-regional level to capitalise on available resources and opportunity. I commend the report to the Committee.

I conclude by saying that the report does not cover some issues that I feel quite strongly about. It does not cover some of the things in small business when they are looking for apprentices and trainees. Businesses are afraid of their apprentices and trainees being poached, which is currently happening. There is interstate inconsistency all over the place in training and in the certification required. The boys are currently doing a blue card in Queensland even though they need a green card to work on a building site in New South Wales. There is quite a lot of inconsistency. It is the same with registration. One of the areas I am involved in is aged care. To move people from Queensland to New South Wales means a whole lot of reregistering processes, and that needs to be looked at. The last thing, I think, is that parents and families really need to be engaged in the education process in terms of what are the vocational opportunities for their children. By and large, they are still aspiring to tertiary-based outcomes not so much vocational-based outcomes.

The Hon. PATRICIA FORSYTHE: Do you think I can now have an answer to my question about the difference between the area consultative committee and the regional development board? Just a snapshot of each?

Ms DILLON: Essentially, the regional development board is about promoting and encouraging regional economic development. It is about overcoming any barriers there may be to development across the region. We also have the responsibility to show leadership in regional economic development and to advise the Minister. We do not have the ability to enter into issues in relation to individual businesses, and there are other constraining factors. We do not get involved in agriculture within the farm gate but if it is something to do with some of the secondary industries in relation to agriculture, we can do that. Tourism is another area we do not get involved in unless it is about the business of tourism. We do not get into the promotion of tourism. Other government departments have that responsibility.

The Hon. PATRICIA FORSYTHE: Who are members of it? Who gets to be on the board?

Ms DILLON: Members are chosen from across the region and are appointed by the Minister. The Minister looks at issues such as skills base and geographic location to some degree. The Minister is charged to look at gender equity as well and a whole lot of other things like that. They are appointed by the Minister for Regional Development.

The Hon. PATRICIA FORSYTHE: What is the difference with the area consultative committee?

Ms WARE: Our role is much more focused on assisting community organisations, such as assisting with strategic funding for their businesses. Like the regional development board, we have a membership of community people from across the region. It is a mix of gender as well as business experience, community experience and, very importantly, a geographical mix. Our difference is we do not drive our own projects. We assist the communities.

The Hon. CHRISTINE ROBERTSON: So your role of the regional development board is a strategic role and your role is more about individual businesses?

Ms WARE: Individuals and community organisations.

The Hon. CHRISTINE ROBERTSON: But it has to be an identified incorporated organisation?

Mr HUMPHRIES: It can be for-profit.

CHAIR: How wide do your areas cover in comparison with one another?

Ms DILLON: A pretty good match. Ours incorporates local government areas from Tenterfield to Moree Plains, south to Liverpool Plains, Tamworth regional, Walcha to the south east. They are sort of the boundaries.

The Hon. PATRICIA FORSYTHE: So, they are identical regions or similar regions?

Mr TYDD: Identical I would think. Marginal on the southern boundary.

The Hon. PATRICIA FORSYTHE: The supplementary submission we received today makes reference to negative media that often presents a negative image of local communities. I take it that is from reporting of local issues. Does either of your organisations have media representatives on your board or who you work with to understand those sorts of issues?

Ms WARE: The ACC did have a media person come in, but we do not have a media representative.

Mr TYDD: Basically, when there is an event or an issue to be covered we issue a press release. When we met the other day in Tamworth, the chair and I went next door to the ABC studios and did two reports. That happened in the past couple of days.

The Hon. MELINDA PAVEY: Is it more an issue of perception of this region within the city media and other media? It is a negative perception for many of the inland areas. Do you think that is what is driving the problem of placing people in the 800 or so jobs vacant in the region currently?

Ms DILLON: I think it is more perception of regional areas as a whole, in the media and to some degree it is even political. Because there is always this thought that if you go to the country you cannot get a doctor, you cannot go to school or shop. We are not all in that position. In quite a few areas you will get better attention in relation to a lot of these issues. Yet, we are all being judged as though they are issues. Some of our smaller rural communities have real issues but some of our major rural communities would challenge many of our major cities in service provision if it is considered across the board. You might be able to get a doctor in my town but not in somebody else's town, and that is considered to be the problem across the board. There are some issues about that. We are being painted in a particular way.

The Hon. MELINDA PAVEY: This Callaway report recommended there should be a marketing campaign of the regions. What is the position of each of your organisations in respect of a positive marketing campaign pushing the benefits of life in the regions?

Mr HUMPHRIES: The ACC was a significant contributor to funding Country Week. That started off as a small initiative and has grown quite significantly in some areas—more so down south in Corowa and those places where they have had quite good outcomes. Glen Innes, to an extent, has probably been the main benefactor of local government being involved in that process by educating city people and inviting them to sample some of the wares of country life. I think we need to promote that a little bit more, saying that country life is a little more sophisticated than what you see on the front page of the *Land* or the *Sydney Morning Herald*. That will continue to grow and there certainly is the phenomenon of the change as people are finding it more difficult to be where they want to be in the city or in the coastal regions. They are looking for alternatives. That is happening in parts of the region, more on the eastern side than on the western side.

Mr TYDD: I think the whole problem probably lies in the fact that media people are often looking for a certain angle on a story and no matter how well you present your story the media today will put their own slant on it depending on what issue of the day they want to promote. There is a certain perception about what the region is. This has happened over the past 20 years or so. You cannot have the interaction of people as much as you used to, city to country and country to city. That has decreased a lot in the past 20 or 30 years or so. I have been involved with a couple of workshops on this. City media people have moved to regional areas and said you are going to have a lot of hassles because people down there will basically say we will do it ourselves, and you need some very professional people if we are going to get into this market.

Ms DILLON: That was an issue I was going to raise, the resources our board would need to have to undertake such a campaign. We do what we can where we can within our limited resources, and through the Minister support for Country Week was quite extensive. There are whole lot of things we could do if only we had funds to allow us to do that.

The Hon. MELINDA PAVEY: In respect of the 800 people currently in the region identified by Mr Humphries, what percentage would be unskilled?

Mr HUMPHRIES: The 800 positions identified by the consultant were skilled positions. What he is saying is there are not people in this area with the skills to fill those positions. We have significant numbers of unskilled people in certain areas. He is really saying here is a skilled area—these are all the jobs I have mentioned—these are the skills we are looking for and you do not have them in your area because they are not trained yet, and that is the problem. We have an unemployment rate in the area. It is generic, I suppose, across most regional areas. If you go to places like Walgett it is higher. They are positions we cannot fill because there are not skilled people in those areas at this point in time. It means they have to come from outside or we have to take a longer-term view and get on with fast track training.

The Hon. GREG DONNELLY: Mr Humphries, in your explanation talking about the cost of apprentices to employers and how that impacts on their consideration about taking them on or not, one thing that has been made pretty clear to us as we have been taking evidence, if you look at apprentice rates of pay or apprentice wages, I think on any fair consideration they are pretty low—certainly in the first one, two or three years of the apprenticeship. We have this dilemma of low rates of pay for young people to sign up for apprenticeships versus other opportunities for young people to take a labourer's job on a mine in central Queensland or in New South Wales. How do you resolve that dilemma? In the end it is really no surprise that young people say why should I sign up for something for four years when they are miserable rates of pay for a good part of that, when I can obviously go and attract higher money? How do you resolve that dilemma?

Mr HUMPHRIES: I think there are strategies. I do not dispute what you are saying. My personal view is that the training wage is too low but I also say that across our society there is a lack of people wanting to commit to anything anyway. To get young people to commit to an apprenticeship or a traineeship is difficult. Our fallout rate is probably one in three. We pay a higher wage just to keep them there and we nurture them but we say to them at the start that we will try to provide you

with the employment you need afterwards. We are okay, but if you go to a builder or a plumber, I think they will pay a higher training wage if they can if they know that at the end of that period they will get something back. At the moment it is not the case because we have taken out that indenture period, the old bonds that we used to have, where the employer says I will commit to you, you will commit to me. Most of that relationship has been broken down. It needs to be addressed.

One of the reasons that Queensland is doing better, employing more people, is that it still has that system in place, including the State Government. I believe young people are looking for security and a pathway. I believe young people do not have the proper commitment to apply for an indenture period unless they know it is fair. So your point is right, though I think the wage rates are too low but that is not to say that I do not think employers would wear a higher wage if they knew that there was an outcome at the other side of it. That relationship needs to be restored big time and if you read through the report there are numerous small business owners that are out there working 60, 70 hours a week and are just too afraid to take on that extra person because the reward is not there. Whilst that might be a little bit naïve, that is the reality and that certainly holds us back in rural areas. The small business owner, which is predominately what we have got, finds it too difficult.

The Hon. GREG DONNELLY: Just one final question. On the issue of TAFEs and the issue of flexibility of TAFES, in terms of travelling around, the evidence is almost contradictory with some witnesses saying they found TAFE quite amenable to dealing with local specific issues and showing flexibility to accommodate those versus the position that TAFE is sort of almost one size fits all and very inflexible. So there has been some really contrasting evidence given. Certainly in the north of this State the northern institute—the one on the coast—has been put forward as sort of a model of being quite flexible. I am wondering about the TAFE that operates out here in north-western New South Wales. Do you know whether that works closely with the one on the coast?

Mr HUMPHRIES: I have had a fair bit to do with TAFE both as a school principal and as an employer—as someone who is helping to facilitate school-based traineeships as well. I suspect that the North Coast in terms of its decentralisation issues is far different from the north-west and I do not envy TAFE in that, but the big issue with any of the employers out here is that people are now being expected to go for block releases. Some employers find that hard; they find it too expensive. The point is, as a trainer—and private providers will do it but, again, they have got the luxury of only targeting certain training areas—do you bring the training to the workplace or do you expect the workplace to go to the training base? In isolated areas where you have got large distances to travel and accommodation issues and cost, in many cases it is easy to bring the training to the workplace. At times you obviously need to go for block release, but they are the sorts of issues that are being targeted.

You look at the industrial issues between the department of education and the morphing together of TAFE—it is slowly getting better but it needs to improve big time—that the arguments that go between who teaches the kids and the traineeship areas when you have got this continual industrial issue between TAFEs and schools. That is holding us back. This TAFE here used to have one of the most productive building centres in the whole institute. You take one or two people out there, or one that has the drive, and suddenly it is defunct. It is a boom or bust thing in the sort of areas. It is very reliant on the goodwill of people that are there at the time.

So TAFE are really challenged, there is no doubt about that, but they have got an enormous opportunity and I think people need to back them. They have got to get out of the school mentality model that, "We only operate nine till three and sometimes we go at night but we shut down over Christmas and school holidays". There are opportunities there to network at a far greater level, and I give them their due to accept that they are doing that in certain areas, but I think they could do better.

The Hon. PATRICIA FORSYTHE: Can I follow that question by coming back to the issue of the school-based training apprenticeships system? Could you comment on how you see it working at the moment? Is it living up to what we had hoped was originally put in place and is it being taken up appropriately by young people in school here?

Mr HUMPHRIES: The Warialda model is a very good example and the department of education and TAFE people have been very supportive of it where in that town the school gets over on the Wednesday so you have got students in years 11 and 12 that go out in the workforce on a regular

basis but their training day is Wednesday. So if you are an employer you are not fighting the school timetable, there is good negotiated release there. In Moree that is not the case. It is slowly starting to happen, but these students have got to be able to do 15, 16 hours a week work minimum. In most cases they are probably doing four to six hours training. That is what we are looking at here. It is starting to get better but certainly for regional areas between the industry provider, schools and TAFE, providers such as TAFE or private providers, that network has got to become a lot tighter.

The Hon. PATRICIA FORSYTHE: Is it part of the solution though to skills shortages?

Mr HUMPHRIES: I think it is, very much so. If you go back and look at the evidence of what happens between a student between years 10 and 11, a lot of kids leave at year 10; they are not sure what they want to do. They are quite capable of going out and doing a trade but because of X, Y and Z they are probably going to go on to years 11 and 12. Suddenly they are caught in that higher education system. A lot of kids we know do not fit into the higher education system but they are sitting there because there is nowhere else for them to go. They leave, drift off, they are not sure what they want to do and often they do not come back into any structured workplace or training for some years later.

Many of us believe, and I support it, that at the end of year 10 we should be engaging students at that time, whilst they can do a vocational training program while they are still at school and not compromise their HSC. McDonald's have been doing it for years—I do not support their rates of pay, mind you—and a couple of other large corporations have been doing it as well. Small business has just got to jump on the back of it as well.

The Hon. CHRISTINE ROBERTSON: I have got a question specifically in relation to this area because it goes to the boom or bust drought issues. Do any of you have any suggestions about the problem of maintaining apprenticeship levels? Because, as was said earlier, small businesses do not get a lot of assistance and tend to drop their apprentices for those periods of years or not put them on and then your school-based level goes in the long-term. Has anyone got any suggestion about the maintenance of the training schemes in the cycle?

Ms DILLON: One of the things that regional development boards have been raising with the Minister is about that small business support and ways in which that can occur during times of drought in particular.

The Hon. CHRISTINE ROBERTSON: But are they talking about apprentices or their own pocket?

Ms DILLON: Across the board, and retention of skills, because it is not just the apprentices that leave, it might be some of your national and tradespeople and a whole lot of things, and then you have the huge cost of trying to re-establish and almost start up again following droughts when demand increases and all the rest of it. So it is an issue really right across-the-board. But also perhaps they need to be able to in some way transfer those trainees or apprentices on a short time basis or whatever, things like that that can actually be a bit of a gap-fill so that you are not then having to go right back to torrs again, because usually the demand following droughts is almost instant and business is just not geared up to it and it takes some time to do that. So you end up with then having to import contract workers or a whole lot of other means by which to fill those gaps that occur.

Mr HUMPHRIES: TAFE, for instance, in the last drought provided free training in some areas. There are some specific programs. TAFE had programs and the State Government provided that where there were training incentives to keep people involved in training. So they opened up on the training and provided that for nothing.

The Hon. CHRISTINE ROBERTSON: While we are talking about that issue, and I do not mind who answers this, when do you think it happened that businesses suddenly decided that training and apprentices were an impost instead of an integral component of their future? Because in the olden days apprentices and trainees were a really important part of a person's business and suddenly they are not—and it was not so sudden.

Ms WARE: I think there was a change in thinking from the employee perspective: "We have to do year 12. We have to do university". It really stopped that natural progression of apprenticeships and traineeships and I think we are now going back to that opportunity of taking on people at the end of year 10 and training them, but now there is not the relationship that was there before.

The Hon. CHRISTINE ROBERTSON: But many of the employers we have spoken to do not want year 10, they want the school base of year 12.

Ms WARE: But they want to pay year 10 rates.

Mr HUMPHRIES: They can do both.

The Hon. CHRISTINE ROBERTSON: Of course. I understand that. It is a difficult question I know, but there is a culture change.

Ms DILLON: I think it is probably a culture change in a whole lot of other areas. I do not think it is just specifically to trainees and to apprentices, I think it is about, "There is always going to be someone else who does this for me now". I find that leadership in itself is an issue in communities, about people's willingness to contribute to the general good of communities and of those sorts of things. There is an attitudinal change.

Mr TYDD: I think probably back in the nineties—I was involved in local government up to a few years back and with the shire council at Armidale—what we did with apprentices, we could not justify having a full-time apprentice, and I have not seen this since. It may still happen, I do not know. This particular position was a trainee diesel mechanic-type tradesperson and we used to share that person with the mines down in the Hunter Valley and it worked very, very well. I have not heard of it since; maybe it is still happening. But I think there has got to be a sharing. If people have only got the time for a certain person to work with them, surely there must be some systems—and it may have to be an industry-to-industry thing.

Perhaps here with the emerging mines—I had a bit of a background a long time ago in the mines and you are always having trouble getting people come through. It may be that people have to sit down around the table and work out about a sharing of trades across different industries even in this region. It worked because of the development of the coalmines back in the nineties in the Hunter; they were very busy down there the majority of their time. But then they would have a quiet period—

The Hon. CHRISTINE ROBERTSON: Who owned the apprentice, the council or the—

Mr TYDD: At that stage there was a training group in the Hunter Valley that owned them. I have not heard much about it since. These things seem to come and go, but it was a very good method of giving a person experience across different industries, different employers, and the person came out at the end much more mature because they had experienced different things. I just do not know, maybe that is an option as well.

The Hon. MELINDA PAVEY: I just wanted to ask each of you a question in relation to education. Have you had any evidence of families moving away from some of our smaller communities because their children cannot get the subjects they want at the local high school and are then denied the opportunity to get the boarding school relief funding by the Federal Government? I see some nodding in the background. That was an issue that has been raised with me through the Isolated Children's Parents Association.

Mr HUMPHRIES: About a third of the students that leave year 6.

Ms DILLON: To actually access the Federal Government funding—

The Hon. MELINDA PAVEY: They need State Government approval for their application.

Ms DILLON: They need approval to bypass, therefore it would impact, I would assume, on people who live within Moree and there is an issue at the moment. It is also assets tested, but I think

there is an assets test-free section of it. So probably it might not impact as greatly as would first be imagined because of that issue of the assets test.

Mr HUMPHRIES: There are hundreds of students in this region that go to boarding school. More than half of them would be accessing the support, the \$8,000.

Mr TYDD: I think, from being a long-term resident of Armidale, which is a known educational centre I do know a lot of people who have moved away from smaller centres to a large centre just for the sake of education. I know that is a different issue from what you have asked.

Mr HUMPHRIES: I think it is better for people not located within country areas. If you go to Warralga, employers know they have got the employment needed for the students in the area so they can hold on to those students. If employers can provide the training background the students may not go away. It is proven time and time again that if you form a relationship with the student and the employer at an early age they are much, much more likely to go back to that centre.

CHAIR: Thank you all very much. We appreciate your input this morning.

(The witnesses withdrew)

JOHN JOSEPH GRIFFITHS, General Manager, Coonamble Shire Council, PO Box 249, Coonamble, affirmed and examined:

ANTHONY MYLES KUNKEL, Economic Development Officer, Moree Plains Shire Council, PO Box 420, Moree, sworn and examined:

CHAIR: Would either one of you, or both, like to make a brief opening statement?

Mr KUNKEL: Yes, I would.

Mr GRIFFITHS: And I would, also.

Mr KUNKEL: Some of you may have seen me here earlier today in a different role, setting up the room for the meeting. I would like to give a brief overview of the project we are meeting in at the moment because it can be traced back to skills for the future. This particular facility, the former Moree Rugby League Club, was recently purchased by council after council, first of all, undertook a feasibility study in partnership with the Premier's Department, the Department of Sport and Recreation and TAFE. The facility had been sitting derelict for two years and was in danger of becoming even more derelict. The liquidators who took over when the club went into liquidation attempted to sell this facility at the beginning but could not, because of some issues in regard to its location. After number of years council was one of the organisations that submitted an expression of interest and then a bid to buy this project.

Council did not decide to buy the facility simply because it was a good idea or good value, or something along those lines. First of all council undertook a feasibility study, which was done by the same consultancy firm that did the ACC's skills shortage, and, after that, a strategic business plan, which defined the nature of the business, if you like, of this facility for the community. On the strength of that, council stepped forward and purchased the building and the project is now subject to its first-round funding applications through the Indigenous Co-ordination Centre. Because of the fact that we have a strategic business development plan and the feasibility study, it has been done in consultation with the local community. So far the general idea of this facility is that it is obviously very well equipped for any activities related to sports. It has a fully-fledged playing field with the best night-playing capacity. It has all the facilities to run sports games—football, soccer and that type of thing.

The building in which we are meeting is suitable not only as the meeting venue but also for performance. The division between these two rooms is double-glazed and has the potential to run simultaneous events. The original partners—the government departments—wish to run some of their programs through this facility. Those programs have to do with different kinds of skills and we come back to the reasons are Committee is here today. I wanted to give the Committee an overview of why think it is particularly appropriate that we are meeting in this room. A lot of work still needs to be done to bring the facility back from the state it was in. We will need people with skills related to the upkeep of the sporting fields and landscaping, and inside this building with regard to reinstating plumbing. Yesterday, as well as a meeting being held here, we had tradespeople installing lights in the toilets. We have been experiencing the skills shortage with regard to the capacity of tradespeople to come and help us out here—but they have been coming.

What we have done in the interim, until we get our first-stage funding through, is employ a work-for-the-dole team. You may have seen our supervisor, who is on loan from another community organisation, the local CDEP. He is supervising a team that comes in for either six or 15 hours per week to get the place back in order so that it can be used. Already this week we have had a meeting every day. Last week we had three simultaneous meetings in one day. We had a pre-tender meeting for a group of road builders and associated companies with regard to some road works that are to be done. Recently we have had some community events and the meeting last night was the annual general meeting for a local organisation. The idea is that when the project receives its funding and gets going and has a manager in place, that person will engage with the local community with regard to ideas for utilising the facility and everything that has to be done here in order to run it as a venue for sports, hospitality and meetings. We hope to engage the local community in training programs and

potentially some enterprise development. We have already had a meeting here with regard to that as well.

The Hon. MELINDA PAVEY: What type of training programs do you propose to focus on to fill the skills shortage in the region?

Mr KUNKEL: I would like to go back one step if I may. The types of programs we are aiming at the moment have probably to do with younger people at this stage, engaging them to be involved in staying at school and then articulating to TAFE, and that kind of thing. It is one step back from actually doing things here and whereby people can go out and take things on. That is further down the tree, if you like. It is very early days. Once people know the facility is available, they can come and say that they can utilise the facility in a particular manner. It certainly can be used for running any number of straight training courses, but hospitality training, theatre and so on is what TAFE is interested in.

Mr GRIFFITHS: Coonamble Shire Council comprises about 9,995 square kilometres. We have a population of about 4,800, and 22 per cent of the population is indigenous. We are a fairly isolated community, approximately 165 kilometres from Dubbo and approximately 600 kilometres from Sydney. During the past 20 years we have experienced a population decline approximately 21 per cent. The major factors are that in 2000 the Castlereagh regional abattoir closed—of course, when that happens skills are lost to the district—and, more recently, the effect on the timber industry of the Brigalow Belt bioregion decision. A number of contractors who were servicing equipment within the forests no longer have that work at the disposal in order to enable them to stay on in the region. Of course, as it continues to wind down we are finding that a lot of people, particularly in trades areas, are leaving the district.

Rural contractors, of course, are difficult to obtain, particularly around harvest time, because the skills are just not available. There seems to be a dearth of people willing to take on workers in the rural area. The local solutions could include things such as traineeships and apprenticeships. The local CDEP does a great job in providing some employment for individuals. However, they are basically indigenous in origin and businesses find that they cannot support to many people in the area. In other words, the skills needed are lost because once persons have been trained, they do not have a job to go to. That is a particular problem. Additionally, we have a problem with attracting professionals—doctors, dentists, nurses and allied health workers. If medical services are not available in towns, the tradespeople will not come and people will not stay in the area. We have been attempting for some 12 months to recruit a plumber for our council organisation, but cannot do that at this time. We lost our apprentice, that person has moved on. We cannot get a plumber when we need one because our existing plumber, unfortunately, has told us that he has to wind up his employment.

The Hon. CHRISTINE ROBERTSON: Is that a financial issue? Can you get more money elsewhere?

Mr GRIFFITHS: Well, no. He has reached the end of his working life.

The Hon. CHRISTINE ROBERTSON: Right, but is that why you cannot get another plumber?

Mr GRIFFITHS: That is right. We cannot offer the sort of money that they can make in private business.

The Hon. MELINDA PAVEY: You mentioned an apprentice. Did your plumber have an apprentice who has now left the region?

Mr GRIFFITHS: Yes. The apprentice was not all that keen on work, to start with, but was almost through his time—within six or nine months. He decided to move on to another area. We like to think we do a bit of succession planning but we do not now have that qualified person coming through.

The Hon. CHRISTINE ROBERTSON: He moved to greener pastures?

Mr GRIFFITHS: Yes. Exactly.

CHAIR: You referred to rural workers. I presume you are talking about people working on farms. Is that right?

Mr GRIFFITHS: some of them are seasonal workers but if you look at the TAFE course for the Rural Skills program, it is only offered in the larger centres. The closest one to us use Dubbo. A person leaving school at the age of 16 or 17 years finds it very difficult to commute 165 kilometres or to pay board. Whilst we have a very good TAFE, which is very supportive of the programs, that course is not offered in Coonamble and no one has been trained in that area. There was a woman who actually took her 16-year-old son to Dubbo and took up residence there for two or three days a week and then they would come home. It is an extremely expensive type of thing for someone to do to give their child further assistance.

The Hon. PATRICIA FORSYTHE: Are we talking about a six-month course or shorter?

Mr GRIFFITHS: I think it is about 18 months, two years, the total rural skills course. The basic one is six months.

The Hon. PATRICIA FORSYTHE: It is a certificate 3 course?

Mr GRIFFITHS: It is a certificate 3 course, yes. On cause and effect of social and economic factors within our area, we have an awful lot of low-income earners simply because they are on social welfare. We have fairly high crime rates It was interesting back in 1984, 1985 when the key nations program was in. The magistrate at Wilcannia said that since that program was running, instead of having the normal 100 people come before him each day, it had dropped to 10 people. So, obviously the crime issues were being reduced simply because of the economic aspect, with people going out to work, and I think that builds self-esteem as well.

The Barwon-Darling Alliance is made up by the Coonamble, Bourke, Brewarrina, Walgett and Central Darling councils and the Murdi Paaki Regional Council. That organisation is on the record that it wanted regional enterprise zones as have been used in England and America and extensively across Europe as well. In some aspects that was a successful project. We developed a model and we have been trying to get some funding to get those. It will cost probably \$25 million over five years. The majority of organisations we have approached are very supportive of the idea. The idea is that real jobs are created, training is given and tradesmen are developed, and because they are learning the skills within the area they will stay within it.

We have a real problem though with skilled, educated people leaving our area. It has been shown in studies done under a Churchill Fellowship that urban enterprise zones do not work very well but rural ones work well. We have been trying to push that. Currently, grant programs have a very short life. The jobs die with the grant and the skills are not developed and they cannot be enhanced and utilised later. The grants are generally not available to private enterprise, and the socioeconomic zone trial is one that is looking to create real jobs but also to assist private enterprise in taking out some of the investment risk.

The Central Darling shire, within the Barwon-Darling Alliance, developed a model and Central Darling shire and its groups have been successful in transforming the heart of Wilcannia into a pleasant place to be instead of seeing beer bottles and all the things that go with social disadvantage. It is now a pleasant place for people to pull up in their caravans and that sort of thing. They also developed a heritage walk. Another thing in our submission was the lack of childcare. While Coonamble is pretty well catered for, it still prevents women from returning to our workforce—teachers, nurses, allied health workers, right across the spectrum. Only a small income can be gained in rural areas, so looking at it from an economic basis the cost of childcare has been difficult. It makes it fairly uneconomical for them to return.

The council has gone through the experience of looking for engineers. We went through what we called the South African experience. We had two engineers from South Africa. Neither lasted too long; both were poached from us by councils who offered a coastal and urban lifestyle. Why anyone would not want to live in Coonamble is beyond me. I went there very sceptical 18 months ago. The

people are fantastic and the town has a lot to offer. On the subject of engineers, the Roads and Traffic Authority no longer take on their own engineers. They are poaching engineers from some of the larger councils. Instead of the Government training their employees, they poach them from councils who have brought these people there. It has been a problem for some years. It is not just in this region, it is right across the State.

Health and building surveyors within the system, where those people were trained previously, now it is two university courses. Obviously the people have not started coming out of this course, therefore we will have probably an eight-year gap. Health and building surveyors, at the moment they can become a consultant or work with a consultancy. They can pick and choose the work they do. We need health and building surveyors because there is a lack of private people doing that type of work. We have to be able to deal with a whole lot to be able to compete with larger councils who are also finding it hard to get these people. The legislation makes it more appealing to be a consultant. There is more money to be made instead of having the anguish of working for councils.

We believe the solution is if we can get people back in action to deal with programs that will create real jobs, not just for the duration of the grant process, so they will train in the area in which they live. The other thing that needs to be done is to reduce some of the legislative burden on private business and instrumentalities such as councils. It is becoming too much. We always hear—it was stated in the last segment—that people do not take on apprentices because of the paperwork involved and WorkCover issues. I will not repeat what was said previously.

The Hon. CHRISTINE ROBERTSON: You endorse what they said?

Mr GRIFFITHS: I endorse what they said, yes.

CHAIR: What are the main causes of the skills shortages in your area?

Mr KUNKEL: I think it is really to do with settlement patterns in Australia over time and the way they are going now. There is a lot of trouble trying to get people with skills to go in to rural or coastal areas. Apart from the other things that were mentioned, kids often have to leave these areas to get their education—either higher secondary education or tertiary education—leave to develop their careers and find them in metropolitan areas where they are, or increasingly in coastal areas. I think it has to do with the fact that the majority of Australia's population does not consider inland Australia as a place that is worth going to live in. It may be worth driving through but not to live in. People who come here, like me, feel that is not a consideration.

CHAIR: What about TAFE and their training courses? Are they sufficient for the needs here?

Mr KUNKEL: This is not really my area of expertise. I think the local TAFE offers a reasonable range but it is not something I have a lot to do with.

The Hon. PATRICIA FORSYTHE: Do councils have any particular active program, or how do you promote Moree? How do you promote Coonamble to people outside your area?

Mr KUNKEL: As mentioned by previous speakers, council has made a significant commitment to Country Week, in the first two years going down and talking to people. Somewhere around 10,000 people, even on a cold Sydney day, were motivated to come and find out about living outside Sydney, where they can be relatively free of traffic and higher mortgages and various things like that. That is one of the things we do in general terms. We have Tourism Moree, which encourages people to visit here. The first stage to overcome that urban-bush divide is to get people to come out here and spend some time, and like any council, we would promote a certain set of skills you can bring into the job of engineering, planning and various other skills that people find here to attract and keep people out here.

Mr GRIFFITHS: In the case of Coonamble, we also attended Country Week last year. We made the decision not to attend this year because we did not believe the cost benefit was there.

The Hon. PATRICIA FORSYTHE: What would have been your major benefit? Some families relocating, or something like that?

Mr GRIFFITHS: A family relocating would have been handy. We spoke to many people. We had an open weekend where we contributed to the cost of people coming out to have a look around our area. Only one family came out. They have not made the move at this point in time. We did not feel the money that we put into it—we felt we would have been better served pushing our own barrow. There were some people looking for cheap land, large residential blocks, and in a couple of cases five acres. A number of trades people were registered through the system and there was some continuing interest but we saw it was difficult for us to compete with the places within a couple of hours of Sydney or even when you get out around the Central West, Central Tablelands area. Certainly they are much easier to access Sydney from than places like Coonamble, where you have a seven hours driving before you get there, or an expensive train journey. We made the decision based on what we thought was value for money.

The Hon. GREG DONNELLY: I am trying to reach some perspective on what is going on. What you have basically described is contraction. Is that something that has just happened over the past two, three, four years or is this part of an almost drip-drip trend which has been going on for a number of years? We obviously have a situation that is difficult now but is it more difficult now than it was X years ago or part of an ongoing trend that has been gradually taking place?

Mr GRIFFITHS: I guess in our case we have suffered a 21 per cent reduction in our population over the last 20 years. That is probably fairly typical of rural situations where every property had a couple of rural workers living on their place. Mechanisation has meant that those people are no longer required and of course the rural decline generally—commodity prices—they say Australia no longer rides on the sheep's back. Those types of issues are making it very difficult, but of late, in the last five or six years, as I said, with the loss of the abattoir, with the bioregion and that, we have found that it is the trades people who are moving to other areas, people with particular skills. We, of course, are trying to address those things and in the report we talk about a feedlot which would employ 24 people. We are having discussions with an abattoir over some people who want to reopen the abattoir and that good employee with the co-products generated up to 136 people. It might not sound a great deal in terms of metropolitan figures but when you consider that the shire itself has only 4,800 people—

The Hon. MELINDA PAVEY: And are there people there in the shire now to fill those jobs?

Mr GRIFFITHS: Probably not in many respects. There would probably be 50 per cent that could fill them.

The Hon. MELINDA PAVEY: Unskilled?

Mr GRIFFITHS: They would still possess some of the skills because it is only five years ago. So probably a third to a half are still there. We believe those sorts of jobs, the organisations are more than willing to train the people up in the way they want it done.

The Hon. MELINDA PAVEY: Local people?

Mr GRIFFITHS: The people who will be investing will not be training meat workers, for example—the people who invested, who are not local, will be training the meat worker-type people. But of course with that goes the need for further tradesmen. It is very difficult to get a plumber, it is difficult to get an electrician, it is difficult to get a builder in Coonamble because there is so much happening in the north-west with the building of Aboriginal housing, and with those construction jobs, of course, everyone would prefer to build something new than to renovate something or rewire something.

The Hon. CHRISTINE ROBERTSON: Could I ask that you take on notice to send us not a great huge detailed document but some more information about your enterprise proposal?

Mr GRIFFITHS: Certainly.

The Hon. CHRISTINE ROBERTSON: You can just post it back.

Mr GRIFFITHS: I will have our project manager send you the summary and also the full document in case you wish to refer to it.

CHAIR: Thank you both for coming in this morning and for your contributions to this inquiry.

(The witnesses withdrew)

(Short adjournment)

CATHY JOYCE DUNCAN, Director of Culture and Reputation, Aboriginal Employment Strategy Limited, 207 Balo Street, Moree,

ZONA MOORE, Manager, Aboriginal Employment Strategy Limited, 207 Balo Street, Moree, and

DALLAS BROWN, School to Work Co-ordinator, Aboriginal Employment Strategy Limited, 207 Balo Street, Moree, sworn and examined:

WENDY MARIE CRAIGIE, Employment Co-ordinator, Aboriginal Employment Strategy Limited, 207 Balo Street, Moree, affirmed and examined:

CHAIR: Ms Duncan, would you like to make a brief opening statement?

Ms DUNCAN: The Aboriginal Employment Strategy [AES] has been around in Moree and came about from a Royal Commission into Deaths in Custody recommendation about Aboriginal employment. Then from that there was a local Aboriginal employment promotion committee within the Commonwealth Employment Service that started to work with a steering committee of cotton growers. Then in 1997 the Aboriginal Employment Strategy was established under a STEP program. So we have been in operation now for nine years—this is our ninth year—and we came about through partnerships with business in the cotton industry but we are now a not-for-profit organisation in our own right, limited by guarantee.

I would just like to talk about the stuff that we are doing in the employment strategy but just make an opening statement that in Australia we have masses of indigenous communities that are more or less stalemated within their own communities or they are basically an untouched resource within the local communities and a lot of them are representative in rural and remote locations. There is a fair bit of us in the city but a lot of us are out in the rural areas. Through our expansion project we now have an office in Wyee, Tamworth, Dubbo, Glebe, Blacktown, and we just officially opened our Maitland office, which is in the Hunter area, yesterday. So we are actually providing a footprint across Australia of Aboriginal employment basically to provide a footprint of training and development for our people. A lot of our locations are still in that regional and rural area.

We work in a different philosophy to most other job network providers and Aboriginal organisations, we actually work directly with business. We get into the mind of the local business or industries and try and work out what the skill area is and then look at gauging training providers from all different types of backgrounds, that Zona will talk about later, to link up the skills gap to try and encourage our local employers within where we have set up to take on our indigenous clientele. We also run a program that started about three years ago and it was by meeting the CEO of the ANZ bank that was here for a bankers forum with some of the rural people and he came into the AES office and he made a statement that in New Zealand they have their local indigenous people within their banks and we asked what happened to Australia. He sent some of his people to start to work with the AES and we looked at programs where we could get our children into the banking industry because in Moree we did not have Aboriginal people in the banks at all: we tend to be going to the bank for welfare, not going to the bank to be proud of someone that was working in there.

So through this program we developed partnerships with the ANZ bank and with the Commonwealth bank at the moment and to date we have 29 current school-based trainees in the banking industry still in year 10 that are indigenous and still completing years 11 and 12. We had seven graduates in December last year that represented both the ANZ and the Commonwealth banks. Three of those seven have been kept within the banks in full-time jobs and four of those have gone on to university studies—three have gone to uni and one is having a year off. So it has provided a direct pathway for indigenous kids who we say, even in the last Aboriginal education review, are going to drop out of school; we do not nurture the gifted and talented kids. And not all of these kids are at the top of the class; these kids have just got commitment and motivation. They are going through an interview process the same as any other person would go for a job. The AES helps them with some preparation, so do their career advisers and the AAs of the school we work within, and we have seen seven come through and we have seen another 29 still undertaking that. But that is seven kids who have finished their HSC and came out with a certificate 2 or 3 in financial services and the banks are looking at linking them into—especially the ANZ—the Deakin University area in Melbourne.

Those places are located at the moment two in Armidale—we have just serviced Armidale because there was a demand, so the Tamworth outreach is there; we have three in Gunnedah—one in the Commonwealth, two in the ANZ; we have three in Tamworth—one in the ANZ and two in the Commonwealth; we have one in Quirindi; we have got five in the Hunter region, which is Maitland, Muswellbrook, Singleton, and two in Cessnock, and one of those is the Commonwealth bank and four of those are ANZ; we have got Wee Waa; we have got Narrabri; we have Moree's ANZ—we have a full-time worker in the Commonwealth bank in Moree; we have a graduate that has come out of the ANZ bank in Moree who now is a full-time worker within that bank, and she is actually taking a pathway maybe into bank management. And there is another young girl whose owner sat on an interview panel with the bank managers and she is now working there at the moment. We also have Dubbo, Mudgee, Narromine. So we are working that western region area too.

At the moment we are about to negotiate in Melbourne for 100 SBTs in the banking industry—school-based traineeships—where you do 1,300 hours on the job and you still undertake all units required for your HSC in years 11 and 12. So it is actually extra. There was a notation about three or four years ago that Aboriginal kids could not get through school let alone have the ability to take on these jobs and what we do is—there are five people involved in this: it is the parent, it is the student, it is the school, it is us as a group training organisation so we provide the pastoral care and the mentoring; it is the employer and it is the employee. Within our program we brief all those people and we also have all those people working alongside the kids. DETNAC is a good one being the Department of Education and Training New Apprenticeship Centres; they have been quite active in the Tamworth area in helping us link in the training part. We also work with registered training organisations.

CHAIR: Just on that point, are these kids from regional areas?

Ms DUNCAN: Yes, these kids all come from out of those towns that I have said. So Moree kids came from Moree; the Wee Waa girl came from Wee Waa; all the kids from Maitland, Muswellbrook. None of them are out of town because they are actually in schools in the local area and what we do is we go to the local schools—

CHAIR: So they are going to go to Melbourne to train?

Ms DUNCAN: Some of them have the opportunity to link in if they are taken into the ANZ bank, so they actually train locally and do a certificate 2 or 3 with a registered training organisation locally. One comes from Narrabri/Tamworth to do the Moree ones. After they have finished they are given opportunities within the bank as mainstream employees to link onto their online Deakin University stuff. One gentleman is having a year off. He was going to go on to Deakin University to look at criminology but he wanted to look at it within the banking industry, fraud within banks and all that. He was actually going to study criminology and working in the bank has showed him a pathway to do what he wanted to do. That is Benson in the Tamworth ANZ bank.

That is how the Aboriginal Employment Strategy [AES] has tried to look at the skills shortage from a school-based point of view, because we did not have uptakes off Aboriginal kids in the school-based traineeship area. We are quite successful in it at the moment and we are hoping that the 100 that we have earmarked with the current Chief Executive Officer [CEO] of the ANZ bank will be something that we can deliver. It is up to us to deliver it and engage partnerships across, not the metropolitan area but down into the country units. My other colleagues will talk about their respective areas. I work strictly locally. I am based in Moree but I work at a State-level now. I used to be the old Chair and CEO but I have now moved into a director role.

There is another thing we would like to put forward. There is a lot of talk at the moment with the National Indigenous Committee and even Indigenous Business Australia with the idea of Aboriginal kids going into trades at 12. There were some articles in one of the Sydney newspapers. Dallas is going to talk a little bit later about the school program that he is running at the moment with years 7 and 8 kids from the local high school, but we would like to put the idea forward, and I think it has appeared in some vocational papers, that we look at school-based apprenticeships but at the possibility of year 9 and not year 7. Even school-based traineeships could possibly go to year 9. We backed the banking industry traineeship because it fits the kids in year 10, because they can see that

they are not just going to school to fish—or to have a baby, to be quite honest! They can see that they can actually get a job.

The traineeship is holding the retention rates for Aboriginal kids to year 12 and 30 of those kids may not have gone on and stuck with it. The fact that they have a job and a supportive environment around them means that those kids will go on to finish their schooling. We just want to put forward the idea of school-based apprenticeships, which I know have been talked about, the possibility of year 9 but not year 7. Dallas will talk about that. We also want to look at money for training and apprenticeships, possibly—and this is just a suggestion—at the end of each completed year perhaps a bonus for incentive of the wage comparison between CDEP to welfare, to youth allowance, to an apprenticeship. It is not very attractive for a young person. If you just look at youth allowance and apprenticeship money, and you are not Aboriginal, it is still not attractive to young person. A labourer will get more money down the road and they think why should they do four years.

A lot of our kids want a quick fix—that is black, white or brindle. We have to put in the commitment. It is a different generation even to when I was young person. We thought an idea might be bonuses or incentives at the end of each trade year, to the apprentice and not to the employer—I know there are already bonuses for an employer—and a higher wage for trainees and apprentices to make it more attractive to going to these types of industry. We would like to call that a top-up not a subsidy, because the AES does not promote subsidies. A change to the award system would be too radical at the moment I think. There is the skills shortages money, but I do not think it is being spent in the right way. An idea may be for it to go directly to the apprentice. If he gets it in his pocket he probably will be more committed to be trade, and he will probably stay bit longer and the less attracted by the evils of welfare and the other government programs that are around for indigenous and non-indigenous people.

We would like to look at careers in upper primary school. I am not sure that we should not think about careers in kindergarten because most of your children say they want to be policemen or firemen, whereas most of our kids do not say much about that. Even those who are working often do not say it because we forget to ask them. With some of our kids we do not always believe that they are going to go on to school and university and get a job; we are lucky to get them through school, let alone the challenge of what we can, tried to get jobs to people. It is not as easy as people think. So we would like to look at careers advisers in upper primary school. We would have to have extra staff because schools are flat out now with stage learning outcomes we have in primary school.

We would like to put forward the suggestion that careers advisers should be back in primary schools. Moree East School was a prime example of linking with the CROC Festival. My daughter attended that school and she got her idea of being a lawyer from Moree school talking about careers, bringing parents in and getting them to talk about their jobs. I think that has been a good example of a school seeding in young children that they have the ability to be whatever they want to be. I will hand over now to one of my colleagues.

Mr BROWN: I have said that I am the school-to-work co-ordinator with the AES. Basically, what I do is run an after-school business program onto afternoons a week with years 7 and 8 indigenous students from local high schools. We try to teach the students about business and workplace while they are still at school so that we can better prepare them for when they leave school. If they want to leave school a bit earlier, say in year 10, and go into a trade or something like that we try to get them ready. If they want to work in one of the shops at the streets, or something like that, we attempt to teach them what goes on in a business and what happens in a workplace when you turn up to do your work.

Another part of the program is to create, market and sell a product. We started the program nine months ago to get the kids over and for them to come up with their own idea of what they wanted to try to produce, for them to sort of run their own business. We wanted to try to get them to believe they could actually do it—not necessarily straight away, but when they leave school or a bit further down the track if they were thinking about running their own business or that if there was something that they might want to sell or produce, there are ways of going about it. I try teach them what is involved with all of that, starting from scratch, getting the idea together, getting mentors into the program to help you along the way, selling and marketing the product in the proper way in order for them to get out into the community and try to make a living out of it.

Also, what I have done is given them some work experience opportunities. During the last Christmas break I got three students into work experience. They did a couple of days at a couple of local businesses in town. Even though they are going into year 9 now, we wanted to give them an opportunity to see what happens in the workplace on a personal level. A lot of these kids do not see what happens on the other side of the desk in a business. When they come into our office on two afternoons a week we try to show them what happens inside that business workplace so that when they leave school and go to work that will have an idea what is actually happening in a business. I have spoken to a lot of people who previously took on work experience kids and they said, "These kids do not know anything about turning up to work. They do not know that they have to be on time, they do not know how to dress properly or what actually happens. They are not properly prepared." We prepare them in that sense so they can get out there and be ready for when they finish school.

CHAIR: How do you find the employee earning, when you go to the workplace? Are they getting close to these kids that are trying to learn? Do you find that there is a warm approach to them?

Mr BROWN: The employers, or owners of the businesses that I go to see are looking for students who are committed. They feel that they would like to help out. I speak to them about the program I am conducting and they look at the program and see that we are trying to make a difference with these kids. I have said to them, "I do not want the kids to learn everything in the business. All I want you to do is to show them what happens in the business, so they can see that on the other side of the counter you work hard and you turn up on time; that if someone asks you to do something you have to do it if it needs to be done." I just want them to have an overall look at the picture, not necessarily learn how to write up quotes or things like that, just an overall picture of what happens in a business. We only take them for two days a week.

I know some schools are conducting work experience for five days a week, all day. The employers were very happy about that because if they take on these kids for five days or two weeks some tend to go off track, whereas these kids would turn up and be keen. They know they are not going to be there for long and that they do not have to take in a lot. They are learning exactly what they need to do and have an overall picture of what goes on in the business. Because they are only in years 7 and 8 we do not want to show that everything straight away; we just want to give them a taste of what is happening inside the workplace so they can build up towards it. With the program and with our attempts to sell and market the products we get them ready so that when they are in year 9 or year 10 they will be better prepared.

I have also been providing them with personal CVs so that they are ready for employment. We have had them in the work experience and we would like to try to find them some part-time work after school and on weekends, at Macca's or Eagle Boys or any of those sorts of places. We want them better prepared so they will have a profile of what they have been doing in the program and how they have been going at school—just little preparations like that along the way so they are ready when they get a bit closer to starting work.

Mrs MOORE: I am the Manager of the Aboriginal Employment Strategy in Moree. I have a see the day-to-day running of the office, and through that daily workload I see young kids coming into the office to register. These kids are 15 and 16 and a lot of them have just left school, which brings me to what I want to raise today, the fact that the education system has really let these kids down. They come into our so they cannot read or write. Literacy and numeracy are nonexistent. I find that we have to retrain them when the school should already have done that. We want people coming to us to be able to say that our job ready, not that they cannot read the forms. We have to fill in the forms for them and I feel the education system has let these kids down.

The schools are quite happy for the kids to leave school at year 9. When the kids are 14 years and nine months old the schools are happy for those kids to leave and there is nothing to keep the kids at school. I believe that by doing that the education system is doing these kids a disservice. There is no training for them at school. As Kath said before, the apprenticeship training at school is a must. It should be at year 9, because that is when these kids have a fair idea of where they are going life and they can give a commitment to it and when they leave school they are three years into a four-year apprenticeship-traineeship. We have really got to give these kids some hope, something to work

towards. We have to work with them and make the education department accountable to all kids and make sure they are trained when they leave school.

The Hon. MELINDA PAVEY: How do they do that?

Mrs MOORE: The education system should be working with the kids when they are in years 8 and 9. They should be asked where they see themselves and what they want to do.

The Hon. MELINDA PAVEY: It should be more practical.

Mrs MOORE: Yes, more practical, hands-on stuff. They should talk to the kids and let the kids tell them what they want. I do not want to tell someone what I think they want, I want them to tell me what they want and then I can work with the kids.

CHAIR: You are saying that what Dallas is doing should be done in practice.

Mrs MOORE: It should be already established in the schools and part of the curriculum. It should be taught in all schools across Australia in order to address the skills shortage. It should be done nationally. We are bringing in people from overseas to do the jobs that people can do locally. Why are we not training the kids in school to do that? We are an aging population. We have young kids coming through. Why can we not get the young kids at school job ready, not to come to my office or the job network office around town when they cannot read and write, and then is another couple of years we have to retrain them. We think they are coming in job ready, and they are not. So, we are dealing with all the issues of re-education, which takes time and money. We do not have that. We want people to get a job because they can read and write, they are job ready and we can place them in a job.

CHAIR: What can the kids do themselves in the schools?

Mrs MOORE: The kids need to be taught OH&S in the schools. They should be given a first aid certificate and a green card so they have the certificates when they leave school. They have training. They know what to do in the workplace, they have a green card, OH&S and a first aid certificate when they leave school. If they do not, they are not job ready. That is a requirement of the school.

CHAIR: Being honest, is the will there?

Mrs MOORE: I think the will is there but the education department has to really look at the curriculum and train the kids at school.

Ms DUNCAN: We took a lot of these kids away a fortnight ago. A lot of Dallas's kids are kids who get suspended. We gave them a book and they had to go to businesses. They thought they were coming to Sydney for a free ride and to visit fun parks. We went to businesses like Qantas and AAB and we had Aboriginal people talk to them. Anthony Mundine senior was amazing. We did not know he worked for Qantas in the baggage handling area. He talked to these kids about the importance of getting an education. Drugs and alcohol are not the pathway of our community, it is education. What we are seeing in these kids, if we listen to everything we were told we would write them off too, but to get down and dirty and get to know them, sleeping in the same rooms, and getting into their hearts, these kids were sitting up to 10.30 at night filling out their books and writing together.

They talked about why they yell at the teachers. One little girl said, "I want to learn maths but I cannot understand how the teacher talks." You have uniforms for children at school. I would like to put to this inquiry to have uniforms for some of our teachers because the way some of them dress is a bit provocative. The students are not taking them seriously. The kids are not taking the young teachers seriously. That is a problem in the rural communities, because they have a lot of young teachers. They come out this way, do two or three years and off they go. There used to be a lot of old teachers when I was at school, ones that have been there for five or 10 years. I have my kids in a school at the moment where the teachers have been there at least five or 10 years, a different nurturing

environment, because they know they are there for a long time and they have made a place in the community.

Our parents are at fault too. We need to switch into education. As a parent, if you cannot see why the kids are going to school, if you listen to half the stuff they come back and tell us in our program. We are not beating up the schools. The whole system needs to change. We came from a middle-class, white institution that was set up for middle-class white kids years ago and it has not made much of the change towards the Aboriginal population outside of a few nice policies, a couple of Aboriginal workers and plaques on the wall. Some of the things we do with Aboriginal kids will link them into trades. It will work for the whole of the community.

In the mining industry in Western Australia there is a school set up that directly links the children to the mining jobs. We challenge our cotton industry to do that the moment. The AES cannot force them to do it, the whole community has to. We have a multinational industry and it is hard for us to work in partnership with people but we keep chipping away. We have a few Aboriginal men out there working on farms and in farm management areas but there is a need not just for pressure to be put on the system but how do you get the employer groups to come across, because they are not interested in schools?

The Hon. PATRICIA FORSYTHE: Can I ask in relation to banks you talked about financial work in banks. Are you extending that, for example, to credit unions?

Ms DUNCAN: Yes, we already have a girl in the credit union here. There is a traineeship. We are only a small office. It has grown from 10 to 40 in 12 months. The ANZ bank has put pressure on NAB and Westpac, and Woolworths have just come along on Monday, and they are going to look at school-based traineeships in the local Woolworths store.

The Hon. MELINDA PAVEY: So you find there is goodwill with some of these companies to improve society?

Ms DUNCAN: In the big franchise areas there is a lot of goodwill—McDonald's, Coles, Kentucky—all of those people if you can get to the corporates of their organisations, it is not hard to push the skills back into the rural and remote, but it is the other businesses in our community that it is hard for us to pull along. We work directly with the cotton industry and we still do not have it in yet. The agricultural college does not train with the cotton industry and it will not take our guys out of the agricultural college. They would rather see them on the ground.

Mrs MOORE: We also have had training courses. We trained 14 guys in civil construction at TAFE to get a job. That went for seven months, for these guys to get a job on the Moree bypass. These guys are coming in every day. They are skilled up and have their certificates. They are ready to go, but where is the money for the bypass? When are we starting work? We do not know. I have done up a slide show—

The Hon. PATRICIA FORSYTHE: Could you just clarify, is that through employer resistance or lack of jobs?

The Hon. CHRISTINE ROBERTSON: Lack of jobs. The money has not come through yet.

Mrs MOORE: Lack of government contracts with the RTA. We are waiting for the bypass to commence so these guys will have jobs. These indigenous guys are coming in on a daily basis saying, "When are we starting work?" We do not know about that. They are feeling rejected, like they have trained for nothing. They are ready to go and there is no work out there. We have three or four courses that commence on Monday. We have been told people will get jobs at the end of it, trained people in aged care to work at Fairview. They are going to open an indigenous wing there, which will be run solely by indigenous people. We are training people and when they finish the course they will have a job. We are saying to big business and anyone who wants to listen to us if you have businesses opening let us know so we can train the people and get them into the jobs. We are happy to work with all businesses right across the board and send them skilled people. If they do not come to us we do not

know where the shortages are. We cannot skill people but we would like to send the right person for the right job and work with the whole community.

CHAIR: Are you on some register that government departments know about?

Ms DUNCAN: We have a web site. We do a fair bit of talks out there. We do not talk a lot to the Government. We do not talk to Rio Tinto. They just opened out Maitland office with a partnership there and there is a direct link there that Aboriginal men will get jobs in the coal mines. It has not been happening out there. It is a hard fight for us to link with the cotton industry at the moment because of downturns in the industry. Most local farms had only three or four permanent workers.

The Hon. CHRISTINE ROBERTSON: You are an NGO with some government funding, I guess?

Ms DUNCAN: We are a not-for-profit organisation. We have our own budgetary line in the last Commonwealth budget announcement. We are 80 per cent funded by DEWR and 20 per cent funded by private organisations.

Ms CRAIGIE: I have worked in Sydney at the Glebe office, so I can see a lot of differences with young people where changes should be made. In Sydney at the Glebe office I have had young people come in, 16 or 17 years of age. They are employable. They are job ready. They have left school and they have green cards. They have first aid certificates. They have their OH&S cards. They have their licences. These are the things that people really need across the board. Aboriginal children, with this staff, once they come out they have the chance to be employed. I have seen the difference. In Sydney I have seen seven young people between the ages of 16 and 18. They love being in the city because they have these cards and they have licences. Even today we are doing aged care certificate 3, which will run over 12 months. Fair enough, but what goes with the aged care stuff?

People need licences. I have just left seven years of work within the industry as a project officer. I know people need licences. They go hand in hand. The same with all these jobs. People who have green cards have to drive to industrial areas. People need licences, and it should be built in more to the programs that are being run. The kids are coming out of school in Sydney with licences. They are job ready. They can do a resume. They have their green cards. It makes a whole of difference and they have so much confidence.

This is my home town. I grew up here on the reserve. I went to the Aboriginal school here and the difference is pretty sad. Things are just not happening here. Young kids have no confidence. They are not holding their heads up. They have gone to school but they cannot read or write. I had four young people come to me yesterday. It is really sad. I had to fill in forms for them. I said, "Did you go to school?" "Yes, I left at year 10." They could hardly sign their names. It is very sad right across the board. That is the difference between the metropolitan area and the rural and remote areas. Things really need to pick up out in the rural and remote areas. With education it is very sad. I have been back here five minutes—I actually came out here last week. I helped to organise the aged care course. There are people there, but there are still a lot of people left behind.

It is sad to come out here to see the alcohol and drugs. Because people have a lack of education, where do people go? What do they do? It is a very sad to come back here and see my home town. I drove bulldozers here 16 years ago. That was my first job. I went away and trained up. But to come back here and to see there is nobody working. Walk down the main street, there is nobody there. People do not have the skills. The young people do not have the skills.

The Hon. PATRICIA FORSYTHE: You made the point about Anthony Mundine talking to the kids and about jobs and role models. A few years ago there was an attempt within education to ensure that schools where there was a high indigenous population had either Aboriginal teachers or Aboriginal teachers aides. Is that something we see in schools in this area?

Ms DUNCAN: We still have that because we have the largest population in schools in the north-west region. But what I say to that is you cannot put all the Aboriginal issues onto one teacher or one AEA. It is across the board. The whole school needs to make a stance. In some of our teachers, you see a bad kid and you write him off. That is in every society. We need to reach higher

expectations for them. I can still remember my school principal. I left school in 1990. Dallas can still remember his first school principal. He was a man who cared. Our schools have had too many principals go through them in the public system at the moment. We went to a secondary college/college idea where we have 7 and 9 years here and over the bridge you go to senior colleges.

Even in the country school where my kids are going at the moment, 40 kilometres out of town, parents are moving the kids into private schools and the little country school my kids are at is possibly losing a teacher because they are moving into these private schools because the parents do not have confidence in the public education system. People can say that is an antisocial, Aboriginal thing; I say it is confidence in the public education system, the expertise and professionalism that are coming out in teachers, and the ability to work with our kids. If they tell you to beep, beep, beep, off you go for a three-day suspension. They did not win; the teacher did. You are dumb, you are uneducated and you are at home. If you think that is winning, you go ahead and like it because you are pathway will be welfare.

That is the sort of highly intensive stuff Dallas has to do with the kids he has. He has three of those kids going to start part-time jobs. One little girls got a job at McDonald's. If you looked across the group she would be the last one you would believe got a job and she is working part time at McDonald's. The youngest was 13 and with the link Wendy has with Eagle Boys, she has some guys putting resumes in at Eagle Boys. These kids need hope and for people to believe in them. I know out AEAs do and I know our Aboriginal teachers do but we need everybody to. They can sense it a mile away when they see you coming whether you care or not.

The Hon. CHRISTINE ROBERTSON: You are involved in resourcing and skilling up young people for work? Is that what your aim is, as well as negotiating with businesses in order to increase the employment of Aboriginal persons?

Ms DUNCAN: The main program we run is the latter of what you said. It is basically looking at industry needs in Moree, getting in your face with businesses and finding out what they need and convincing them to take an Aboriginal employee today, and if he does not work out please take another one, because you do that in normal society.

The Hon. CHRISTINE ROBERTSON: So you are working directly to increase meaningful Aboriginal employment?

Ms DUNCAN: Yes. Not wishy-washy, not within subsidies, not within the government programs and not within Aboriginal organisations.

The Hon. CHRISTINE ROBERTSON: There are no time lines on the employment that you are negotiating with the people?

Ms DUNCAN: No, we are not saying, "We only want to put you here for six months or 13 weeks". No, job networks will work 13 to 26 weeks. The problem we have is that we work within an area—we are not funded like a job network, we are funded separate, but because we are all indigenous in the organisation we want jobs for life. But because we live in a seasonal environment unfortunately with some of our unemployed people, they have been on a seasonal treadmill since I was a kid. But they are looking for the traineeship/apprenticeship stuff.

The Hon. CHRISTINE ROBERTSON: What has been happening with the seasonal treadmill? Are the people still getting seasonal work like they used to get?

Mrs MOORE: No, we are not getting the seasonal because now most of them get the Round Up. Chipping has just about gone because they are using Round Up.

Ms DUNCAN: And the spray operators, so you actually have one that takes about ten men.

The Hon. CHRISTINE ROBERTSON: Have we got a fairly high number of unemployed Aboriginal persons who now do not have seasonal work?

Ms DUNCAN: Oh yes.

The Hon. CHRISTINE ROBERTSON: Throughout the State and through these hearings we have heard that there is a huge demand for seasonal workers in New South Wales but not up here, down south for the picking.

Ms DUNCAN: Yes, down in the fruit picking and all that.

The Hon. CHRISTINE ROBERTSON: We have got to make recommendations at the end of our hearings and we have heard more and more troublesome information. Would there be any way that Aboriginal persons could be somehow empowered to take on running the gangs?

Ms DUNCAN: We have actually got contractors that exist in Moree now.

The Hon. CHRISTINE ROBERTSON: Aboriginal contractors?

Ms DUNCAN: Yes.

The Hon. CHRISTINE ROBERTSON: They are contractors for chipping?

Ms DUNCAN: No, they are contractors for row weeding, they are contractors for the harvest. A lot of the chipping contractors—we still have them in Moree, there could be five to eight of them, but their work now has gone from four months of the year to lucky to be a month of the year. But we still have contractors that are Aboriginal men. In fact they go around and they do the full pick, from the pickers to the full season. We work with the cotton gins to put people in.

The Hon. CHRISTINE ROBERTSON: So the people down south are having hell because they are not getting their workers, there is no-one coming down south to do this work. What would the team—and they are obviously working well—what would they need to actually start including those areas in their circuit?

Ms DUNCAN: You will find a lot of Aboriginal people will not move locations.

The Hon. CHRISTINE ROBERTSON: And their family will not move.

Ms DUNCAN: No, they will not either because you want to stay in your tribal areas and you want to stay where you know your mob and the people in the support bases. So the idea of moving a seasonal team from Moree all the way up to where you are talking about is probably not viable. To go out to St George, Dirranbandi, Moree, Goondiwindi—they do travel in that territory at the moment but to pull them out, no, because the seasonal skill here in the cotton industry could be quite interesting to people. If it is not cotton I do not know what that skill would be. A cotton chipper and fruit picking, yes, because it is labour, but we are not in the cotton chipping area, we do not place chippers in employment, we actually go at the next level; that is where our jobs are.

The Hon. CHRISTINE ROBERTSON: I understand that. People down there want migration; they want unskilled migration to deal with their huge problem of not being able to get their oranges off their trees—

Ms DUNCAN: We used to have seasonal officers within the Commonwealth Employment Service years ago and they used to deal with that run of seasonal work because it used to come in and move.

The Hon. CHRISTINE ROBERTSON: Backpackers?

Ms DUNCAN: People still have backpackers here on the farms in Moree.

CHAIR: Looking at those contractors, they do not move around?

Ms DUNCAN: No, these guys are probably the ones that exist and have enough work in their local area that is overloading them at the moment.

The Hon. CHRISTINE ROBERTSON: But there is still a mass of unemployed persons?

Ms DUNCAN: Yes. It is like shearers saying years ago that shearers will travel. My dad was a shearer; he travelled everywhere. My brother still travels but then four of them, sure; one has left because it is that actual strain on your family. I have got to say they have all got dysfunctional families; their families have split up and it is because of all the travel. It is not because of the violence, the drugs and the alcohol, it is because, "Where's your father?"

CHAIR: We have run out of time. Thank you very, very much for your sincerity today. The work that you do is fantastic from what you have told us. Congratulations and we wish you well. If there is anything else you think we should know, by all means contact our secretariat and we are happy to include it in the submissions.

Ms CRAIGIE: I think what I have found myself is coming from Sydney and coming here, there are no traineeships, no apprenticeships; there is not a lot of that stuff here for our young people, to get them motivated, to get them moving, there is nothing. There are a few people that will give people a traineeship here, an apprenticeship there, but that is it. It has got to start.

Ms DUNCAN: I just want to reiterate that I think we need to look at school-based apprenticeships in year 9 and we could move school-based traineeships down to year 9 and that we need to be training in schools, not when you finish because when you finish you have too many evils that will drag you in different ways.

CHAIR: Thank you all again very much.

(The witnesses withdrew)

MATHEW ERIC HANNAN, Chief Executive Officer, Nindethana Aboriginal Corporation, 19 Greenbah Road, and

RUSSELL STEWART, Marketer, Best Employment, 171 Maitland Street, Narrabri, sworn and examined:

CHAIR: Mr Hannan, in what official capacity do you appear before the Committee this afternoon?

Mr HANNAN: I am here to speak on behalf of Nindethana Aboriginal Corporation, which is a not-for-profit Aboriginal corporation that operates in and out of Moree.

CHAIR: Mr Stewart, in what official capacity do you appear before the Committee this afternoon?

Mr STEWART: I appear as a marketer. I work strongly with Mathew's organisation to find meaningful employment for people.

CHAIR: Would either of you like to make a brief opening statement?

Mr HANNAN: I am happy to go straight to questions.

Mr STEWART: I am happy with that.

The Hon. PATRICIA FORSYTHE: You were here listening to the evidence from previous witnesses talking about their experiences with young people coming out of school. Does your organisation also deal with post-school young people and, if so, could you comment on your experiences with young Aboriginal people?

Mr HANNAN: Our organisation is an organisation funded by the Department of Workplace Relations. We have two functions within the community: training and we also have a social factor as well, the social factor being giving Aboriginal people the opportunity to actually come to our workplace. We employ 90 Aboriginal people two days a week. Of those, 30 are full-time. We run a number of programs there in training, our biggest project being Liwarrma Constructions, one of our shelf companies, which employs 10 full-time Aboriginal building apprentices. They are at the point now where they are all into their third year of their apprenticeship going into their fourth basically as we speak.

The Hon. PATRICIA FORSYTHE: At Liwarrma?

Mr HANNAN: Yes. Nindethana Aboriginal Corporation is the head body, if you like. It has a board made up of seven Aboriginal committee members, a chairperson, secretary and treasurer. Nindethana subsequently owns and operates three other smaller companies, one being Liwarrma Constructions, which is our construction arm and landscaping team which have contracts with local government and private lawn mowing contracts and we also have Urandaley, which is our artefact and arts manufacturing wing of the company.

The Hon. CHRISTINE ROBERTSON: Most of these projects are your own?

Mr HANNAN: No, we are not a one-off, there are, I believe, 256 Australia-wide construction type projects funded by the Department of Workplace Relations, which used to be funded, until last year, by ATSIC.

The Hon. CHRISTINE ROBERTSON: Private businesses?

Mr HANNAN: We receive approximately \$1.2 million in funding a year. Last year we generated our own income of \$2.6 million on top of that.

The Hon. PATRICIA FORSYTHE: Are the young people work ready when you see them?

Mr HANNAN: No, our job is to actually take people that are not work ready and to give them (a) the opportunity to first establish a work ethic when they turn up there and (b) give them some skills so they can actually go out and obtain work.

The Hon. PATRICIA FORSYTHE: What skills are you focused on?

Mr HANNAN: First is the work ethic—reliability. You find with any employer reliability is number one. There are a lot of jobs out there that are available that you do not need a great deal of skills for. The number-one thing that they are all looking for is reliability: that people turn up.

CHAIR: Just on that, you heard Dallas earlier telling us what he actually does with those kids. What do you think of that project and are you looking to incorporate that sort of thing?

Mr HANNAN: We do not work with schools because a number of different projects are run throughout Moree. We do not take anybody on under the age of 16.

CHAIR: But what Dallas is doing, do you see that as a major step?

Mr HANNAN: Anything that is going to benefit the youth coming out of schools and giving them some sort of work readiness or making them aware of what they are going to be obliged to do when they actually come out of school and go and find an employer has got to benefit the community and the people. So, yes, I would have to say we support that.

CHAIR: Do you have any contact with these people?

Mr HANNAN: The AES, yes, we do. We work with the AES; we have got a couple of staff over there with the AES. Most of the time we work with Best Employment. As we said, Best has been around for a number of years; they are in contact with a lot of the employers and through Russell and Best Employment they make us aware of what employers are actually needing out in the workforce.

The Hon. MELINDA PAVEY: In regard to the social issues that were addressed by the Aboriginal Employment Strategy people and readiness for work in terms of coming out of school without being able to do maths and being literate, do you see that as a problem as well?

Mr HANNAN: Yes, it is a problem. We ran a program at considerable expense to the company last year, a WELL program, which is a literacy and numeracy program through TAFE. It cost us \$30,000-odd for the year to have a person come out once a week from the TAFE and sit down with our apprentices. For example, with the building apprentices, as you can expect, there are a lot of angles and measurements and reading of plans and they were struggling with those, especially in their apprenticeship and in their training, so we had to do that to try and support them and actually move them through so they can go through stages 1, 2 and 3.

The Hon. MELINDA PAVEY: Can you see any solutions to that on which we could possibly make recommendations for government?

Mr HANNAN: There are going to be issues with school, I believe: the suspensions of people ultimately being prevented from going back to school full stop. That WELL program worked very well. One-on-one sessions with our people and dealing directly with the type of employment they are doing and helping them with their maths and with basic literacy and numeracy skills was enough to get them through. They really appreciated the opportunity to be able to do it.

I think some people are embarrassed about their literacy and numeracy skills. If they can sit down with someone, one-to-one, instead of being in a classroom environment where the person sitting beside them might be a little more advanced, that is a more effective way of doing it. That is a very expensive option, but, at the end of the day, it has helped us. Of the 15 apprentices we started with we are at the point now where we have 10 ready to go into stage four of their apprenticeship.

The Hon. PATRICIA FORSYTHE: In what field?

Mr HANNAN: Construction.

The Hon. MELINDA PAVEY: Is that in Moree?

Mr HANNAN: In Moree.

The Hon. MELINDA PAVEY: On Monday the Committee heard evidence from Country Energy that that organisation has established an Aboriginal trainee apprenticeship program. One of the reasons for doing so was because Country Energy was experiencing difficulty in filling positions in the west of the State. Country Energy has also found that by employing local Aboriginal people those employees have a very good track record of staying within their own communities. Do you see that as an advantage for employers?

Mr HANNAN: Yes. The simple fact is, as the Aboriginal Employment Strategy witnesses said, those Aboriginal people who were born and raised here do not want to leave the district. With regard to our apprentices, contractors have come in to do work—for example, over at the school, they have a \$1 million contract to do a renovation. It was part of the agreement that they employ some Aboriginal people on that job. We supplied two of our apprentices and the contractors were so impressed by them in the first two months that they offered the apprentices jobs on the Gold Coast, working on multistorey buildings. It was double the pay and everything, but they did not want to go.

The Hon. MELINDA PAVEY: They did not want to go?

Mr HANNAN: No. So, you can double their pay and offer them a contract but they do not want to go.

The Hon. MELINDA PAVEY: Was that story reported in the local newspaper—as evidence to other employers of good workers committing to the region?

Mr HANNAN: No. We did not sort of make it public. I did not want to lose one of my best apprentices, either, but he wanted to stay here and he will be of benefit to this community. I have talked to his TAFE teachers. He has won numerous awards at TAFE and he is going to be a massive benefit to the town. I would hate to see him go.

The Hon. MELINDA PAVEY: The point I am making is that there is a perception that sometimes it is not a good bet to employ Aboriginal people.

Mr HANNAN: That is right.

The Hon. MELINDA PAVEY: You have to try to overcome that perception.

Mr HANNAN: There is not that perception until they have employed one Aboriginal person who has let them down. Then they are all painted with the same brush.

The Hon. PATRICIA FORSYTHE: Has that young apprentice—or have those young apprentices—who were offered jobs had an opportunity to enter into any role model mentoring program with other young people? Do other young people who may be thinking about that pathway know of their good work?

Mr HANNAN: We have had numerous openings of various properties that were built around the town. A representative of the Minister for Housing came here to officially open three elevated houses that we constructed. There was a big open day and a lot of Aboriginal elders and members of the community were invited to attend. That was reported in the press. That makes our team feel very good because they can see that what they are doing is worthwhile.

The Hon. PATRICIA FORSYTHE: What are the chances of the kids in the local high school having seen that press report?

Mr HANNAN: We also involve ourselves in the things such as the CROC Festival that takes place here and we go to the schools. We take our apprentices down there and they man the stand

themselves. We give them some tiles or cordless drills and organise a nail-driving competition and those types of things to get them interested in that sort of industry, and also make them aware that there are actually young Aboriginal people out there who have done it.

The Hon. PATRICIA FORSYTHE: Do you take them as 15-year-olds or 16-year-olds?

Mr HANNAN: As 50-year-olds. Any age.

The Hon. PATRICIA FORSYTHE: At the end of year 9 or at the end of year 10?

Mr HANNAN: They have to be a minimum of 16 years of age to come on the program. We do not encourage 16-year-olds to come on our program. The Department of Employment and Workplace Relations [DEWR] funds us to the value of approximately \$200 per week to employ these people, to give them skills in various areas. We also have another program, the Host Employment program. For example, we can send them to the local tyre dealer and say, "We will pay \$200 worth of their wage if you will offer them at least another three days per week." There might not be an opportunity there, they might not have a vacancy, but they then had an opportunity to create a vacancy and provide evidence that it is warranted to keep them on. We had had success stories in the local health system here. One person we supported has recently completed his teaching degree through the school and has been offered a job in Canberra. Unfortunately, we lose the fellow that we have just trained.

The Hon. MELINDA PAVEY: Was any attempt made to circumvent the system in order to keep that person here?

Mr HANNAN: I could not tell you. He has obviously identified a position that has become available somewhere. I do not know whether it pays more money or it was a region that he wanted to move to for personal reasons.

CHAIR: You obviously have a number of excellent apprentices. Do those who are just starting off as an apprentice look up to those people? What is the relationship with the apprentices that are well and truly on the way and those just starting off?

Mr HANNAN: We started with 15 apprentices. I would suggest that, all up, we have been through 20 or 25 apprentices over the last three years. As some of them have left for personal or other reasons we have replace them with people who are in their third or fourth year and actually fit back into the groove. There are a lot of second-year and third-year apprentices who have not gone on to gain their qualification. The supervisor we employed had three modules. He has been doing his apprenticeship for close on 20 years and he had three modules towards his qualification. We employed him and he is now one of our supervisors. He had been working in the industry for 20 years but did not have the formal qualification. When he started with us we made it a condition that he had to complete that qualification.

The Hon. CHRISTINE ROBERTSON: So that a lot of the work you are managing is unskilled labour. That is excellent.

Mr HANNAN: Yes.

The Hon. CHRISTINE ROBERTSON: It is very exciting. The committee is inquiring into skills shortages, but one of the issues we have learned about is in relation to unskilled labour in the south of the State. There are very low unemployment levels in the south of the State. Everyone who wants a job has a job. Up here there are very high unemployment levels. I have heard it said that you should just shove people from one place to another. Well, you cannot do that; the people will not go, and I understand that. Are you able to suggest a structure or something that we can do about it?

Mr STEWART: I have just finished recruiting 300 for the cotton industry. As mentioned earlier, I was born and bred on the land, out the road, and when I was a kid we had work everywhere. We had small headers and my dad used to say to me, "If you blokes can finish the harvest in three months I will take you to Coolangatta for three weeks." On that same property the work is now being done in two weeks by two people with massive machinery, road trains and massive elevators. We

have got too smart in this area, that is the problem. I am in the throes of recruiting 300 and this is the best year I have had. Last year I really struggled but this year it was easy. I filled the books for the cotton gin. That is the longest period of casual work that we are going to get because we harvest now in two to three weeks.

Once upon a time we had cotton chipping and you have heard about "roundup ready cotton". We just spray it now; no weeds, no chipping. We have got too smart again. The problem is that we cannot keep good people. We cannot say to people, "We are going to earn you \$1,000 per week for three months. Then we want you to take a break for six to eight months. When we are going to earn you \$1,000 for another four weeks." They would say, "That is great, but what am I going to do in the meantime?" One of these things Matthew mentioned earlier is so pertinent to our situation. The one skill that the employers tell me is lacking above everything else is reliability. Reliability can be gradually trained and that is something Matthew and I, between the job network and the CDEP link we have a bit of a strategy.

The Hon. CHRISTINE ROBERTSON: If you will permit me to be a bit silly, does this mean you cannot any longer go into town, pick them up and bring them back on the back of the truck? They used to do that in the old days.

Mr STEWART: No, it means that you put a bloke on the tractor and expect the job to be done and you come back at lunchtime, the tractor is stopped and there is no one around. That is reliability. I had a situation recently where I got a chap welding up toolboxes. It is a brainless job, but at lunchtime the man in the next booth who was going to meet him for lunch stopped work, looked in the booth and there was nobody there. He could not find the bloke. The next day I went looking for him and he said, "I didn't like it." I am getting that all the time. We are trying to address the problem in two ways. Matthew's clients are quite often my clients. One of the things the CDEP probably realises is that Matthew likes his clients to be registered with Job Network so that they are out there looking, because the CDEP is not a career.

We are trying to get them into work all the time. Because I am one of his employers, Matthew said to me, "Russell, let us find meaningful work for these people by working together." I can ask Matthew, "He is with you to days a week. What is his reliability like?" He might say, "He is great. Terrific". Then I have something to sell. I can go to an employer and say, "This bloke turns up every day. He is there 10 minutes early and stays 10 minutes late. He puts in a day." The employer will say, "That will do me." In most resumes do not refer to the ability to turn up and work. It is interesting. Most employers have illustrated that they require people with the ability to turn up and work. We might laugh at that, but that is the fact. So I can check with Matthew what the reliability factories.

The other thing is that I have been working at the moment, because we are fortunate enough to be the sole employment agency for a number of large organisations here, at opposite ends of the rural sector. I am starting to be able to get a database to move people from one job to another within the area in order to keep them going. The database shows reliability. The supervisors can say, "He did 12 hours a day for three months. This bloke is reliable". We can go on strike to GrainCorp and say, "Hey, this bloke has lasted three months there. If you like I can put you in contact with his supervisor." We have one database and we can move the people around. In fact, I call it a "mates setup" for want of a better phrase. It is a four-way mix between us, the workers and employers. The database shows whether the person has the qualification and is a reliable work.

The Hon. MELINDA PAVEY: Are you relying less on backpackers locally in the industry?

Mr STEWART: I do not use backpackers.

The Hon. MELINDA PAVEY: No, but I am referring to generally. Would that be your perception?

Mr STEWART: Yes. In fact, I am about to employ more than 300 and not one is a backpacker. The issue is that those in the cotton industry say, "What is the use of a backpacker to me? I want reliability for three months."

The Hon. MELINDA PAVEY: So that is improving?

Mr STEWART: I do not want to employ them; I want to get the local people into work. The aim is to get our people going, not to bring people in.

Mr HANNAN: The other thing we struggle with is that the CDEP program is a voluntary program. They can come off their benefits and actually come to the CDEP. The CDEP is like a work for the dole program or whatever. They do 14 hours for \$206. We pick everyone up of a morning, bring them to the workplace and they knock off there in the afternoon and go back home. Our apprentices are full time. They all work 38 hours a week under the construction award. If they do not turn up on Tuesday they do not get paid. They have a tendency then to go back to social security because they do not turn up. Unfortunately, it is just too easy to go back to. With no reasonable reason they go as can get straight onto the benefits. That makes it very hard. We work with Best Employment. Also, in conjunction with Best, we run a work for the dole program, and we have one running right here.

Mr STEWART: That is why this is open. It is open now because of it.

Mr HANNAN: We have one of our supervisors here. If someone gets breached here for not turning up, they are not getting penalised down there all the time. They are coming up with excuses that are not reasonable. If you are employer on a farm or in a pharmacy and somebody just did not turn up because they had a doctor's appointment or they had a toothache or a sore thumb or whatever, sure, go to the doctor, but there is nothing to stop you from turning up to work and carrying out another function. People are just being allowed to go down to Centrelink and walk straight back on like that.

The Hon. CHRISTINE ROBERTSON: So they are not being punished for not turning up?

Mr HANNAN: The Federal Government is funding a program now to the tune of \$1.2 million a year and to the tune of \$1 billion Australia wide. We are trying to give these people a qualification and skill and if they do not turn up they can just go straight back. We have a population of nearly 2,500 Aboriginal people here and we have a ceiling of 90 people, we are required to keep 90 people on our program, and we have struggled to maintain 90 all year. Mainly we are running at about 84. It is just too easy to go down there.

The Hon. CHRISTINE ROBERTSON: Is the work they are doing meaningful? Would your people feel good when they do the work?

Mr HANNAN: At the end of the day, if you sit there and scratch yourself, seven hours takes a long while to kick over. If you go out and do the job, that is why we are trying to encourage people. We have contracts at Moree Plains Shire Council where we maintained the cemetery. Our people get complement after complement about the quality of their workmanship.

Mr STEWART: It is interesting when we talk about where we are sitting here and now. I had an approach from Anthony Humble(?) from the shire council who had a vision to get something going for the community and to get something that was stagnant moving. I said maybe we could put a work for the dole team in and have them run the thing. An extension of that was the supervisor. Anthony needed a supervisor, and the supervisor is now the supervisor of the work for the dole team that I got up because Anthony had the project. I can identify people straight out of this crew that I know are reliable and I can move them straight into work because they have proven themselves.

The Hon. GREG DONNELLY: You mentioned attitudes to young Aboriginal people. Do you believe this attitude of suspicion towards young Aboriginal people in this community is breaking down? From previous witnesses there seem to be good positive stories of work being done and young Aboriginal people being involved in work, and what have you. Do you think the bias towards young Aboriginal people seems to be breaking down, or not?

Mr HANNAN: It is going to take probably another five years to get a number of young Aboriginal people into employers, and for all those employers, whether it be a chamber of commerce meeting or whatever it might be, to sit down and have positive remarks to say about Aboriginal

employees they have had. The day I look forward to is when 10 employers are sitting around and one bloke says, "I am never going to employ another Aboriginal person again" and the other nine say, "Hang on, I have 10 working for me and they are all brilliant." The Government cannot change that, it cannot change that attitude. It is a change in the workplace attitude, and you cannot force it on anybody. People are surprised when I take Aboriginal people out when I go water skiing—"How do you get out there without being beaten?" But honestly, it is the warmest culture I have ever come across. Once you know the people you never feel safer.

Mr STEWART: I have the same comment, "How come you can go down there?" I am a local and I have played sport with them. I have never ever had an issue. Matthew is right. It is interesting if you do a walk up the main street and have a look in the shops and see how many Aboriginal faces you see at the counter. I think that is the issue. It does not matter how much money you throw at employers, it is not going to help. I have tried throwing vast amounts of money at employers, particularly if you get a good Aboriginal face at a front counter where the general public is walking in, and that is where the good service is.

Mr HANNAN: If I could ask for one recommendation to go back. For companies like Best Employment and the Aboriginal Employment Strategy to be able to give Aboriginal people a little bit more advantage in the workplace would be maybe to go back to the covering of the workers compensation for apprenticeships and traineeships. That was culled in 2002. That deeded down the amount of traineeships because all of a sudden there was this massive amount of workers compensation. Our workers compensation bill was \$140,000-odd a year.

Mr STEWART: Now they give them cash, but as a marketer let me tell you the best marketing tool I had for a traineeship was to walk in and say, guess what, you are not going to pay workers compensation. It was a great marketing tool. It was fantastic.

(The witnesses withdrew)

ELIZABETH ANNE TAYLOR, Chairperson, Pius X Aboriginal Corporation, sworn and examined:

CHAIR: Would you like to make an opening statement?

Ms TAYLOR: Firstly, I would like to welcome you to Kamilaroi country and to Moree on behalf of our community. Secondly, I was born in 1961 and did not become a human being until 1967, which took a national referendum. That was when the Commonwealth took responsibility for Aboriginal people. I went through school. I was denied my history, my culture and my pride as such. But I knew there was an injustice and that was what motivated me to get through school. I did not know what it was because I was told some lies at school.

I am currently the chairperson of Pius X Aboriginal Corporation, which, incidentally, is the most effective Aboriginal organisation in Moree, is the most effective Aboriginal medical service in the north-west, offering services to Mungindi and Toomelah, and currently the Tamworth Aboriginal Medical Service. We have 90 per cent Aboriginal staff. We practise equal employment opportunity. We do not discriminate our services as to whether people are from the bottom third or middle class of our community. We do not discriminate against Aboriginal community membership as per other Aboriginal companies. We successfully run an Aboriginal medical service and preschool, and we have a full board of Aboriginal people. Every cent we get in our organisation is accounted for. We do not have any excess funds to recruit trainees. We have excellent opportunities. We have preschool, we have administration and we have the medical service, where we can offer traineeships, school-based traineeships and apprenticeships, and we do not have the extra funds to cater for that, unfortunately.

Thirdly, many of our community want an organisation that can incubate enterprises. We have talented visual performing artists, craftsmen and tradesmen who have no support in developing business. A lot of them do not want to work in offices. Artists do not want to be business managers, they want to do art. So our issue is trying to get that business management as an incubator to grow our business.

Fourthly, as an ex-teacher with TAFE I did not observe any consultation, any research into local industry needs and local skills shortages, no skills auditing, in particular for the Aboriginal community. With no skills auditing it is difficult to ascertain pre-plans and pathways and people's skill levels. I see very little innovation, especially in relation to youth courses. Trades are usually for trainees. So, if you are not in a traineeship or an apprenticeship you do not get into any of the trade courses at TAFE. There is no satisfactory vocational education preparation. Lots of kids who leave school do more successfully at TAFE, whereas the school system has failed them.

A lot of our kids do not have workplace communications skills. They do not have the workplace readiness. A lot of our kids who leave school are not only illiterate, they do not have decision-making, they do not have problem-solving, they do not have negotiation and they do not have conflict resolution, which are basic skills that carry them through life. Unfortunately, too many of them end up in gaol. We need new ways of education and training, cultural awareness. The racism, not just in Moree but in Australia, is still incredible after 218 years. We do cultural awareness programs for the police and new teachers who come to our schools but it is probably a lot of the decision makers who need that cultural awareness. Twenty, 30 years later, not much has changed in our school system. We still have our children not learning the proper history. They have no cultural resources and they are still denied their pride as such and are not succeeding.

The leagues club here is an excellent venue and I cannot thank the council enough for buying it because it is an opportunity to develop and implement programs that will support environmental heritage and cultural issues. I hope this centre will be innovative, holistic—obviously we need an holistic approach—and whole of government. My dream is to offer, hopefully, a multimedia centre here. A lot about kids are into technology—television, radio and film. People in Moree have made movies, Aboriginal people. They have not gone on to establish businesses, they just get one-off courses, so we need trainees to consolidate that. We can produce language books, we can produce videos, we can produce CDs. As a part-time teacher at TAFE I did not even have the luxury of an Aboriginal textbook on Kamilaroi. I think that is despicable.

This centre is a great opportunity to foster enterprises—the function management, centre management, catering. We can get our kids making movies and making books, and that information will be cultural. We would also get our elders involved in the centre, to guide and involve them in making decisions about our community and our youth.

As a teacher with TAFE, again, no resources there, and that is disappointing, especially when you are trying to teach Aboriginal studies and you have nothing about your local nation to teach with. Many solutions are to be found in our culture. We need to facilitate an effective model of community governance and get back to our cultural basics. In Sydney, for example, Sydney city council have a drivers licence program. It is a big issue, especially for country kids, because you need a licence to access training. Our college is 5 miles out of town and if you want a job in the rural area, you cannot get a licence if you do not have a car.

So the City of Sydney program at Redfern had a 99 per cent success rate. It is an opportunity to engage young people because all young people need a licence. So that is one way to get them in the door and then you open up other doors for them. In Moree, for example, a young person has to do 50 hours—all over Australia I think it is—to learn to get a licence. The average cost in Moree to do lessons is \$40 an hour. How is an Aboriginal child or any young person going to afford that cost, especially if their parents are on welfare and especially if they do not have a car? And, quite frankly, you need to be a millionaire or a mechanic to have a car and keep it on the road. So a lot of our people do not have access to cars. Also, a lot of our young people are fined when they are not wearing helmets when they are young so when they reach employment age they cannot get a job because they have not got a licence so they cannot pay off the fine. It is a Catch-22. We think that maybe community service orders would be a better way for those people instead of paying off fines, which many do not do. I know some kids have got \$6,000 worth of fines by the time they turn 16.

I had one young girl with an Aboriginal company in Moree; she was on a traineeship; she thought she had a permanent job; she was terminated three months before her traineeship finished; she bought a car and now she is getting part-time work at McDonald's. This is very great in terms of supporting our young people. Now she is left high and dry with a big financial bill and demoralised as such moving from an office receptionist position back to McDonald's. The health of our community is a barrier to education and employment. The social and emotional wellbeing of our community is very much of concern. Our community has suffered a brutal 200-year history of occupation that denies us our sovereignty and justice, and inadvertently many families are affected through transgenerational trauma through the racist and cruel policies our people were forced to endure.

Much healing needs to be done before many of our people can effectively access education, training and employment opportunities. Also, while we have got racist companies that will not deal with the bottom third of our community, I do not know how we move people up from the bottom third. Business Australia, I think, is a program in schools. I know Walgett had a successful program out there where they had young people develop and market a product. That was very successful and I strongly support getting business education into our schools and getting our children thinking that way because we know a lot of jobs are not out there for us. Self-employment is really the way we have got to go.

CHAIR: We have run right over time. I am just wondering if you have got much to go and if you could table it. There may be a couple of questions the Committee might like to ask you. How do you feel about that?

Ms TAYLOR: Yes, I can type this up. I have only just written this quickly while I was waiting.

The Hon. CHRISTINE ROBERTSON: Did you have any major issues left? What you said is very good.

Ms TAYLOR: The only other thing I suppose I could raise is, my children go to Moree East Primary School and for two of my children who were in a class with an Aboriginal teacher those classes were the best behaved and best presented classes in the school; they taught respect and they had excellent results. I can vouch for that as a parent of my two children. Language needs to be implemented as part of our curriculum. My boy at high school is learning Japanese. Maybe one day he

will want to use that, but unfortunately I would prefer him to learn his ancestors' language. So that cultural and historical education is still a big gap. As I said, I was a teacher; I had to scrounge around and do a lot of research on my own; we do not have a textbook that we can walk straight in and run from that.

The Hon. CHRISTINE ROBERTSON: My question actually relates to something you said right at the beginning and it was about Pius X being an open organisation that was welcoming to all the families in Moree, et cetera. Do you know if the job and skills gaining chances are available to all of the families in Moree or is it just a small section of the community that can get access to these wonderful programs we have heard about today?

Ms TAYLOR: One organisation only deals with the middle third of the Aboriginal community. We do not have any criteria as to how they gauge when you walk in the door whether you are the bottom third or middle third or top third.

The Hon. CHRISTINE ROBERTSON: You mean if they are rich or—

Ms TAYLOR: We say top third lives in town, middle third lives on this side of town and then the bottom third lives down the mission. And while you are in town it would be nice to go down the mission, it might open up your eyes about how a lot of our people still live in Moree. Even though we have got a housing infrastructure program down there, there has not been much infrastructure, unfortunately. We still do not have a streetlight from Pius down there, we do not have any footpath, we do not have guttering and any drainage, we do not even have a good playground for our children to play on. So, as I say, this is access to services on the south side of Moree.

The Hon. CHRISTINE ROBERTSON: So one of the organisations only deals with a certain section of town?

Ms TAYLOR: Yes. We have only been citizens for about 38 years and in the mainstream community the motivation was you go to school, you go to uni, then you get a job. Our community is still learning to live in white society so that is not motivating for a lot of our people and, as I said, in our culture there are a lot of solutions that we can go back and look at enterprise development and teach our children to be proud of who they are because a lot of our children walk around today with a big chip on their shoulder, they are angry; most of them end up in gaol or in mental institutions or are drug and alcohol affected. It is so sad to see that we are losing so many of our young people to those things still today.

CHAIR: Could we have the rest of your submission tabled?

The Hon. CHRISTINE ROBERTSON: Can you share your notes with us please?

Ms TAYLOR: Yes. I will type it up for you. I will add some more. Thank you very much for giving me five minutes because I just felt that you needed some sort of Aboriginal perspective in relation to issues in Moree, but certainly in terms of racism. As I said to someone some years ago, you need maybe a national media campaign because not much has changed in our country in terms of creating tolerance to the first Australians.

CHAIR: Thank you very much.

(The witness withdrew)

(Luncheon adjournment)

NORMA JOY WILSON, Motor Vehicle Dealer-Principal and President, Moree Chamber of Commerce, 106 Heber Street, Moree, and

DONALD FREDERICK DESMOND DEVNEY, Boilermaker and Director of DDs Welding Service Pty Ltd, PO Box 1578, Moree, sworn and examined:

CHAIR: In what capacity are you appearing before the committee?

Ms WILSON: As President of Moree Chamber of Commerce.

CHAIR: Would you like to make a brief opening statement?

Ms WILSON: Good afternoon members of the Standing Committee on State Development and thank you for inviting me to speak. As I said, my name is Norma Wilson and I am the owner of a motor dealership, which has given me firsthand experience of the difficulties of engaging and employing motor mechanic and spare parts tradespeople. Apprentices and skilled tradespeople form the backbone of my business and if I am unable to employ an appropriately qualified tradesperson I cannot conduct my business. I am not alone with this problem. I have spoken to members of the Chamber Of Commerce and requested their input on the problems we are facing north-western New South Wales.

The main areas identified: A lack of qualified tradespeople willing to work in locally owned businesses within their skilled area for award wages; leakage to city and coastal areas of qualified or almost qualified tradespeople; larger companies operating in the area that are able to pay higher hourly rates and offer longer hours per week; the reluctance of young people to enter into apprenticeships; the drought in New South Wales with only three good years since 1993 has created an unusual highs and lows in incomes and consumer spending; the fear of competition; and perceptions by city people of small country towns.

The main areas I would like to discuss are: effects that the ongoing drought has had and continues to have, the ability of major companies to employ tradesmen at higher rates of pay, and the costs to both employers and apprentices for apprentices to complete their trades. North-western New South Wales has been continuous drought since 1993, with the exception of three good years. Each year is being broken into highly fluctuating levels in consumer spending. This makes it extremely difficult for local proprietors, across all sectors, to make accurate future business plans and to maintain staff levels. If local residents do not have stable incomes, the ability to plan personal spending also becomes impossible.

In the rural sector, farmers have been unable to offer consistent employment. They are currently experiencing major staffing issues as the experienced workers have moved their families to other areas with the offer of permanent employment, or have moved into other types of employment. In retail sector, consumer spending has been erratic and there is a flow on to cautious and budget-minded spending. This makes it difficult for the employers to budget their future spending, offer consistent permanent employment and offer above-award wages. The business also loses its ability to utilise the increase in periods of consumer spending as their staffing levels do not meet that at the time.

The flow-on from this is a reluctance to employ apprentices due to the costs involved and their inability to complete with larger companies who can offer higher wages and longer hours. At certain times of the year farmhands are working 70 to 80 hours per week. At 18 to 21 years of age the average income can be as high as \$1,100 per week take-home pay, compared with \$300 to \$450 earned as an apprentice. These companies do not hire or train apprentices but take advantage of the locally trained apprentices who have finished or almost finished their time. The newly commenced mines and the prospective mines in our area are now posing a larger threat than the cotton companies as they are also able to pay extremely high hourly rates of pay to skilled tradesmen. It is uncertain how long these mines will be operational at this time.

Local industrial and manufacturing firms do not appear to have been affected to such a significant level by the drought or erratic consumer spending, but continue to suffer chronic tradesmen shortages. This has been put down to inability to pay high levels of wages, reluctance in the past to engage apprentices and the reluctance of tradesmen to move to country towns from areas of requirements for their trades—cities such as Newcastle and Wollongong. The building industry lacks shortages of tradesmen in some areas only. The identified areas are bricklayers and tilers. Bricklaying appears to be a dying art and the shortage is not pertinent to our area only. In short, we need to be able to drought-proof our town. The most requested solution I have been provided with is an ability for business owners to be given the same opportunity as farmers, that is, to place surplus funds in a tax-free bond for future use in times of poor income.

The costs involved in employing an apprentice appear to be the highest deterrent to employers—not only the fees, but also the amount of lost hours while on TAFE courses and travelling to either Tamworth or Sydney. The other area of concern is the transportability of apprenticeships. Once the apprentice nears the end of his term he becomes unattractive commodity to other employers and often moves on to coastal city areas. One solution offered to me—This is a difficult one, but I think that because every person I have spoken to has offered some input on this in a certain manner—is the use of young persons on work for the dole schemes or the introduction of national service. I know that is difficult but I think we need to look at and think about that option. I am sure that the experts can probably iron out some of the problems.

Some of the solutions I have heard are probably a little unlikely, but to utilise the persons on those schemes in a business and provide businesses with cheaper labour, and offering trades to the long-term unemployed. Even though we have trade shortages in country towns, we still do not appear to be reducing unemployment levels. We need to have perhaps look at how those two things can be handled. I suppose the idea of national service conjures up memories of our parents and the army. There may be something where they can be given a trade. I know that some of that can be quite airy-fairy but we should look at the significant level of unemployment and see how we might utilise that for businesses, instead of just giving the unemployed handouts and having them hanging around.

The appropriate application of these ideas has been given over to a lot of discussion that should be left to the experts. The other solution that a lot of our local business people and farmers are now looking at is employing people from overseas. That brings with a lot of problems, because of the time factor, the costs involved and the amount of paper work. If we employ apprentices, that involves the time and money to get them to TAFE. A lot a young apprentices do not have driving licences or are on very poor incomes and can afford to go to TAFE in Tamworth or Sydney for a week. That is the problem.

The Hon. CHRISTINE ROBERTSON: May I just pickup on the issue relating to imported labour. The unemployment rates are incredibly high in this region. Do you know why the farmers want overseas labour on their farms?

Ms WILSON: I do not think it is just the farmers; it is across the board in any sector, whether you are in looking at retail, hospitality, mechanical trades or industrial jobs. They feel they are not able to get suitably trained people to do the jobs. A number of people already have someone who has arrived from overseas, or are looking at employing people from overseas who have the skills and are willing to come to our town and work.

The Hon. CHRISTINE ROBERTSON: You are talking about skilled as opposed to unskilled labour, is that right? You are not talking about unskilled labour?

Ms WILSON: No. We are talking about skilled labour.

CHAIR: They are looked for experienced workers?

Ms WILSON: Yes. They are looking for more experienced people. I guess there is not much on paper. They are looking for people with skills who are willing to come to their farms and do the work. At the moment most farmers are not able to fill the positions for their tractor work and irrigation work.

The Hon. CHRISTINE ROBERTSON: Most agricultural industries are very highly developed and difficult. From where would they be getting these skills? Many of those persons coming into Australia at the moment as unskilled labour are from mid and northern Africa. They do not have such skills.

Ms WILSON: They have not given me specific instances. As far as I am aware they are looking at skilled people to come here.

CHAIR: A lot of the unskilled labour wanted on farms does not fit into the migration program; they have to be skilled.

Ms WILSON: That is right. There is then the paper work and most people say it can take up to 10 months to get such a person here. Speaking personally, I have been looking for mechanics and an employment company advised it would cost approximately \$4,000 for me to get a skilled mechanic from overseas, England or South Africa. I know one company here in town is in the process of bringing two mechanics and one finance person from South Africa. Another local person got a person from China. I understand that that person was already in Australia but he still had to go through six months of paper work for him to be allowed to work in his business.

CHAIR: What time frame is involved if you sponsor someone? Is it for 12 months or two years?

Ms WILSON: I have not got to that stage yet. Don Devney is more into the industrial side of things. He has gone through the process of bringing in a migrant worker.

Mr DEVNEY: We sponsor a Fijian person, Ben, in our business. The procedure was quite lengthy and it took us about six months to get him sponsored. He was already in Australia and was working on a farm but, because we were not registered and able to sponsor him straight away, we had to go through that process. The only way we got about it was that we had a contract in from the farmer. That is how we ended up with Ben. We would like to sponsor another person but, because of the drought situation, financially it has not been really great so the government bodies have said we can only sponsor one or two people at the moment. I am going to start going through the process of trying to sponsor another person.

The Hon. CHRISTINE ROBERTSON: What job does is that worker engaged in?

Mr DEVNEY: He is a qualified boilermaker. For some reason, we cannot get skilled people here to Moree. It is very difficult. I started in 1994 halfway through a drought and from 1994 until now we have probably had only three or four good years. We have struggled from the start all the way through. We find it pretty hard.

The Hon. PATRICIA FORSYTHE: Has any audit been done by the Chamber Of Commerce or anyone relating to the skills shortages in this area?

Ms WILSON: I spoke to the TAFE people this morning because I wanted to know how many apprentices we have in our area. They were not able to give me that information. I asked about programs and there are a number of programs that are looking into that aspect. As far as I know TAFE is looking into that matter. As far as I understand it, they do an ongoing audit of that type of thing. The Chamber of Commerce would be willing to undertake an audit if one is required.

CHAIR: What does the Chamber Of Commerce do to attract and encourage apprentices?

Ms WILSON: In conjunction with the local shire council and Tourism Moree we had a stand at Country Week in Sydney and won the award for the best stand. It had the most hits on it. The people from our chamber, Tourism Moree and the council go down and man a stand for the day and they do a really wonderful job. We have some Internet sites and home pages as well, and at the chamber there has been minimal discussion on doing some television advertising to promote our town.

CHAIR: Was it successful?

Ms WILSON: It has been successful for the past couple of years, and each year it seems to be getting better. A lot more people are looking at moving out of the city into country areas.

CHAIR: Did you get any takers?

Ms WILSON: I did hear about it. I did not have any conversations about it. From what I understand a number of people were very keen to come here and we got contact numbers and things like that.

The Hon. PATRICIA FORSYTHE: You talked about the drought, that since 1993 there were only three positive years, yet you also identified a skills shortage at a time, if you like, of lower economic activity because of the drought. How do you think Moree would cope if you had a series of strong and buoyant agriculture production in this area?

Ms WILSON: It would be very difficult because the people who were here have moved away and that is why the farmers, in particular, are experiencing a large shortage of skilled or unskilled labour.

The Hon. PATRICIA FORSYTHE: What are the impediments to coming to Moree? Have you done an analysis of why people may not choose Moree?

Ms WILSON: There is a stigma about our town and the problems we have here. There is a stigma in general. I know for doctors and things like that the lack of facilities for their wives and children. They feel there is a lack of social activity, schooling problems and lack of shopping, all those sorts of things. We cannot attract doctors, and we cannot attract other people to come to our town because we have insufficient medical services. There is no one answer to that.

The Hon. PATRICIA FORSYTHE: What suggestions do you have for us as a Committee about how we can address some of that local dynamic?

Mr DEVNEY: You have to start from somewhere. You start in the trade skills, try to get the younger generation to take on trade skills. It was okay for every child to leave at year 10 and you do a trade when you leave school.

The Hon. CHRISTINE ROBERTSON: Are businesses taking on apprentices?

Mr DEVNEY: There are about 20 apprenticeships in Moree for boilermaking and the same for mechanics, but try to get the younger generation to take up the trade skills, it just does not seem to be there. It is easier for them to go off to the city and work at a super store and move up the ladder that way. The base wage for a first year apprentice is only \$6.37 an hour. Will the governments recognise this in a real sense and make the first year apprentice tax free so they do not get taxed at all? That might give them more incentive than going into the labour force where they can earn up to \$15 to \$18 an hour. That is heading in the right direction.

Ms WILSON: Most of the business people I have spoken to were quite disappointed in the level of young people who appeared to choose to be on unemployment benefits instead of working. They feel they would like to be part of the scheme where they can participate more instead of leaving school and dropping out if they have the literacy skills to start working in conjunction with local employers to put those people through a workplace and skills-based program so they can come out with self-esteem, skills and a trade. Everyone benefits because they have less unemployment and less crime and the local businesses have their skilled labour there.

CHAIR: What other incentive do you see to attract young people to take on apprentices?

Mr DEVNEY: I think in the wage sense, the wages have to change. I pay my apprentices above the award wage. It is a bit hard if he has a mate who has left school at same time he has and he is working on a farm or has gone into the city and getting this much money and he is back in Moree earning a small amount. I think the wage is one of the things we have to look at to get them back to the courses.

CHAIR: From an employer's point of view what would help you to encourage others?

Mr DEVNEY: I think it all starts back at schooling. A few years ago I approached the teachers, saying there is a position for an apprentice I would like to put on. Is there anybody in your school who would like to take this on and start working on a Saturday or after hours to see if he would like it? We have someone from a school at Mungindi in year 10, I think, and he has to drive all the way to Moree for one day, which is an hour away. He does not have a licence so his mother has asked me if it is all right if he starts on Fridays so she can do her shopping while he comes in and works at my place for that day. He has to do that for 12 months. So every Friday he has to come in.

The Hon. MELINDA PAVEY: You said you approached the schools sometime ago.

Mr DEVNEY: Yes. It is just starting now.

The Hon. MELINDA PAVEY: Have they been more responsive to you?

Mr DEVNEY: Yes.

The Hon. MELINDA PAVEY: And that has been because of the general debate in the community about the shortage and the opportunity for kids?

Mr DEVNEY: Yes. We had, I think, six work-experience kids come through our business last year. It was great and they all enjoyed themselves. But as soon as they finished the whole lot of them went to work on a farm.

The Hon. MELINDA PAVEY: Their own farms?

Mr DEVNEY: No, their friend's farm or something. So instead of us taking on year 12 students, they went to work on their friend's farms for 12 months while they debated whether to go to university or not.

The Hon. MELINDA PAVEY: Do they have an appreciation of the sort of value that is put on a welder, for example, and their value in the market place, whether that be locally or around Australia?

Mr DEVNEY: I do not think they really realise what they can earn if they become an apprentice and finish their trade. Is that what you are getting out?

The Hon. MELINDA PAVEY: Yes.

Mr DEVNEY: I do not think the generation realises what they are worth. For example, I said to Brendan, "As soon as you are finished here I would like you to stay on with me for 12 months and try to better yourself." He has gone and started another apprenticeship and he is a mechanic now at Westrac. He is in his second year there and he is still in Moree. His view is he does not earn enough money here in Moree so he is thinking about leaving and going into the mines. You cannot blame him.

The Hon. MELINDA PAVEY: They will come back at some time.

Mr DEVNEY: They will. His family is still here. It is hard to compete against the higher paying jobs, including the mines. A couple of mines started up in Narrabri and Boggabri at the moment. They will be running for 10 years. There is enough coal there for 10 years. What happens when that mine closes? All the other businesses around that area suffer for 10 years because they cannot get tradespeople because the mining companies come in and take all the tradespeople.

Ms WILSON: There are other mines opening, so some people are going to Rockhampton to get the skills and come back here and work in the other mines that will be opening. The mines have lost quite a few tradesmen that way as well.

The Hon. MELINDA PAVEY: And the farmers are not employing as many either.

Ms WILSON: It fluctuates up and down. This is the problem. It is seasonal work. When the crop is good they need a lot of workers now and when they loose the next crop they do not need any workers. So, it is a fluctuating market for employment. It is not very stable for the employees.

The Hon. GREG DONNELLY: The chamber of commerce at a State level, do they assist chambers at a local level to address these sorts of issues? You have gone through a few ideas this afternoon of your own thoughts and reflections on business in the local community. I wonder whether the State chamber gives assistance or provides guidance to the local chambers?

Ms WILSON: There is that there but I think they are all in a similar situation as we are here. Everyone is talking about what the problems are but no-one is coming up with a solution if anyone has a solution. We can all talk about it and pass it on, and perhaps what we should be doing with our members is networking internally regarding skills shortages and putting on the site employment opportunities that we need so we can move that between ourselves and locate another employee through our chamber situation, so that is becoming available as far as I am aware. There is a lot of talk about it and we can all discuss it but there still have not been any solutions to it.

CHAIR: With the Aboriginal population you have here, have you had any success in getting apprentices?

Mr DEVNEY: It is funny you say that. The person I talked about earlier, Brendan, he is an Aboriginal person. He has gone through his trade and he is doing his second trade as a mechanic. As far as being Aboriginal, it makes no difference to me.

CHAIR: You have confidence in him?

Mr DEVNEY: Yes. I have confidence in the Aboriginal community, yes. It is the same as anywhere else. Whether it is an Aborigine or not, it is the person you pick to do that trade, when you have been approached to put on an apprentice, as long as they suit that criteria.

The Hon. CHRISTINE ROBERTSON: I was under the impression that peaks and troughs with drought caused some issues in relation to induction of apprentices and trainees. When you have a huge drought you have an economic trough in your business?

Ms WILSON: It does affect it.

The Hon. CHRISTINE ROBERTSON: So, in the long term that could possibly affect the number of skilled workers in the town?

Mr DEVNEY: Yes. It certainly does.

The Hon. CHRISTINE ROBERTSON: This is why you have this credit system for small business? Would you be able to tie that credit proposal up with continuing training in apprenticeships and things, or is the credit system just to keep you afloat for a while?

Ms WILSON: The issue that has been raised is that farmers have that ability so that if they have a good year they want it tax free, whereas businesses are not able to have that available to them. If they had something where they could have funds available at another time and use that at a poor economic time they would be able to employ more tradesmen or apprentices or whatever. This used to be a general trend in the past few years, but I wanted to get figures together so that I could base that on fact, but I have not been able to. What I can gather from the people I talk to, there is more of a trend now of people thinking we are not going to get a skilled tradesman so we are better off training our own, so they are starting to employ more apprentices. They have given up ever trying to employ any, so perhaps we can go that way.

Mr DEVNEY: Earlier you mentioned what the farmers can do. Ninety per cent of my business relies on farms. There is a lot of maintenance work, irrigation, and for us to do the same as what farmers can do is great. Why can the farmers do it and rural businesses cannot do it? We are in the same boat. We do what the farmers do.

The Hon. MELINDA PAVEY: On education and the effect of the quality and availability of subjects at local high schools, I heard evidence from around other parts of the State that people will leave the towns they are in if their kids cannot get the subjects they want at the local high school. Can you expand on that? Do you see it as a problem here?

Ms WILSON: I see it as a problem here but I think that choice to move to a higher level of subjects would be more a person who went on to university and did a higher professional level, not trades skills.

The Hon. MELINDA PAVEY: I am thinking more of taking out the parents, who have jobs, and going somewhere off with their children.

Ms WILSON: They do. We have recently lost two doctors for the same reason, because they are now going to Armidale because their children's education opportunities are better there. We have a lot of people here who live with very limited incomes because they send their children to boarding school. And once again, the business people in town do not get the same benefits as the farm people with scholarships and things like that or isolated children; they are not available to any of them to do that, they have to pay full price as a Sydney business person from here with a limited income to try and get their children a higher level of education because, once again, there are only very limited subjects available. Unfortunately, you might put down for a subject that would fit your criteria but you may not get it because there are limited spaces available and you are offered something that is totally useless to what you are planning your future on.

CHAIR: Thank you both for coming here this afternoon and giving us your views on the matter.

(The witnesses withdrew)

HARVEY JOHN GAYNOR, General Manager, Auscott Limited, Gwydir Valley, PO Box 711, Moree, sworn and examined:

CHAIR: Would you like to make a brief opening statement?

Mr GAYNOR: I have prepared a bit of an outline of our business and some of the issues as I see it and we see it. Just to tell you about Auscott: we are an integrated production, so a farming, processing and marketing company. Our main crop is cotton but we also grow wheat, sorghum, sunflowers and other grains. We have been operating in western New South Wales for 43 years now. We have operations at Moree, also at Narrabri and in Warren, and we have a head office with administrative and marketing functions in Sydney. Over the years we have a usual permanent staff of around 200 and our seasonal labour gets up to about the same number in peak times, so we push up to around 400 at peak times.

When I look at the skills that we employ it is a wide range of skills right through to unskilled, if you like, manual labour tasks to trades. We employ a lot of tradesmen of many different sorts. We employ and make use of a lot of what I call technicians in the areas of IT and electronics and those sorts of areas and professions as well in our own business and, obviously, businesses that support us. When we look at the skills shortage I guess we see that as a bit of a problem on its own, the fact that skilled people in the general workforce are a little bit shorter than we would like them to be but also there is a general labour shortage, so a shortage of total numbers of employees and we feel that particularly here in the regional areas. It is not only a case of a problem in attracting people to these jobs or to these areas but if you have them here it is a problem of retention, and with some of the education issues that we spoke about earlier, some of the things that take people away.

We certainly feel pressure of competition from the mining industry in particular and that is particularly in the area of the trades, the metal trades, the mechanics and the electricians, and we also feel pressure of competition, I think, from coastal areas. As Don mentioned earlier, 90 per cent of his business comes from farming, and that is certainly the driver of the economic activity here, and we as farmers certainly feel that some of the policies and legislation of the State Government are not friendly to farming in the areas of natural resource management, environmental legislation and WorkCover legislation. That has been one of the factors that is leading to a decline in farming activity and employment for us and people like Don and his business.

We have always trained our own apprentices and continue to do so. So we are actively involved in that program but finding it more and more difficult to retain them and to source new people and we are now at the point where we are looking to overseas labour for some of our seasonal and long-term needs. We are now looking at backpackers as sort of a primary source of labour and have started to offer—as recently as last week we offered a job to an electrician from South Africa because we just have not been able to get one locally.

The Hon. MELINDA PAVEY: The backpacker work is for unskilled labour though, is it not?

Mr GAYNOR: Generally yes, although we are looking for some people who have got some administrative skills to run our weighbridge during ginning season this year. We are struggling to find people to do that locally so we are looking at tapping into the backpacker market for that. I think that is enough of an outline of us and what we do and how we see it. I am happy to answer questions.

CHAIR: How many apprentices do you have on your staff at the moment?

Mr GAYNOR: At the moment within the company we have got five in total. I am not exactly sure of the other sides but five apprentices in total and one school-based trainee at present. We have a total of around 200 permanents.

The Hon. PATRICIA FORSYTHE: So is there an assumption, say in local high schools, that your company will employ an apprentice or apprentices each year? Can people aspire to an apprenticeship at your firm?

Mr GAYNOR: They could be because we are normally employing one every year or two. I am not sure that there is a great awareness of that opportunity amongst the kids but there is an expectation.

The Hon. PATRICIA FORSYTHE: Why not?

Mr GAYNOR: I think we have got to take some responsibility for that, but the schools as well have not come out and supported us.

The Hon. PATRICIA FORSYTHE: Have you been to careers nights?

Mr GAYNOR: We have done. Only today I was answering an email from a teacher organising an upcoming career night and part of the discussion was about the poor organisation of the one before when it really fell apart and there was no real opportunity for employers to present their wares even though we made a commitment to them and got organised for it. It was poorly organised. There were not enough children there.

The Hon. MELINDA PAVEY: Not enough being driven from the schools or not enough turned up?

Mr GAYNOR: Not enough kids turned up. I think it was just a poorly organised affair. But now we have got hopes that this year will be better. The teacher organising it has actually participated in the program. She has been working in our business one day a month for the last five months.

The Hon. PATRICIA FORSYTHE: So the careers adviser actually understands?

Mr GAYNOR: Yes. The teachers in business program, we are hoping that that is going to pay off.

CHAIR: One of the problems we have heard from different people since we started this inquiry is that the apprentices are given a very small amount of money when they first start off. Does your company pay the normal apprenticeship wage or above that?

Mr GAYNOR: We pay well above the award wage. We think it will be hard to attract people here on the award wage. We think that those levels probably exploit those kids because they actually deliver just as much value as plenty of unskilled workers in the workforce who get paid more and do not deliver good value. And remember, in these areas a lot of kids who have become apprentices for us are not from Moree, they might be from Inverell or Gravesend so they have to live away from home, and to live away from home on a first-year apprentice's wage is—

CHAIR: Without wanting to know exactly what you do pay, what sort of weekly wage range would you see would attract an apprentice?

Mr GAYNOR: I guess probably the best way I can explain it is that we would normally pay the sort of wages that apprentices would expect under the award and two or three years ahead of their time, if you like. So a first-year apprentice might be getting close to a third-year apprentice's wage plus some travelling allowances and support for his TAFE, which is in Tamworth usually.

CHAIR: Do you feel that does appeal to them?

Mr GAYNOR: We have been happy with the apprentices we have been able to attract to date.

The Hon. CHRISTINE ROBERTSON: What is your retention like?

Mr GAYNOR: Well, that seems to work for us to attract people but we still have a problem with retention at the end of people's time. Some of them come back. We have one of our old apprentices now managing our cotton gin, which is a processing facility, but I would say the majority of our apprentices, once they leave us do not come back—to us or the town.

The Hon. PATRICIA FORSYTHE: They do not come back to the region or—

Mr GAYNOR: Both.

The Hon. MELINDA PAVEY: Some of the evidence that has been given to us today is that in the case of Aboriginal apprenticeships—and we had this evidence from Country Energy in Queanbeyan on Monday—one of the benefits of Aboriginal apprentices is that they do not tend to want to leave their homes and their land. Has your company looked at that as an issue to try and keep them after they have finished their training?

Mr GAYNOR: I do not think we see that as a particular advantage for Aboriginal apprentices, and I am not aware of any Aboriginal apprentices as such. We have had some Aboriginal trainees and plenty of Aboriginal employees in the time but we have not viewed that as an advantage, if you like.

The Hon. PATRICIA FORSYTHE: In terms of skills shortage, we are looking at it because everybody says there are skills shortages in New South Wales. There are Federal Government inquiries into skills shortages but on the ground is the skills shortage more significant now than, say, five or 10 years ago, from the experience of your own company?

Mr GAYNOR: Yes, definitely.

The Hon. PATRICIA FORSYTHE: Is it because there is a reluctance of young people to take up apprenticeships or is it because there are structural barriers such as workers compensation and other things that are reasons why people do not want to expand? What are the factors you see as a key to this problem?

Mr GAYNOR: Firstly, I would say our view is that the issue for us is more attracting people—any sort of skilled people—to the regions, to Moree. I guess we do not sort of perceive any reluctance of young people to undertake training. There is a certain percentage who will go straight for the high-paying job on the tractor, if you like, rather than invest in the future, but we see plenty of people who want to undertake training. But what we struggle with is to try and attract them here or keep them here. And for our own business in terms of wanting to sort of expand training or the investment in training, I think it is general business conditions that constrain us there; it is declining real prices for our commodities and some of the other pressures in the market and the legislative landscape that I talked about before.

CHAIR: Apart from using the school system, where you have the teacher program, what other avenues do you use to try to attract labour?

Mr GAYNOR: To try to source labour we have been using labour hire companies and recruiters more and more often than we used to. We certainly used to find most of our employees ourselves, often through word of mouth. For some of our jobs we have tried to develop relationships with the University of New England to try to get some of those people over for seasonal and permanent jobs for the future.

The Hon. PATRICIA FORSYTHE: In relation to TAFE and the needs of your company, have you found the TAFE organisation to be responsive and flexible, or have you had a different experience?

Mr GAYNOR: I guess I have seen them improve in that regard. We were certainly frustrated by their inflexibility going back six or 10 years. Over the last five years they have been a lot more helpful to us, and adaptive to our workplace and business needs. One of the best things TAFE ever did was appoint what I think they call a client manager that could work with us. That was a productive relationship and they helped us to get a lot of the existing worker-traineeships going, to actually skill up the existing workforce that we had. There was a resource we had that we could add skills to and that has been a good program. I think TAFE is still as good as any of the other providers that are out there. I think they are as good as the commercial providers in that regard. That said, as a whole I think we would like a higher standard to be available.

CHAIR: You mentioned that TAFE has improved. What do you consider that TAFE needs to do to be more attractive to you the employer?

Mr GAYNOR: More flexible operating hours, if you like. The TAFE holidays that the staff and administration take often do not line up with our business needs, and the times that they want to deliver courses may be when we are quite busy, when we are harvesting or planting. That does not help. Location, too, can be a big barrier.

The Hon. MELINDA PAVEY: Have they put the infrastructure for the courses you require into Moree, for example, or do you have people travelling away?

Mr GAYNOR: Most of our trades trainees have to travel to Tamworth for a lot of their training. For automotive, welding and electrical they have to travel away. What TAFE has invested a fair bit in, and we make use of, is rural skills with the rural skills centre.

CHAIR: The Committee has heard from other witnesses, not only today but on other occasions, that one other big problem younger people have is lack of a licence. How do you find that in your business?

Mr GAYNOR: It is a big restriction for us. We are not far out of town, 25 kilometres, but if people do not have a licence to get to and from work or to get to and from Tamworth for their training—

The Hon. PATRICIA FORSYTHE: In what age group to you take apprentices?

Mr GAYNOR: Generally we look for people who have completed year 12. One reason behind that has been a licence, but also we find that at that age people are a bit more committed to what they want to do and they have a higher level of basic education that helps them in their training. I think that is where the schools-based traineeship program is a smart move, in that we are starting to get people in an attracted to the career, to give them a reason to stay on until year 12 and then go on and do their training. But transport is an issue for them. We have to give them a lift out to work or they have to get lift from their parents.

The Hon. GREG DONNELLY: With regard to retention of staff within your organisation, has your organisation developed career paths internally to try to promote itself and make it attractive as an employer of choice in the community and the region?

Mr GAYNOR: We certainly try to do so, and no doubt other employers do so as well. We see that often a career path for someone is to get trained up by an employer of choice who has a good training program and then be knocked off the board by someone who runs no training program of their own. We suffer from that they have to accept it. I guess our industry is not like some industries. One that sprang to mind was banking, where there was a general commitment to training shared in the training and the labour pool might move around the bit between employers. What you lost on the roundabout you picked up on the swings. We feel that that sort of industry culture is quite there in agriculture.

The Hon. GREG DONNELLY: That is historic, that has just not been the case in the past, generally speaking?

Mr GAYNOR: Yes.

The Hon. MELINDA PAVEY: This might be a tough question but, as a good business operator, as Auscott Industries is, do you sometimes get a little frustrated with employment programs that you see being run that may not deliver outcomes that meet your needs?

Mr GAYNOR: What sort of employment programs?

The Hon. MELINDA PAVEY: The employment programs in Moree? For example, you have said that you are going to seek backpackers to work and the Committee has heard evidence today

from an employment service to the effect that there are local people available. Something is not right there.

Mr GAYNOR: Well, yes. We are frustrated and I guess that the break-up of the employment service, the privatisation of that market, has not delivered us consistent improvements in matching employees to us. The only times we have had good success with those operators is when they have a good manager in the business—and they come and go!

The Hon. MELINDA PAVEY: It is about local partnerships and the networks that you establish on the ground make those things successful?

Mr GAYNOR: That is right. It is just normal business practice. The Aboriginal Employment Strategy is a slightly different model and has different aims, and it is a long-term programs. We recognise that and do not expect to see huge successes from that day-by-day. It is a generational-change issue. The feeling is a whole is that we know the local people who are around and the people who work for us and who are looking for staff know the local labour pool. They know who is a skilled and valuable employee and they know who is not a value to us. We get very frustrated when the local employment services deliver up to us the people that we know have not performed for us or someone else. That is frustrating.

The Hon. MELINDA PAVEY: What percentage of the labour force would be skilled as opposed to unskilled?

Mr GAYNOR: It is increasing because we try to have all our employees trained. We have them all trained up to certificate level free, that is where we are going with them.

The Hon. CHRISTINE ROBERTSON: That is your permanent staff?

Mr GAYNOR: Yes. They are either certificate three in farming or ginning or they have a tertiary qualification—apart from those who are new and have just entered training. Most of our permanent workforce has some skills. Part of the culture that we are all getting used to a bit is that farming, training as a farming, has not really been thought about or recognised as a skill or a trade in the past, and probably still is not up there. Even the guys themselves feel that they are not valued in the same way as an electrician or a welder. They are talked about as farmhands when in fact they are tradesmen and technicians.

The Hon. GREG DONNELLY: Do you have any incidents of people from any of the larger cities coming and working for you for these seasonal periods? Or is that almost unheard-of?

Mr GAYNOR: It is unusual. It is more typical that they come from the coastal regional towns.

The Hon. MELINDA PAVEY: There is some country connection?

Mr GAYNOR: Yes. That is right. Often they are people who might have worked in seasonal jobs in the cane industry on the coast and they will come and work in seasonal jobs here. But there are not a lot that come from capital cities. Some do. I did. I grew up in Sydney, but trained up and came out here and have no desire to go back. I just cannot get that message through to a lot of others, unfortunately.

(The witness withdrew)

(The Committee adjourned at 3.00 p.m.)