CORRECTED TRANSCRIPT

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NEW SOUTH WALES

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At Bathurst on Thursday 24 November 2005

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The Committee met at 9.30 a.m.

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PRESENT

The Hon. A. Catanzariti (Chair)

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

CHAIR: Good morning, ladies and gentlemen. Welcome to the sixth public hearing of the Legislative Council Standing Committee on State Development as part of its inquiry into skills shortages in New South Wales. Today the Committee will hear evidence from participants in local industry, members of the Central West Regional Development Board, the Central West Area Consultative Committee, the Regional Communities Consultative Council, and representatives of Charles Sturt University.

Evidence given to the Committee is protected by parliamentary privilege. This means that witnesses are given broad protection from action arising from what they say, and that Parliament has the power to protect them from any action that disadvantages them on account of the evidence given before the Committee. However, witnesses should take care to not defame individuals. I remind witnesses that the giving of false or misleading evidence to the Committee may constitute contempt of Parliament.

As for the media, 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, including any interpretation placed on evidence before the Committee. In accordance with these guidelines, while a member 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.

Under the standing orders of the Legislative Council, evidence and documents presented to the Committee that have not been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by a Committee member or by any other person. A transcript of the evidence presented today will be available on the Committee's web site at www.parliament.nsw.gov.au. Witnesses, members and their staff are advised that any messages should be delivered through the Committee clerks.

BENJAMIN PETER BARDON, General Manager, Central West Group Apprentices Ltd, 203 Russell Street, Bathurst, sworn and examined:

CHAIR: In what capacity do you appear before the Committee today?

Mr BARDON: As a representative of Central West Group Apprentices.

CHAIR: Do you wish to make a brief opening statement?

Mr BARDON: Yes, and I would like to table a document. Thank you very much for the invitation to appear today. I have prepared a short presentation, which I will take you through. I would be happy to answer questions as we go through. Most of the detail within that document is probably best dealt with as we go through it. I table my submission marked "Commercial in confidence".

Document tabled.

The organisation has been operating for about 25 years. We are a group training organisation, that means we employ apprentices and trainees and lease them out to host employers in the region. We have just under 1,000 apprentices and trainees. The vast majority are apprentices, 92 per cent of whom are in traditional trades that are experiencing a skills shortage. Over the life of the organisation we have had a strong focus on traditional trades. Most of those trades have been in skills shortage for a significant proportion of the past 20 years, some are cyclical but a lot are persistent. At the moment just over 28 per cent of all apprentices are employed in the Central West region, that is from Lithgow past Dubbo and points west. We have good penetration into engineering, automotive and electro technology trades.

The information I am drawing on is public information from the Department of Education and Training, we bring it into our system and analyse our share of it. The last report that we are drawing on is from October, so it is current. In my paper I have tried to give a snapshot of where we are as at the end of last month. There are encouraging signs in the region. Overall, there are 2,905 apprentices in our footprint—the annual report that I have tabled gives a bit of an idea of that footprint—and 2,484 new entrant trainees. The graph at the bottom of the first page shows the movement this year, and it is a very encouraging movement. At the beginning of the year there were just under 2,600 apprentices in the region, there are now over 2,900. In total we have had a 12.3 per cent increase this year. That equates to 318 more apprentices now than at the beginning of the year.

What is doubly important about that is that October and November are usually the lowest points in the cycle. On the second page of my document is a diagram of the typical point-in-time apprentice numbers through a year. It looks like a wave and the peak period for appointing apprentices in the region is December through to February, as employers think about taking people on for the New Year at the start of the new TAFE year.

CHAIR: What is the difference between the trainee growth on the first page and the apprentices?

Mr BARDON: The number of trainees has shrunk by 8.75 per cent this year and apprentices have grown by 12.3 per cent.

CHAIR: What is the difference between a trainee and an apprentice?

Mr BARDON: Apprentices generally do a four-year qualification and end up with a trades qualification, so they can call themselves a tradesperson. Some need additional licensing. A new entrant trainee does a one-year, sometimes two-year, qualification, which is often at certificate 2 level, sometimes at certificate 3 level. It is not a full trade qualification.

The Hon. MELINDA PAVEY: Are trainees mostly in retail, food services and hospitality?

Mr BARDON: Yes. There are many more traineeship qualifications than apprenticeships. Over the past decade it has been the trainee part of the market that has increased. Nationally there have been about 100,000 apprenticeships and about 285,000 trainees.

Mr IAN COHEN: In the region within which you specifically deal, how many young people want either a traineeship or an apprenticeship that are not catered for?

Mr BARDON: That is a very good question. I have been working with the Department of Education and Training through the public school system. There are about 8,000 graduates of the public school system in our region each year, give or take a few hundred. We sign up about 2,000 applicants each year.

The Hon. MELINDA PAVEY: You sign up 25 per cent?

Mr BARDON: Yes, about 25 per cent. Of the number needed to fill traineeship and apprenticeship vacancies that is about the right level if we were to place them all. If all were placed that would be okay, but we place probably about 550 or 600 in our vacancies, because we have only a quarter of the market. So, there are 1,500 who would like to do an apprenticeship or traineeship. When they are not employed through us we do not adequately track what subsequently happens to them.

The Hon. MELINDA PAVEY: Yesterday in Parkes the Committee heard evidence from representatives of three major companies who said that their ability to expand, forces them to go to China to make tanks because they cannot employ people in Parkes to build them. Why is that happening?

Mr BARDON: Primarily it is about a lead in investment. Because a trade qualification takes four years to acquire and there is a significant attrition rate through that process, you need to have many firms employing apprentices for many years to have trades people who are ready to go. It takes a few years to get people trained up: third-year and fourth-year apprentices are really the most useful in terms of the skills and value for money equation. If you have not been training them for a decade, they are not going to be there now.

The Hon. MELINDA PAVEY: Have you any thoughts on how to speed up that trainee and apprenticeship process?

Mr BARDON: I know that in policy circles there is some debate about whether you can shorten apprenticeships. When I talk to apprentices, they are mostly reluctant to do that. The issue is the amount they are paid, not the length of the qualification. The thing that marks an apprenticeship apart is the quality of experience gained on the job. The formal training can often be the same as one can do in a short training course, but it is really the quality of experience. There are some trades that could possibly be shortened a bit. I think there is not a groundswell of opinion with employers in our region, but you may have had evidence to the contrary. Of the 600 firms that use us there are not people battering down our door asking for apprenticeships to be made shorter. There is not a massive groundswell of opinion from apprentices either. The issue is how much we pay them and how well we reward them throughout their training.

The second page of my document shows the big movers this year are building and construction, which is interesting because the budget papers we looked at showed an expected flattening demand for residential construction, reducing by 2.5 per cent. That was the State budget forecast. Automotive increased a bit. Engineering has increased by 17 per cent this year, and that is keeping track with the growth in mines. Electro technology, which is electricians and power generation works and power distribution, has grown significantly. There is a statistical aberration there because Country Energy, which is a really big employer of apprentices, has shifted all of its enrolments to Bathurst whereas they used to be spread throughout the State, particularly the eastern seaboard. It is still an encouraging picture. The following page shows our market penetration into the traditional trades.

But I think we should spend five minutes looking at the issues and trends. We have identified five factors that we think have an impact on skills shortages. The first is the low level of wages for

apprentices. Secondly, contrary to national research conducted recently by a number of research institutions, large employers have been slow to employ apprentices as a proportion of their work force not the small and medium enterprises. I think we have an issue with the status of trades, which has diminished over recent years. We obviously have a problem with completion rates. I think a small but significant factor is the level of overtime being worked by apprentices at the moment. It is taking up quite a significant amount of capacity that, if they did no overtime, would result in many hundreds of additional jobs.

If you look at the wage levels, I have produced from our budgeting processes wage levels by town, by year. You can see in aggregate—and this includes adult apprentices and people who are being paid above award—the average wage for ordinary time earnings for a first-year apprentice in the Central West is $6.65. That is about $230 a week before tax, which is why there are provisions to top up their wages to get them to the Centrelink minimum acceptable average. So you have basically got to be living at home to be able to survive on that wage and yet we expect them to drive in their ute to the job. It goes to $12.97 in the fourth year. Bear in mind that by the fourth year in many instances you are acting as a tradesman already and are very useful to that company and yet you earn less than $100 a day on average. There are companies that pay significantly more than that and they are driving their growth through training. You will speak with Jeff Hort later and he is a really good example of that.

The Hon. MELINDA PAVEY: What percentages of businesses do you think are paying above the award?

Mr BARDON: Not a significant percentage. Out of the people who use us, it is probably about 7 or 8 per cent—not a really significant proportion. We encourage it.

CHAIR: What do you think is an ideal situation regarding support from government or whatever? What do you think is the answer?

Mr BARDON: The short answer is to pay more. But how do you encourage businesses to do that? At the moment traineeships are sold on incentives, and that is viewed as a wage subsidy. My sense is that there needs to be some change to the way that incentives are paid to employers to reflect the amount of time that they invest in on-the-job training of their people. That would make a significant difference. People who take on an apprentice, have a supervisor allocated to them and risk damage to their equipment make a quite different level of investment than somebody who takes on a retail trainee who is assessed every couple of months and learns en passant. I think there is scope for rewarding on-the-job training in a much more significant way and reducing some of the incentives in traineeships. That would allow for apprentices to be paid better. I think you need to look at the percentage of the adult wage. At the moment I think the starting percentage is too low as a percentage of the adult trades wage. You need to make that creep up.

The Hon. MELINDA PAVEY: Is this issue stopping mature-age people changing their career paths and doing apprenticeships? If there were better recognition of their age and experience in other areas of the work force could we fast-track some of those people?

Mr BARDON: I think there is some scope for people who are moving mid career. We have 61 adult apprentices—that is, apprentices who started after the age of 21. But most of them are about 21 or 22. We have not seen many 40- or 45-year-olds coming into the trades. In traditional trades that is often about the time that people are thinking about retiring. Many trades are quite physically demanding. Adult apprentices—people who start in their twenties—do find it difficult, particularly if they have a family, because they are still only earning a percentage of the full trades wage.

The Hon. PATRICIA FORSYTHE: Do find that employers resist taking on adult apprentices?

Mr BARDON: Not necessarily if it is a good fit for their company. Part of the challenge of taking on an apprentice is that you take them on at 16 and they are quite different by 20. By the time they are 21 they have got over the transition from adolescence to adulthood. That is one of the things that makes people drop out—they are finding their feet as people, growing up and learning about the world of work. You often overcome those things when you take people on later. There are pros and

cons. As to the pay issue—the slightly more that you have to pay an adult apprentice—if there is an adult candidate in the mix and that is the best person for the job they would very rarely say, "Oh no, we only wanted to pay $6 an hour".

The Hon. CHRISTINE ROBERTSON: Several employers have said that it costs a company about $21,000 a year to have an apprentice.

Mr BARDON: Yes.

The Hon. CHRISTINE ROBERTSON: Do you know where that figure has come from? It is the same figure wherever we go in the State so it must be a central assessment.

Mr BARDON: I could break it down by each of the years. Maybe they are talking about a fourth-year apprentice.

The Hon. CHRISTINE ROBERTSON: No, they are not talking about wages; they are talking about the cost to their company of carrying an apprentice.

The Hon. MELINDA PAVEY: Damage to equipment, for example.

Mr BARDON: I have no idea where that comes from. I think they value add quite significantly. I am digressing. I would like you to consider those wages because a 16-year-old can earn $16 an hour in a service industry—packing shelves, for instance.

The Hon. CHRISTINE ROBERTSON: What about the accommodation and travel allowance?

Mr BARDON: It is inadequate. In terms of large employers, we have a whole spectrum. Within the 600 employers who use us we have got some very large employers. But at the moment they are taking only a small percentage of their work force as apprentices. The medium-size engineering companies and the automotive workshops, such as the Holden and Ford dealerships, are the ones that put on a significant proportion of apprentices as a proportion of their work force. We have four or five engineering companies that have 20 per cent of their work force as apprentices or trainees. That seems to me to be about the best practice figure. If you have got the skills shortage you have got to be doing something actively about it. Larger companies have two or three apprentices and they are maintaining their investment, but that is not a really significant proportion of their work force.

The outstanding examples of large companies in our region that have dealt with this issue are Country Energy, with 310 apprentices; and Centennial coalmines, who asked me to speak on their behalf today and who have recently expanded into black coal traineeships. They are paying their trainees about $50,000 a year because they have to go underground and mine coal.

The Hon. MELINDA PAVEY: How old are those guys?

Mr BARDON: Most of them are between 18 and 24. They go for a slightly older, more mature cohort of people and people who are resilient to working underground. We did quite a large recruitment process and about 120 people applied for eight jobs. We were able to find some really good candidates.

The Hon. CHRISTINE ROBERTSON: How many underground coalmines are left in Australia?

Mr BARDON: I do not know the Australian figure but there are six in our region. Centennial has six in our region and I think they have 12 in New South Wales.

The Hon. CHRISTINE ROBERTSON: I was thinking about the future.

Mr BARDON: It is a double-edged sword: coalmining for power generation. Delta Electricity have been very good supporters of apprenticeship training. They have doubled their intake over the last couple of years. They are one of the few companies that still trains people for the

community. They take on three or four apprentices each year, get them through their first year and then they make them available to other companies. So they are taking a regional skills requirement approach. I think that is what the bigger companies—the bigger utilities—just stopped doing. They closed down, outsourced, we deregulated and the large numbers of apprentices that used to be trained by those larger companies just disappeared from the landscape.

Mr IAN COHEN: Does that cost them or are they getting some benefit from what is essentially a first-step process?

Mr BARDON: They get some work out of those people but actually very little. I think they see it as an investment in training their future contactors. They put them out with other engineering businesses so when they need to buy in services they know that there are enough people being trained in the community to come in as contactors.

The Hon. PATRICIA FORSYTHE: You said that apprentices used to be trained by large companies. Did you include in that the government when it was also an employer of apprentices?

Mr BARDON: Yes.

The Hon. PATRICIA FORSYTHE: Is that where the real shift has occurred in apprenticeships?

Mr BARDON: Definitely. A few years ago there would have been hundreds of people trained by the railways. Two decades ago hundreds of people were trained by the railways and that just stopped. Bathurst was a major hub for that. Delta Electricity used to be a major trainer of their own apprentices, then they outsourced it and now they use a skills centre that is based at Lithgow TAFE. I have some good stories to tell but we are a bit short of time.

The Hon. CHRISTINE ROBERTSON: Would you mind sending those stories to us and we can include them in the evidence?

Mr BARDON: Yes. I will give you a couple now. Barrick Gold, for example, are sponsoring indigenous apprentices at Condo, which is a great story.

The Hon. MELINDA PAVEY: Tell us quickly.

Mr BARDON: This was part of their arrangement to get the goldmine near Lake Cowal up, which had some environmentally sensitive issues around it. It also had indigenous land rights issues around it. Barrick have met their obligations on the land rights side by providing scholarships to indigenous apprentices—the Wiradjuri from Condo, specifically—and providing a lot of support. They have hired a person who used to work for us as a field officer to support seven or eight apprentices in that community. They pay half the wages for a local company. We have got an engineering company in Condo, for example. Barrick Gold pay half the wages and we forward on all the incentives to them. It makes it very cost effective. Some builders out there do it. This stuff will play out positively over a generation. It will take 10 to 15 years. We go back with Knuckles to Condo high school and say, "Look, if Knuckles can still be in an apprenticeship two years down the track you can do it too". It has a really positive impact on a generation of men who just did not work in Condo. There were not many positive role models to go forward. So the company is meeting its community obligations. Councils hire about 50 apprentices through us.

With the status of trades, I think we have seen over the last decade or so that people have wanted to stay at university. We are also seeing a combination of some parents saying, "Well, get a trade behind you" because they can see, particularly in the country, that some of the best and most successful businesspeople are tradesmen in the town.

The Hon. MELINDA PAVEY: Are you seeing pathways with TAFE and university developing more?

Mr BARDON: That is one of the things that Centennial Coal asked me to raise. We do not get good transference from people doing engineering apprenticeships becoming engineers and going

on and working in that field. That is people selecting not to. There are opportunities. The companies will pay for them to do the training but they just do not want to do it. Actually finding engineers who will also stay in the more rural and remote places or even Wallerawang near Lithgow—it is less than 200 kilometres from Sydney so it is not really remote by our standards—but it is difficult to get engineers to stay there. The answer is to train them up from the town but few people are identifying that pathway.

The Hon. MELINDA PAVEY: Is that because of the location of the engineering degree?

Mr BARDON: Some of it is about where the training actually occurs. There is no engineering training in our region at the tertiary level. I know representatives from Charles Sturt University will be here this afternoon and they were asked by the big power generators to provide that training, but universities have their specific patches and that is one of the things that they do not do.

We also have a bit of an issue with generation Y. No longer are there jobs for life, so young people are prepared to switch because people are not prepared to give them a job for life. "What are you going to give me in return? How quickly are you going to give me the skills that I need to be marketable?" People are switching much more readily than in the past and they are wanting less to fit in and to mould to old-style workplace cultures.

We have a spectrum of employers and most of them are progressing. It is more difficult to place the ones at the more recalcitrant end because you have to find someone who is prepared to be more easily moulded. I made some comments about the lower completion rates. What was interesting in recent national research is there was a big increase in commencements but there was almost a doubling of drop-outs in that year, which indicates just how difficult it is to find the right match for people. People really need to want to do a trade because it takes four years. You really need to have a commitment. You really want to have that to be your vocation.

Although you can ramp up the vacancies very quickly and probably fill them, you will not get people to stay there. It does show the value of organisations like ours, which are working with the schools to be able to identify people who are still at school, organise work experience through their careers processes and move them into trades so that they actually have an idea that that is what they want to do. Just under 60 per cent of the people who drop out, do so in the first three months. That is indicative of a problem with the way we are recruiting and attracting people. Although you can quickly fill the vacancies, they quickly fall open again.

The Hon. GREG DONNELLY: I gather that you do a screen process to try to match closely applicants with what they want to do. Could you please explain how you do that?

Mr BARDON: The current process we use is an interview process and aptitude testing. It is a form of psychometric testing, which looks at mechanical, spatial and aptitude for different trades. We are refining that at the moment with Saville and Holdsworthy, the leading aptitude people in Australia. It is very expensive and it sounds unnecessarily complex for entry-level jobs, but you do not actually have much to go on with young people moving into these things, so you have to have a look at their predisposition and whether they have the hand skills.

Employers will be able to say, once they have been in a workshop for a day, whether they are a natural and whether they have got it. It is to try to ascertain those things. We do interviewing and aptitude testing. We also work with the schools to do work placement in advance, wherever possible. It is those things that we need to get better at to make sure that the young person knows that it is a long road ahead and it will be rewarding once they have finished it. But it is not a simple match; it is not simply having certificate II in retail and being able to get a retail job. It is not just that simple matching process.

The Hon. CHRISTINE ROBERTSON: Is your aptitude test a written test?

Mr BARDON: It is a combination. It is a paper and pencil test, multiple-choice usually. Some of them are diagrammatic. We do pay attention to literacy and numeracy.

The Hon. CHRISTINE ROBERTSON: Would it be possible for you to send this to the Committee?

Mr BARDON: Yes, could I check with Saville and Holdsworthy?

The Hon. CHRISTINE ROBERTSON: Yes, could you take the question on notice?

Mr BARDON: Yes.

The Hon. PATRICIA FORSYTHE: It could be a confidential document.

Mr BARDON: Certainly. We would be happy to share that. On a high level we have identified different jobs, the main industry categories and we have 17 different combinations of psychometric testing for each of the jobs.

The Hon. MELINDA PAVEY: Do you have a general comment about the level of education coming through in these tests from school leavers?

Mr BARDON: I have not analysed that so I would not make a comment about whether it has got better or worse over a particular time. We have certainly got lots of decent, good, young people coming through. Finding the right job for them is the challenge. Although the long-term trends are problematic because the trend is downwards as a proportion of the overall population, at the moment we have got some reasonably good candidates.

What I would say about overtime is that about half of our apprentices do overtime and for that half, it is often as much as 20 per cent of their income. In some trades like building, construction and engineering, which are overtime rich, there is capacity to employ more people and do less overtime. Obviously, if you are earning $12 an hour and you have been doing it for four years, you would be quite happy to take the overtime because it augments your income.

In terms of solutions to some of these things, we seek to have much closer engagement with the schools system. This year we have initiated the Try a Trade project, which brings local tradespeople to the schools and does some hand-on trades training and brings apprentices back. It is based on the World's Skills Try a Trade model, except it is the first place where we actually bring it back into the schools. We have one happening in Cowra later on.

I will go through the list of things we are doing. We are working on those more refined psychometric tests. We are integrating employability skills in the job-matching process. We are participating as the regional industry in the careers and advisory service under the new Australian national industry careers adviser arrangements, and that will be a good thing. We have looked at the way that we target our pastoral care interventions and how we support people and when we support the apprentices.

We have gone into work force planning with the larger firms to analyse how many people they need, based on the retirement pattern and the fact that we only have a short window of opportunity to bolster that. We go in and make ourselves very unpopular with the board by saying, "You currently employ 4. You need 32". They go away and have a talk and we get 20. Overall we have made an effort to go around to our larger customers and say, "You need to increase the proportion of apprentices as a proportion of your work force."

In terms of our industry partners, giving preferred provider status to the key suppliers and contractors who employ apprentices has been a really great idea. It does not cost the big company anything. It just says, "If you want to get our contracting work, put on the apprentices." That has been the practice and expectation, but it does guarantee the suppliers and contractors more work if they put the apprentices on. It recognises outsourcing as a reality.

Taking the regional skills perspective so that they train some for the community and other businesses I think has been really great, including sponsorship for indigenous apprentices—and utilisation of the STEP program supports that. Usually we get try to encourage people to double their

intake and large companies are looking to see how they can rotate apprentices so that the actual quality of the training is improved.

The Hon. MELINDA PAVEY: It is important to broaden their experience and skill base so that they do not do the same thing for four years?

Mr BARDON: That is right. Often it is a requirement because one company does not give enough broad experience to cover their qualifications. More and more engineering companies are talking about the real skills that people need to be able to actually do the job and that is where rotation is being discussed.

The Hon. CHRISTINE ROBERTSON: With the rotation, how is there consistency in teaching problem-solving skills and how do you measure the quality of their training?

Mr BARDON: Probably not well enough is the honest answer. The formal training remains the same. They all go to TAFE for their apprenticeship. It is really the quality of the on-the-job experience and that is largely to do with the nature of the job they have been rotated into and the quality of the supervisor there. We do not have quality assurances mechanisms, other than the fact that the companies that do it are usually companies at the leading edge, so they usually have better practices and you can link them in with training that occurs there. I am not sure whether that satisfactorily answers your question.

The Hon. CHRISTINE ROBERTSON: I am not sure if it can be, thank you.

The Hon. PATRICIA FORSYTHE: In your submission you focused on working with public high schools. Given that one-third of students attend non-government high schools, why should the focus be on public high schools only? Second, what is your knowledge of careers advisers and the range of opportunities available to young people in this region?

Mr BARDON: We will be taking the Try a Trade road show to all the high schools, public and private. We wanted to make it available to the public system first in recognition that that is where we get the majority of our referrals, although that is not exclusively true. There are some large private schools that do make contributions to us. We are making it available to everybody for free next year and we are putting in place a timetable for that.

There has been a problem with the status of trades with careers advisers. We very rarely get to see the good kids going well. Good kids going well go to university, regardless of whether it is the right pathway for them or whether they are going to drop out, which is why we sought to become involved in the regional industry linkage in careers advice.

The Hon. PATRICIA FORSYTHE: You might be interested to know that before I saw your submission, two issues that I have been raising as possible solutions lie with the concept of Try a Trade or some sort of exhibition for students and also working with careers advisers. I want to know what you are doing with Try a Trade. Is there a group training mechanism that covers every high school in the State? In other words, if we were to make a recommendation that a host organisation across the State should take responsibility for something like this, is that a feasible solution?

Mr BARDON: Yes, you would get 100 per cent coverage. There is a bit of a blank spot west of Cobar and east of Broken Hill but there are very few communities there. You would get very good coverage.

The Hon. PATRICIA FORSYTHE: I am not saying that is the direction we would go and I cannot speak for the Committee, but that may be one way forward.

Mr BARDON: I think it is, too. We put our own money into this thing and we are asking our industry partners to help fund it on an ongoing basis. It has been really well received by students and by their teachers.

The Hon. GREG DONNELLY: You have spoken about non-completion. Are there different reasons why young people are not completing apprenticeships now, compared to in the past or has insufficient work been done to discover why?

Mr BARDON: It is something that we have been worrying about. There is no single answer is the best way to look at it. Certainly, rapidly ramping up vacancies does not help. The sorts of reasons generally given to us are, "I am moving from town", "I am moving to the coast". A percentage of the time it is, "I cannot get on with my host employer any longer" and you have that growing-up process. Some of the time it is because of the money, particularly with adult apprentices, but mostly people just grin and bear it basically. We break it down into seven or eight factors and I am happy to share some of those.

The Hon. CHRISTINE ROBERTSON: Do you think the lack of loyalty is generation-wide or just a lack of ownership?

Mr BARDON: I think there are some generation-wide factors. I prefer to look at them in the positive. If the family structure is not good—and half of marriages are failing—and there is no job for life, young people seem to be interpreting that as "Okay, I accept that. I accept that I am going to make seven or eight moves in my life, and you are my first. What are you going to do for me?" I think that is generation W, which is western New South Wales, which is not quite as extreme as eastern suburbs, but somewhere there is some of that stuff happening, yes.

Mr IAN COHEN: There has been a lot of talk about various smaller industries training up and losing their apprentices to the mining companies. You mentioned that some mining companies are taking a responsible position and training up apprentices. It seems that there is a big hole. Smaller companies, such as those in Griffith and other areas, are suffering from a lack of an apprenticeship work pool. Do you have any solutions?

Mr BARDON: It is difficult. Certainly there is poaching between mining companies, they are taking tradespeople when they have completed their course. When I say "poaching" I mean they are just paying so much better. We certainly have worked with Peak Gold at Cobar, who said that they would like to rotate amongst local businesses. However, when they went to the local businesses we were told that they would not work with Peak Gold because they nick their employees. They were prepared to rotate through the life of their apprentices, but you may have one enlightened company. In Cobar there are four main mines. We work with of them, and they are enlightened. Overall, the majority say, "If I train them, they will get nicked by a mine". Really, it is incumbent on us to persuade the mines to train them.

Mr IAN COHEN: The idea of churning happens more in traineeships. Employers can use the apprentice and move on. Is there any way of resolving those problems without falling into that trap on the other side where the employer uses up the apprenticeship?

Mr BARDON: There are some positives in churning. For people who are learning employability skills, often the way they learn them is to do six months with McDonald's or Woolworth's. That is not in itself a bad thing. But whether we should fund it is a different matter. It is not necessarily a bad thing, because there is an expectation on both sides.

Mr IAN COHEN: There may be another way of funding it?

Mr BARDON: An apprenticeship is quite different. Employers want apprentices to stay on as tradespeople in their business afterwards.

Mr IAN COHEN: The Federal Government's Amanda Vanstone, announced yesterday the bringing in of apprentices from overseas to be trained, to give them residency after the event. How does that fit in with your view of the world?

Mr BARDON: I met with the Department of Immigration and Multicultural and Indigenous Affairs [DIMIA] on this, I do not think there will be a high take-up on this. It has to be in rural and regional Australia. You have to prove that you have not been able to fill the vacancies with local kids.

It costs a fortune for people overseas to come here. It is not about training, they have allowed it but they have not enabled it. In its current form it will have no impact at all.

The Hon. MELINDA PAVEY: What experiences have you had with similar companies in other States in relation to vocational training orders and flexibility of training and the limiting and fast-tracking of apprenticeships compared to New South Wales?

Mr BARDON: There are some good examples in New South Wales. East of the divide, group training companies provide the training because they always use the choice in apprenticeship training. Hunter Valley Training Company, for example, trains a lot of their own people to a very high standard. Being completely honest, I think the New South Wales TAFE system is seen as slow and recalcitrant by other States, and slow to adopt training packages.

The Hon. MELINDA PAVEY: What is slowing that adoption?

Mr BARDON: The industrial relations environment, the power of the Teachers Federation to be honest.

CHAIR: From what data did you source the wage level graph in your submission?

Mr BARDON: It is based on what we paid apprentices. We employed 1,667 last year, so it is drawn from last year's data for those 1,667 people across our footprint. It is our data, what we actually paid.

CHAIR: Thank you for your submission and your input this morning. You will be sent a letter about the question on notice.

(The witnesses withdrew)

JEFFREY CHARLES HORT, Managing Director, Jeff Hort Engineering Pty Ltd, 10 Edward Street, Orange, sworn and examined:

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

Mr HORT: Yes, and I have a paper which I would like to submit. I have made statements off the top of my head over the past couple of days, a few points of interest.

Document tabled.

I am supportive of anything that can be done to support training and increase the skills base of Australia. That is one of the reasons why I am here. I have quite a bit of criticism about how we go about it today, although there are a lot of good things happening. I have criticism of the system and of how little of the funding for training ends up where I believe it should go, that is to the workplace. We see very little of the funding that is given by the State governments, the billions of dollars. We see so little of it in the workplace. That is my biggest criticism; a lot of snouts in the trough. People of goodwill—and all the people sitting here are people of goodwill—people in the training community, and there are lots of them, are trying to do something about raising our skills level. At the end of the day that takes place in the work force. But businesses do not do their job properly and that is the skilling of the future work force. That is where the funding breaks down.

CHAIR: Can you give some examples of where you think that funding breaks down?

Mr HORT: I see a lot of people in the system. From memory, and I go all the way back to the Snowy Mountains Scheme, when I was an apprentice the Snowy Mountains Scheme was being built. I was not part of it, I did not work in it, but I can remember all the talk about the Snowy Mountains when I was 15 or 16. We had a huge shortfall of skilled labour in Australia at that time and we had a huge migration program to bring people here. And what a wonderful end result there was from that. Today is the end result of the some of that. I am a great supporter of the immigration system.

Even today the schemes are well intended, but the shortfall of skills in Australia is no different today from 40 years ago. It certainly has not happened just this year, it is always been there. My small company recognised that on the day we started our business, 11 years ago. After we had run our business for about 18 months we realised we would perhaps make a quid out of that. From that point onwards we started taking on apprentices. We maximised our capability of doing that. It is not just the cost of the apprentice, it is a cost to us. From the very first day our apprentice comes to work, he works on a paying job. We produce income with that kid.

I sit on committees where people say "Apprentices are so expensive, you cannot get anything out of them." It is all absolute nonsense. We are one of the examples that Ben Bardon talked about, we have first-year apprentices on $11 and hour.

The Hon. MELINDA PAVEY: Why is your mind-set different?

Mr HORT: I am an ex-apprentice. All my management team are ex-apprentices and we have a mind-set about what apprentices can or cannot do. I had been a general manager in the mining industry before I started my own business. An apprentice can go all way to the top in the industry; it is about tenacity and ability to have a go and work ethic, and all that sort of stuff. We are good role models. We know what it is like in the workplace, because we spend most of our life in there. We pay ourselves accordingly. To me it is absolute nonsense when I see chambers of commerce and employers and support groups argue with the unions about the labour rates for an apprentice, because $6 is just an absolute nonsense. Shelf packers in Woolworth's are paid $13 an hour—in my submission I said that was $10, but I heard Ben say $13.

The Hon. MELINDA PAVEY: What do you pay your first-year apprentices?

Mr HORT: We pay them $11 an hour. By the time they are in their fourth year they are on $18 anyway. I have heard people talking about mature-age apprentices. We love mature-age apprentices, and we have quite a few of them.

The Hon. MELINDA PAVEY: What about flexibility for training mature-age apprentices? Do they need a structured four years?

Mr HORT: Yes, except for the first year when you do all the basic work with hand tools and occupational health and safety and all those things that are generic in the first year of any apprenticeship. A mature-age person would struggle with that if he was with 16-year-olds and he may be 32. In fact, I have one who is 35. Those guys will turn out to be wonderful. The people who are the backbone of my organisation are all ex-apprentices, and a lot of them are mature age. The best superintendent I have ever seen was a mature-age guy, he was 35 when he commenced his apprenticeship.

The Hon. PATRICIA FORSYTHE: On the example of the 35-year-old apprentice, what had he done prior to going to you?

Mr HORT: He was a backhoe operator, worked for a boss. He bought his backhoe to our workshop and I thought he was a tradesman. I wondered what he was doing driving a backhoe when he was obviously a good tradesman. He said, "I am not a tradesman at all, I never had the opportunity." I said to him, "Would you like an opportunity now?" He said "Yes." He is a leading superintendent in our organisation, he is fantastic.

The Hon. MELINDA PAVEY: Did you pay him even more?

Mr HORT: We made a pact with him that we would pay him $16 an hour, and that was a long time ago, four years ago. After six months we paid him the same as we pay a fitter, or a fully qualified person. To me, it is just a nonsense; unions and men sitting down negotiating rates of pay that are totally irrelevant to what is happening in the workplace. A careers advisor advises a young fellow or a young girl that if they do this apprenticeship they will get $6 an hour, then $8 and then $9 or whatever and when they finish and become a tradesman they will get $15.40. They can get that at Woolworth's, with no training at all. It is just ridiculous. To me, the whole thing is completely wrong. There is no relevance. People are spending fortunes negotiating and renegotiating standards of living and all sorts of things that are totally irrelevant to what actually happens in the workplace.

Mr IAN COHEN: Is it just intransigence on the part of many employers?

Mr HORT: Absolutely.

Mr IAN COHEN: How do you get around that? How do you convince them to take an enlightened approach?

The Hon. MELINDA PAVEY: And can they afford it?

Mr HORT: I listen to employers all the time who cannot afford to do anything but the end result is that they are the ones who are screaming. My company does not have a shortfall in skills. We lose our skills to other people who are prepared to pay them more—primarily the mining industry. But we see that as just doing our job. Those people who go into the mining industry who worked for Jeff Hort Engineering will eventually bring work back to us because of the relationship we had. We get the benefit. We lose people to the mining industry all the time. But they are good people and, in the end, that is where our future business comes from. They bring the business back to us. So we do not see that as a loss; it is a gain. It is a mindset.

I am just as frustrated with governments—things like payroll tax. The State payroll tax is the biggest disincentive to business in the whole country. It leaves little. I will give you an example. Last year my company had a very successful year: We made $1.3 million profit, which is a really good year for us. That is out of about a $15-million turnover, employing 126 people. We paid off about $900,000 worth of capital and then we had to pay tax. We did not have enough money to pay the tax.

The Hon. MELINDA PAVEY: The payroll tax.

Mr HORT: No, business tax. By the time we paid for the capital we required to capitalise our business and grow it out—and that is not counting the interest we pay on that money; we are just talking about repayment of the capital—and then we paid the tax on it because it is capital money, we did not have the funds to pay all the tax. We had accrued something like $300,000 for the tax bill but it was $360,000. So we had a shortfall. Now we are struggling. A rate of 6.1 per cent is worth about $340,000 to us. What do we get for that? The Government has its hand in the trough. We need that hand in the trough because we need all the infrastructure—roads over the Blue Mountains and all the things we need for business. So I do not have a problem with paying tax. My problem is tax when there is no benefit—or we do not see the benefit. That tax is payroll tax. By the time you pay your payroll tax there is nothing left.

At the same time, we tried to spend about a quarter of the million dollars last year just on training. It is not apprentice training. Apprentice training can be expensive but I do not believe it is because it has great value. It is the WorkCover training. We spent $150,000 last year just training our work force of 260 people to meet the WorkCover needs—forklifts, licensing and so on. Is there anything wrong with that? Not a thing. It needs to be done and it is being done properly but the cost of that is great. When we take our men to someone else's workplace we have all the licences we need, we do everything we are supposed to do and we try to cover all the occupational health and safety legislation, and it all works beautifully. The problem is that at the end of the day it is about trying to make a dollar. That is where the difficulty is—that 6.1 per cent.

The Federal Government used to put out this tax thing for training—you had to meet 3 per cent. I think that was a great idea. I remember I worked in the mining industry in fairly high positions in those days and we laughed at the 3 per cent impost because I think at the time we were spending 9 per cent in the mining industry on training. In my business I spend about 10 per cent over and above it. Can you afford it? The reason I can afford it is because I have a family company and my family is prepared to sit on the board, like they did on Saturday, and meet as a board. All my family are board members and all but one works in the company. They are prepared to work as board members with no return in 11 years—not one solitary dollar has ever gone back to them. But if we had a shareholder in our group we would be out of business. If we had to pay a dividend to a shareholder and people said, "Can you double the size of our business?" we could do that in one day but we could not capitalise it quick enough. We cannot afford the capital to develop the business. We could employ twice as many people tomorrow—we have people knocking on our door. But we cannot afford to employ any more. We cannot trade any more apprentices than we do. We have maximised everything we do. But we have to do it within the limits of what we can afford.

The Hon. MELINDA PAVEY: In your submission you say, "Jeff Hort Engineering has recently lost 75% of its manufacturing capability to China for the want of a 3% reduction in production costs". We heard evidence yesterday from a representative of Transtank—

Mr HORT: We do work for them.

The Hon. MELINDA PAVEY: He said that they are having to source a lot of their work to China for a 2 per cent return because they say that they cannot find the people in Parkes to employ to do the work. Can you explain the situation as it relates to you?

Mr HORT: We worked for two years to develop a manufacturing arm of our business. We are engineers and we do engineering work. The bulk of our work comes from the mining industry. So we saw ourselves as being exposed: if there was a downturn in the mining industry it would affect us dramatically and if there was no other alternative that is not a good way to run your business. So we decided to try to get into the manufacturing business. That is what we did, and we won a three-year contract with Electrolux to provide heat exchangers and condenser coils for refrigerators—all the copper tubing that goes into a refrigerator. We did all the engineering and developed all the tooling. We bought some of the tooling out of Europe—from Finland, which was the only place where it was available. But we designed most of it ourselves. We went into business and it was a very handsome business.

After 18 months we were asked to find 3 per cent per year for the rest of our life. Wages go up by whatever the consumer price index is plus some incentive. So we have a wage increase of about 3 per cent a year. Then we had to find a 3 per cent reduction in the costs. We were not able to do that. We worked and worked and worked. I think we got 1.5 per cent but we could not find 3 per cent. That was not the final reason but the most important reason for us was the fact that we lost that contract after 18 months. There has been a war going on between our customer and us that you do not need to know about, but we have finally been able to achieve all our capital. By March we will have all our capital back so our business will continue to grow. We have been through a hell of a learning curve. But the end result is that $4 million worth of products that we were making in Orange for an Orange plant are now coming out of China.

We are not the only ones. There are other people who set up in Orange to do the same thing but we just cannot compete. We have kept 25 per cent, which is robotics. It comes straight off a robot, with very little manpower involved. It is very disappointing to us. We have been able to survive it. We are much wiser now. We are still now trying to expand our manufacturing business. I recently went to China to find out what is going on there. What they have been able to achieve in the last 15 years is absolutely mind-boggling. There is no way that we are going to beat them; we are going to have to learn to join them and be part of them and get the best out of it in a positive rather than a negative way. That loss was because of constantly trying to reduce the price here. That $4 million is a great disappointment and we lost the jobs as well, which was also disappointing.

The Hon. GREG DONNELLY: In terms of the turnover of apprentices and apprentices not completing their qualifications, we have heard evidence today and during other hearings that this is a common problem for employers. Would you care to comment on that? I suspect that you do not have the same problem of non-completion. What do you think allows your company to help apprentices get through their four years of training without dropping out?

Mr HORT: It is very simple: We pay them well enough. People do exit interviews—I know Ben Bardon does them—of apprentices when they leave. The kid will tell you what they think the boss would like to hear; they do not tell you the real truth. The truth of the matter is that they are not paid enough. We are an example. From day one we pay more because we know they are worth it. We base that judgment on the fact that the kid comes to work on the very first day and he is productive. We make sure he is productive in a small way. We have not had a failure—we have had not one single apprentice fail. We have not lost an apprentice and 30 per cent of our work force today were trained by us.

We have a very young work force, and they are difficult guys to manage because they are still a bit harum scarum. But we have great faith in these fellows. I used to be just like them; they are no different from what I was as a kid—I was just as harum scarum as they are. But we pay them more. They are very involved in the decision-making process. The culture of our workplace is very strong on that: You are involved in the decision-making process; you are not divorced from that. When our sweeper goes away we have a hell of a time getting the room cleaned because they are such grots. But, to be perfectly honest, the simple answer is that we pay them more. We pay them what they are worth. If they are really flying and they work like a man and act like a man, by the third year they will be getting a man's wages. We would pay them as a tradesman.

The Hon. PATRICIA FORSYTHE: Do you have any young women who are apprentices?

Mr HORT: We have one. She was an apprentice and she is now a purchasing officer. She was very successful. She is the only one who has ever come to our place for work experience. The other thing that is really important is work experience. I tell the committees that I sit on that try to educate other employers that if you pay your people well you will get the result that you are looking for. If you treat people well you will get the same result. If you treat people like a dog you will get bitten on the leg. If you pay people peanuts, you get monkeys. We do not seem to have that problem. I think we are a good example: People should come and look at what we are doing.

Where do we get our apprentices? We get them from what I call the school to work program: work experience. We have kids in our workplace every week. We have at least one or two in our workplace all the time—sometimes there are four or five, which is too many for us to handle. We put that kid to work and we can tell within an hour in our trade whether he has the capability. At the end

our supervisors write a report on that particular individual and we take his photograph. Why? We teach everybody and we do not expect to get anything for nothing. You do not get anything for nothing. Be prepared to put your money where your mouth is. The school to work program works brilliantly for us. We have so many other kids who could do the work but our intake is six. Four sixes are 24 so at present we have 19 because some of them just completed. Most of our kids finish their apprenticeship early.

CHAIR: Thank you for your time this morning and for your submission. We certainly appreciate your efforts.

(The witness withdrew)

SHARON ANNE RABEY, Acting Executive Officer, Central Western Regional Development Board, P. O. Box 1620, Orange, 2800, affirmed and examined, and

ANTHONY JOHN BOLAND, Project Manager, Orange Cabonne Blayney Industry and Skills Project, P. O. Box 35, Orange, 2800, sworn and examine:

CHAIR: Do either of you wish to make a brief opening statement?

Mr BOLAND: We have written a brief paper, which has been circulated. Sharon and I both worked together on the paper and we were in agreement with the submission that was posted to the Committee earlier this year. Our experience has been that industry is of the opinion that there is a problem with skills shortages and they realise that it is not something that can be fixed overnight and it is not something that the Government can do alone. They are working to address their long-term needs, but there are some things that they can be helped with along the way. That is my short opening statement.

CHAIR: Would you like to add anything, Sharon?

Ms RABEY: No, thank you.

The Hon. CHRISTINE ROBERTSON: I have a rather nasty question about something that is worrying me. There is no chance that employers are telling us constantly there is a major skills shortage because they want to shaft people easily and employ others in the same skill bracket?

Mr BOLAND: No.

Ms RABEY: No.

The Hon. CHRISTINE ROBERTSON: Tell me why that is wrong.

Mr BOLAND: Because they have listed vacancies. They are looking for additional people. They have staff working overtime to compensate for a lack of numbers of people on the job. They are recruiting apprentices in the hope of getting apprentices up to speed very quickly to do to trade work—which is not necessarily always successful—and using unqualified but skilled labour in lieu of trades and basically looking for any alternative to provide the skills on the job when they just have no tradesmen.

Ms RABEY: I think that employers overall do not feel favourably about bringing in skilled migrants. They see that as adding an extra dimension to the difficulty in employing someone and quite a lot of them are very desperate, so they are looking at that as an alternative, which shows the level of desperation in some workplaces.

One of the problems that we struggle with in the project that we are doing—and the board is also a certifying body with the regional sponsored migration scheme and the SIR visa—is that the positions that are advertised can be a bit misleading in that they advertise positions for someone yet when you try to organise people from overseas, it takes a lengthy period to actually get someone to fill the position. By then the position is then not always there because of changes in the workplace. That means that they can no longer employ someone, even though they may have been desperate for someone. Suddenly they can no longer employ that person because things have changed, and that gives a conflicting view of the skills shortage. For instance, the steel shortage has affected a lot of businesses.

The Hon. CHRISTINE ROBERTSON: The shortage of steel?

Ms RABEY: Yes, China has consumed a lot of steel, so is very difficult to get.

The Hon. CHRISTINE ROBERTSON: It helps BlueScope.

Ms RABEY: Yes. It has affected a lot of businesses. Jobs that they were desperately trying to fill, suddenly they cannot fill them. Especially apprenticeships for skilled migrants are a problem because they do not feel they can offer them a definite two-year contract because they do not know how that the effects on the business will come out.

The Hon. CHRISTINE ROBERTSON: Does the demand for labour correlate with the unemployment rates or are the unemployment rates high and people are perceived as unemployable?

Mr BOLAND: The unemployment rate is quite low. It is less than 5 per cent, which is comparable with the national average.

The Hon. CHRISTINE ROBERTSON: It is the same as the south of the State.

Mr BOLAND: Yes. The only unemployed that attract a reasonable training value in terms of dollars are the long-term unemployed. We tried training them into a skilled position such as welding, where they basically had to learn three welds over a six to seven week period, which was very realistic and achievable. Fifteen people commenced, five people finished and none of the five people went back and asked for a job. It makes you wonder about potential. I know that representatives from two separate companies saw 15 different people each and they both said that of the 15 people they saw, only two people would be able to hold a job in open employment. They were still willing to give everyone a go who completed the course, but no-one turned up.

The Hon. CHRISTINE ROBERTSON: Do you know if you have a large casualised work force that would help to make your unemployment rate lower?

Mr BOLAND: Casualised work force in terms of skilled work force or generally?

The Hon. CHRISTINE ROBERTSON: General casualised work force? If people are working 20 or 30 hours a week, they are not on unemployment lists. Do you know if there is a lot of casual work?

Mr BOLAND: I think that in the younger age group of 17 to 22 or 23 there would be a good amount of casualisation.

The Hon. CHRISTINE ROBERTSON: And this is in the Central West?

Mr BOLAND: Yes, I am restricting most of my comments to the Orange, Cabonne and Blayney local government areas. The more mature age group from 25 onwards would be more in full-time employment. There are significant jobs advertised constantly for semi-skilled and skilled positions, not necessarily qualified and, believe it or not, they find it very hard to fill labourer jobs that are completely unskilled just through a lack of suitable applicants.

Mr IAN COHEN: Where does the problem lie? Of those 15 people, have you dissected the personality aptitude and attitude? What is the problem? If they have been unemployed for a long time and they have been given those opportunities, is the financial reward insufficient to wean them off unemployment?

Mr BOLAND: There are a number of factors, particularly social. Number one is that they have to get out of bed at a set time and get to a set place, which does not sound unrealistic to us but it is very hard for them. They are used to going to bed at three or four in the morning.

Mr IAN COHEN: You are saying that they do not have a work ethic.

Mr BOLAND: That is right. That is something that has to be ingrained in them over the training course but you cannot ingrain that in them if they do not turn up. And they will not turn up because they used to being in bed until 9, 10 and 11 o'clock in the morning.

Mr IAN COHEN: Yesterday we spoke to some young people who were very keen, indeed desperate to find employment but they cannot get the opportunity. I am wondering where the truth lies.

Mr BOLAND: I wonder what they are doing about going out and looking for work.

Mr IAN COHEN: One man who appeared before the inquiry yesterday was particularly keen and quite distraught that he could not get a job in Parkes. He wanted a start. I am a bit incredulous to hear that, on the one hand, there is such a chronic problem to get people employed while on the other hand people are desperate to find employment?

Mr BOLAND: Parkes may be in a slightly different situation as a major wool top making plant closed down in the last few months, which basically put an extra 100 people in the labour market. Prior to that the abattoir shut down in Forbes, which is only 300 kilometres away, which put another 200-plus people into the labour market. A few months prior to that a welding fabrication company that built modular buildings for hospitals that employed 80 people also closed. In those two localities a significant number of people have been injected into the labour market who would not otherwise have been there. That may have had an effect but, even still, the labour markets around there, particularly now that there has been some rain, are not particularly buoyant. I am wondering whether it is job search technique or maybe he is just very unlucky.

Ms RABEY: Can I ask what sort of job he was after, any particular trade?

Mr IAN COHEN: He wanted a traineeship in truck driving, forklift driving. He was very enthusiastic.

Mr BOLAND: Maybe relocating to Dubbo is an option.

Mr IAN COHEN: That was something he wanted to avoid, for reasonable reasons. You said that people work overtime because of lack of employees. Is it not also the case that employers ask people to do overtime because they are not prepared to take on other employees?

Mr BOLAND: Not in my experience. With the companies I work with it is a lack of available labour. With the odd case it may be, for one or two hours a week, because it is easier to make it up to a 40-hour week with a 38-hour award.

Mr IAN COHEN: You do not think that anyone is missing out on normal full-time regular employment because employers are not prepared to go through the paperwork?

Mr BOLAND: No, a search of any unemployment database in the Orange region will show very few trades qualified people and of those, most companies have tried and rejected the person based on their particular scenario or case, whether that be their lack of ability or some other social or personal problems, but there is certainly not a pool of people to use. They just do not exist. The skills are not there.

Ms RABEY: The skills shortage is split. People want apprenticeships and traineeships, which is a long-term look at solving skills shortages and to continue educating people into those trades, but there is also the current skills shortage, which we have had a lot of trouble trying to solve. Businesses actually want qualified staff and that is where we get the problem of why people are working overtime. A lot to young people want to come in but businesses have so many apprentices and trainees that they can take on but at some certain time they need qualified people to put the product out there, to turn over a dollar. Tony was trying to do that with the long-term unemployed adults who had some welding skills previously but it is very hard task. The short-term effect of the skills shortage is much harder to deal with than the long term.

Mr BOLAND: There is quite an element of skills wastage and the mines are a really good case. You have to be either a tradesman or an apprentice under direct supervision of a tradesman to work on site. If you have six tradesmen swinging a sledgehammer that any labourer can do, that is a waste of good skills. The mines and the mine manager believe that under their occupational health and safety legislation they have to have tradesmen to observe due diligence so maybe that needs to be addressed in terms of whether we can have a particular type of qualification for occupational health and safety for mine sites that will allow a labourer under direct supervision of a qualified person.

The Hon. CHRISTINE ROBERTSON: That seems in direct contravention to the green-white ticket.

Mr BOLAND: Most are a total contradiction in most things.

The Hon. MELINDA PAVEY: How would that be best addressed?

Mr BOLAND: I am not sure. Jeff may be able to tell whether the occupational health and safety compliance is under Federal or State in the mining industry.

The Hon. MELINDA PAVEY: It is State.

Mr BOLAND: Whether something could be negotiated with the peak mining organisations at the State level, where there could be some training course, that would free up a number of tradesmen to do other relevant and realistic work.

The Hon. CHRISTINE ROBERTSON: Do you know of any companies in the Central West that are possibly using the system of rotating trainees through the subsidised period?

Mr BOLAND: The companies I work with generally do not employee trainees, with the exception of Jeff Hort Engineering, because in manufacturing you do not have an apprenticeship. There is very little evidence of systemic abuse. As a matter of fact, most people, by the time their apprentice completes, are in negotiation two or three months ahead to make sure they keep them.

The Hon. CHRISTINE ROBERTSON: I am interested in the traineeship system.

Mr HORT: The traineeship system is pretty much frowned upon within the metal industry where I work. They are seen as devaluing the trade and the skill base.

Ms RABEY: The councils would use trainees, the trainee system. I do not know of many employers who do.

The Hon. CHRISTINE ROBERTSON: What about the hospitality industry?

Ms RABEY: Possibly, but certainly not the businesses I deal with on a regular basis.

CHAIR: You have been critical of the effectiveness of the Skilled Migration Program, of the administrative burden the scheme puts on organisations seeking to use it and of the DIMIA decision to not provide a regional outposted officer. Can you tell us more about those issues and what practical ways you think the program can be improved?

Ms RABEY: The regional sponsored migration scheme, which is an employer-nominated visa, is quite adequate, quite straightforward. It is easy for us to administer and certify. Usually the person has been out on a temporary visa, and they know the person that they are employing and are happy to give them a two-year contract. With the new skilled independent regional visas, where they get 110 points to come over to Australia and get their skills assessed, that is quite labour intensive. Each week we get quite a lot of inquiries by email, up to 10 each week. They are quite complicated, they involve people bringing out their families and they want to know a lot of things about visas that as a certifying body we do not have to know. We only need to know to tick off that there is a skills shortage and that their contracts are correct.

It is quite labour intensive. We have to send them information about visas and about referring them to DIMIA. It is quite competitive, because they want to come to Australia but they do not know whether they want to come to our region or to the North Coast. We are competing with each individual region and with other States. It is quite difficult. We have put a package of information together to try to attract them by lifestyle and all the rest of it. We have included what services are available and it is more intense than I initially thought it would be. There are questions about health services because some have disabled children. The board started linking in with community service migrant support workers within council to see what services we can give them and to give them another option to talk to someone else.

We were hoping that we could get the outpost person out here to deal with some of the questions. The businesses that are nominating people are also concerned about covering them for health. The employers have to cover people on temporary visas for health purposes and things like that. What happens if they cannot, especially the two-year contract ones, if they cannot on a two-year agreement? There is a whole heap of things, such as language barriers.

The Hon. CHRISTINE ROBERTSON: Are they covered by Medicare?

Ms RABEY: Under the regional sponsored migration scheme they are, but they have to give them a two-year contract. Some employers do not feel comfortable with doing that, they would like to do a temporary visas to start with and then go to a two-year contractual agreement. It is very difficult for businesses that say they need employees and cannot find them. We have to try to match them with employees overseas. The skills matching database is not up-to-date, but we quite often get resumes off it. Businesses will ring those people but quite often they cannot get hold of them, or they have left the address; so it is not a current record. Not everyone has to put their name on the database, which is quite ridiculous. If you are applying for a visa as a skilled migrant, you should have your name on the database.

We have no central point that shows all the people that are coming in, that they all have their visas approved, or that they are at a certain stage of getting that approval. That time lag in matching the person to the business is not good because the job may not be there by the time they get here. It puts a bit more responsibility back onto the certification part of it, which I do not particularly like because I cannot guarantee that when that person comes to Australia they will get that job.

As I said, by the time they get here the job may not be there. The business might have changed and it may not be employing anyone at that point. Some of the migrants I have spoken to end up doing jobs for which they are overskilled, just so that they have the job. Some of them cannot find Orange or Bathurst, they do not know how to get here from Sydney. There is a whole heap of issues. Currently, there is a big gap in the system. There is something missing that connects everyone from overseas to the businesses here and the jobs here. The board cannot act in its current capacity as a job-matching organisation. We do not have the resources to do that.

The Hon. CHRISTINE ROBERTSON: Did you tender to do that?

Ms RABEY: Yes, Minister Campbell appointed the boards as possible certification for employees.

The Hon. CHRISTINE ROBERTSON: So you could do it if it was appropriate in your area?

Ms RABEY: Yes. As I said the first visa we started doing, the regional sponsored migration visa, is a two-year contractual visa. That was fine, because the employees are more comfortable with that because they have actually seen and worked with that person. The new skilled independent visa, where they are coming over off their own bat looking for positions, that creates a whole lot of problems.

The Hon. CHRISTINE ROBERTSON: What is the process for credential checking?

Ms RABEY: That is done through an assessment board with DIMIA. We see the paperwork but we do not do the assessing.

The Hon. CHRISTINE ROBERTSON: How are people tricked? I am trying to look at the process. There have been problems and I am not having a go at the whole program. I am interested in how problems occur.

Mr BOLAND: It is like any recruitment, if we are recruiting anyone sight unseen, whether from overseas or the next town.

The Hon. CHRISTINE ROBERTSON: It is just checking a piece of paper?

Mr BOLAND: There are also issues of whether they fit within the workplace.

The Hon. CHRISTINE ROBERTSON: I am asking about people who say they have some qualification, that they do not really have it. I know that happens in Australia as well.

Mr BOLAND: I see what you mean. That is done through Trades Recognition Australia. DIMIA uses Trade Recognition Australia as the certifying body. There is a nominal equivalent in, say, Sri Lanka. Once you have done a four-year apprenticeship plus one-year trade, that is equivalent to a four-year apprenticeship in Australia.

The Hon. CHRISTINE ROBERTSON: I am obsessed with doctors at the moment.

Mr BOLAND: I cannot speak about doctors, not in a favourable light anyway. It is like anything. They are signed off as being competent but whether that is true or not is another matter.

Ms RABEY: The same with English. They have to have functional English but some businesses question that. The terminology is quite often different.

The Hon. CHRISTINE ROBERTSON: Do you find country people find it more difficult to understand accents? It might be different in Bathurst, because you have more mixed races.

Ms RABEY: It probably is. Some of the accents would be more difficult than others.

Mr BOLAND: I personally do not think so.

Ms RABEY: It is more a problem with the occupational health and safety issues. If you are working in a dangerous area with live cables, people do not understand the terminology. The terminologies are different in different countries.

Mr BOLAND: There is a big occupational health and safety liability in non-English-speaking background people.

Ms RABEY: That is something that not everyone is willing to take the risk on.

Mr BOLAND: This morning Ben Bardon mentioned engineering and a particular mine that was willing and prepared to offer engineering degrees to graduating apprentices. It could not get anyone to take up that offer. That is certainly not the experience further west. In Bathurst, Lithgow, Orange and Parkes a number of companies would like to graduate their apprentices into degrees; a lot of people are looking for a mid-life career change, but do not have that option. My committee has written to the Minister for Education, Science and Training asking for consideration for special funding. That has been referred back to one of his staff for appropriate funding.

The Hon. MELINDA PAVEY: For an engineering degree in a nearby university?

Mr BOLAND: To work with a university, either Western Sydney, UTS, Wollongong, Newcastle, whatever has an engineering faculty to do alternative delivery; either via DVD or something simple. A school leaver, a person just finishing a trade or a mature-aged person looking for a career change, could do that at night or on the weekend. I have spoken with a couple of companies, including Delta Electricity and MasterFoods. They said that they have some of the laboratory equipment needed to do the laboratory work. Potentially there may even be a role for TAFE, providing possibly satellite facilities, testing or examination facilities. There is scope for us to work in delivery of that.

The Hon. CHRISTINE ROBERTSON: Have you discussed this with the gentleman who is responsible for Charles Sturt University, Professor Battersby?

Mr BOLAND: Charles Sturt University does not have an engineering faculty.

The Hon. CHRISTINE ROBERTSON: I know that, but Professor Battersby is working to increase access to university courses from other institutions as well as Charles Sturt, and covers the Central West area.

Mr BOLAND: Okay.

The Hon. MELINDA PAVEY: That is a common theme everywhere we have been, including Wagga Wagga and Griffith. They all want an engineering degree.

Mr BOLAND: Realistically, no one will put up $200 million to build laboratories. Alternative delivery is our only option. Whether every three weeks we do a local practical effort and three weeks later go to Sydney, Wollongong or Newcastle to do the laboratory work.

The Hon. PATRICIA FORSYTHE: Are you using that model in any other field?

Mr BOLAND: No, but I understand an international university is willing to do for $16,000 per person per annum.

The Hon. CHRISTINE ROBERTSON: That is kind!

The Hon. MELINDA PAVEY: That is pretty cheap, actually. I am sure that companies would be willing to pay.

Mr BOLAND: There is no guarantee of backup or support. There is absolutely no chance of face-to-face tutorials, there are a number of issues. Some companies are considering it but not very seriously.

The Hon. PATRICIA FORSYTHE: In relation to universities you first identified with engineering faculties, has there been discussion about this?

Mr BOLAND: I understand Delta Power has started discussions with the University of Wollongong. We were trying from another angle: To find out what is available to use as a carrot to dangle to get them across the mountains. Unfortunately the program that is most applicable is being rewritten at the moment. The new guidelines will not be available until February 2006. From talking to the program manager in Canberra I understand that those programs will be aimed at skills shortages and industry partnerships. Quite often that will not be enough on its own. There may be some need for the State to supplement or encourage development of some other methods as well.

The Hon. CHRISTINE ROBERTSON: A bit of cost shifting on the side.

Mr BOLAND: Maybe not cost shifting, but perhaps elements of TAFE could be utilised in delivery. There could be some gentle encouragement. Those sorts of things often go a long way.

CHAIR: Would you like to add anything?

Mr BOLAND: I think I have pretty much covered everything today and with my 10-page submission.

CHAIR: Thank you for appearing this morning and for you submissions.

(The witnesses withdrew)

GEOFFREY ALAN (JOCK) FLETCHER, Council member, Regional Communities Consultative Council, PO Box 1314, Orange, sworn and examined:

CHAIR: Welcome, Jock. Would you like to make a brief opening statement prior to questioning?

Dr FLETCHER: As a former academic, I can lapse into speaking too much. I guess it will be useful to explain the role of the Regional Communities Consultative Council [RCCC] and its context. The council is concerned with the sustainability of regional and rural communities. It is an advisory body. That means that it reports currently to the Hon. Tony Kelly and to the Premier. It is essentially about getting alongside communities, finding out what their needs are, getting to grips with them, and making recommendations accordingly to the political system through ministerial channels. It does not do anything in regard to taking on and doing the things that it is recommending. It advocates the approach that the communities themselves should be resolving their issues in association with government and other processes. That is a broad perspective. It means that we visit and talk to communities and find out what is going on. In some cases we talk to people who have never been consulted in their lives, which makes it very interesting in terms of what they reveal.

CHAIR: As the peak community advisory body to the Premier, the Minister for Rural Affairs and the Government, how often do you make representations to government? What are the key messages you have been sending during the past 12 months?

Dr FLETCHER: Ministerial representatives appear from time to time at the council so there is always a ministerial representative person. The feedback is provided by those people and also through formal documentation to the Minister. At the same time the Chair, Diana Gibbs—I apologise that she cannot attend today; she has a family commitment—has formal meetings with the Minister in an independent way from time to time. We have been dealing with a whole host of things. In the last year we have been to Bombala dealing with issues associated with forestry. Some committee members have been to Grafton and that area dealing with youth-related problems. There has been some activity at Bourke in regard to some of those sorts of issues. A couple of years ago we were in the Shoalhaven dealing with problems there. We held committee meetings down there.

There have been various representations in communities north and south and around the State. One of the issues in Coffs Harbour, for example, is dealing with the Sikh community and whether they have been consulted in regard to a bypass through their community. There have also been representations from refugee groups in rural areas. These are diverse representations. It is based on the ideas that committee members have an individual portfolio plus a committee-wide representation so that they can feed from their community aspects related to that responsibility as well as issues of a more general nature.

CHAIR: You suggest in your submission that the recent drought has accelerated skills shortage issues in rural and regional communities. Can you explain to the Committee what you mean by this?

Dr FLETCHER: You will see in the report a reference to wellbeing. Underpinning how communities develop and evolve is the notion of individual and community wellbeing. If they are not in a situation where that is of a sufficient standard then, according to empirical research and anecdotal evidence, they will not make as much progress. Therefore, what is happening is the undermining of community and individual wellbeing, which will be exacerbated by the drought but which will continue. I think Committee members and those from rural areas will understand that the economic drought is still in place. The New South Wales Farmers Association appeared at a Centre for Rural and Remote Mental Health Advisory Committee meeting recently and reinforced this perspective. When farmers' returns start coming in in March and April next year and thereafter, and pressure is brought to bear on those individual properties to show recourse for repaying their debts, they will find themselves perhaps worse off than they were before. That, therefore, shapes the wellbeing of communities and the interrelationships that they have. It is not over by any stretch of the imagination. That, in turn, influences rural skills uptake.

The Hon. MELINDA PAVEY: In relation to skills shortages, your submission does not comment on the recording and reporting of skills shortages and the associated problems. Does the RCCC provide support for any research and data gathering on shortages across the regions?

Dr FLETCHER: The approach of the council is that it goes into communities and talks to the people concerned. It interacts. Therefore, rather than writing reports of a theoretical, philosophical nature, it tends to interact with the stimuli it gets from communities. Therefore, the feedback it gets is of that kind. You may call it anecdotal if you like but it is a little more sophisticated than that. It therefore represents the perspective of how people in those communities see themselves in the situation at the time rather than formal reports and what have you.

The Hon. PATRICIA FORSYTHE: You referred to committee members visiting Bombala and responding to the need for restructuring following shifts in industry in an area. What lessons can you give us that have come from the capacity of communities to effect restructuring when a major industry leaves the area or there is a downturn?

Dr FLETCHER: It applies not only to Bombala but to other communities. If the community has the capacity to see where it is going—in other words, something, someone or some entity, such as government, local government or people in the community, the social capital, which is often provided by women in rural communities as opposed to the more formal community responsibilities—if that picture is created and a context is provided and stroked into delivery it is possible for communities to see the way forward.

There is a recent example where the Centre for Rural and Remote Mental Health has been facilitating drought seminars around the State in a variety of different communities. They have been addressed to mental health workers. The committee was surprised when they went into one small community how that community, as opposed to the bigger communities, was able to deal with its own issues. The reason why they could get outcomes of a more positive nature compared with others is because there was interagency co-operation, for a start—for some reason the people from the government departments, the non-government organisations or whatever were talking to each other and understanding their particular portfolios. Individuals were trotting around properties—in this case it was the rural land board person—and picking up signs that things were not going well. He was reporting back and action was being taken.

In terms of these processes, people play an unheralded leadership role. They are people in the community—opinion leaders or however you want to describe them. If that process is in place—the social capital is in place—then it will work. Smart governments get alongside communities and work with them in regard to those processes.

The Hon. PATRICIA FORSYTHE: So local leadership is the key.

Dr FLETCHER: Yes, local leadership and local capacity—all those sorts of things.

The Hon. PATRICIA FORSYTHE: So capacity building becomes a key issue.

Dr FLETCHER: Yes. If you build up individual and community wellbeing you will get an impetus for skills uptake. I am the former chair of the health board and what is often unheralded and underestimated is the role that health—not just in terms of health provision—plays in the development of communities. Senior executive people understand that context but the average worker and the person on the street do not see it that way. It is not just about maintaining services within rural towns, which is obviously a sensitive question, but about the infrastructure that goes with it. If that is there the development context and the wellbeing is substantially higher.

Mr IAN COHEN: You mentioned social capital, which we hear is at a high level in small, often embattled, rural communities. You said also that people were visiting farms and reporting back. Is there anything that can be done on a bigger scale to encourage that? Do you envisage some mechanism for assisting that process?

Dr FLETCHER: A former Federal Government was putting processes in place that were keen on that. The difficulty lies in that in the normal political spectrum—we are now heading in a

philosophical direction, which is not something we were going to do—you either see it as a market mechanism, the free market forces will operate, something will pop out and it will be some type of competition mechanism. That does not work terribly well in many rural communities. There are deficiencies in that process, however you visualise it. The alternative is that you have an interventionist model, which essentially amounts to telling the community what it has to do. The intermediate step is coming alongside in some way. It is a facilitative model. There are lots of examples of facilitation and community engagement.

Professor Peter Newman was at a forum that I attended the other day. I do not often go to them now, in contrast to my former academic life. It was held at Charles Sturt University in Orange. Professor Newman is the New South Wales Sustainability Commissioner. He floats in from Western Australia, which is an extraordinary commuting role. He is a very smart chap and he was talking about value-centred approaches to communities. He was talking about community engagement models and therefore about partnerships, synergy and flexibility. He said there is a case for rural towns doing that sort of thing and, by getting communities on side and understanding where they could be, you will enhance the uptake of community direction and so on. There are many examples.

Mr IAN COHEN: Does that translate across employment, apprenticeships and particular workplaces at that level?

Dr FLETCHER: It raises the level of confidence. It does not necessarily mean you will get the enterprises coming into your community. That is not what it is about. It is more envisaging what is possible for that community.

The Hon. CHRISTINE ROBERTSON: What issues have come to the RCCC in relation to skills in the country?

Dr FLETCHER: It was essentially reported that there was clear discrimination going on with respect to some skills. There is the distribution of health skills, for example, and you have supply control models in place. That is the higher level of medical skills and the allied health skills, then the trade skills. Page 2 is an attempt to capture the essence of what some of those forces are trying to do, the economic impact, the social impacts and so on.

Yesterday's announcement with respect to the Federal Government's idea that you buy the people in through some migration program begs a lot of questions. I do not wish to be political, but if you have high youth unemployment and underemployment as well as casualisation, there are pools of people available in communities and there are distribution issues with regard to the supply of those people. The demand is high and no doubt you have been talking to people already this morning about the way in which some industries require high levels of skilled services and they are not getting them while others are.

The Hon. CHRISTINE ROBERTSON: Are the people you are consulting with actually whinging that there are no skills or are they thinking about ways to deliver skills?

Dr FLETCHER: It is more the latter. The idea of talking to them is to create a context where they concede that there is a way forward. Often it is the simple discourse of interaction, because nobody has bothered to speak to them before. Quite often there are other forces at work that they cannot combat. It is either a firm or a public or private person, considering an erosion of a facility or a service and they cannot cope with the short-term impact that it will have. It is a matter of how they come to grips with it. There is plenty of evidence to suggest that you can turn them around. It does not require too much.

The Hon. CHRISTINE ROBERTSON: This question might be outside the brief of the RCCC but the north-west and the north-east of New South Wales have different employment pictures to the south of the State. Have the two groups given you differing opinions?

Dr FLETCHER: Certainly, the youth issue popped up in the north-east of the State and it begs some questions. There are quite profound differences as to why a community was beset by youth who , presumably, were unemployed or not fully occupied. Where are they coming from? They are not necessarily from that community. That is one example. There are different patterns. Down in the

Shoalhaven you have different patterns where you have Aboriginal unemployment and difficulties associated with those sorts of groups.

Another example is where you have African people who are suddenly deposited in a rural community and there are enormous assimilation problems, with lack of services with respect to the assimilation of those people. We have had representations from those people, and there are some in Newcastle. Quite often they are plucked out of a refugee camp and plonked into a rural community and the community has difficulty adjusting in the first place, let alone those people who are suddenly put there.

The Hon. CHRISTINE ROBERTSON: We have heard evidence that these people did not understand about work ethics?

Dr FLETCHER: That is a comment. We had excellent representation from a guy who worked with a government body who explained that they did not understand some simple notions like that, let alone what a house is and the collective notion of people living in it. The intergenerational pattern seems to be reflected through the younger people and if they can be assimilated the pattern is reinforced positively.

Are you aware that the Centre for Rural and Remote Mental Health, which is a NSW Health Greater Western Area Health Service and University of Newcastle Centre based at Bloomfield at Orange has just recently received a $700,000 grant to look at mental health and wellbeing across rural New South Wales of which the distribution of services is part of that process. That is an extraordinarily interesting project. They will be surveying 400,000 households. There is also the Australian Centre for Safety at Moree.

The Hon. CHRISTINE ROBERTSON: That is the Australian Centre for Agricultural Health and Safety and Lyn Fragar is the head of that.

Dr FLETCHER: That is right. She is looking at a project that is also focused on wellbeing. That includes better efficiency as part of the process and how people interrelate to that. We will get a better understanding of how and why some communities are better at it than others and why governments should be smart enough to move and stroke it along in some way.

The Hon. MELINDA PAVEY: Often power is in numbers and one of the issues for regional communities over the past 20 years has been that numbers have been dwindling as people move to the coast and to the cities. Has the RCCC given any thought as to how to re-engage as many of those people who have moved to Sydney who are originally from regional communities, to bring them back to fill the jobs for the benefit of regional communities and improve the quality of life for those who were forced to move to the city?

Dr FLETCHER: That is a significant issue because we export young people; they shoot through and they never come back; that is not unusual.

The Hon. MELINDA PAVEY: That is not necessarily a bad thing if they go and gain better qualifications.

Dr FLETCHER: But we do not import.

The Hon. MELINDA PAVEY: That is right.

Dr FLETCHER: I do not think we have any strategies in mind. There is a strong issue about how some centres, such as Dubbo, Orange, Tamworth, Wagga Wagga and so on, grow at the expense of surrounding communities, and there a strong issue about transport, the distribution of services and how people access those services; how they get to facilities, at the expense of education and training programs. These are paramount for young people trying to get to TAFE and so on. I am aware through my former health role that there is a State level political group working on transport issues and bringing some integration. I do not know where that is at.

Mr IAN COHEN: Does there need to be a residential component, particularly with apprentices, where there is limited opportunity for transport. They have to go to other areas to get part of their training. Would a residential component be a valuable adjunct?

Dr FLETCHER: I think you raised incentives from the start. I was talking to somebody last night about it. You are often better off not being an apprentice because you get more rewards with other forms of financial sustenance. There is an anomaly in the system. If governments and the private system are serious about apprenticeships, there is an issue about support being provided and facilitating that. There is no question about that.

Mr IAN COHEN: We have heard about poaching the jobs from mining companies and such like. In the area you are talking about in terms of the wellbeing of country communities, with respect to being back on the dole, is it just a financial thing or could incentives be given to these people to keep them working or are there negative incentives to work, so that they find they are not achieving much more than being on the dole?

Dr FLETCHER: I am a lapsed economist but I will slip back into it. I am inclined to think that there is an incentive context, which is partly financial and partly supports other measures that could be put into place with respect to the retention of apprenticeships and what have you. We should not lose sight of the fact that some 40 per cent actually drop out of the university system in the first three years, so it is not an unusual phenomenon. We are not very good at stroking the welfare of individuals in terms of these processes.

We rely on them to do their own thing and by the time we identify that there is an issue, they have gone out of the system. We need to be better attuned to identifying the problems in the first place and have systems in place. Some of these kids travel enormous distances in rural communities to get to a place and they live in—

The Hon. CHRISTINE ROBERTSON: Squalor.

Dr FLETCHER: Difficult places. I was listening to a former speaker and there is a context whereby interplay between education and the public and private sector is a strong way to go with partnership models. There are very strong messages about partnership models and working in some way to enhance not only the welfare context of an individual but also the economic context, that is, the remuneration they are getting.

The Hon. CHRISTINE ROBERTSON: It would appear that there is a pool of people who could join training and apprenticeships within country New South Wales whose wellbeing is not in a positive enough state for them to move forward. Is the work that you are doing in relation to mental health going to touch on the small country towns where most of these people are collected?

Dr FLETCHER: There is no question about that. Of course it will.

The Hon. CHRISTINE ROBERTSON: So it is not just a drought-farmer based question?

Dr FLETCHER: No. My understanding of that particular research is that it is right across-the-board. I am just visualising the research proposal. It might be across three major areas of the State.

The Hon. CHRISTINE ROBERTSON: Do you think that they looked at the sociodemographics to make sure that they were all different?

Dr FLETCHER: I think they will have so many factors to look at that getting the empirical basis sorted out will be a challenge. One of the things that I can recall vividly from Shoalhaven is sitting around with the community of people from one of the more deprived areas of Nowra and talking to them. They had no idea how to access services and facilities. Part of the initial response was simply to gear them up and direct them in certain ways. All that was required was some type of support system, and whatever drought recovery strategy was part of that, but some type of community support regime would be very simple

CHAIR: Thank you for your submission and your attendance here this morning. We do appreciate it.

(The witness withdrew)

THOMAS ALAN MURPHY, Chief Executive Officer, Western Research Institute, Charles Sturt University, Bathurst, sworn and examined:

CHAIR: In what capacity to you appear before the captivity?

Mr MURPHY: The university requested that I appear.

CHAIR: Would you like to make an opening statement prior to questioning?

Mr MURPHY: Yes. The Western Research Institute has been operating for seven years, and I have been the Chief Executive Officer for that time. Prior to that, I was the director of the Regional Economics Research Unit for four years. In that time we have done a lot of economic research, particularly in central west and regional New South Wales and Australia. We have done some Australian National Training Authority evaluations, particularly with electrical trades and mechanical engineering, at Lithgow. We have looked at TAFE, Vocational Education and Training in schools, women's employment issues in the central west, Aboriginal employment strategies in Walgett.

We have looked at migration programs and filling skills shortages in Cowra, basic statistics in the Riverina, Orana and the Central West. We have looked at tertiary education needs in the Lachlan area and we also do a regular business survey for the whole of inland and North Coast New South Wales. That regularly has a skills shortage question associated with it.

CHAIR: From your experience, are the current measures used to record and report on skills shortages effective or consistent across the State? If not, what could be done to ensure a more comprehensive and robust mechanism is put in place?

Mr MURPHY: From my experience it could be made clearer what the skills shortages are. The major difficulty in the skills shortages is probably too closely tied to the Australian and New Zealand Standard Classification of Occupations and the Australian and New Zealand Standard Industry Classification codes, particularly because of the work we have done: the skills shortages employers are more concerned about attitudinal issues than about skills in a lot of industries that we have spoken to. A slightly different definition of "skills" would help, and also a more comprehensive coverage. People who know better than I, the job network people, have detailed data on it, which we come across when we do work for them. It would be useful if it were more readily available to employers.

The Hon. CHRISTINE ROBERTSON: Do you have some work you could share with the Committee in relation to the perception that you are getting attitudinal information rather than skills-based information; information about attitudes rather than skills?

Mr MURPHY: I am saying the opposite. The skills shortages are often about the attitudinal issues. A lot of employers would say that if they had employees with appropriate attitudes they have the capacity in combination with TAFE, other private providers and the university to train them or educate them. However, it is the attitudinal issue that is often their biggest constraint.

The Hon. CHRISTINE ROBERTSON: The attitude of the employees?

Mr MURPHY: Yes.

Mr IAN COHEN: What about the attitude of employers in using people and giving them encouragement? The Committee has heard of certain attitudes of apprentices who were not given the support they might well expect in an apprenticeship.

Mr MURPHY: There are certainly some odd views by employers. That is an issue. We did a fairly full costing for mechanical engineering and electrical trades for businesses in Lithgow. It turns out that the net cost for an electrical trades person was an average $38,000 to the business. That is, the business lost $38,000 for the apprentice and $21,000 for the fitter and turner component. The major

costs associated with that were, in part, basic skills training. We found at one stage they had a pre-apprenticeship training course. When that training was held the cost to the employer was substantially less, mainly because of the occupational health and safety issues. In this day and age complying with occupational health and safety issues is needed so that they do not sit on a conveyor belt or whatever. In the early years, it was quite costly. The wage was one cost and the amount of time it took for existing staff to supervise apprentices was a major cost.

The Hon. CHRISTINE ROBERTSON: We have been trying to find out who did those figures, now we know.

The Hon. PATRICIA FORSYTHE: So the lesson from that is the whole concept of pre-apprenticeship training needs to be dealt with?

Mr MURPHY: Yes. There is a lot of value in giving basic training before they enter the work force.

The Hon. PATRICIA FORSYTHE: Where should that be done?

Mr MURPHY: There would be a range of options. The only one we looked at was conducted at Lithgow, previously run by Delta Electricity, or Pacific Power as it was called at that time. There was a pre-apprenticeship training program run by the electricity generator at Lithgow but that has largely disappeared. That was funded by the employer in that case. They really did not get to the workplace much in the first year. They learnt also that across a range of trades positions, not only electrical but also fitting and turning, that made them more valuable to understand how to work with other employers.

The Hon. CHRISTINE ROBERTSON: TAFE did that years ago, but usually took only children who left school at 15 who could not work until they were older, or some other complex problem.

The Hon. PATRICIA FORSYTHE: Are you talking of a 12-month course?

Mr MURPHY: Yes. The cost was substantially less and the cost savings were generated mainly by reduced supervision time required by existing tradespeople. The attitudinal issue has been raised by a lot of employers on a range of projects. The attitudinal issue also came up in a project we did: TAFE is a proactive partner in VET and schools. For example, we found that the attitude of teachers in schools is entirely different from the attitude of teachers in TAFE, particularly ones who attend all the time. If you are able to, you complete the task. Now, essentially, you pass. But there was a culture clash between the two and that was resolved. There was an issue in getting their cultures between the schools, and I am talking about TAFE. There had been a culture clash when we were doing the work. There were some cases where they were successfully resolved.

The Hon. CHRISTINE ROBERTSON: Was that each thinking that the other was silly?

Mr MURPHY: That competency-based training of TAFE is a different philosophy from the curriculum-type basis for schools. They did not have a lot in common.

The Hon. PATRICIA FORSYTHE: Does that mean that teachers in schools who are working with students who are undertaking some of the vocational based courses, need to be given better training, different training, in the requirements of industry? Is that where there is a problem?

Mr MURPHY: I have not done any work on this since 1999. Things may well have changed since we did that project. The examples of successful interaction between schools and TAFE was where they have a mutual mentoring system. The TAFE teachers mentored the schoolteachers on their approach, and the schoolteachers mentored the TAFE teachers on their approach. Where they were both prepared to have mutual mentoring there were successful instances, but there was certainly a lot of instances of dysfunction between the two.

The Hon. CHRISTINE ROBERTSON: You mean they do not like each other, not personally?

Mr MURPHY: No, they just think differently.

The Hon. MELINDA PAVEY: Respect?

Mr MURPHY: Yes, there is an element of respect, but lack of understanding is more accurate. They do not understand where the other one is coming from.

The Hon. MELINDA PAVEY: If you were to sum up five solutions to skills shortages in this region and across New South Wales, what would they be?

Mr MURPHY: If you were to go in the chronological area from where it starts, first, the schools, that mutual mentoring with the schools would be useful and could possibly be expanded. Second, there is a large untapped labour force in female employment out here. More flexible working arrangements are needed. We found that employers have a preference for female employees, even with heavy vehicles. The statement they made was that when females are driving heavy trucks they stop at stoplights. Another issue out here and further west is even more pronounced: it takes time to build a skilled work force, because you have to attract a family to a place like Walgett or Brewarrina. It takes time to attract a family to come, to convince them to come, and of course when the drought came people were kept on as long as possible but when they are lost it takes years to rebuild that work force.

Another issue is that skilled people often have a skilled partner. In regional areas it is typically the male who gets the employment and the skilled partner is an underutilised resource. Often they come out at a stage when they have young children, so more flexible working hours would be good. Some employers have recognised that, but some employer education on those issues would be useful in being more family friendly, particularly for the partner. That would add a lot to address the skills shortages here.

The Hon. CHRISTINE ROBERTSON: Are you talking of attitudinal or educational issues?

Mr MURPHY: They go hand in hand; a change in attitude. In regional areas you always have a gap, the 20- or 45-year-old is underrepresented here. Quite a lot of employers are older and probably have more traditional work patterns than before. Some innovation in work patterns would be good. Employers have taken on female employees and generally there is a preference in that direction. The other preference is mixed, a lot of employers say there are problems in having predominantly one or the other.

The third major issue is indigenous employment, certainly in terms of social issues and problems. That is very important. There is a lack of funding for that. The Moree Aboriginal Employment Service, the Dick Estens business, seems to be very successful. It has turned Moree around substantially. Essentially that involves giving some guarantees to employers. If they employ people who are long-term unemployed, giving guarantees about their turning up for work and so on. They need a mentor. The mentor comes and gets them out of bed and makes sure that relatives are not coming at lunch time to take them shopping and a range of other things such as that. That was very successful in Moree but there is a shortage of funding for that sort of mentoring in many other areas where you do not have as strong an industry as the cotton industry supporting it. We have also looked at immigration. That is very topical with Amanda Vanstone's recent announcement. From the work we have done, it is seen that that is successful mainly where you have immigrant employers. It is less successful where you do not have the immigrant employers and the associated support services.

The Hon. CHRISTINE ROBERTSON: Is that another attitudinal issue?

Mr MURPHY: I think it is a fairly deep attitudinal issue. I think it is very hard. Skilled immigrants are a lot more comfortable if their employer is an immigrant. I think it would be very hard to duplicate that. You might be able to—you would need an alternative approach. But in terms of regional areas that seems to be a fairly successful thing to look at. A lot of job opportunities, particularly in casual employment, are taken by illegal backpackers and other.

The Hon. CHRISTINE ROBERTSON: Picking jobs?

Mr MURPHY: Yes, picking and so on. I think a lot of the locals are left out of some of the skills development in that direction and possibly other things. The less skilled local people are left out.

The Hon. MELINDA PAVEY: What do you mean by "left out"?

Mr MURPHY: I do not know why they do not go for the positions but there is a fairly large community of people—youngsters who left school and possibly had children at a very young age—who have no work experience. They could do work such as cotton chipping, but that is fairly hard work. They are not used to getting there on time. The mentoring program at Moree would apply equally across the board. I do not think it should be restricted to Aboriginal employment.

The Hon. CHRISTINE ROBERTSON: This is itinerant work.

Mr MURPHY: Yes, but it leads to other skills as well.

The Hon. CHRISTINE ROBERTSON: Yes. I was not knocking itinerant work.

Mr MURPHY: I am trying to base my comments on things that we have looked at. Another issue is to put education and skills training more in people's mindsets. I think less here than elsewhere people have role models of people who do not have a skills set, they develop that skills set and they ultimately fill more responsible positions. So education and training is important, particularly in towns and communities that do not have university or TAFE representation and there is not the demonstration effect that you can improve through education your financial and physical wellbeing. More examples of the demonstration effect would be useful.

The services sector is always underrepresented in regional areas. We did some work for Charles Sturt University and found that 58 per cent of their graduates are employed first in regional areas. Of those graduates who came from the regions in the first place, the figure was 70 per cent; and of those graduates who came from the city, 18 per cent. Getting graduates to move into regional areas and making the economy more diverse makes the local economy more attractive to a whole range of people to come to the region. Many people do not want to leave the city because they think education, health and other opportunities are not here. That is a big discouragement for people to come to the region. I think developing the service sector—the tertiary sector—to make the regions more attractive would be a major way of getting the skills to come here. Australia is going to have a major problem because of our demographic and the ageing population, but the regions more so. I think thickening the economy through a more elaborate service sector would be a particularly good way to proceed.

The Hon. GREG DONNELLY: I have some questions about the calculation of the cost of an apprentice to an employer. You mentioned some numbers earlier. Is that over a four-year apprenticeship or is it a per annum cost?

Mr MURPHY: It is over a four-year period.

The Hon. GREG DONNELLY: Can you give us an overview of how that figure was calculated? What methodology was used? For example, does it assume that, while a person is being supervised, the supervisor—a tradesman—is not working and that is offset against the cost? I am not sure how you arrived at that figure.

Mr MURPHY: It is a mixture of those things. There were several methodologies—we did it in 1998—in costing it before. The methodology we used was that we worked out with employers what a typical day was and research assistants recorded what each person did during the day. That was the system—whether instruction was taking place, the people were not doing anything or whatever. They also asked questions, such as "Is this something that could have been done by the tradesmen?" Interestingly, the results using that very time-consuming method were not enormously different from the results using a range of other methods. I must admit I have forgotten what they were, but they were in broadly the same ballpark.

The Hon. CHRISTINE ROBERTSON: Is this research published?

Mr MURPHY: Yes. It is an Australian National Training Authority Research Advisory Council report.

The Hon. CHRISTINE ROBERTSON: Can we get a copy of that?

Mr MURPHY: Yes, I can send you a copy.

CHAIR: Thank you. Has any attempt been made to calculate the number who leave and then return to the town when they have completed their education?

Mr MURPHY: There are no figures that I know of. The only anecdotal evidence I have is that when I go to regions I often see students that I taught many years ago. I know that they went to Sydney and have come back. That is particularly true in the accounting and finance areas. But I do not know of any figures.

CHAIR: Do we have any idea when they come back? Do they come back for family reasons when they marry and start a family? What would the time gap be? Would it be four or five years before they decide to return?

Mr MURPHY: I do not know the proportions. Anecdotally, the only area that I can speak with any background on this question is the building services sector, and that would probably be of the order of five to 10 years. Typically, people return when they are first having children. I know a number of people in that situation but I have not done any formal research in that area.

CHAIR: Do you know anyone who may have done that research?

Mr MURPHY: No, but I have not looked at that question. It may well be there.

The Hon. CHRISTINE ROBERTSON: Do you have any other published research on the attitudinal issue that you can share with us?

Mr MURPHY: I can share with you any of these reports. Some of them are reports just for clients but they are all in the public domain. I can easily email you any that you want. I can post you the older ones. I can leave you a list.

CHAIR: Thank you. That would be great.

The Hon. CHRISTINE ROBERTSON: As to the $21,000, was the apprentice's value to the employer measured?

Mr MURPHY: Yes. The value is there. As the report will show, the variation is quite substantial. Some were a net benefit. There was a big variation, which made it very difficult to get statistically significant results. It probably does not come out clearly in the report but, upon reflection, I think in large part much of the cost of apprentices could be reduced substantially by management training for the employer and the tradespeople who are supervising them. I suspect that a lot of the lost time and so on was from inadequate management skills on the part of the employer or the trade person who was in charge of the training.

The Hon. PATRICIA FORSYTHE: In relation to pre-apprenticeship training, how much of that do you think could be achieved effectively through courses in schools?

Mr MURPHY: I am not speaking from research but my personal opinion, having four children, is that there is a fair gap between years seven to 10, where there is a fair bit of repeat work. The syllabus has a lot of repeat work. I think there would be quite a lot of scope to develop. They are probably doing some of that now—occupational health and safety, going a bit beyond what the schools are doing, getting into the electrical side and some basic skills. I guess there are risks that students might start making power points and so on—there is a risk involved. But something like that would not be a bad thing. Certainly there is scope in the schools for that.

The Hon. PATRICIA FORSYTHE: You capture every young person to the age of 15 at least and you mentor those who do not have a family history of employment and let them see what happens in other families. I think that is a way of introducing people to skills.

Mr MURPHY: One suggestion—as far as I know, it was not implemented—was that, because of the physical nature of the work, a lot of tradespeople retire but they are still in a position to provide mentoring and teach skills. I have heard it suggested that perhaps they should be asked to come to schools—I think some were willing to do it on a voluntary basis. I do not know how that would work with insurance and so on. That is another issue.

The Hon. CHRISTINE ROBERTSON: Do you know whether that would be an industrial issue for teachers?

Mr MURPHY: There could well be, but I do not know.

CHAIR: Mr Murphy, thank you for appearing before the Committee today. Thank you for your submission and your input.

(The witness withdrew)

JOHN CHARLES LAMBERTON, Training Co-ordinator, MasterFoods of Australia-New Zealand at Bathurst, Adrienne Street, Raglan, 2795, sworn and examined:

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

Mr LAMBERTON: Yes. I have also been part of the local regional Manufacturing Innovation Technical Access Program [MITA], which is local industry, as a government initiative, to get industries together. We have been going now for close to 14 months and he has been very powerful. One of the projects that we took up was skills shortages for our area. There are a few initiatives coming through the MITA group that we are trying to work on as well.

CHAIR: Can you tell us a bit about your company, what experience you have had of the current skills shortages and what strategies you have been employing to attract and retain staff in your organisation?

Mr LAMBERTON: We are part of Mars Global, which is an American-owned company. We are the MasterFoods Australia side. We make dry pet food here at Bathurst. The wet pet food is made at Wodonga. Part of our company culture is to renumerate very well so the skills shortage as such has not fully hit our company yet because of the way we renumerate our associates, however, we have seen in the last few recruitments that it is harder to get the calibre of associates that we strive to get. We have had to run a couple of rounds to fill the positions.

The Hon. PATRICIA FORSYTHE: How many employees do you have based locally? Also, how many apprentices do you have and principally in what skill base do you look when you employ people?

Mr LAMBERTON: We employ 260 associates at the Bathurst plant. We also use some of casual skilled labour for peak periods of production. At the moment we have four apprentices, one of those being an adult apprentice who, through us, has already done one trade and we are now sponsoring him through a second trade as an adult apprentice. We also do certificate II and III for all our associates who work on the production floor as well as in food processing. Some of those are signed on as existing worker trainees as well to help us get through that stage.

The Hon. PATRICIA FORSYTHE: Your apprentices are not doing a certificate III, they are doing an apprenticeship. What are they doing an apprenticeship in?

Mr LAMBERTON: We do an electrical field and also mechanical.

The Hon. MELINDA PAVEY: But most of your work force would not be trade qualified, would they?

Mr LAMBERTON: No, because of the way we remunerate, even our factory associates—I started on the factory floor and I am a motor mechanic by trade. Having a trade background helps get you into the organisation. Obviously, I am getting a lot more money doing what I am doing versus my trade. The remuneration is there to attract people of high calibre. I am giving myself a bit of a rap. We are after high-calibre associates and the reason we attracted tradespeople was because the company's belief was that people who had undertaken a trade are willing to get in and learn. They are willing to learn and willing to work and learn new things. We are a very innovative company so we need people who are switched on and ready to change and learn fairly quickly and that is what keeps us competitive.

CHAIR: You are actually looking to employ the tradesperson even on the factory floor because of their approach to the workplace?

The Hon. CHRISTINE ROBERTSON: The associate.

Mr LAMBERTON: It is not wholly and solely a tradesperson but that will get them across the line quicker.

CHAIR: Did I hear you say that you employ 126 workers?

Mr LAMBERTON: No, 260. It is a 24-hour continuous operation.

CHAIR: But you have only four apprentices.

Mr LAMBERTON: Yes, we struggle to support more apprentices with the amount of tradespeople we run on the site.

The Hon. CHRISTINE ROBERTSON: No supervisors.

Mr IAN COHEN: Because there is not enough supervision?

Mr LAMBERTON: That is right. It is hard to give the apprentices the supervision they need.

Mr IAN COHEN: In terms of the 260 associates—

Mr LAMBERTON: There are 60 a shift, operating the shifts. We have two maintenance per shift. They are the only ones who can supervise the apprentices.

CHAIR: The attitude of the company would be to go along the line you are going now or do you think down the track you would be looking to try to build up your work force with traineeships of some sort?

Mr LAMBERTON: We would like to up-skill our existing worker and we are doing that through existing worker traineeships or the shopfloor associates.

The Hon. CHRISTINE ROBERTSON: How many are on traineeships?

Mr LAMBERTON: I signed up 90 last year with existing worker traineeships.

The Hon. CHRISTINE ROBERTSON: And this is for six months?

Mr LAMBERTON: Two years.

The Hon. PATRICIA FORSYTHE: Has your company been involved with the Skilled Migration Program?

Mr LAMBERTON: We have not, but we are a worldwide company, so that sort of happens internally.

Mr IAN COHEN: So your people come from subsidiary companies. Does that process go through the Government or directly within the company?

Mr LAMBERTON: It is within the company but all the proper channels are covered to bring people over.

The Hon. PATRICIA FORSYTHE: Is that how your company addresses skills shortages? Is that the method you use?

Mr LAMBERTON: Not on the shopfloor. Because we are a Bathurst-based company the philosophy of the company is to support your region. I am talking about the higher up positions. Some of the engineering positions potentially could be filled from overseas.

Mr IAN COHEN: Your philosophy is to pay well. Are you a poacher of apprentices and skilled people from around the region? Have you been successful in that area?

Mr LAMBERTON: We certainly have done that in management and I think with our remuneration, without going out and looking for it, people have come to us.

The Hon. MELINDA PAVEY: How much do you pay above the award rate?

Mr LAMBERTON: I do not have the exact figures—I could get those—but factory workers would be getting $50,000 a year to start, with potential to grow that by 20 per cent over five years.

The Hon. CHRISTINE ROBERTSON: Is that contract or permanent employment?

Mr LAMBERTON: Permanent employment.

The Hon. CHRISTINE ROBERTSON: That is very good.

The Hon. MELINDA PAVEY: Is that under an Australian workplace agreement?

Mr LAMBERTON: We have our site agreement, yes, but it is more a philosophy of the business. However, our workplace agreement reflects a lot of the philosophies of the business.

CHAIR: Is your retention of workers pretty high?

Mr LAMBERTON: Up until recently we have something like a 4 per cent turnover rate. It has gone a little bit higher recently because we have gone from a 12-hour shift to an 8-hour shift and that did not suit everybody. They liked the 12-hour, especially being in the country because we have a lot of farmers and they did other things on the extra time they had off. The change did not suit some people's lifestyle. That has settled down again now. We have very high retention, once people are there.

I will give you an example of our last recruitment for production associates, which is working on the shopfloor. We usually do a group recruitment. We wait as long as we can and then we put on 10 positions. We opened it up for 14 positions and we had over 300 applicants, and that is just from the local area. And that is not uncommon.

Mr IAN COHEN: Are you saying that you advertised locally and people from the local area applied?

Mr LAMBERTON: We also advertised on the Internet, so we had applications from overseas, but we rejected those because they could not come over to do an interview.

The Hon. MELINDA PAVEY: You said you found the last couple of rounds were not so good and you had to go through the process twice to get the calibre of people you required. What are your thoughts on that?

Mr LAMBERTON: That is more for the mechanical and electrical trades, electrical in particular. The calibre we set is quite high and it is probably more a personal belief but I do not think we have done that trade very well over the last few years. We have lacked the amount of skill that we could be giving, and industry is guilty there as well, because we have not been putting in the education to make sure that trades level is high.

The calibre of tradespeople therefore is not high. We have found also that with electricians especially—and I only found this out last year—that there are three types of electricians. Most will be just normal electricians, which is a household electrician who pulls wires through and does power points. I am not saying anything that is bad, however, industry does not need that. We will get a contractor in if we want to pull wires. We need electricians who can solve problems; who get on the computer, write programs and do high-tech stuff. That is available.

We have signed up our first apprentice, who is an adult apprentice, and luckily we have signed up an adult because if it were a kid coming through he would be struggling because it is not supplied in Bathurst; it is supplied in Lithgow because Delta Electricity sponsored it. They used to do it on their own sites but they no longer do it so they sponsor it through Lithgow TAFE. It is full. We

now have to release this adult apprentice through block release to go away to TAFE to get that level of education that we need. If he were a young kid coming through an apprenticeship, he would struggle to be away from his home environment.

The Hon. PATRICIA FORSYTHE: Notwithstanding the fact that your apprentice has the job, you are not able to negotiate anything with TAFE at Lithgow to get him a placement to do that side of the apprenticeship?

Mr LAMBERTON: The positions are full.

The Hon. PATRICIA FORSYTHE: End of story.

Mr LAMBERTON: End of story and it is not available at Bathurst TAFE. I think there are a lot of better things we could do through education. We have found that TAFE has issues with education of their teachers. They have not come back into the trade. Industries need to support that as well so that they keep up to date. We have had issues with some of the work that is done out of the TAFE; it is very old school and not used in industry anymore.

The Hon. PATRICIA FORSYTHE: We have been told that.

CHAIR: Have you taken up these issues with TAFE?

Mr LAMBERTON: We have been through that with the local MITA group and have had some successful outcomes. We are still working through that.

CHAIR: Do you communicate with TAFE on a regular basis or on a needs-only basis?

Mr LAMBERTON: It is not on a regular basis. It is probably more when we have a MITA meeting when we all get together. It is once a month, which is pretty regular, but it is not "What are our needs? What do we need to do?" We have been looking at Portland Central School, which is a small school located near Lithgow, and we are trying to do some school-based apprenticeships in year 10 and we are looking at hosting a couple of students a couple of days a week.

The Hon. PATRICIA FORSYTHE: What has been your experience in getting that process in place?

Mr LAMBERTON: That is what we are going through now. We have a representative from TAFE and the Department of Education and Training and the school through the head teachers, me and Michelle Blakely from Delta Electricity have got together, although not enough, to nut this out. There seems to be a lot of things happening around the State and we are not all getting together and saying, "This is the best way to go".

The Hon. PATRICIA FORSYTHE: There are some good lessons for us to learn from this. How long has that process been under way.

Mr LAMBERTON: It would be six months since our first meeting and we are hoping to get it up and running by the start of the school year 2006.

The Hon. PATRICIA FORSYTHE: You are looking for next year and will it be year 10 students?

Mr LAMBERTON: It will be year 10 for 2006, but years 10, 11 and 12 as they go through and they are estimating around 10 or 11 students.

The Hon. CHRISTINE ROBERTSON: Do the departmental officers support the project?

Mr LAMBERTON: Yes, they are very supportive. The reason they were chosen is because these students are classified as coming from underprivileged schools and we have a bit more room to play with their curriculum.

CHAIR: Is Charles Sturt University providing any communication or support for this project?

Mr LAMBERTON: No, we have not, and it is probably something we are missing. The university representatives come out of Western Sydney through the MITA group, which is based out of Redfern out of the Technology Park.

The Hon. PATRICIA FORSYTHE: Schools would be closed from late December until the end of January and you want to start next year. Is it locked down so that a group of students who are now identified, or making choices for next year, are aware of what will be on offer?

Mr LAMBERTON: The principal has taken a very proactive approach. I was not involved in that time. The principal has involved the parents as well. Students tend to go to university because the parents push them that way, there is not necessarily a job for them at the end of the day, and they could have made a lot of money in the trade. The principal has communicated with the teachers and encouraged the kids. Part of the program is that kids—that is, the students, or the young adults now—need to get three references from their schoolteachers to get onto the program. It is not a "gimme" for everyone; they need to get references. It is based on a model out of Gladstone.

The Delta Electricity people went to an electricity commission in Gladstone where model is already working. The local electricity commission supports students coming out of school. They also need to get three references to get onto the program. They spoke to a student who had been back onto the program after being suspended for smoking on the work site. They take that very seriously. He is still at school.

The Hon. PATRICIA FORSYTHE: The students next year, say year 10, will they spend some time at your workplace?

Mr LAMBERTON: We have not nailed it down, but we are looking at two days a week.

The Hon. PATRICIA FORSYTHE: At the end of next year, will they have certificate II in food processing?

Mr LAMBERTON: The plan from the Department of Education and Training is that we have enough units so over two years they would cover the first-year of an apprenticeship.

The Hon. PATRICIA FORSYTHE: Excellent. That is by the time they finish year 12, over three years they would complete year one of the apprenticeship?

Mr LAMBERTON: Yes, sorry, years 10, 11 and 12. It is three years.

The Hon. PATRICIA FORSYTHE: Earlier you said there were barriers to taking on apprentices. You specifically identified supervision. Would that be addressed through this process?

Mr LAMBERTON: We are hoping that we would have no issues with it, but, again, it is only two days a week or one day a week if we can support that. My problem with this is that this is only one school. What do we do later if this is a successful project? How do we offer support later when we offer it to Bathurst High or all the other schools in the region? It becomes a bigger number of students. We want to do it as a trial to see how the concepts go.

The Hon. CHRISTINE ROBERTSON: If it is stress how do you ensure quality to other businesses who want to be involved?

Mr LAMBERTON: I am not sure how we can do that.

The Hon. CHRISTINE ROBERTSON: I had asked that question earlier, I am interested in it.

Mr LAMBERTON: We have seen the commitment of people in the Manufacturing Innovation Technology Access Program, they indicate they would be pretty good references.

The Hon. CHRISTINE ROBERTSON: Your 90 traineeships, were they already on the shopfloor?

Mr LAMBERTON: Yes. Some had been with us for 15 years.

The Hon. CHRISTINE ROBERTSON: You are offering them an opportunity through the program that offers you some subsidy?

Mr LAMBERTON: Yes.

The Hon. CHRISTINE ROBERTSON: You quite deliberately pay more than the award for your employees. What happens to your profit margins while you are making all those training and payment commitments?

Mr LAMBERTON: We are a very strong business. We have 50 per cent market share in the pet food industry in Australia. We are in a strong position to be able to do what we do.

The Hon. CHRISTINE ROBERTSON: Is your work force more motivated to do the job, do they work hard?

Mr LAMBERTON: They appear to be, some do and some do not. That happens in every industry.

The Hon. CHRISTINE ROBERTSON: Do you think the investment you have made in training and wages has increased your profitability?

Mr LAMBERTON: I do not know, but we have 50 per cent of the market share so we are doing something right in a very competitive industry.

Mr IAN COHEN: When you say you have a 50 per cent market share, as put to you by the Hon. Christine Robertson, are you viable with that extra pay, extra training, out of the local organisation? Is it self-sustaining with your local infrastructure or are you drawing on a national approach?

Mr LAMBERTON: You are probably hitting it. We work on a return on total assets as a measure of the business. At the moment our cannery plant is struggling a little, so we are helping to prop up the business.

Mr IAN COHEN: Where is your cannery?

Mr LAMBERTON: Wodonga. We are propping up the business because the dry food Bathurst plant is going extremely well.

The Hon. CHRISTINE ROBERTSON: Why is that?

Mr LAMBERTON: Consumers' taste is changing. It went from feeding wet to dry biscuits basically. It is as simple as that. There are plans in process for the cannery to be up again next year. In years past they supported us, we are now supporting them a little bit.

The Hon. PATRICIA FORSYTHE: As a training co-ordinator, what is your experience in relation to the amount of red tape? The administrative requirements that impact on your role as training co-ordinator.

Mr LAMBERTON: The existing work of traineeships, although we get some funding, I sometimes think it is not worth it. We get pages after pages of paperwork to fill out and after six months we have to do another check.

The Hon. CHRISTINE ROBERTSON: Check if you are doing it?

Mr LAMBERTON: No, it is more with the people who are doing it, to see if they are happy. They have to contact them personally, and with shift workers that is pretty hard. We constantly have someone from the people who are send them ringing us to ask if they can be contacted.

The Hon. PATRICIA FORSYTHE: From a practical industry approach what are the lessons for the government point of view to make it easier for businesses that want to provide training?

Mr LAMBERTON: How could it become easier? Less paperwork. It has to be easier for me. The Internet would be good. If I could do applications via the net it would save me a lot of time. Again, maybe the six month surveys can be done by people on the Internet.

The Hon. CHRISTINE ROBERTSON: Who are they sent to?

Mr LAMBERTON: I am not 100 per cent sure who does it, but we use the Central West Community College at Orange. We use them also for education.

CHAIR: Paperwork is one, what else is there?

Mr LAMBERTON: Apart from that, it is not too bad. We have set up the programs to meet internal requirements. Over the past five years we used the Central West Community College, it is only this year that I have signed up people to develop modules, the self-based modules that the associates can do along with the skills they learn to run their machines. That is all mapped against the certificate to make sure they get them; that side of it is done. That was done internally. Other industries would probably struggle with that, unless they are our size, I would suggest. One thing I always thought about with going to the apprenticeship side of it is TAFE being part of industry, large industry like MasterFoods in Bathurst.

MasterFoods supplies electrical apprentices to everyone in our region, based on our site, or across the road close to the site. The experienced teachers, when they are not teaching, can come onto the site and work along with the electrical operators so that they keep their skills up to date as well. I do not know how that fits in, but it is something that I thought about. There are enough major industries that could take on some of those trades. Another thing we would push for, a bit of a change from the traditional trades, is that we have breakdown fitters and breakdown electricians. We employ someone to be there in case something breaks down. But do we need them 100 per cent of the time?

On behalf of the business, I think that I am paying people to sit around and wait for something to breakdown. I do not really want that. I wonder if we could have a trade that is a dual trade that is taken over six years, instead of two lots of four years. When they come out they would be a mechanical-electrical person: I do not know what you would call them, perhaps a mitter.

The Hon. CHRISTINE ROBERTSON: An old-fashion jack-of-all-trades?

Mr LAMBERTON: Possibly. They do not have to be specialists, because you specialise within your own trade. They would be paid appropriately; I assure you industry would pay them well. At the moment I am paying one person, but I am not paying for people to sit around and wait for something to break down. I will remunerate people well to do their jobs.

The Hon. CHRISTINE ROBERTSON: And to carry the two certificates on your job?

Mr LAMBERTON: Yes, the two certificates.

(The witness withdrew)

(The public hearing adjourned at 1.00 p.m.)

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NEW SOUTH WALES

———

At Bathurst on Thursday 24 November 2005

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The Public Forum commenced at 2.00 p.m.

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PRESENT

The Hon. A. Catanzariti (Chair)

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

CHAIR: Good afternoon, ladies and gentlemen. Thank you for your attendance at this inquiry into skills shortages in rural and regional New South Wales. This afternoon we will conduct a forum, which will give you the opportunity to speak to us in a very unofficial and informal manner. When I call your name please come to the table and make your statement, which will be recorded. For the sake of brevity, we will not swear in any witnesses. Witnesses will therefore not be protected by parliamentary privilege. That being the case, witnesses should refrain from naming and defaming individuals, in particular—not that I am suggesting you would do so but I need to make these matters clear. I call Mr Singh.

Mr PARMINDER SINGH: I represent Radhika Enterprises Pty Ltd. I am the director of the company, which operates a small chain of food businesses in regional towns. I want to bring your attention to the fact that government employment initiatives—I have prepared a small presentation—do not align with the skills shortage programs. I hire a lot of Indian cooks. This is a specialised area and I cannot find cooks with these particular skills in the rural towns or the regional area. The Government has started the regional migration scheme. It is a good scheme but I have been struggling for the past three years to get anyone to stay in the regional town.

I am a full-time lecturer at the CUS and I thought of another initiative. I went to the TAFE, Central West Community College, and asked, "Why can't we start Indian cooking classes or a specialised certificate IV class like they have in Sydney in the rural town?" Then we could train local candidates and I would not have to rely heavily on overseas employees. But that cannot be done. I want to highlight the fact that there are problems with the government initiatives. I have done a company analysis. Not many cooks stay in rural towns because Sydney is close and they get more money there. They are happy to stay illegally. I have evidence of that if required. Regional permanent migration is a strength but the weakness is that government initiatives do no align with each other. The Government has started a program but it discourages small businesses from obtaining small business people.

The Hon. CHRISTINE ROBERTSON: How?

Mr PARMINDER SINGH: It is like a set of traffic lights—there is always another red light. I have been trying to fulfil the requirements for the last three years, and it has not been easy. For example, the Government has started a regional migration scheme. I have included the website link in my presentation. I have read the documents thoroughly and addressed all the issues. They say that I have to train local staff. I understand that. But unless I have skilled people with me how can I train local staff in Indian cooking?

The Hon. MELINDA PAVEY: Can you not do that?

Mr PARMINDER SINGH: I can, and I am doing it. But my business is not small. I have three outlets but I have had to close two. Part of my business plan is to open outlets in regional towns.

The Hon. MELINDA PAVEY: Restaurants?

Mr PARMINDER SINGH: Yes. I have a full-time job as well. I can train people but it is a part-time hobby. Commercial cooking classes are different. You need a qualified chef to train people and to align with TAFE teaching methods. I cannot teach them cooking only. These are the hurdles that being created. How can you say I must employ 10 local staff when I do not have any qualified staff to help me? I have been fulfilling that requirement for three years and I still do not have one cook.

I have a financial background. My company has been operating for the last couple of years. It is a self-funded business. I do not have any loans. They are requirements of the government. If a new operator comes into a regional town, takes out a loan to start a business and applies for a cook they will not approve it. Why not? People can operate in the real estate market without having hundreds of thousands of dollars to buy a house. They can go to the bank and, if they fulfil the requirements, they will get a loan. They are some of the hurdles that are there.

There is technological help. I am a lecturer in information technology and I like online information. They have started online visa processing. I can lodge an application anywhere and send

scanned documents. That is fine. But the standards have been ignored. It says that online applications will be processed in two to eight weeks but I have been waiting for the last three years and I have lodged online applications. Why has the Government started the online application process if it has to go back to the same paperwork? It is a waste of time. Why is it wasting money on that technology? There are no dedicated resources for rural towns. There are initiatives but no dedicated resources in the immigration department to process applications from rural towns.

On the final page of my presentation I show how a business can close in three months and it takes eight months to process a visa. Small businesses cannot survive without support. The Government says, "We support small businesses and we have initiatives for them" but if you dig deeper you will find that there is no initiative and no support. There are no dedicated staff for rural towns skilled migration processing. All the requirements are for cities. I am happy to give you a copy of the immigration documents that I read—there are pages and pages. I am happy to support wholeheartedly TAFE training and a certificate IV course in Indian cookery, which is offered in Sydney. Why is it running only in Sydney? Why can it not be run here?

The Hon. MELINDA PAVEY: There is an Indian cooking course running in Sydney at TAFE.

Mr PARMINDER SINGH: Yes. West Ryde TAFE offers a certificate IV. It has a certificate III course in commercial cookery and certificate IV courses specialising in Chinese, Malaysia, Indian and other cooking.

The Hon. MELINDA PAVEY: How much would a chef who specialises in Indian cuisine earn in Sydney? What sort of wages would a small business in a regional area be able to afford?

Mr PARMINDER SINGH: I have done the research in the last two years. One of our cooks ran away. That is why I had to close my business. One night he just closed the shop, took the money and everything and ran away. That is the problem. Someone in Sydney can offer them $5,000 more per year. If I am paying them $32,000, they get paid $37,000 in Sydney.

The Hon. PATRICIA FORSYTHE: They could spend that on rent.

Mr PARMINDER SINGH: That is right. That is what I tell them. But that is not the point. They are happy to work illegally because there are a lot of businesses. They are paid cash in hand and they are happy. The point is not that Sydney is close but that the scheme ties the employees to live and work in the regional town or their visa is cancelled. I have read the visa processing document thoroughly and it says, "If you have to move positions apply to the immigration department". It says that you cannot go anywhere else but then it says, "If you contact us we will make it happen".

The Hon. CHRISTINE ROBERTSON: So you want them to be indentured.

Mr PARMINDER SINGH: I spend $15,000 or $20,000 every year sponsoring those guys, paying their airfares and medical expenses. After a month somebody offers them $5,000 more and they run away. I cannot do anything. I have tried writing to the Minister and I have written to the Prime Minister, saying "You started the scheme so why are you telling those guys that they can run away and then help them do it?" Those sorts of things do not align with government policy. If a guy is issued a visa on the basis that he must stay for two years with an employer in a regional town, he should stay. If he does not, his visa should be cancelled. The department should not say, "If you contact us and you have another sponsor we will get you another position".

The Hon. CHRISTINE ROBERTSON: Do individuals get isolated in regional towns?

Mr PARMINDER SINGH: It is all part of the learning curve. I migrated to Australia and I am living in a regional town. You have to adjust. You cannot simply say city life is the best life. We have candidates who wanted to stay in a regional town but they had too many options, such as earning $5,000 more and having a good life in Sydney.

Mr IAN COHEN: I sympathise with your position but we had discussions with some South African migrants who were almost imprisoned on a farm—they were not imprisoned physically but

they felt they were locked into this work situation and could not escape. It was a quite abusive situation.

The Hon. MELINDA PAVEY: It was Griffith and they were wheat farmers.

The Hon. PATRICIA FORSYTHE: They were out near Hay; it was a long way away.

Mr IAN COHEN: That sort of thing does occur.

Mr PARMINDER SINGH: My positions are in town. We have working hours.

Mr IAN COHEN: That was another example; I am not saying it happens in your case. But if people come from another country they can be restricted and abused. How do we resolve the problem so that people who come to this country under the assisted migration program or sponsorship do not feel trapped?

Mr PARMINDER SINGH: We should start certificate IV training programs in regional towns in TAFEs and community colleges. I have submitted a plan to the immigration department. I could start a private college to teach Indian cooking to local students. I want to employ locals; I do not want overseas employees. It takes them 12 months at least to get accustomed to the language—the dialect—and local customs. People from other countries have different cultures.

They come here and they have to learn different cultures. It takes time, it does not happen overnight. I am happy to run a school or a private college. That is what my plan is but the Government does not allow it. I have tried to get two qualified chefs who have 14 years of experience for teaching in a college similar to TAFE and I thought they could help me in the restaurant and we could start a school in collaboration with community colleges or TAFE.

CHAIR: We will have to leave it there. This is a State Committee whereas what you are speaking of is more a Federal issue. However we appreciate your comments and your comments have been recorded.

The Hon. MELINDA PAVEY: The idea of an Indian TAFE course out here if you had the numbers would be good.

CHAIR: Mr Stapley, would you like to say something?

Mr RAY STAPLEY: I work for Simplot Australia in Bathurst. My role is the occupational, health and safety environment training manager for our site. Simplot Australia is the old Edgell Birdseye operation, now owned by the American organisation Simplot, and has been for the last 10 years. Our factory has been in Bathurst since 1926 and has been part of Bathurst society for that time. We employ about 210 permanent persons working on a two- or three-shift basis.

Our situation is that we employ apprentices to support our fitting and electrical maintenance program within the plant. We also employ production management supervisors in the plant to operate, run and manage the production process. Our situation is getting worse in getting good supervision and good fitting and electrical staff. Generally, it is very difficult to get food technologists, who are really the people that we require to run our production operation, into our industry.

People coming from Sydney are very frightened to come across the mountains. They are not quite sure what it is like over here. They cannot see the benefits of country-regional living. For sure, the costs are cheaper but there are other issues. We find that if it is the male or female, it tends to be the partner who has a bearing on whether they come over the mountains. With both male and females working these days, unless both partners can go, it is quite awkward to get people to come across the mountains.

We tend to find a lot of our staff moving within the Bathurst region rather than from the cities, from Canberra or wherever. We tend to have a little bit of migration from industry to industry within the city. As far as apprenticeships are concerned, it is very difficult to be able to employ a lot of apprentices these days. Costs are such that it is quite awkward, but also the quality of the kids coming

out of school these days, they are year 12 kids looking for an apprenticeship. Ten or 15 years ago it was year 10 kids who were looking for apprenticeships.

Those kids were generally good operators, probably good hands-on people in their home, and their father or mother supported them in those tasks. These days they are not getting that background. They are coming through the schools and the schools do not have the metalwork and woodwork classes that I went through in the dark ages, I suppose.

The Hon. CHRISTINE ROBERTSON: Not that dark.

Mr RAY STAPLEY: So we are finding it a little bit difficult to get hands-on people. We are involved at the present moment with a little exercise with the Bathurst High School involving a solar car. We are finding that the kids in that group were not quite sure whether they really want to do that sort of thing because they had not been exposed within their school life to that sort of thing before. They have come out and said, "This might be all right for me". It is not a computer game but there is a bit of electronics involved and it is hands-on and they can see what they are achieving.

I believe it is the school situation personally and I think we need to support these kids in their school life and find out their potential by doing some hands-on stuff through the schools. This will certainly support industries and will support our group apprentices, a group which is in Bathurst that has provided apprenticeships throughout the western region of the State. From our plant's point of view, we would like to see some support. I am not sure what sort of State support we could get. I am also involved with the New South Wales Food Industry Training Council, so we are involved with industry as well as unions, as well as talking to government departments such as the Department of Education and Training on how we can improve the skills shortage and transfer the skills through TAFE.

One situation we have been involved with apprenticeships relates to bakers. It is very difficult for those kids to do their apprenticeships through TAFE. They tend to have to be sent off the job to another town. A young guy in Cowra had to send his young apprentice to Orange, which is about 100 kilometres away. Remember that bakers start in the early hours of the morning so that you and I have fresh bread in the morning. It was a struggle for that private operator to send his apprentice to a TAFE outside his area.

Even at our site now our apprentice electrician travels to Dubbo to finish off her TAFE course in mechanical-electrical apprenticeship. Once again I am not sure whether TAFE is providing enough for the local centre to ensure the support of local kids. There is not a lot of money in apprenticeships for the kids themselves. They are paid very poorly and for them to travel to a centre 100 kilometres away costs a lot of money. They have to drive and travel at odd hours. Out here it is a little bit colder and we have frost and other conditions, which I know another centres experience, but it is very difficult for the young.

The Hon. PATRICIA FORSYTHE: TAFE would say that they need a minimum of 15 in a class for a class to be viable. Do you know how many other apprentices there might be in the region at the same stage as your apprentice? Are we looking for another five or six to make a viable class or is she the only one in the area during her stage of apprenticeship?

Mr RAY STAPLEY: I am not sure how many others are in the area.

The Hon. MELINDA PAVEY: What is your communication with the Western Institute of TAFE? Does Simplot have regular meetings telling them about its circumstances?

Mr RAY STAPLEY: It may be a fault in the TAFE system but I do not believe that they come out and talk to industry enough. I that it should be a two-way street, fair enough, but I believe that TAFE should be reaching out to centres such as ours and other businesses within our region and talking to them about potentials. Yes, we do not speak enough with the local TAFE and, once again, it could be from their side as well. Maybe they are not out pushing that issue.

There are other providers in town, not necessarily TAFE, that provide training for our people and they are out chasing the work. They are actually coming forward and saying, "We will bring this to you and we will support it."

CHAIR: What are your thoughts on in-store training or apprenticeships rather than having to go to Dubbo if there were positions available within the factory, or the engineering firm? Do you think there would be enough apprentices to have the training done in that environment?

The Hon. CHRISTINE ROBERTSON: By whom?

CHAIR: The apprentices themselves, rather than going to Dubbo.

The Hon. CHRISTINE ROBERTSON: Who will be the trainer?

CHAIR: The people working at the engineering firm?

Mr RAY STAPLEY: Once again, unless your organisation is a registered training organisation, you cannot provide that. You cannot give them the certificate, whether it is a third processing certificate or an electrical or a fitting certificate. It is quite a convoluted process. Certainly, if they can be trained on site or in the local town rather than leaving town—

CHAIR: That is what I mean.

Mr RAY STAPLEY: Certainly, Lithgow has a very good apprenticeships scheme and a very good TAFE. I am pretty sure that a lot of Bathurst people actually go to Lithgow to do certain apprenticeships, depending on what it is. I know you need a minimum number to make it viable but they are the issues we are face with being a regional centre that has great facilities.

The Hon. PATRICIA FORSYTHE: You identified earlier the shift in apprenticeships from people coming out of school at the end of year 10 to now completing year 12, the difference being that instead of being 16 they are now 18 when they start their apprenticeship. For a long time there has been a push to encourage all students to stay at school and finish year 12.

Mr RAY STAPLEY: Mine to my children as well.

The Hon. PATRICIA FORSYTHE: Why do you see it as a problem that they are now 18? Is it to do with the wage level on which they start their first-year apprenticeship?

Mr RAY STAPLEY: Possibly, but I believe that a child goes to year 12 because the mother and father has pushed the child to do so. However, they find that they have not got the university admission index or a high enough level to go to university and the fallback situation is to go to TAFE and do an apprenticeship in one of the trades. They are really not that skilled and they have not built up towards that trade. I could refer to the initiative at Portland Central School at the moment.

The Hon. PATRICIA FORSYTHE: Yes, we are aware of that. I am trying to understand the difference between starting an apprenticeship at 16 and starting at 18.

Mr RAY STAPLEY: It should be a positive rather than a negative. I believe it is a negative because the person has used an apprenticeship as a fallback position to going to university.

CHAIR: Thank you very much. I appreciate your input. Ms Marisa Clift?

Ms MARISA CLIFT: I am the Manager of Community Work Services, Central West Community College. Thank you for letting me have a quick talk today. Central West Community College is based across the Central West of New South Wales and we deal with many of the people who have spoken with today, so I would like to confirm some of their comments. We have a new apprenticeship centre as part of our services and I would like to confirm John Lamberton's comments this morning about the complexity of the apprenticeship process.

We do a lot of processing for the traineeships and the apprenticeships that we have with MasterFoods in our Orange office. The start-up paperwork and the ongoing paperwork are quite complex and that is a common complaint that we receive from employers that we work with. Access to training is an issue and, as Mr Stapley has just pointed out, we have participants in Cobar that are doing traineeships and apprenticeships who have to travel to Dubbo. That is potentially up to three days off the job.

That is a loss of productivity and that is another common complaint from employers. That is down time that they cannot afford to have. We service a lot of rural communities where there might just be small business and we cannot get the economies of scale to deliver traineeships and apprenticeships. We might just have one. We receive the same wage as metropolitan providers to deliver traineeships and apprenticeships and obviously with low economies of scale, it is really difficult to offer a single placement in a small town, especially where those people have to travel, and it is not taken up by the employer really. They are comments to confirm this morning's discussion.

I will make some comments in relation to the Work-for-the-Dole program. I manage that for the college and have some participants with me today. From 1 July we need to dovetail into the skills shortage and offer skills in demand in our activities. We will use a lot of creativity to provide a lot of commercial skills in a non-profit sector. We are up for the challenge, but that will cause us some challenges in the central west. We have a lot of clients seeking work. They come to us when seeking work. This morning there was a comment that related to long-term unemployed and unemployed job seekers. In addressing skills shortages, when there are unemployed people and vacancies, it seems like there is a natural fit. However, either through attitude or circumstance, we see lots of barriers and difficulties. Licences cannot be obtained because of outstanding fines. When someone is on unemployment benefits that is a big hurdle to overcome.

Unfortunately, training credits that we were able to offer to people cannot be taken up because they can pay for their licences but they cannot pay fines, so there is another hurdle. There is limited or non-existent transport. There might be vacancies but some participants struggle to attend the Work-for-the-Dole placement two days a week, let alone getting to an employers placement for five days a week. Long term the pay would build up and they could afford a car, but in the first few weeks to sustain employment they have no option and they drop out because it is too far to cycle, or they rely on lifts or they are hitchhiking. They cannot sustain that and drop out of employment.

The premises have to travel from town to town. Some guys coming off unemployment benefits onto an apprenticeship wage face that hurdle also. Phone contact for us is a big thing, some areas have no mobile phone coverage. A lot of people have moved from having a landline to having only a mobile, so employers cannot contact them. Seasonal work and cash jobs are big in the areas we deal with. There does not seem to be a long-term view to employment, it is just all pieced together as best it can be through a mixture of seasonal work, casual work, cash-in-hand work. They are unable or unwilling to move between towns to gain some short-term employment that would enable them to secure employment in their own towns. Through circumstances, it is a big thing to move to Sydney if you have family and you are on unemployment benefits.

Also there is an underlying lack of commitment from some job seekers. They have a short-term view that they will get a job. They will not wait till they have found another job before they jump ship if they do not like it. They are known to go AWOL, which frustrates employers. Obviously they are not committed to giving job seekers any training, because they have not seen them for a few weeks and have not heard from them. If they go back to their job, the employers do not feel like giving them any ongoing training.

Through our program we focus on building skills and the opportunity we had to do that. Most importantly we try to give participants direction and lots of options. We try to point them into the right direction towards securing employment. With the training credits in the TAFE system, we do not have a great uptake on training credits. It is an incentive for some clients coming into the program, they see it as an opportunity to do training. There is a little apathy in taking up the training credits, but aside from processing, TAFE is not overly familiar with training credits, which is a bit of a surprise. Sometimes it is a bit of a longhand way of processing those with TAFE and linking in. We can book courses.

The Hon. MELINDA PAVEY: Can you give an example of training credits in practice?

Ms MARISA CLIFT: No, I cannot. I have eight sites, eight towns, I can ring up to eight TAFES and each one will have a different processing system for the training credits. I would expect that I could ring in and ask for training credits and be told that that is fine. One will say it is fine and pay us, others will say to get an invoice. With some, we do not get an invoice at all. There is no consistent processing system. A lot of times we book the course, pay for the course and tell the participant that it is on, and then the course will be cancelled because there is not enough demand. That is a bit of a problem.

The Hon. PATRICIA FORSYTHE: Is that with TAFE?

Ms MARISA CLIFT: Yes. We have some participants wanting to do aged care in Forbes, they have been interested since June this year, but the course is not running until February next year. That is a fairly long lead time.

The Hon. PATRICIA FORSYTHE: What courses do most people want to take on with training credits?

Ms MARISA CLIFT: The biggest uptake would be obtaining a drivers licence, or responsible service of alcohol, or responsible conduct of gambling, or occupational health and safety courses. We have had a few uptakes for truck licences—the ones I can directly apply, which is good. We have some participants who embark on a TAFE course over two years, maybe an aged-care course, and we have a participant embarking on a university degree next year as well. There is a range.

The Hon. CHRISTINE ROBERTSON: Is your college an extension of the former Adult and Community Education?

Ms MARISA CLIFT: Yes.

CHAIR: Thank you for your input.

Ms JENNIFER HOUGHTON: I am the Recruitment Co-ordinator for Central West Community College. I look over two programs, the job network and the disability. I also look after people with disabilities and try to find them employment. Before this position I was a recruitment consultant, trying to find work for people. This morning there was a question about why people are not staying in employment, why they keep returning to benefits. From my experience there are a number of reasons. At big one is placing them in the wrong position, not placing them where they have the right skills. People generally do not like to stay very long if they are not happy in a position.

The educating of work ethics and the fundamentals of making them understand the basics of going to work is important. For example, I put someone into a labouring position and he went to see the employer one afternoon and mentioned in passing that he had a sore back. Three days later he had not turned up for work. I contacted him and he did not realise that he had to call in every day if he was sick. He said that he had told his employer that he had a sore back. They need to be made aware of the basics of going to work, so that they do not feel alienated. Another problem is social. I can work as a case manager for a lot of people, and I have got them into employment. I got them very excited about it, but it all depends on their social environment and what they have to do when they get home. That can undo everything that we have achieved during the day, going home to a social environment. They may want to achieve and want to get out there and work, but they need to be in the social environment where that is acceptable.

The money with traineeships can be a problem. I have put a lot of people into traineeships, basically administration and hospitality. A lot have left because of the money, the small amount they were earning. It is very hard for them to see anything at the end of it. For example, I put someone into work in a labouring position. The employer was fairly good to him but after four or five weeks he stopped going to work regularly, going to work fewer times. When I got to talk to him I found that he has five children and gets more by being on benefits than he got by going to work. In the end the

incentive was not there. He could labour all day, 40 hours a week, and get less than he got on benefits. He stayed at home with his children.

I have found over time that it depends on the employers. I heard Jeff Hort this morning—and he would be a fantastic employer, he had a really good attitude. If we could find employers like him, that would be good. No matter what the money is, the majority of job seekers, and those who are employed, would stay there for a good employer. That definitely makes a difference. If we had more employers like Jeff, it would make my job a lot easier. Recently I have found that a lot of employers are trying to do things differently. A lot of clients in the labouring industry were asked to get ABN numbers and go contracting for themselves. Obviously there would be trouble with that. Obviously the liability is not theirs anymore. We have a tight rein on at the moment to make sure we protect our clients. That has been handed a lot around this area. I have personally seen it in the labouring industry, nowhere else at this stage.

Another problem is increased hours, making them work long hours. A lot of them are on trial and a lot in the labouring field use their own transport to go as far as Dubbo. A lot of them have families and it can be quite difficult, but they have only one car. It is very rare that they can afford to have a car. That is why people cannot continue with their work.

We have developed a couple of different things to do as an organisation in the Central West. We have tried to develop people within the organisation so they solely look after people when they obtain employment. We regularly talk to them to make sure we can pick up on any difficulties, so that we can help them avoid problems.

CHAIR: When you talk about trainees and their wages, what do they get?

Ms JENNIFER HOUGHTON: I do not know. I just know that quite a few leave because the trainee wage was not enough.

The Hon. CHRISTINE ROBERTSON: Less than the dole?

Ms JENNIFER HOUGHTON: Yes.

CHAIR: Thank you.

Mr BARRY CREGAN: I run projects around the Bathurst region for work-for-the-dole. I am employed by the Central West Community College. I have run projects for 2½ years. I started with the college running the Links to Learning program, which is not run in Bathurst any more. It was stopped within six months of me starting it. That program was specifically related to helping people who leave school early, 14 years, up to 21 years. For some reason it was stopped in the Bathurst area, and funding went to other areas in the region.

The Hon. CHRISTINE ROBERTSON: Who funded it?

Mr BARRY CREGAN: It is State funded. When it moved to another area, I took up running projects for work-for-the-dole, and have been doing that since. I have introduced a change in the abilities of people coming to me. They are, to me, more skilled and better educated. In other words, I agree with Ray, who said earlier that they are staying on to year 12. That is a plus in my view in the sense that people are not leaving education. But I have noticed a lack of confidence. People who are doing year 12 have about the same amount of confidence as a person who leaves school at year 10. I have not seen any improvement in their confidence from being at school for two extra years. This is my view from noticing people coming through. Why is that? I am not quite sure; I am still working on it. I think it is the fact that people are accepting the fact that there is a chance that they will not work in a permanent job for a long period of time in their lives. So they are sitting back and accepting their lot.

How do we help people in that situation? I have differing viewpoints. I believe that the trade industry has let them down, in a sense. The trades are coming into vogue again. TAFE was running a course in Bathurst that was cut. It was called the night trade as opposed the day trade. When most people become apprentices they study at TAFE for one day a week. The equivalent to that was two nights a week. In other words, the night trade course was specifically designed for people who were

older and more mature who wanted either to get into the trades or to do something else with their lives. That course was cut. TAFE no longer runs it—and, as far as I know, they do not run it in Orange either. That happened about five years ago, maybe longer. If that course were running now there is a chance I could convince some people to do it.

At the moment I try to convince as many of my crew as possible to do trades because I come from a trade background. That is one difference I have noticed in the last few years. That opening is not there. I agree with a lot of that has been said previously, especially what Ray and Marisa mentioned. I would like to highlight some points. Licence fines are a big issue for my people. They cannot get a drivers licence because they have fines that are not related to driving. That is a big issue for a lot of my people who cannot drive a car. They live in the countryside and they cannot travel to their jobs.

Turning to traineeships versus apprenticeships, I have been interested in apprenticeships because I come from that background. People see traineeships as short term and quick. They get things done but they do not offer long-term employment. That is what my people tell me. Apprenticeships are long term. It is hard for people to wrap their minds around a three-year apprenticeship; they will not do it. That is the mind-set that people have. Traineeships are easier to handle but people are telling me that they are not as important—"If I don't like it, I'll drop it". Whereas with an apprenticeship, they think, "I'm in this for the long term, I will do it". But as Marisa and Ray said, in the Bathurst region most people now must travel to Orange to do their apprenticeships. That means that they must find money to get there. It is more expensive to travel. If the training were based in Bathurst a lot of people would take up apprenticeships and would take up more education.

The Hon. CHRISTINE ROBERTSON: Is there a public bus service?

Mr BARRY CREGAN: Yes, there is but it is limited.

The Hon. CHRISTINE ROBERTSON: What does that mean?

Mr BARRY CREGAN: They can get maybe one bus in the morning. It might be a school bus and not everybody wants to travel in a school bus. A lot of people are proud. They have been unemployed for a long time and they want to be able to travel on their own. Hence they need a licence and a car.

Another issue—I only found out about this forum an hour ago so I am going off notes—is lack of confidence. It does not matter what age people are; they all seem to lack confidence. They have a fear of going for that job. I bring people to TAFE, to the college and to employers. I show them—"This is what you could do". I bring people to watch what people do on a building site. But they fear that next step. They do not have the evidence. Confidence is a big issue with my people.

The Hon. MELINDA PAVEY: Is that because they have spent so long without a job?

Mr BARRY CREGAN: Yes. They lose a lot of confidence. I believe a lot of people are staying on for the HSC because they are filling in time.

The Hon. MELINDA PAVEY: What would you recommend for students in year 10 who would be better served starting an apprenticeship than going on to years 11 and 12?

Mr BARRY CREGAN: My recommendation would be for career guidance counsellors to be more proactive in searching for people who would be good at a trade or something particular to them. Being generic does not work anymore. There are many different trades. People are good at different things. I think the education system has gone down a generic path, where everybody is thrown into the box. When the question is asked, "Why did somebody fail in a job?" the reason often is because they thought that was what they should do.

I will give an example. Occupational health and safety courses—I agree with and support them—are everywhere. I totally support occupational health and safety because I have been on some very nasty building sites in the past and I know the dangers involved, but everybody does this course.

I have to do another induction even when they have done this course to ask them whether they can read and write and whether they understood everything in the course. A lot of my people do not read and write.

The Hon. MELINDA PAVEY: But they have gone through to year 12?

Mr BARRY CREGAN: I would not say that. They have gone to year 10 definitely and, as for year 12, I wonder at times. When you get to that stage I think they know different ways of covering up a failing. But I am not going to ask them to read a book over the next two weeks to prove that they can read. That is an issue.

Mr IAN COHEN: There has been discussion about some visionary employers paying above award wages and creating incentives for people, particularly with apprenticeships, for people to stay on because pay levels are pretty abysmal. Everyone agrees with that.

Mr BARRY CREGAN: Yes.

Mr IAN COHEN: Is there any other route to take or another method that might work? As you were talking, I was thinking perhaps the apprentice could be paid directly from another source—it could be almost an extension of unemployment benefit—that was separate from the employer so that they earned enough money to travel to sites and so on. Could that sort of system work?

Mr BARRY CREGAN: We are in a regional area. It is forgotten in the cities that transport is a major issue. People mostly want—and I asked my crew about this before I came here—to stay in their own region. That means they will take on jobs and apprenticeships knowing that they will not get a high wage for the three years of their apprenticeship. As I explained earlier, if the career guidance counsellors explain all the gory details to people—the pitfalls and the benefits of an apprenticeship, for example—people will go ahead and take the risk. But they want support when it comes to money in their pocket. When they have to put their hands in their pocket and take out whatever limited money they have to pay for fuel that is more expensive in the bush and to pay for the car that must go further than a car in the city, people in the bush feel they are being left out. Most people I come across want to work. There are people who are quite happy to stay unemployed and are even quite happy to volunteer to do work for the dole. It is quite difficult, especially when they get over a certain age. They do not want to have to chase one job that 20 other people are going for.

CHAIR: Thank you for your input, Barry. Would anyone else like to make a contribution?

Mr STEPHEN FREEMAN: Hello. I would like to tell you my story. In 1976 I joined the railways. From 1976 to 1993 I worked for the railways. In 1991 I had an accident and the railways retired me on a medical disability. I bought a block of land in Bathurst and I have tried hard since to progress myself, work and build my house and get myself a good life in the bush. But I had difficulties, particularly with transport and employment. I worked in containers but the place closed. Then the dole people chased me and said that I had to work in Oberon and so on. But eventually my finances were depleted and I ran out of money. I had to have continuing operations in my knee, which put me off work. I worked for dog food places, Simplots and places like that but, unfortunately, my medical disability meant that I had to go off work to get my knee fixed up. I then had hernias. As you know, the queues for medical treatment and operations are quite long.

The last five years I have been unemployed. I have had operations. I have lost a lot of faith in the system. I am now 47 years old and there are not too many years of employment left for me. But the fact is that I have no finances. A few years ago I lost my licence. I had to travel by car to jobs but I was not making much money. So I could not register my car and I lost my licence. I had no form of government help. I live out in the bush. I love my house and I want to live there. But I have to travel 25 kilometres out of Bathurst and back with no form of transport unless I take a school bus or get help from my neighbours. I am unencumbered. I own my own $300,000 house but I get no form of government financial assistance. I cannot buy myself a car. I cannot get a loan from anywhere. My car is now unregistered, I have no form of transport and if I want to get myself a job I will have to trudge around—the dole people say work two days at Oberon at a timber factory or at Blayney or something like that. It depletes my finances and puts wear and tear on the car.

The car has just run out of registration and I am not going on the roundabout where I lose my licence again. I am not going to do that again. I have to rely on the grace of my good neighbours or the school bus to get into Bathurst. I have not received any help from the Government and transport out in the country is non-existent. Bus companies cannot even make money out here. They go broke. We have no form of transport out here in the country.

I remember in 1976 when I joined the railways I used to work in Darling Harbour where they used to have the good parts and we used to go out to these country areas, but they have all closed down. For small companies to start up in the country, they have to pay transport companies high prices. Petrol is so expensive out here; transport is so expensive out here. If anyone wants to start any sort of company out here, there is no public transport and it is so difficult to go to Orange and technical courses.

CHAIR: Stephen, did you try to get any training to get into other jobs?

Mr STEPHEN FREEMAN: Yes, I have done all that. I have trained myself, I have my tickets for plant operating, forklift operating and so forth. I have worked in places like dog food places, with forklifts, timber milling places, but they have closed down and I have lost my jobs and I have had to start again. I did work in these dog food places but when I had problems with my knee, I had to go off work.

In 2003 when I had to go off, I waited 12 months before I got my knee fixed up and when I went to go back, I discovered I had a hernia and I was off for another six months and in that time I had to keep coming into Bathurst to put in my dole form to get my wages. To come in to Bathurst, the transport in and out was killing me, and you want me to do these tech courses; I am educating myself quite well but the transport is killing me. I cannot afford to keep paying petrol, which keeps going up and up.

I could go on to a pension but I do not want to put myself on a pension and I have to pay for registration and tyres, and pensions do not pay for those sorts of things. When you are on the dole you do not get very much money to put aside to pay for a car and registration, especially when you have medical disabilities. I find myself spiralling into a hole and I cannot get out of it. I have a certificate from the railways saying I had 17 years of loyal and faithful service with the Railways of New South Wales but that is now just a piece of paper because I have had nothing from anyone.

The Hon. PATRICIA FORSYTHE: Is the only bus run that would service your property the school bus run?

Mr STEPHEN FREEMAN: Yes, if you could call it a school bus. It is not very good.

The Hon. CHRISTINE ROBERTSON: Lots of orange skin.

Mr STEPHEN FREEMAN: Yes.

The Hon. GREG DONNELLY: You may not want to consider this, but a motorbike is a relatively cheap way of getting around, is it not?

Mr IAN COHEN: What, and do his other knee in, great!

Mr STEPHEN FREEMAN: It is a Catch-22.

The Hon. GREG DONNELLY: It is much cheaper to run a motorbike than a car.

Mr STEPHEN FREEMAN: I know. I bought a cheap four-cylinder car but when you are on the dole, you cannot buy a $4,000 or $5,000 car. You have to buy a car worth only $1,000. You get it registered once and they will not register it the following year. You have to buy another car. I do not get anything more from the Government than a $500 loan. I own my own home. I am unencumbered.

CHAIR: Thank you very much for your contribution, Stephen. Does anyone else wish to say anything?

Mr ANDREW JOHNSTONE: I have lived in town for the last seven years. I have just begun an engineering course through distance education through TAFE. That was 1½ year ago. I have had an education hiatus of 12 years since finishing year 12. I wanted to mention two things that I found interesting that I came across while navigating my way back into further education again through the TAFE network.

Firstly, I wanted to get myself into a trade of some type. Obviously, with the apprenticeships, school leavers, young people as well, to get into any of the engineering courses offered here in town I would have to have an apprenticeship beforehand to get into that course. Even though they offer the courses here, I could not get into them. Even though I am over the age of the normal apprentice, I would be quite happy to work for apprenticeship wages for the opportunity to take myself down that road, having come to the conclusion, years after finishing normal schooling, that that is where I wanted to go, but I could not do that.

CHAIR: Why could you not do that? Did they not allow you to do that?

Mr ANDREW JOHNSTONE: I just could not get in.

CHAIR: Was it just the course that you were looking for?

Mr ANDREW JOHNSTONE: As far as my understanding is, it is the same for any of them.

The Hon. CHRISTINE ROBERTSON: You have to have the trade, the practical stuff.

Mr ANDREW JOHNSTONE: As far as I understand school leavers would go on put their names down, apply to be offered apprenticeships through an apprenticeship house or something like that.

The Hon. MELINDA PAVEY: You were hoping to up-skill yourself so that you would be more attractive to an employer?

Mr ANDREW JOHNSTONE: Yes.

The Hon. MELINDA PAVEY: But you were not allowed to do that.

Mr ANDREW JOHNSTONE: No, I could not get into the course.

CHAIR: You have to get sponsored.

Mr ANDREW JOHNSTONE: So I have come to the point now where I undertook a lot of investigation at the TAFE and I did not even know that the open training education network [OTEN] existed initially. Then I found there was a similar course that I could do through them.

The Hon. MELINDA PAVEY: Where is that based? Is that in Victoria?

Mr ANDREW JOHNSTONE: They are in Strathfield in Sydney and they sent all the material out to me. I have been doing that for the last 1½ years.

The Hon. MELINDA PAVEY: As well as another job?

Mr ANDREW JOHNSTONE: As well as looking for part-time, casual work as well. OTEN has turned out well for me in the end because I could not get into a full diploma in the TAFE network because I do not have a trade certificate. OTEN is the distance education branch of TAFE. It has turned out that I can do the course through OTEN to get into TAFE to do the two-year diploma and I can go to university after that, which is my goal. I wanted to raise that as a point of interest. It was a bit disparaging at the time because I kept walking into brick walls.

The Hon. PATRICIA FORSYTHE: How did you discover the OTEN network?

Mr ANDREW JOHNSTONE: Through the job network. I was referred to them as I am a Newstart recipient. I have a mild back injury that I got years ago. That is part of the reason I am educating myself: Strong in the mind, strong in the body. They referred me to OTEN. I had no idea it existed and I found that also, being on Newstart, that I could do one course annually, paid for, so that has all been very good. It has worked out in the end, but it is just all the obstacles that you come up against.

CHAIR: How do you get to Strathfield?

The Hon. CHRISTINE ROBERTSON: It is distance learning.

Mr ANDREW JOHNSTONE: I do the exams up at the TAFE here. I do it at TAFE here after I finish all my assignments.

The Hon. PATRICIA FORSYTHE: Which course are you doing through OTEN?

Mr ANDREW JOHNSTONE: An engineering course; it is manufacturing and engineering training program, which gives me certificate III, which is on par if I had left school and done the apprenticeship for fitting, turning and welding, which then gets me into the diploma.

Mr IAN COHEN: It is the equivalent to an apprenticeship going through to a practical trade standard?

Mr ANDREW JOHNSTONE: Yes. I just wanted to mention that. Finally, if there were more mature age apprenticeships for something like that, I would be more than happy to take that sort of thing up. I do not know how other people encounter the system. I guess a lot of people decide at school what they want to do, they do it, and they are okay.

CHAIR: Any further questions?

The Hon. CHRISTINE ROBERTSON: I have a question for an earlier speaker. Mr Freeman, what sorts of fines prevent people from obtaining their licence?

Mr STEPHEN FREEMAN: Any fines. You have fines for parking. If you owe the Government in any way, you have to pay them off. You have to pay them before you get a licence.

The Hon. CHRISTINE ROBERTSON: Give us some examples of what you got fined for?

Mr STEPHEN FREEMAN: Parking fines, driving fines. When I lost my licence, I got booked for driving unregistered and uninsured. That was $1,000. I was unemployed. I could not afford to pay that $1,000, so I lost my licence and then I had to pay it off before I could reapply to get my licence back again.

The Hon. CHRISTINE ROBERTSON: I have heard that some people cannot get their licence at all because when they go to get their licence, they discover they have fines from when they were young?

Mr STEPHEN FREEMAN: Yes.

The Hon. CHRISTINE ROBERTSON: What sort of fines?

Mr STEPHEN FREEMAN: For driving unregistered or unlicensed vehicles.

The Hon. CHRISTINE ROBERTSON: No, when they are kids?

The Hon. PATRICIA FORSYTHE: Kids at school who get nabbed?

Mr STEPHEN FREEMAN: They get nabbed for those sorts of things and continue into their adult life. If you are a child under 15 and you get nabbed for driving a car unregistered or unlicensed, you get fined and that fine accumulates interest on interest on interest, and on a fine of

$1,000, by the time you are 18 or 19, it is a $3,000 or $4,000 fine. That has gone too far, from a $1,000 fine to a $3,000 or $4,000 fine. It is a bit hard, when you are an unemployed person, to pay up.

The Hon. CHRISTINE ROBERTSON: Thank you very much for that, Stephen.

CHAIR: Would anyone else like to speak before we close? As no-one else wishes to speak, I now ask Mr Gerard Martin, the member for Bathurst, to say a few words.

Mr GERARD MARTIN: Firstly, I would like to thank the Committee for coming to this area because the problem you are addressing has some serious ramifications for various parts of my electorate, as you have no doubt heard from people today. I am not sure whether anyone from the timber industry in Oberon was able to make it today, but there are major concerns in getting specialist tradesmen to the extent that they have formally approached the Federal Government seeking special relief for tradesmen from overseas, which is an unfortunate step to have to take when we have young people looking for employment opportunities in our area.

I spoke to the senior executive of Carter Holt Harvey, the largest company in Oberon, which employees 800 people in the processing of timber. If it is not too late, they may forward to this Committee the submissions they sent to the Federal Government in relation to their approach on bringing in skilled migrants. If that is appropriate, I could have that information forwarded to the Committee as part of its deliberations. To the east with mining and heavy industry we have a problem similar to other areas. Smaller businesses suffer because when you get major construction there is a likelihood of major infrastructure projects. It is the smaller businesses such as the local electricians, the motor mechanics and car firms that lose their tradesmen to the generally higher paying primary industries, particularly mining.

That is a problem in the Central West also around Orange and Parkes. That needs to be addressed. I know there are market forces and people are entitled to do the best they can with their earning capacity. Notwithstanding that, it restricts some of the other manufacturing industries from expanding and growing, and has been the case in Oberon where they are having trouble in getting skilled people. I give an undertaking to get that submission from the Oberon timber industry to the Committee.

CHAIR: Thank you Mr Martin. I acknowledge the honourable member for Lachlan, Mr Ian Armstrong, and welcome him to the Committee.

Mr IAN ARMSTRONG: Lachlan is an area from approximately west of Cowra, down the Lachlan River to Lake Cargelligo, drops south to Ardlethan just north of Yanco, runs up to Coolamon, Junee, around Cootamundra, and picks up Young. It is 44,000 square kilometres, in which there are 44 communities and only five with more than 3,000 people. That is a mixed farming and industrial area. Horticulture is one of the major enterprises in the Young and Cowra regions with cherries, stone fruit and grapes. The National Engineering Group, based in Young, built the Olympic stadium, which was carted to Sydney like a Meccano set. They do at lot of work in Canberra and have worked in Queensland as well. A number of small heavy industry manufacturers are there. Most of the machinery for crushing ballast in eastern Australia is built in Young.

There are mining interests at Ardlethan, tin mining has opened and closed over the years. There is always someone fossicking there. There is a lot of mining interest in the Condobolin region running back through Fifield. Platinum is one metal mined there. Barrick Gold has opened a major enterprise at Lake Cowal, at West Wyalong. There are a number of common problems across my electorate and surrounding areas. It is difficult to find people with skills and without skills. When I say without skills I mean people who are prepared to do labouring work. Cowra, where I live, was one of the major asparagus producing areas in this nation. The last asparagus was ploughed out just recently simply because people will not cut asparagus, and it is not easy work. The asparagus cutter has disappeared.

The population of the Cowra shire is 12,500 and there is only one roof painter. It takes a long time to get him. Like many of us, he is getting older. To get a builder in Cowra you have to wait from six to eight months, there are 48 builders in Cowra. There is a dreadful shortage in engineering skills, draughtsman and mechanical engineers. My electorate butts onto the Wagga Wagga electorate, which

has heavy industry, such as Byrne Trailers which employs 160 people. Tomorrow morning probably 12 welders, four draughtsman, and four of five engineers could be employed in that one factory. Ranging from people who handpick grapes to engineers, carpenters, house painters, builders, plumbers, electricians, there is universal shortage.

There is still quite a strong push on young people who leave school to go to university. Young people should be encouraged to take on trades, and trades should be made more attractive particularly for apprenticeships. To do automotive engineering a person has to do TAFE training at Dubbo. Many young people cannot afford to do that if they have to travel 2½ hours each way, a five-hour round trip. Nor is there sufficient public transport to take them. So they do not go to TAFE, they do not do that type of course. It is the same with carpentry.

I chair a community development trust in Cowra. This year we engaged to build a house with the local TAFE. We put up the money, we underwrite it, the students build it, and we will on-sell the house. We will do the same thing again next year, if it all comes together. Again, it is very hard to get enough boys and/or girls to do that course. When we started eight or 10 years ago it was easy, they were queuing up. But now there is a push to university. On the one hand it is good to have plenty of work, on the other hand to have work continue you have to have the businesses continuing as well.

CHAIR: The representatives from Hay council commented that they were looking for engineers and could not get one. So they thought that they would train their own. They did not know that the closest training point for an engineer was Toowoomba. I thank you very much for your input this afternoon.

I thank the members of the Committee, the Hansard staff and the Secretariat for their good work.

(The Public Forum concluded at 3.25 p.m.)