

# WORKFORCE SKILLS SURVEY

2019



## **SKILLS SHORTAGES A HUGE ISSUE FOR NSW**

The 2019 Workforce Skills Survey shows a significant increase in the number of vacancies due to skills shortages across the state in the last two years, increasing from 54,000 in 2017 to 82,000 in 2019.

The number of businesses experiencing a skills shortage has decreased slightly since 2017. However, more than half of businesses are still unable to recruit people with the skills they need.

More than 1 in 5 of those businesses reported that they were facing significant negative impacts as a result, such as losing customers and missing opportunities.

The key recommendations from the survey's findings are:

- Double the number of school-based apprenticeships delivered in NSW each year.
- Make industry-based careers advice available for students and parents from year 9 in all schools across NSW.
- Increase the utilisation of existing TAFE facilities and resources to boost training outcomes.

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## **NSW BUSINESS CHAMBER**

The NSW Business Chamber is one of Australia's largest business support groups, with a direct membership of 20,000 businesses and providing services to over 30,000 businesses each year. The Chamber works with businesses spanning all industry sectors including small, medium and large enterprises.

# KEY FINDINGS



**82,000 vacancies**  
compared to 54,000 in 2017



Businesses provide  
**100 million hours**  
of supervision to apprentices and trainees each year



**55.4% of businesses have a skills shortage**  
compared to 59.8% in 2017



**\$2.5 billion investment**  
by businesses in supervising and training apprentices and trainees



**61.8% of businesses are unable to recruit suitable staff**

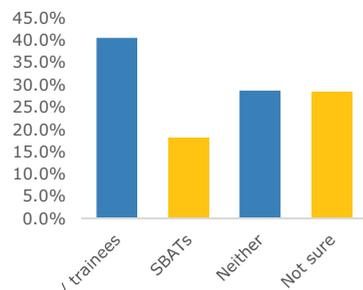


**51.4%** believe the **education system is not providing young people with the skills**, knowledge and capabilities they need for the workplace

Source: NSW Business Chamber, 2019 Workforce Skills Survey

# KEY CHARTS

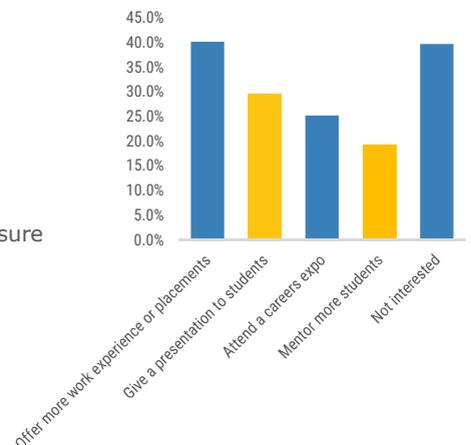
Would you be interested in employing more of the following?



Do you believe that sufficient careers advice is available in schools?



Would you be interested in partnering with schools in:



Source: NSW Business Chamber, 2019

# SKILL SHORTAGES

Fewer businesses in shortage but many more vacancies

Over half of businesses with five or more employees are currently experiencing a skills shortage (55.4%). This represents a small reduction in the proportion of businesses with a skills shortage in 2017 (59.8%).

## ***Vacancies are widespread in NSW businesses***

Businesses reported skills shortages equating to 82,000 vacancies state-wide – an increase from 54,000 in 2017.

## ***Impact of skills shortages are significant***

74.9 per cent of businesses reported that the shortage presents difficulties. 20.3 per cent of businesses with a shortage reported that it means the business is facing significant negative impacts such as losing customers and missing opportunities.

The existing workforce is bearing the brunt of the skills shortages with almost three-quarters of businesses reporting an increased workload for existing staff.

## ***Industry and regional shortages***

The main industries facing shortages are: mining (73.3%); agriculture, forestry and fishing (71.0%); transport, postal and warehousing (64.5%); and manufacturing (62.6%).

The regions with the most significant shortages are: Coffs Harbour – Grafton (64.3%); Hunter Valley excluding Newcastle (64.0%); New England (62.1%); and Riverina (61.9%).

## ***Key skills in shortage***

Trade skills in construction and manufacturing / engineering were the most prominent skills in shortage. Other notable areas of shortage were in health, disability, early childhood, education and training, farming and agriculture, retail / customer service, and hospitality including chefs and cooks.

## ***Reasons for the shortages***

The main reason for the shortages was not being able to recruit suitable staff (61.8%). Almost 20 per cent (19.6%) reported that their skills shortage was due to having had no applications for vacant positions.

# APPRENTICES & TRAINEES

Training is a big investment for business

## ***Apprentice and trainees employed by more than half of businesses***

54.2 per cent of respondents are currently employing an apprentice or trainee.

Businesses reported providing supervision equating to 100 million hours and an investment of over \$2.5 billion per annum in apprentices and trainees state-wide.

## ***Low rates of school-based apprenticeships and traineeships***

In contrast to the high percentage of businesses employing an apprentice or trainee, only 9 per cent of businesses reported employing a school-based apprentice or trainee.

## ***Reasons for low employment of school-based apprentices and trainees***

The main reasons for the low rate were: not having a need (27.4%); not having sufficient time to supervise (25%); needing an apprentice for more days per week than a school student could provide (20%); and, notably, not having enough information about school-based apprenticeships and traineeships (20.86%).

Other reasons included the work was unsuitable for people under 18 or the positions had particular regulatory requirements such as requiring a high-risk work licence.

## ***Areas for Government action***

- Expand availability of the apprentice wage subsidy trial.
- Provide a retention incentive to apprentices and trainees who stay with their employer for at least 24 months post-completion.
- Increase existing financial incentives for business to invest in training apprentices and trainees.
- Promote school-based apprentices and traineeships to students as potential pathways – particularly in regions with very low uptake.
- Aim to double the number of school-based apprenticeships delivered in NSW each year. **(Key recommendation)**
- Communicate the flexibility of school-based apprentices and trainees with employers.
- Invest in schools' capacity to liaise with businesses who are willing to employ more school-based apprentices or trainees.

# YOUTH EMPLOYMENT & SCHOOLING

## ***Preparation for the workplace could be better***

Half of respondents (50.9%) felt that young people they had employed were either not at all or only somewhat prepared for the workplace mainly due to attitude and professionalism, not having the relevant technical skills or due to a lack of 'soft' skills such as communication and teamwork.

Over half (51.4%) of respondents felt that the education system was not equipping young people with the skills, knowledge and capabilities they need when entering the workforce.

Many felt that poor preparation for the workforce could be addressed by providing young people with more work experience (67.7% of respondents), more development of soft skills (65%) and more training in employability / professionalism (64.2%) to help young people understand what employers expect in the workplace.

## ***Careers advice in schools needs improvement***

Only 11.7 per cent of respondents agreed that sufficient career advice is available in schools. Many respondents raised concerns about careers advice in schools not promoting trades well enough and university often being promoted as the preferred pathway post-school.

Over 60 per cent of businesses reported they would be interested in supporting more school students into work by mentoring or providing work experience.

## ***Areas for Government action***

- Provide industry-based careers advice for students and parents from year 9 in all schools across NSW (**Key recommendation**)
- Increase work experience in schools and make it available earlier in schooling
- Increase career education allowance for public high schools (currently 1.0 FTE for schools up to 1,300 student enrolments)
- Build on the Regional Industry Engagement program and introduce more industry liaison roles into schools
- Increase training of soft skills in schools, especially communication and teamwork.
- Provide more training for school students on employability to help students understand what is required of them in the workplace.

# OTHER RELEVANT ISSUES

## ***TAFE utilisation***

The Chamber received feedback that TAFE campuses are underutilised, particularly during summer holidays, and that some courses of relevance for particular geographical areas were not available at the local TAFE, although they were available online.

## ***Trade Training Centre utilisation***

Similarly, it was reported that the Commonwealth Government-funded Trade Training Centres (TTCs) in NSW are being under-utilised. Concerns were raised that some schools are no longer using them due to the costs associated with funding specialised teachers and are not making these facilities available for broader use by other registered training organisations (RTOs), community groups and industry.

## ***Increased Government liaison with business is required***

It was also clear that Governments are not doing a good job of promoting available employment / training services. Almost half (48.3%) of respondents reported not having used a Government service to employ or train people during the last 12 months. Excluding users of the Australian Apprenticeship Support Network, this number increased to around 70 per cent of businesses not having used a Government service.

An example of this was that several respondents suggested the creation of a youth trial program similar to the existing Youth Jobs PaTH program. Almost as many respondents suggested its creation as those who had already accessed it.

## ***Areas for Government action***

- Increase utilisation of existing TAFE facilities and resources to boost training outcomes (***Key recommendation***)
- Review availability of face-to-face TAFE courses in areas of skill shortage and work with private registered training organisations to meet local needs.
- Increase utilisation of Trade Training Centres (TTCs).
- Increase promotion of Government services available to businesses
- Increase promotion of services by employment service providers.