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17 August 2022

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

Re: Submission to the inquiry into the provisions of the Jobs and Skills Australia Bill 2022

Please find attached a brief submission from CQUniversity Australia to the Senate Education and Employment Legislation Committee inquiry into the provisions of the Jobs and Skills Australia Bill 2022 and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022.

If you require any additional supporting information, please contact my office directly.

Melissa Misztal
Director, Office of the Vice-Chancellor
CQUniversity Australia

Yours sincerely,

Professor Nick Klomp
Vice-Chancellor and President
CQUniversity

CQUniversity Australia submission

CQUniversity provides the following submission to the Senate Education and Employment Legislation Committee inquiry into the provisions of the Jobs and Skills Australia Bill 2022 and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022.

Originally founded in Rockhampton in 1967, as the Queensland Institute of Technology (QIT) Capricornia, CQUniversity was granted full University status in 1992 and was named Central Queensland University (CQUniversity). In 2014, the University merged with CQ TAFE to establish Queensland's first (and still the only) comprehensive, dual sector university. CQUniversity is the public VET provider (the TAFE) across the Central Queensland region. Currently the university student cohort is split approximately 70:30 between higher education and vocational education and training.

CQUniversity currently has around 27 500 students (VET and higher education) across 20 regional locations and is firmly established as one of the largest universities based in regional Australia. We currently operate from campuses in Adelaide, Brisbane, Bundaberg, Cairns, Emerald, Gladstone, Mackay, Melbourne, Perth, Rockhampton, Sydney and Townsville. Along with these campuses, the University partners with Regional University Centres in Geraldton, Karratha, Murray Bridge, Spencer Gulf and Taree, as well as through the Country Universities Centre (CUC) that operates across regional New South Wales, regional Queensland and regional Victoria.

Not for the first time, major skills (labor) shortages are emerging in regional Australia, which are being driven by a number of forces, including closed borders in 2020 and 2021 due to COVID, near full employment levels, as well as a net transfer (migration) of skilled workers from regional areas to urban areas, particularly from northern Australia. The net migration from metropolitan areas INTO regional communities that was observed during COVID (in 2020 and 2021) now appears to be mostly limited to peri-urban or outer urban areas .

Skill shortages, particularly (but by no means exclusively) in areas like health and service industries, engineering and qualified tradespeople, significantly impact on the sustainability and resilience of regions. On the one hand, skills gaps in urban areas can 'hold' workers or professionals who might otherwise move to regional areas to explore new work or business opportunities. For example, there is a lot of anecdotal evidence that this is already limiting the supply of doctors and health professionals to regional areas in Queensland.

On the other hand, skills shortages in regional areas (such as medical specialists) can compound the challenges of living in regional and remote areas, making it difficult to encourage skilled people to relocate or young families and school leavers to remain (and train) in the regions. For example, expectant mothers in Gladstone are currently required to travel to Rockhampton to give birth because of staff shortages at the Gladstone hospital.

Other issues that are also significantly impacting on workers and businesses in regional areas, include the high cost (and limited supply) of housing and rental accommodation; rapidly escalating energy costs; the high cost of airfares; and limited access to high quality community facilities, such as schools, hospitals, sports grounds, aged care, etc.

¹ Australian Bureau of Statistics (ABS) 2021. *Regional internal migration estimates*, provisional. Australian Government, Canberra & Australian Government Centre for Population (2021). *Population Statement: Capital city and Rest-of-State Population Projections, 2020-21 to 2031-32*, Australian Government, Canberra.

Of these issues, the high cost and limited supply of housing and rental accommodation in some regional areas is particularly intractable. Anecdotally, in the Central Highlands of Queensland, even getting a builder to provide a quote is difficult. In other areas, the practice of land banking appears to be impacting the supply of new land to market.

Where industries have no choice other than to be located in regional and remote areas (such as with the extractive resource industries), the high costs and hardship involved inevitably leads to the use of fly-in-fly-out (FIFO) or drive-in-drive-out (DIDO) arrangements, with only a small number of exceptions. While these arrangements arguably minimise costs to businesses, they do little to support regional communities. With the bulk of the economic benefits that are generated, appropriated back to the cities (or even further afield), FIFO and DIDO arrangements reinforce the economic malaise experienced by regional and remote areas, and do little to provide a long-term solution to skills shortages. Nor do they support or grow the sustainability of regional communities.

While an up-tick in overseas skilled migration may help to address skill shortages in urban regions, historically it has been more difficult to attract skilled migrants to our regions, or to retain them over the longer term.

CQUniversity suggests a multi-faceted approach is required, including:

- A. Greater focus on training and education within the regions. It is more than just commonly accepted wisdom that if you train in the regions, you are more likely to stay and work in the regions;
- B. Greater focus on internships and work placements as a part of training packages, which helps to embed people into future jobs in regional areas; and
- C. More place-based 'earn-as-you-learn' models that can be tailored to make training in particular regions (in particular trades or professions) more attractive to prospective students.

Another pervasive issue that impacts on CQUniversity, as well as on our regional communities, is that regionally or locally specific skills shortages are often not reflected, or accommodated in national and state policy frameworks. For example, the National Skills Priority List prepared by the National Skills Commission (June 2021) did not include any mention of teachers or nurses. However, in Central Queensland, there is an acute shortage of skilled workers in both of these disciplines (particularly VET teachers). A national skills priority list is a particularly blunt policy instrument that does not accommodate the significant diversity of in our regions.

A policy environment that would provide a better 'matching' of those wanting to skill (or upskill) with the skills actually in demand in our regions, will be characterised by:

- ***Accurate and regionally-granular data*** related to skills shortages that is inclusive of State and Federal priorities, but with particular attention being paid to regional shortages (because these are much more challenging to fill).
- ***A 'cradle to grave' education and training environment*** that is characterised by thoughtful and consistent policy, funding and regulatory expectations, between jurisdictions as well as sectors (such as VET and higher education).

- ***Much improved (and much earlier) intelligence*** about what skills might be required into the future, communicated in a timely manner to those who provide education and training.
- ***Much improved communication and ‘career options/planning’ in schools***, so that students are aware of the options they have for post-secondary education.
- ***Adequate funding for the foundational elements of skills training***. Many young (and not-so-young) people come to the VET environment with inadequate literacy, numeracy and to a lesser extent technological skills (including those studying Trades). Improved funding would ensure that training providers could deliver the foundation skills required by students to engage fully and successfully in their training.
- ***Adequate levels of funding for public training delivery in regional areas***. The National Skills Commission undertook significant work to review the adequacy of vocational training subsidies, including across regional areas. CQUniversity welcomes the Government’s commitment to ensuring that public VET delivery is well resourced into the future, to ensure world-class vocational training can continue to be delivered in regional areas, Australia-wide.
- ***A significantly streamlined process for the development of new VET courses and Training packages***. This will ensure that new Courses, Micro-Credentials and/or Skillsets can be brought to market proactively, and quickly, ensuring they are relevant to contemporary business needs.