

CEO's Page

How much does it take?

There is no doubt that the Northern Territory has weathered the Global Financial Crisis reasonably well. Our economy has slowed down some but is still buoyant and business confidence has remained high. With near full employment and job demand steady consumer sentiment has also remained strong so the marketplace continues to outperform most other jurisdictions across Australia.

Over the last month and a half I have travelled to all of the major population centres in the Territory and held discussions with many business people. In no particular order, the three most critical issues for business in the Territory, irrespective of where that business is located, are:

Lack of suitably skilled labour

Lack of affordable housing

Lack of available land.

In the upcoming issue of "The Voice" magazine I have written a piece about the NT Governments approach to land release, so I will make no further comment about that here. The other two items, however, are still there and if they are an issue in a slowing economy, imagine the impact they will have when activity picks up! In this article I would like to address the skilled labour situation

Two years ago, the Australian economy was booming and the level of skills shortages was considered acute within the economy. In the Territory that shortage was not so much acute as critical and came very close to stifling economic growth. To overcome the availability of skills there are a number of options. You can develop and train your own, you can import from other national jurisdictions or you can offer opportunities to immigrants from overseas to come and work, either permanently or for a determined amount of time. In the Territory we have adopted all three, with varying levels of success.

Recent changes by the Commonwealth government to the conditions attached to 457 visa applications have the potential to seriously affect the skills shortages in the Territory. These changes have come about because of a slow down in employment markets in other jurisdictions but these people are currently filling over one thousand positions in the Territory, many of them in remote health. The impact is not immediate, but will cause real issues within the next year or so. The Government continues to attend skilled migration expos in selected overseas locations like the UK, South Africa and so on.

In 2008 the NT Government funded and ran a series of Job Shows in identified southern cities in an effort to attract workers to the Territory. This strategy, developed over a couple of years from promotional work done in southern states by the government, expanded on the theme of the Territory being a great place to come and actually advertised real jobs being offered by employers from right across the Territory. In the middle of 2008, Newcastle, Adelaide and Melbourne were targeted with advertising and radio promotions and then a function was held in each location at which job

advertisements were displayed and presentations were given on the state of the economy and the lifestyle available to people living in the Territory. Although the turnout in Melbourne was disappointing, excellent crowds attended at the other two locations and there were many expressions of interest from participants. A formal report has been prepared for the government, which I have not seen, but anecdotal evidence would suggest that over two dozen positions vacant were filled from this activity, more than enough to justify the expense. There was an expectation by industry that this process would be repeated in 2009, alas this did not occur when the organisation was passed from one department to another and we have now been informed that the NT Government does not believe that the outcomes justify the costs. Interesting that some public servants are happy to jaunt off overseas to attend job expos in foreign lands but the government does not see the worth of a self promotion program in other parts of Australia.

This brings us to the third solution for skills shortages, grow your own. The Education Minister recently announced changes to the NT Certificate of Education, NTCE, and the plan to make it the NT Certificate of Education and Training, NTCET. In very simple terms, Vocational Education (trade training) is now considered a suitable pathway by which a high school student can attain many of the criteria necessary to be awarded an NTCET. It is expected that standard academic numeracy and literacy skills will be required to achieve the Certificate with vocational training filling the rest of the requirements. This is tightly linking the Vocational Education and Training in Schools (VETis) program into the secondary education sphere.

For many years, employers have been wary of the way that VETis was run in the Territory as many schools viewed the program as a dumping ground for those students who had perceived difficulty with the purely academic pursuits. Students, often disenfranchised and lacking motivation, were considered likely candidates for VETis and deliberately foisted onto the business community by their academic institutions as a means of removing them from the classroom. Clearly this situation produced few winners and did much to alienate the business community from education providers. As any employer will tell you, employees need to be job ready as well as skilled and the schools did neither, completely abdicating their social responsibilities. This situation has improved somewhat in the last few years, mainly through the introduction of the Australian Technical College in Darwin but that institution has now lost its funding and will close at the end of this year and the program will go back to being run from the individual schools. I am not going to condemn the new approach but the business community is sceptical and will be watching carefully. Engagement between business and education institutions, as well as the level of candidates being offered, will determine the success of VETis in the longer term.

On the straight Vocational Training front, the major provider in the Territory, Charles Darwin University, has long been derided and ridiculed by employers for their approach and delivery of this training to the business community. The standard of the training being offered, the timing of that training and the essential administration functions have been middling to poor for some time. The arrival of Vice-Chancellor Prof. Barney Glover and the creation and appointment of a Pro Vice-Chancellor VET position within the

University hierarchy are seen as positive steps in overcoming and raising the outcomes from the Trade Training area. The Chamber is developing a good relationship with the University and we are satisfied that progress is being made. There is still a way to go.

The economy of the Territory is reliant on a steady supply of suitably skilled employees to fill the vacancies that are created as we develop and grow. Without that supply, business cannot expand to take up the emerging challenges. Government plays a critical part in the creation of the correct environment within which business can flourish. Our NT Government is currently facing some serious issues and their track record to date has not been particularly inspiring or supportive. How much does it take?

Chris Young
Chief Executive.