

**Submission
No 24**

SKILL SHORTAGES IN NSW

Organisation: AlburyCity
Name: Ms Tracey Squire
Position: Director Economic Development and Tourism
Date Received: 21/06/2013

AlburyCity Submission to the Legislative Assembly Inquiry into skills shortages in NSW

For some years informal and formal feedback from business and providers in the Albury Region indicates that there is a skills shortage in certain fields in the region. At the same time, we understand there is a high incidence of Visa holders living in our community who are unable to find employment in their area of skill and qualification.

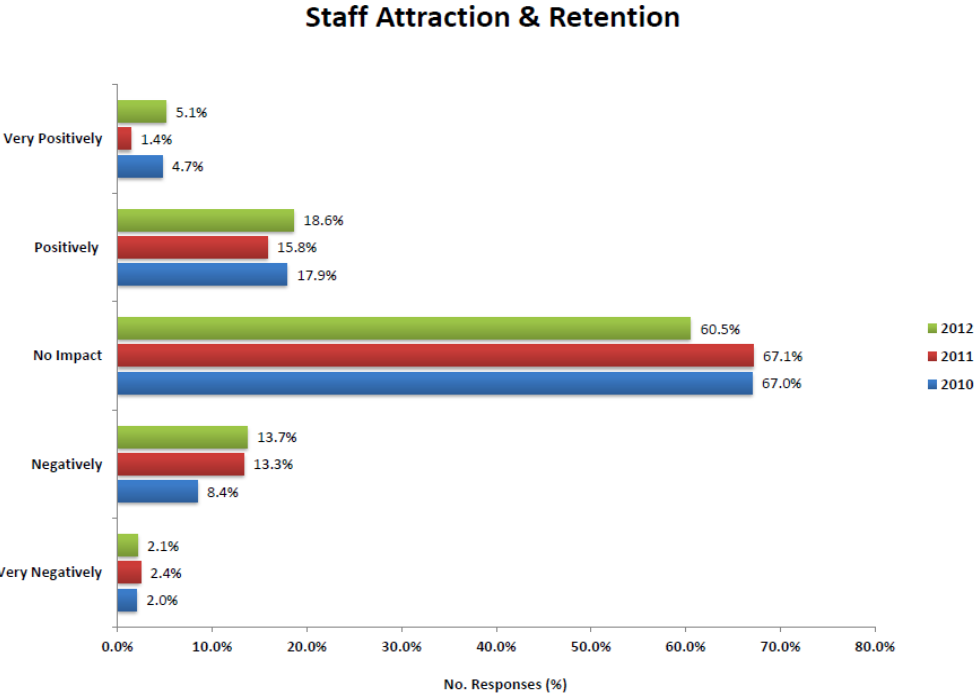
Albury Wodonga Local Business Survey 2012

The 2012 Albury Wodonga Local Business Survey was conducted in August 2012 by AlburyCity, the City of Wodonga and the Albury Wodonga Corporation. 2,411 surveys were distributed to businesses located in the cities of Albury and Wodonga. 575 responses were received (23.8%).

50% of respondents expect to make capital investments in their businesses during the next 12 months and 16.6% expect to increase employee numbers. The majority of businesses surveyed expect no change in their employment base over the coming year.

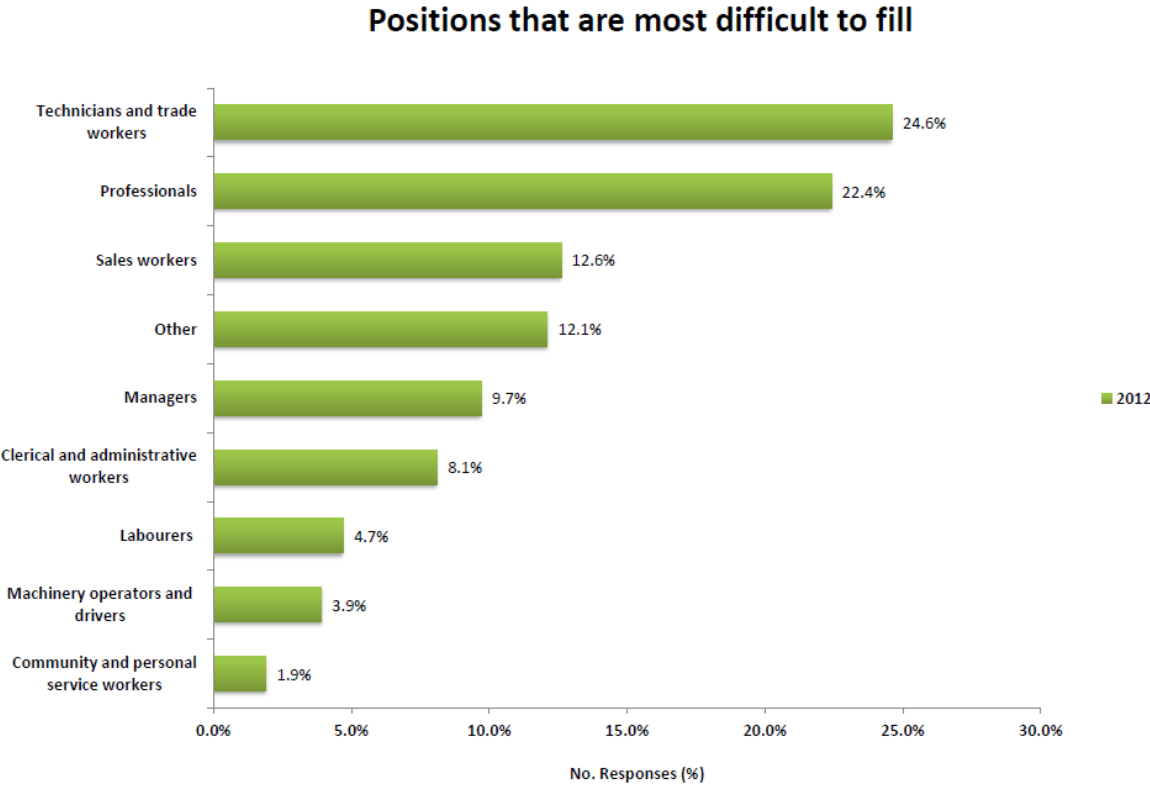
Survey Questions on Skills Shortages

- 1. 92.6% of survey respondents provided a response to the question on a local skills shortage and issues with staff attraction and retention

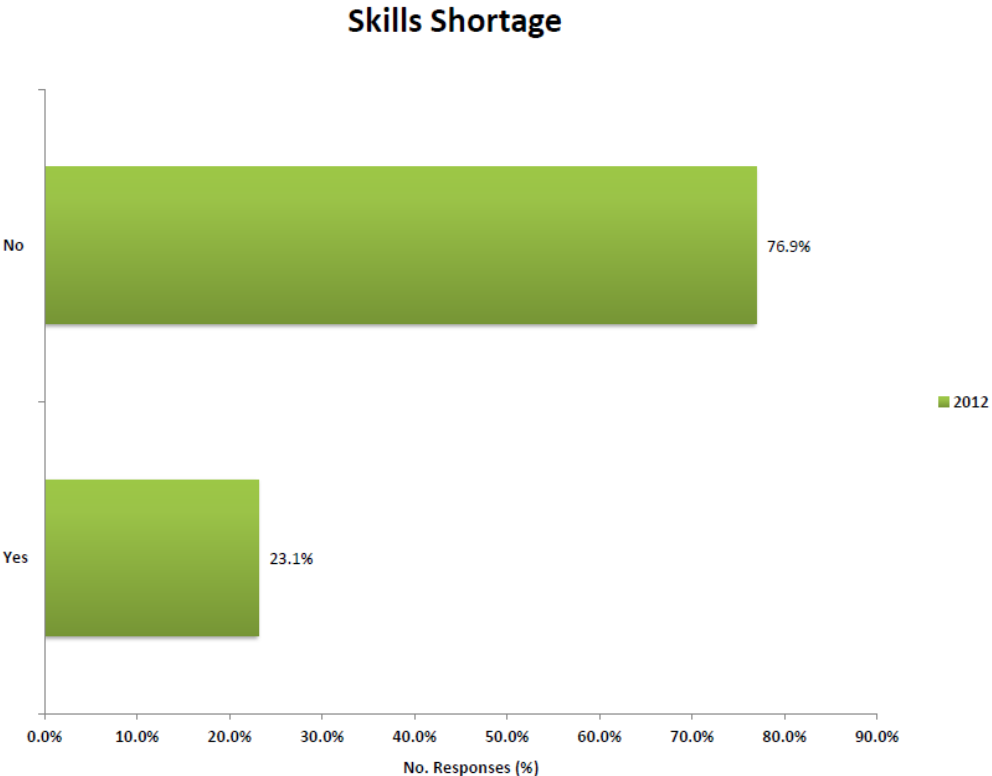


In comparison to 2011 data, the number of businesses either positively or very positively impacted by staff attraction and retention increased by 6.5%.

2. Business was also asked to indicate what positions were most difficult to fill. 82.0% chose to answer this question. 47% responded that Technical, Trade and Professional positions were the hardest to fill.

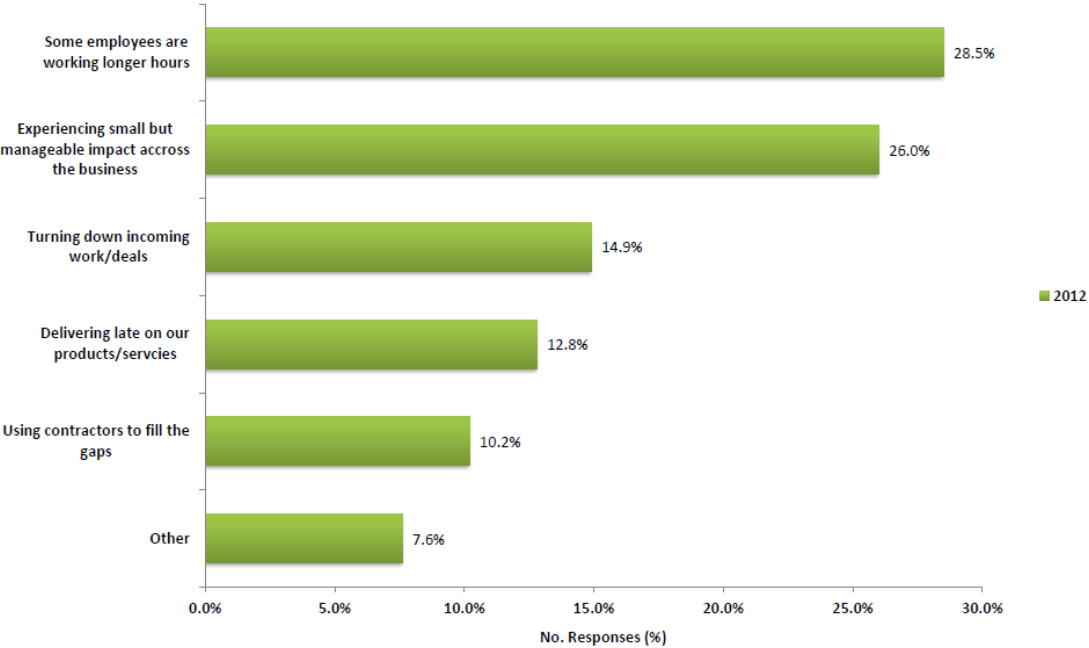


3. Businesses were asked to indicate whether they had faced skills shortages in the past 12 months. 98.8% responded. Only 23.1% of responses, a total of 132 businesses, indicated that they had been affected by skills shortages.



4. Those who experienced shortages were asked to provide feedback on how this affected their business.

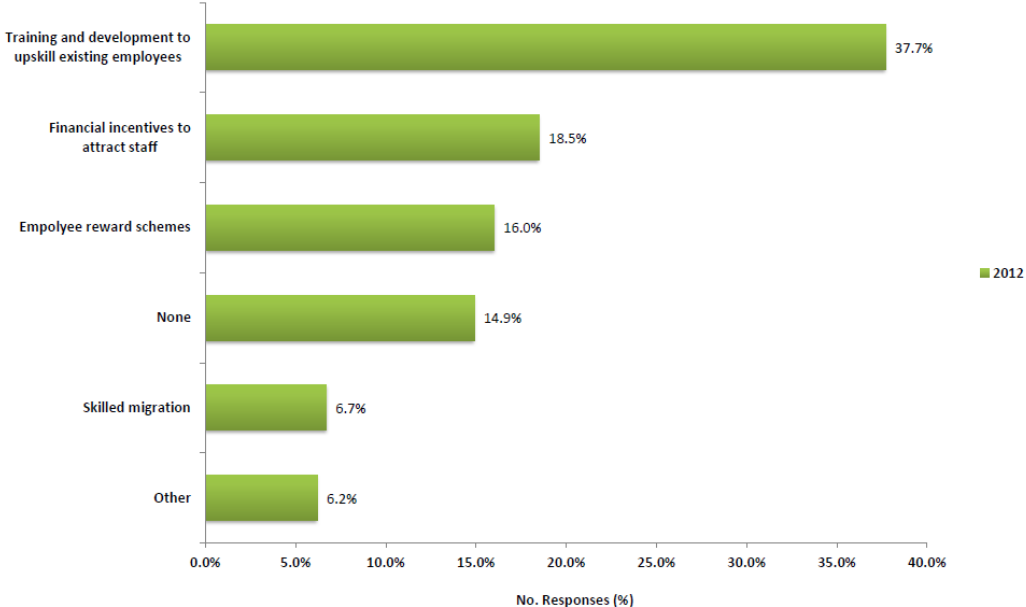
Skills Shortage – Effect on Business



128 of those who experienced a skills shortage responded. Frequent responses for “other” effects included; preventing business growth, customer service is below par and lack of staff with required expertise.

5. Those who responded affirmatively to facing skills shortages were asked to identify the initiatives they had in place to overcome this problem. 126 (95.4%), answered this question.

Initiatives to overcome skills shortages



The overwhelming response to addressing skills shortages has been to work with existing employees to overcome these shortages. 37.5% of respondents addressed their skill shortages by means of increasing the skills of existing staff. 43.5% recognised the need to offer financial incentives and reward schemes to attract staff. Only 6.7% - eight of the 575 businesses that participated in the survey - looked to skilled migration to resolve their difficulties in overcoming skill shortage.

Feedback from Local Business Organisations

The most recent survey in the Albury region was conducted by the NSW Business Chamber. Its findings were released in March 2013. Specific results for the Murray Riverina Region, which encompasses the City of Albury, indicate that there is no shortage of general labour but business is having difficulty in finding skilled technicians and experienced engineers. Local manufacturers with specialised equipment have looked to sponsor skilled labour.

In summary, this survey found:

- 37.4% of Murray-Riverina businesses indicated a skills shortage, slightly higher than the state average and higher than the rate of 23.1% recorded in the 2012 Albury Wodonga Local Business Survey.
- Particular skills that are in demand in the Murray-Riverina include: Chefs, Truck Drivers, Building professionals, Welders and Mechanics.
- Only 6.1% of Murray-Riverina businesses surveyed employ skilled migrants, which is significantly lower than the rest of NSW. In comparison, a rate of 6.7% was recorded in the 2012 Albury Wodonga Local Business Survey. Of the skilled migrants employed, 33% of these were sponsored and 67% were hired independently.

37.4% of respondents indicated there is a skills shortage but only a 6.1% sourced labour via the skilled migration programme. Without further information, it is not possible to determine whether this low uptake is due to an over reporting of the skills shortage, a reluctance to use this labour pool, or a mismatch with the skills required and those of incoming skilled migrants.

The Regional Manager of the Australian Industry Group (AIG) confirms that amongst AIG members in Albury there have been minimal shortages in manufacturing, IT and the trades. However, as a result of the prolonged economic downturn, demand from business in Albury for skilled migrants over the past two years has been minimal. More recently, there has been a contraction in the local labour market and this will have an effect upon the demand for skilled labour.

Skilled Migrants in our Community

The skill register maintained by Regional Development Australia Murray Inc lists a number of occupations that are in short supply and are targeted under the skilled regional sponsored visa scheme. These occupations relate mainly to professional positions within the health sector, professional positions in the teaching sector, engineering fields and trade areas such as welders, metal fabrication, building and mechanical fields. It is unclear from the local certifying authority, how many of these skill shortages have been and continue to be filled by skilled sponsored visa holders.

AlburyCity Council is receiving many more enquiries from 475 visa holders relocating to Albury who seek assistance to settle their family. Many are unable to gain employment within their area of qualification and skill and are eager to work in any field to satisfy their visa conditions. Their language skills are often an impediment to competing in the labour market.

We have been informed by the certifying authority that it takes several years for visas to be processed, and applicants who successfully arrive in Australia often find that the skills they possess are no longer in short supply. Visa holders have also indicated that because they are not Australian citizens they are unable to satisfy the residency criteria set by Commonwealth and State Government departments, narrowing their employment opportunities.

For many years the region has looked to skilled migration as a means of recruiting medical practitioners. However, advice from the Border Medical Recruitment Taskforce (BMRT), the agency that has had a prime role in attracting and recruiting medical specialists and practitioners to Albury Wodonga, is that in more recent years they have focused upon working with the University of NSW's Fourth Year Clinical School in Albury a means of attracting medical students back to Albury once they have completed their degrees. There is now less emphasis upon attracting practitioners from overseas. The BMRT has been operating for approximately four to five years and over this time has filled most specialist positions.

There is a shortage of organisations in Albury which can provide specialist assistance to skilled migrants and their families. This has had an impact upon Council's resources, with Council staff helping families obtain housing, enrol their children in school and help applicants prepare job applications or meet accreditation standards for skills they acquired overseas.

One lead agency which provides assistance to skilled migrant families and refugee families is the Albury Wodonga Volunteer Resource Bureau (VRB). During the period July 2007 to mid 2012, the VRB estimated that they assisted 673 skilled migrants, particularly migrants presenting from India (214), UK (61), Philippines (54) and Bangladesh (42). During this time they have also assisted 250 families on a family visa and 396 refugees particularly from Bhutan and Nepal. Many of the Bhutanese refugees are keen to seek employment, but because of their low level of education and work history, find it difficult to obtain employment. Council continues to work with the refugee community to provide programs to connect the Bhutanese community with local services to reduce their social isolation and increase their wellbeing.

Conclusion

Despite feedback received from business that there is a shortage of skilled labour across a breadth of industrial and business sectors, there have been low rates of accessing skilled migrant labour to fill this shortage. However, it is encouraging to find that some businesses have demonstrated their capacity to successfully address this shortage by growing these skills from within and by employing measures to retain staff.

The Evocities Campaign has been an additional means of attracting skilled labour from Sydney to the regional cities of NSW and this may be an additional factor which has reduced the local demand for skilled migrant labour.

Identified issues with the skilled migration program are the lag of two to three years in processing applications, which has in some instances resulted in the skill sets of incoming skilled visa holders no longer matching work place demand, and a lack of community support services for skilled migrants upon their arrival.

More recently, the economic downturn has had a significant effect on business demand for skilled labour. The local labour market has contracted and in some industry sectors there is currently little evidence of a skills shortage or demand for skilled migrants.