

**Submission
No 39**

SKILL SHORTAGES IN NSW

Organisation: Orana Regional Organisation of Councils
Name: Clr Bill McAnally
Position: Chair
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**Mr David Elliott MP
Chair
Committee on Economic Development
Parliament House
Macquarie Street
SYDNEY NSW 2000**

Dear Mr Elliott,

The Orana Regional Organisation of Councils would like to thank the Committee on Economic Development for the opportunity to submit a response to the inquiry into skill shortages in NSW.

The Orana Regional Organisation of Councils (OROC) is a voluntary organisation that comprises the Shires of Bogan, Bourke, Brewarrina, Cobar, Coonamble, Gilgandra, Narromine, Walgett, Warren, Warrumbungle and Dubbo City and as of 1st July 2013 OROC welcomed Wellington Shire Council.

These councils are located in the Central West, Northwest and Far West sectors of NSW. The OROC region covers approximately 20% of the geographical area of NSW and comprises a diverse landscape that covers approximately 190,000 square kilometres. The region has a population of 90,000 people.

There are many “Orana” boundaries that are not consistent with the OROC geographic boundary; this provides confusion in defining the Orana region. Throughout this submission, the Orana Region refers to the abovementioned local government areas.

The OROC region has a significantly higher indigenous population of 20 % (average) as compared to the NSW state average of 2%.

The region is economically and socially reliant on its strong agricultural and mining foundations and is subject to economic variations driven by climatic conditions. The employee sectors of the region include: agriculture 16%, retail 12%, health 11%, education 9%, public administration 6.5% and accommodation/food 6.5%.

Local Government is the major employer in 7 of the 12 local government areas of the OROC region.

There are 41 operating or announced mines in the region; road transport is the lifeblood of the region.

Overtime this region has suffered significant social, economic and environmental changes and reforms including: health reform, resources boom, drive in/drive out and fly in fly/out workforce, removal of essential government services from communities, native vegetation reform, natural disasters (long term drought and recent consecutive years of flooding), increased fuel prices, decline in population, availability of skilled professionals, Global Financial Crisis, cessation of regional airline services, cost shifting of services onto local government and the considerable impacts that the Murray Darling Basin Plan will have on this region.

It is well known that the human capital base of many remote communities has eroded over many years. Further depletion is now a real threat to the sustainability of these communities, both socially and in an economic sense. Losing skilled workers during a downturn is a tangible threat to post-drought business and farm sector recovery.

A close examination of the current skills composition and to further target those identified skills as being lost (or in shortage) in each local government areas is essential for this region to be viable and sustainable into the future.

The member councils of OROC have fundamentally been working towards identifying these skills shortages and gaps within the region for many years. These councils have been continually approached State and Federal Governments for funding assistance to undertake and facilitate the initial on ground surveying of business and industry, prior to identifying and implementing strategies to attract skilled workers to the region. The initial survey stage of the project was identified as the most difficult and arduous to roll out across the region; yet it is disappointing that it has not received any recognition by governments.

Anecdotal evidence suggests there are many areas of skill shortages across the OROC region and OROC in its submission to the 2009 NSW Country Jobs Summit offered the following:

‘The OROC region has experienced a large population drift over the past 10 years, even more evident during the past 9 years of severe and prolonged drought. A high loss in the skilled labour area is verified with the number of Regional Skilled Migration submissions the Orana region has certified.

Drought and water reform has changed the focus on the agricultural workforce from full time employment to contract and part time employment.

The large portion of remaining population in our small communities is mainly transient (eg school teachers, nurses and police officers).

A close examination of the skills composition of these communities is essential for this region to be viable and sustainable into the future.

Recommendation 1 – Conduct a regional skills audit

A regional skills audit conducted by LGA will:

- *Identify the nature and extent of recruitment difficulties at a regional level;*
- *Identify skills in demand and labour supply issues;*
- *Identify occupations that employers may be experiencing difficulties in filling;*
- *Assist industry growth and development;*
- *Assist educational and training organisations to more effectively plan and implement strategies to tackle skills shortage and*
- *Provide the region with consistent and reliable data’*

A collective approach to identify valid evidence on the skill shortages in this region should be considered by State Government prior to a collective marketing strategy is implemented. OROC requests support from the State Government to the Orana Skills Project initial (survey) stage to be well funded and resourced.

OROC members have continued to move ahead with the Regional Skills Project albeit very slowly, and survey work is presently underway.

Further anecdotal evidence across the region suggests that there are skill shortages in many areas including: health, agriculture, professional services, public service, local government, Veterinary Surgeons, training and education.

As many communities in Orana region have encountered a retraction of services and essential infrastructure; State and Federal Governments should carefully consider investment into these communities as a means to raise the benchmark standard of living/services, and in turn facilitate the attraction and retention of a skilled workforce back to the region.

It is well regarded that investment in community infrastructure stimulates growth and economic activity, supports jobs and provides long term benefits to communities.

This OROC Board also considers that there is significant potential for growth in the region with an improved route over the Blue Mountains; it is seen as a catalyst for investment and economic activity and can offer this region an equitable road transport access into Metropolitan Sydney and Ports.

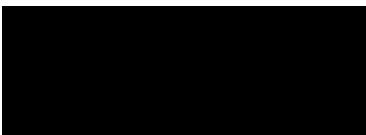
In 2009 the termination of the en-route rebate for commercial airlines resulted in the retraction of commercial passenger services to many western NSW ports. This has placed added pressure on the transportation of many 'fly in fly out' visiting medical specialists, surgeons, legal, education and other professional services. The efficiencies lost to the essential services delivered to these remote communities are a real concern.

It is essential for governments to realise that access to a commercial airline service is an attractant for professional staff in rural and remote areas such as Bourke, Lightning Ridge, Coonamble and Walgett.

Sufficient health infrastructure and health services are recognised by OROC as a vital element in skills attraction and retention. Furthermore improvement to health can assist to attract skilled people to the region.

OROC members would welcome the opportunity to discuss the skill shortages and assist to identify strategies on your visit to the region.

Yours sincerely



Clr Bill McAnally
OROC
Chair