

**Submission
No 37**

SKILL SHORTAGES IN NSW

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Date Received: 12/07/2013

(RM)

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The Committee Manager
Committee on Economic Development
Parliament House
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Sydney NSW 2000

SUBMISSION TO THE NSW PARTIMENTRY INQUIRY INTO SKILLS SHORTAGES

Thank you for the opportunity to have input into this process. This brief submission is on behalf of the Economic Development Officers of the various Councils that make up the Orana Regional Organisation of Councils (OROC)

Our group has been looking for sometime at the issues of skill shortages in our communities. As we all come from small communities, these shortages tend to manifest themselves in a very visible way and often Councils are the first to hear about it and are expected to try and solve the issue or at least take some role in addressing the issue.

Our brief submission does not provide recommendations but highlights where we see the shortages in our community and the issues that we believe are contributing to skill shortages in our communities.

Areas of Skill Shortages

Medical – All Areas
Aged Care Workers
Auto Electrical
Agriculture
Metal Fabrication
Town Planning
Electricians
Plumbers
Builders
Chefs and qualified hospitality workers

Contributing Factors

Population Decline

It's the obvious issue, less people, less job opportunities, less businesses and less need for skilled workers. It has a knock on effect as the remaining people and businesses can not access skills and services they require. Fundamental to addressing skill shortages, is address the population decline and the sustainability of the communities in our region.

Ineffective or poor business succession

We have seen in many of our communities, people shut their business as they have not been able to sell them and wish to retire. Many of the existing businesses are in a similar position, they have not made adequate provision to bring someone through their business to eventually run it or buy it from them. The business simply closes and those skills and services are lost from the community. In a small community the flow on effect can have major impacts.

Low wages and transition in Agriculture

Although we hear talk of decline in the mining sector, for many communities in our region the damage has been done as far as losing people to the sector. The people who traditionally worked on farms and drove machinery, took the opportunity to take far better paying jobs in the mines. These jobs are not in our region and this has resulted in a double dip of population loss during those drought periods in the 2000s.

Over the past three to four years, we believe many of the labouring and semi skilled agricultural jobs have been filled by backpackers on working holiday visas. The general feeling is, with the European economy in such poor condition, working on a farm or in a rural community is currently an attractive proposition for a young person from Europe. However, if the Australian Dollar weakens significantly and the European economy improves, it will not be as attractive to come and work in Australia.

Backpackers have been filling roles such as nannies, hospitality workers, hairdressers and the list goes on. The issue is these people are here for a finite period of time and then leave. A business either has to replace that person with another working holiday visa person or do without.

Essentially, we believe that the rural industries in our community have now developed a strong reliance on backpackers for more than seasonal work and changes to either legislation or economic conditions could see a labour shortage.

Accommodation

Across the region, suitable accommodation to house professional and skilled workers in an ongoing issue. Councils have been forced to provide accommodation for medical professionals to attract and retain them but this trend is widening with pressure to provide accommodation for other essential services in the community.

In general there are low capital growth opportunities from property investment, especially in new construction and as a result not a great deal of private development on new accommodation. Much of the rental stocks in the region are at the lower end of the market and it is difficult to accommodate professional and skilled workers that desire a higher standard of accommodation.

Orana Skills Attraction Strategy

Attached to this submission are preliminary results of a survey conducted across the region to assess community opinions on issues that are contributing to skill gaps. This project is part of a larger project to address skills and services lacking in our region.

\$25,000 was provided by NSW Trade and Investment to be used in a program to address the gaps we identify. The major issue has been a lack of funding to conduct the research. Two quotes to conduct the research phase came in over \$50,000. Our group has been forced to undertake the survey process ourselves.

We believe one of the reasons these skill gaps emerge or at least what people believe there are issues is much of the research is desktop based and broad brush in nature.

In conclusion, I apologise for the lack of depth in exploring the issues raised in this submission. Our group would welcome the opportunity to provide more in depth information at a hearing of the committee where some of this on the ground information can be discussed.



Yours faithfully










Randall Medd
Economic Development Manager

On behalf of the Economic Development Managers of the Orana Region
Organisation of Councils






1. Are you male or female?

		Response Percent	Response Count
Male		36.1%	82
Female		63.9%	145
answered question			227
skipped question			2









2. Please indicate your age.

		Response Percent	Response Count
17 or younger		1.8%	4
18-20		1.3%	3
21-29		11.0%	25
30-39		22.8%	52
40-49		25.9%	59
50-59		24.6%	56
60 or older		12.7%	29
answered question			228
skipped question			1








3. Which of the following categories best describes your employment status?

		Response Percent	Response Count
Employed Part Time		18.9%	43
Employed Full Time		51.1%	116
Not employed - Actively Seeking Work		0.0%	0
Not employed - Not Actively Seeking Work		0.9%	2
Self employed		27.3%	62
Retired		1.8%	4
Disabled or not able to work		0.0%	0
answered question			227
skipped question			2














4. In what Local Government Area do you live?

		Response Percent	Response Count
Bourke Shire Council		8.9%	20
Brewarrina Shire Council		11.1%	25
Coonamble Shire Council		24.4%	55
Gilgandra Shire Council		16.9%	38
Narromine Shire Council		8.4%	19
Warrumbungle Shire Council		9.8%	22
Warren Shire Council		19.1%	43
Don't Know		1.3%	3
answered question			225
skipped question			4

5. Which best describes why you live in your current location?

		Response Percent	Response Count
Always lived here		28.1%	63
Moved to the area after getting a job		27.7%	62
Moved to the area to find work		4.0%	9
Returned to the area after training or education elsewhere		5.8%	13
Moved back after living and working elsewhere		18.3%	41
Returned for family reasons		8.5%	19
Moved here for lifestyle reasons or community facilities and services		15.6%	35
		answered question	224
		skipped question	5

6. In what town do you live?

		Response Percent	Response Count
Bourke		9.5%	20
Brewarrina		10.5%	22
Coonamble		23.8%	50
Gulargambone		0.5%	1
Gilgandra		17.6%	37
Coonabarabran		6.2%	13
Coolah		1.4%	3
Dunedoo		0.5%	1
Mendooran		1.0%	2
Warren		20.0%	42
Narromine		7.6%	16
Trangie		1.0%	2
Tomingley		0.5%	1
	Other (please specify)		24
answered question			210
skipped question			19







7. Which of the following best describes your living and working arrangements?

		Response Percent	Response Count
Live and work in my town of residence		77.1%	175
Live and work in different towns		6.2%	14
Work away from my normal place of residence during the week.		4.4%	10
Work away from my normal place of residence for periods longer than a week		0.4%	1
Live and work from home		7.9%	18
Other (please specify)		5.7%	13
answered question			227
skipped question			2



8. What is your estimated daily traveling distance to and from work?

		Response Percent	Response Count
0-10km		77.9%	173
11-20km		5.4%	12
21-50km		8.6%	19
51- 100km		3.6%	8
100km +		4.5%	10
answered question			222
skipped question			7

9. What is the highest level of school you have completed or the highest degree you have received?

		Response Percent	Response Count
Less than Higher School Certificate		17.0%	38
Higher School Certificate		15.6%	35
TAFE Certificate		32.6%	73
Associate degree		5.8%	13
Bachelor degree		21.0%	47
Post Graduate degree		8.0%	18
answered question			224
skipped question			5
















10. Are you currently undertaking any further education or formal training?

		Response Percent	Response Count
Yes		22.7%	51
No		77.3%	174
If yes please indicate what training or education			41
answered question			225
skipped question			4

11. The following question is optional. What was your pre tax earning for the 2011/12 financial year? Small businesses owners can enter the amount you paid yourself in wages for this period.

		Response Percent	Response Count
Less than \$20,000		11.5%	22
\$20,000 to \$34,999		11.5%	22
\$35,000 to \$49,999		21.5%	41
\$50,000 to \$74,999		30.9%	59
\$75,000 to \$99,999		15.2%	29
\$100,000 to \$149,999		7.9%	15
\$150,000 and above		1.6%	3
		answered question	191
		skipped question	38

12. What Industry do you currently work in?

		Response Percent	Response Count
Agriculture and Forestry		12.9%	29
Mining		0.0%	0
Manufacturing		0.4%	1
Electricity, gas, water and waste services		0.4%	1
Construction		0.4%	1
Local Government		22.7%	51
Other Government		3.6%	8
Retail		11.6%	26
Accommodation and food services		3.6%	8
Transport		1.3%	3
Financial or Insurance Services		4.4%	10
Real estate Services		1.8%	4
Administrative and Support Services		6.2%	14
Health and Aged Care		7.1%	16
Education and Training		5.8%	13
Other (please specify)		17.8%	40
		answered question	225
		skipped question	4














13. Do you have qualifications in an industry other than the one in which you currently work?

		Response Percent	Response Count
Yes		47.1%	105
No (Please go to Question 15)		52.9%	118
If Yes please tell us what qualification and / or experience you have			86
answered question			223
skipped question			6

14. Please identify the reasons why you currently don't use these qualifications or skills. You may choose more than one response.

		Response Percent	Response Count
Cannot find work in this industry		12.0%	12
The skills are not needed or valued in the community I live in.		16.0%	16
The pay was not attractive in the industry		18.0%	18
Wanted a change from the industry		43.0%	43
Personal or family reasons		31.0%	31
Cannot access business capital to establish a business		3.0%	3
Retired and came back in a different industry		3.0%	3
Too much red tape		3.0%	3
Unsure how to start a business		1.0%	1
answered question			100
skipped question			129

15. What skills and services do you think are lacking in your community?

		Response Percent	Response Count
Electrician		35.4%	75
Builder		34.0%	72
Plumber		32.1%	68
Painter		18.4%	39
Motor Mechanic		13.2%	28
Refrigeration Mechanic		37.7%	80
Automotive Services		15.6%	33
Health		40.6%	86
Finance		22.6%	48
Education		22.2%	47
Child care		17.9%	38
Public transport / taxi		53.8%	114
Other (please specify)		23.6%	50
answered question			212
skipped question			17

16. What opportunities do you see in your community for new business/industries?

	Response Count
	159
answered question	159
skipped question	70

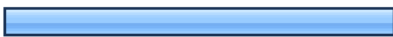

17. What do you consider some of the main assets of your community as a place to live, work or own a business? (eg schools, health services, existing businesses or services, sporting facilities, community activities, location)

	Response Count
	179
answered question	179
skipped question	50

18. What ideas do you have to make the local economy stronger and create more jobs?

	Response Count
	148
answered question	148
skipped question	81

19. Are you considering, or have you previously considered, starting a business?

		Response Percent	Response Count
No		62.9%	134
Yes (please specify type of business)		37.1%	79
	answered question		213
	skipped question		16




20. What do you believe are the barriers to starting a small business in your community?

		Response Percent	Response Count
Don't know how to start a business		20.5%	36
Cannot access capital from the banks.		24.4%	43
Its too risky		42.6%	75
The Council regulations are too restrictive		20.5%	36
The Government red tape is excessive or daunting		27.8%	49
There is not a suitable building or land available		17.0%	30
The rent / purchase price of land or building is too much		18.2%	32
I have great ideas but just don't have the time because of family or other commitments.		21.6%	38
I don't think the community would support the business.		31.3%	55
	Other (please specify)		37
answered question			176
skipped question			53

21. Is your job dependent on water availability?

		Response Percent	Response Count
Yes		26.4%	58
No		73.6%	162
answered question			220
skipped question			9

22. Do you think any reduction in water availability will impact on your current job / business?

		Response Percent	Response Count
Yes		44.1%	97
Unsure		19.5%	43
No		36.4%	80
answered question			220
skipped question			9

23. What is your overall opinion of your community as a place to conduct business?

	1	2	3	4	5	Rating Average	Rating Count
1 poor and 5 being excellent	4.5% (10)	15.8% (35)	38.9% (86)	31.7% (70)	9.0% (20)	3.25	221
answered question							221
skipped question							8









24. If you currently run a farming enterprise, do you have an off-farm income? Please select the most appropriate responses. You may select more than one.

		Response Percent	Response Count
No		63.7%	72
Yes - Partner works full time		15.0%	17
Yes - Partner works part time		5.3%	6
Yes - Partner has casual employment		3.5%	4
Yes - Partner is self employed off farm		0.9%	1
Yes - I run an off farm business		4.4%	5
Yes - I work and run farm part time		11.5%	13
Yes - I work in shift work based industry		0.9%	1
Yes - We have off farm investments that return an income		8.8%	10
	Other (please specify)		10
answered question			113
skipped question			116

25. Do you feel online retailing is impacting on your business or workplace ?

		Response Percent	Response Count
Yes		27.7%	57
Unsure		16.0%	33
No		56.3%	116
answered question			206
skipped question			23



26. With regard to online retailing, please indicate any of the statements that are applicable to your business.

		Response Percent	Response Count
I have no interest in online retailing for my business.		30.8%	45
I would like to look at online retailing opportunities but don't know where to start.		10.3%	15
My level of computer skills is low and I would probably struggle with online retailing.		2.7%	4
I can't see an opportunity for my business to sell online.		26.7%	39
I would love to sell online but I can not find the support services to set up online presence.		11.0%	16
I am concerned about the impact online shopping will have on our business community.		23.3%	34
I am concerned about the impact of online shopping on my business.		11.0%	16
I think it is important for my business to have a better understanding of online retailing.		34.2%	50
answered question			146
skipped question			83





27. This question is to see what your attitudes are towards the following issues in the region and the impact on your business or workplace.

	Opportunity	Threat	Rating Count
Mining	73.2% (153)	26.8% (56)	209
Online Retail and Services	60.7% (122)	39.3% (79)	201
Centralised Purchasing / Procurement practices of all levels of Government	51.0% (99)	49.0% (95)	194
answered question			215
skipped question			14

28. Do you use a contractor to carry out any function of your business?

		Response Percent	Response Count
Yes		52.0%	106
No		48.0%	98
answered question			204
skipped question			25









29. If you responded yes to using a contractor, please tick any statement you agree with for a reason for using contractor services?

		Response Percent	Response Count
I cannot find suitably qualified staff to carry out the task.		26.7%	28
I cannot afford a full time staff member to carry out the task.		24.8%	26
There is only periodic or seasonal need for the position so a contractor makes sense		53.3%	56
It is easier to use a contractor and not have to worry about the issues associated with employing people.		42.9%	45
	answered question		105
	skipped question		124



30. If a new business was looking to set up in your community what assistance do you think could be provided.

	Response Count
	109
answered question	109
skipped question	120



31. How do you currently recruit new staff or fill vacancies, you may indicate more than one option?

		Response Percent	Response Count
Don't have staff.		21.5%	40
Word of mouth.		39.2%	73
Direct approaches from jobseekers		21.0%	39
Advertise in local newspaper.		43.5%	81
Advertise in regional newspaper (Western Magazine, Dubbo Liberal etc)		28.5%	53
Advertise in state or national newspaper (The Land, SMH)		14.5%	27
Through industry based newsletters of websites		22.0%	41
I use a recruitment agency to run the whole process		7.0%	13
	Other (please specify)		14
answered question			186
skipped question			43

32. Rental shortages are an issue in many communities across the Orana region. Do you have a farm house that would be suitable for rental?

		Response Percent	Response Count
Yes		4.0%	8
No		90.6%	183
Yes but would need renovation		5.4%	11
answered question			202
skipped question			27

33. If yes, are you interested in participating in the "rent a farmhouse scheme" that has been implemented in Trundle, Coonamble and other towns in the central west?

		Response Percent	Response Count
Yes		21.0%	13
No		79.0%	49
answered question			62
skipped question			167

34. How many staff do you currently employ?

Full Time

	1	2	3	4	5	6	7	8
Number of Employees	22.1% (21)	14.7% (14)	11.6% (11)	11.6% (11)	6.3% (6)	2.1% (2)	1.1% (1)	3.2% (3)



Part Time

	1	2	3	4	5	6	7	8
Number of Employees	29.2% (19)	27.7% (18)	16.9% (11)	3.1% (2)	4.6% (3)	1.5% (1)	1.5% (1)	1.5% (1)







Casual

	1	2	3	4	5	6	7	8
Number of Employees	42.0% (21)	14.0% (7)	10.0% (5)	2.0% (1)	6.0% (3)	6.0% (3)	2.0% (1)	4.0% (2)

35. For your household, do you use paid services (eg cleaners, gardener, child care)

		Response Percent	Response Count
Yes		29.1%	62
No		70.9%	151
answered question			213
skipped question			16

36. If you answered "Yes" to Q35 please indicate the services you currently use?

		Response Percent	Response Count
Cleaner		57.8%	37
Gardner		32.8%	21
Ironing Service		15.6%	10
Babysitter or other in home childcare		26.6%	17
Handyman Services		29.7%	19
Other (please specify)		12.5%	8
answered question			64
skipped question			165

37. What other home based or personal services are needed in your community?

	Response Count
	81
answered question	81
skipped question	148