

## **INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW**

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**Theme:**

**Summary**

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Cooma office  
phl:ma

20 July 2005

The Director  
Standing Committee on State Development  
Legislative Council  
Parliament House  
SYDNEY NSW 2000

Attention The Hon Tony Catanzariti MLC

Dear Sir

re Inquiry into Skills Shortages in  
Rural and Regional NSW

I refer to the above inquiry and have prepared a submission for consideration by the standing committee.

## Personal History

I am a qualified accountant with a degree in law and I have been self employed for approximately 30 years as principal of an accountancy practice based in the Cooma Monaro Region. In this role I have observed first hand skill shortages in rural NSW.

## Overview of Skill Shortages

The Cooma-Monaro Region, particularly Cooma has a rural based economy with the tourist industry providing an economic return. The Cooma economy has a well documented history of difficulties stemming from a 15 year drought and a reduction in staff by two major employers being Snowy Mountains Hydro and Snowy Mountains Engineering Corporation. Withdrawal and reduction of services provided by government agencies and public corporations such as medical services, banking facilities and post offices has also impacted on the local community with people forced to relocate to areas which provide a full range of services.

The skill shortages lost from the above summation would cover an age group of between 30 years to 50 years i.e. people who have lived and worked in the region for a number of years.

The skill shortages stemming from this is further exacerbated by the lack of potential skilled workers entering the work force.

## 1. Example

The area is well known for its wool industry. However, because of the drought and on going depressed wool prices young people considering entering the rural industry are actively being discouraged by their families.

In order to seek future employment opportunities in other industries they are forced to move to other parts of the State; invariably they are then lost to this region.

I recently interviewed the Head Teacher at the Cooma campus of TAFE NSW Illawarra Institute who confirmed that whilst TAFE provided a wide range of subjects not all were pertinent to the area and that they had no statistics available as to the students who completed the courses and who were still living in Cooma and working in their chosen field.

## 2. Example

I pose the question:-

"Does either the Federal/State Governments do enough for employers and apprentices?"

As a director of a company operating a car dealership in Cooma over the past 4 years I have employed 4 apprentices.

As a employer of an apprentice I accept that I will see little or no return from that apprentice for the first 18 months of his apprenticeship and whilst the direct cost of their wages to my business is limited the indirect cost (training time) is substantial.

I receive limited financial support for my efforts in training the apprentices; their enthusiasm is dulled by low wages and high education costs and I can be certain that once qualified they will move to an area which can offer them greater financial reward in the future.

## Recommendation

1. That all apprentices be bonded and that this bond be paid by the Federal Government to any employer whose apprentice leaves within their time and during a period of 12 months after they have finished their time.
2. Wages of apprentices be increased with the Federal Government subsidising this increase.

## Skill Shortages – Mature Age Workers

As previously mentioned I am the principal of my own accounting practice and have found great difficulty in encouraging qualified mature age workers to the region to work in my practice. I offer a competitive salary and an opportunity to acquire a financial interest in my practice however I have had no success; with the greatest

barrier being the perceived lack of an appropriate infrastructure e.g. medical services and public transport.

"You can lead a horse to water but you can't make it drink."

### Summation

Skill shortages are not new. I have reviewed in detail the following documents:-

1. ACTU – Australia's looming skills shortages

ACTU Background Paper – July 2004.

2. Department of Employment and Work-Place Relations

National and State Skills Shortage Lists Australia – 2004.

It is blatantly obvious that the problem of skills shortages has been around for many years – I have personally observed it for over 20 years so therefore there is no easy answer to the problem.

My submission does not attempt to answer the problem only to highlight the difficulties that I have encountered.

Yours faithfully



Peter Lewis  
**PETER LEWIS & CO**