

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

**Organisation:** Regional Communities Consultative Council (RCCC)  
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**Theme:**

**Summary**



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Legislative Assembly  
Inquiry into skills shortages in rural and regional NSW  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Madam/Sir

Regarding: *Comment on Legislative Inquiry into skills shortages in rural and regional NSW.*

The Regional Communities Consultative Council (RCCC) is the peak community advisory body to the Premier, the Minister for Rural Affairs and the Government on rural and regional issues. The Council would like to thank you for the opportunity to provide a submission to this inquiry. Our areas of expertise have allowed us to make a contribution in some of the areas being studied by this Inquiry, and so we do not address all the Terms of Reference in this submission.

As a preface to our submission, the RCCC would like to point out that skill shortages in rural areas are set amongst the worst drought in living memory which has certainly exacerbated these issues for rural and regional communities.

### **Response to Review issues:**

#### *a. The current and future demand for labour*

- Current demand – based on information available to the Council, high demand is experienced for skills in the following areas;
  - **Professional skills** in areas such as child care workers, civil engineers, accountants, registered and enrolled nurses, dentists, pharmacists, and allied health workers from occupational therapist, speech therapists to podiatrists.
  - **Trade skills** in areas such as engineering, automotive, electrical and electronic, construction, food trades and hairdressers. (Source Department of Employment and Workplace Relations, National and State Skill Shortage Lists Australia 2004)
- Future demand – high demand is predicted in the following areas;
  - **High skills areas** such as engineering or agricultural services, telecommunications, information technology and human service areas (especially health).
  - **Low skill areas** such as wholesale and retail trades.

Unskilled jobs in industries such as textiles, clothing and footwear are predicted to diminish in regional areas, largely as a result of technological innovation. (Future of Work: Likely Long Term Development in the Restructuring of Australian Industrial Relations – September 1996), as well as globalisation trends causing traditional rural-based industries to relocate to low-cost off-shore operations.

It is also important to understand that communities are not only made up of paid workers but there are many volunteers with remarkable skills contributing countless unpaid hours to a community. A job loss in a rural area can often mean a loss of a community volunteer resource, as these people move elsewhere for employment.

b. *The economic and social impact of the skills shortage*

The socio-economic impact of skill shortages on communities in rural and regional areas will vary with such factors as size of the community, proximity to major regional centres, industry base in the community, impacts of the drought, transport options and the demographics of the community.

However, in general, the type of economic impact that can be expected to result from skill shortages will include:

- The inability to attract skilled staff if other skills are perceived to be lacking. For example, a perceived lack of health services in a town can lead to other skilled professionals such as accountants and engineers declining employment opportunities in that town. This can have a compounding effect, leading to a wider loss of services, loss of income and inability to attract other services and residents to the community.
- Significant delays in filling vacant high skilled positions such as dentists, mental health workers, general practitioners or engineers in some rural communities. Again this can lead to no provision of the service and loss of income to the community.
- Waiting times to see professionals, especially medical specialists such as orthopaedic surgeons which impacts on the patient's ability to receive treatment and return to work in a timely manner.
- Highly sought after skills attracting higher remuneration, which is positive for the worker but unfortunately some small businesses are then unable to compete. For example, one mechanic in a regional centre left a small business to take up a position with a larger company on \$1,000 per week, plus a car, plus a commission. As the small business owner said "I can't compete with that and if I could I would have to pass the extra costs onto my customers". Losing highly skilled workers then impacts on the owner's ability to complete jobs.
- Poaching of staff within certain industries. Some industries are not spending money on training up their own employees but choose to poach trained and skilled staff from other organisations. This leads to animosity between sectors of the business community and a reluctance of businesses to train staff for fear of losing them once trained.
- Workers leaving the community especially rural industry workers in search of alternate work take skills and purchasing power out of the community.

- Inability to take on all work, delays in completion.
- Personal costs involved in residents having to travel to larger regional centres to access services. Once there the resident often takes advantage of the services on offer in the larger centre therefore taking money out of their own local economy leading to further negative impacts on the social and economic viability of smaller communities.
- Access to training for rural and regional students and workers. Often technical training is centralised in major regional centres which necessitates students having to travel significant distances which impacts financially and time wise on both students and employers.
- The shift of the cost of up skilling or further training being passed from employers to employees since the abolition of the training guarantee levy places a huge financial strain on individuals.

We have also observed social impacts from a shortage of particular skills in rural communities including;

- Some rural and regional centres have no access to services, especially some medical specialities which necessitates travel to large metropolitan cities for treatment. This then impacts on all aspects of the individual's life from taking time off from work, costs involved in the travel to rearranging family life while away.
- Those that can access a professional in a nearby regional centre are subjected to long waiting times for appointments which can lead to a decrease in social functioning and sense of well being.
- The inability to access educational courses in local areas impacts on the students, employers as well as the family and the community. The community misses out on the opportunity to train locals in the local area, the student has to find a way to get to the larger centre, especially if the young person does not have a licence and there is limited public transport. The family often has to pull out additional resources just to get the student to the training centre and the employer loses a staff member for longer than necessary.
- The loss of community confidence and sense of community well being when services are lost. Loss of one service often impacts on the ability to attract another service.

c. *The strategies and programs of local government to retain and attract skilled workers including opportunities for strategies and programs in conjunction with non-government bodies such as regional business organisation and Area Consultative Committees and Regional Development Boards.*

Some councils are banding together to look at common skill shortages within their communities. For example there is a shortage of trade engineers in the Orange, Cabonne and Blayney Council areas. The respective councils have employed an Industry and Skills Project Manager to bring together industry, training providers and employment agencies to look at the shortages in the area and to formulate local solutions to address the shortages. One initiative is to have business owners attend school careers advisor meetings to discuss opportunities for local students within the local engineering trade industry.

The Local Government and Shires Association of NSW has recently formed partnerships with the Department of Local Government, Local Government Managers Australia, TAFE NSW and the Centre for Local Government from the University of Technology, Sydney to establish the Professional Skills and Training Shortages Taskforce. One aim of the Taskforce is to obtain quantitative and qualitative information on the skills shortages among NSW Councils. Councils will be surveyed to identify professional and para-professional skills shortages and opportunities for improvement in the context of current recruitment and staff development practices.

Both these initiatives are examples of local government taking the initiative to try and resolve the skills shortages in local communities.

We do not wish to comment on the other Terms of Reference for the Inquiry, as our area of expertise does not extend to the subjects addressed in these.

On behalf of the RCCC I would like to thank you for the opportunity to raise these important issues with you. Skills shortages are particularly critical for rural and regional communities in this time of severe drought, with associated loss of incomes for agricultural producers and for rural communities as a whole. For communities to be vibrant and competitive at a global level, access to skilled services is vital.

I trust the Standing Committee will ensure all viable recommendations are given due consideration and strategies are formulated to put ideas into action to address the rural and regional skills shortages.

Yours Sincerely

A handwritten signature in black ink, reading "Diana Gibbs". The signature is written in a cursive style with a large, stylized 'D' and 'G'.

Diana Gibbs  
Chair