

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

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Theme:

Summary



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Our Ref: ED/DEV/1

Your Ref:

4 August 2005

The Director
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir / Madam,

INQUIRY INTO SKILLS SHORTAGES IN RURAL & REGIONAL NSW

Please find following Council's submission for the *Inquiry into Skills Shortages in Rural and Regional NSW*.

The submission will also be forwarded in the mail.

Yours sincerely

NEIL WATT
GENERAL MANAGER



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SUBMISSION – SKILL SHORTAGE INQUIRY

The Director
Standing Committee on State Development
Parliament House
Macquarie Street
Sydney 2000

Dear Sir / Madam,

**Submission by Cooma-Monaro Shire Council
to the
Inquiry into Skill Shortages in Rural and Regional NSW**

Labour Demand

Labour demand in rural areas is based on the employment opportunities gained from its community, government and private enterprises, as well as the infrastructure it builds and maintains in its development. A major part of these opportunities are government-related jobs.

Historically Cooma – as the service town of the Snowy-Monaro region (comprising the three Shires of Bombala, Cooma-Monaro and Snowy River) – has been able to maintain a considerable range of labour skills not normally seen in rural areas. This has been largely due to its industry mix and infrastructure from the Snowy Hydro legacy.

Government enterprises have considerably reduced their staff or closed down operations in many regional and rural areas in the past 15 years. This has been due, in a major part, to State and Federal Government rationalisation, regionalisation and centralisation policy. In the Snowy-Monaro region it is estimated that 500 government-related jobs were lost in the period 1990 to 2000.

Community enterprises have also suffered through the change in Government policy from localised delivery of services and programs to larger regional or centralised delivery contracts. The Snowy-Monaro region has lost several community-based programs now delivered from larger townships in South East NSW.

This government- and community-related enterprise loss tends to have an immediate population decline and a loss of considerable professional and management skills from rural and regional areas. Population decline in general also impacts the viability of community infrastructure (schools, banks, hospitals etc.) and the flow-on effect in a variety of other employment sectors.

Fortunately the private sector growth in the Snowy-Monaro region from 1990 to 2000 maintained the population. This was in part due to retail and tourism growth as well as country relocation for both retirees and business people. Tourism growth enabled the local building industry sector to be maintained.

The region has enjoyed lower than average unemployment rates. However it also loses considerable numbers of young people each year, as they seek tertiary education and a mix of jobs unavailable in a rural region. In most cases these people do not return.

Our current skills shortages are very specific and include tradespeople (plumbers, electricians, builders) as well as cabinet-makers, welders, professionals (accountants, engineers, solicitors) and at times suitable retail staff.

Economic and social impact of the skills shortages

Skills shortages directly impact local economic growth potential, creating the inability to develop certain types of businesses or industries in rural and regional NSW. Skills shortages in support industries such as trades can impact the capacity of a rural area to develop.

When there are few jobs for younger people social issues arise, with unemployment or demographic changes and imbalance within a community. Where there are skills shortages in professional jobs it may impact the community's leadership and the development of various recreational, cultural and community support activities.

When skills shortages start to occur, they impact on the retention of local education and training services that support the skill development. Closures of various localised vocational studies in TAFE colleges are an example. Australian Regional Technical Colleges may also have the same impact.

Local Government strategies to attract and retain skilled workers

In many cases local government strategies are hampered by the economic development strategies of State and Federal Government. Strategies for skill retention and attraction need to be part of an overall national, state and local integration of economic development strategies.

Strategies that are employed by Cooma-Monaro Shire Council include:

- attendance at Country Week;
- the development of a business prospectus kit – continually reviewed;
- articles on Cooma and the region and its potential in a range of publications encouraging visitation and relocation – Note, it is difficult to gain metropolitan editorial; and
- a range of economic development activities to attract industry, business and government agencies, which in turn would attract a wider skill mix, whilst retaining our existing skills – Many of these skill development issues are discussed in Forums with local and regional business and development organisations.

Business Migration

Most overseas business migrants settle in Sydney. There appears to be little encouragement by the NSW or Federal Governments towards business immigration into regional and rural New South Wales.

In terms of regional business migration, whilst the NSW government has relocation packages, these are not promoted effectively to metropolitan NSW business. Over the past ten years Sydney has seen a number of its inner city suburbs impact their industrial areas with residential creep. Businesses in inner city metropolitan suburbs of Sydney are more likely to move simply to Western Sydney when forced to leave their inner city industrial estates. There appears to be little strategy or incentive developed to encourage regional migration from inner city industrial estates.

Recording and reporting on skill shortages

The recording of skills shortages at a local community level is inadequate. To be of value to local strategy development it must be tracked at least on an annual basis, and at a local level. Given adequate resources and funding, a model tracking system should be introduced and local government funded to implement the yearly collection process.

Training response to skills shortages

Local rural TAFE colleges and campuses are inadequately resourced to enable local skills assessment. The TAFE centralised and regional Institute structures are not flexible enough to accommodate local needs with resource allocation across campus sites. Resource allocation is generally determined by TAFE personnel operating from Institute offices in the larger regional centres, who have little understanding of rural skills shortage issues.

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