

NEW ENGLAND  
NORTH WEST



REGIONAL DEVELOPMENT  
BOARD

# New England - North West Regional Development Board Inc.

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**Submission: Inquiry – Skills Shortages in Rural and Regional New South Wales  
Presented to a hearing held in Moree Thursday 16<sup>th</sup> February 2006. Unless indicated  
otherwise, the authors of this document are the Board Chair, Meryl Dillon and the  
Executive Officer, Don Tydd.**

The New England - North West Regional Development Board has already provided a submission to the inquiry by email on Thursday 15 September 2005. This additional submission highlights the associated issues surrounding the regional skills shortage.

## **Terms of Reference**

**(b) The economic and social impact of skills shortages.**

### **Shortage of Skilled Medical Workforce**

The shortage of a skilled medical workforce for the region is one of the major issues facing rural and regional Australia. The emphasis has been on doctors and dentists however, the need extends to all other skills, including podiatrists, radiographers and specialist dialysis nurse unit managers. While this is a nation wide problem, there has been an increasing challenge within this region to address the issues. In many cases, potential skilled employees do not relocate (particularly the western areas of the region) due to the perceived problem in a lack of medical facilities and staff.

## **Terms of Reference**

**(b) The economic and social impact of skills shortages.**

### **Perceptions of the Regions Wage Levels and Isolation**

There is a need to address the skills shortages at the local and regional level, due to the perception by many Sydney tradespersons contemplating moving to the region that the wage levels in the region are too low when compared to the rates paid in Sydney. This should be balanced by issues such as travel time to work, quality of life issues and housing costs. However, many people consider the hourly rate in the first instance.

In addition, many potential skilled workers consider the region as too far from Sydney and the coast. There is nothing that can be done on this issue, other than effective promotion of the region's quality of life issues, the ability to travel from many regional towns to the coastal areas in relatively short time and the availability of regular air services from the major centres of Armidale and Tamworth to Sydney and Brisbane.

The perception of regional areas such as the New England North West is not assisted by articles in the metropolitan media, which portray the negative issues rather than the positive message of areas with a quality of life (see also following comments under heading "Regional Image")

#### **Terms of Reference**

**(e) Coordination between Local, State and Commonwealth Governments to attract and retain skilled regional migration programs.**

#### **Transport**

While there are reasonable transport linkages to major population centres outside the region, the public transport network within the region is lacking in its ability to provide regular and effective services for those in the communities who may wish to attend training in skills development or, courses in related social issues/challenges which directly affect the regions ability to address employment matters.

In many lower socio-economic groups there is a low ownership of reliable motor vehicles which could be used to transport people. Add in the long distances to be traveled between larger regional centres where courses are run due to economies of scale and the current costs of petrol and running/maintaining a vehicle, there are economic disincentives immediately established.

The lack of coordination between different community groups owning transport vehicles and their inability to carry individuals from differing social and age groups also adds to the problem. This issue has been identified in the draft Barwon Transport Study (Author Department of Planning- to be released in late 2006) which covers the majority of the Boards area.

The fact that the majority of employment and training opportunities occur in the larger regional towns, effectively rules out many potential job seekers who do not have their own transport and who do not have access to public transport due to its non existence.

#### **Terms of Reference**

**(e) Coordination between Local, State and Commonwealth Governments to attract and retain skilled regional migration programs.**

#### **Indigenous Groups**

Indigenous groups represent an important part of the regions population through their potential to contribute to the economic and cultural diversity of the region. However, due to the importance of families and place, people are often reluctant to leave the local area even of a short term basis for training courses.

It will be essential for many courses related to growing economic opportunities to be focused locally, if the identified indigenous labour pool is to be utilised where so many skilled positions remain unfilled. There is also a need to support the establishment of additional mentoring groups within the indigenous population to ensure younger people are exposed to the employment opportunities emerging in the region.

## **Terms of Reference**

**(e) Coordination between Local, State and Commonwealth Governments to attract and retain skilled regional migration programs.**

### **Skills Issue considered in Isolation**

The Committee is referred to the New England North West Area Consultative Committee's report in relation to regional skill shortages (author Richard Kelloway). Kelloway identifies that the regions skills shortages cannot be dealt with in isolation and solved solely by economic solutions. The Board agrees with this view. Other problems include inequality of opportunities to live a reasonable life and access by many residents to community and social services. These problems must also be addressed at the same time as the skills shortage.

The Board believes this will mean a more coordinated approach to regional community and social services, less competition within organisations wishing to highlight their specific place in regional affairs and where possible, increased funding being made available by State and Federal Government agencies to address need rather than process.

## **Terms of Reference**

**(e) Coordination between Local, State and Commonwealth Governments to attract and retain skilled regional migration programs.**

### **Regional Image**

This matter is one which cannot be addressed by the Committee. It is however raised for the record. It is extremely hard for regional organisations to put a positive emphasis on developing skills in the region, when many of the regional media outlets are reporting daily events and trends in negative terms. Often private managers and those from government when looking to solve issues of attracting skilled people to regional areas, indirectly emphasis the negative issues of living in a non metropolitan area.

There are many problems relating to living in a large international city such as Sydney. However, the identification of these problems is balanced in the media by positive articles on Sydney life. This does not occur with the reporting of regional areas, where Sydney based reporters sensationalise natural and social /human issues, feature incorrect geographical information on regional areas and generally give an image of rural and regional non coastal areas as somewhere no one would enjoy life or employment.

### **Local Government Area - Actual Experience**

- Recruitment problems
  - 29% respondents find skilled labour difficult to find
  - 17% respondents find semi- skilled labour hard to find
- Description of problems
  - 25% skilled employees reluctant to move to the area
  - 17% low skill levels

The above is from the town based businesses survey. The agricultural ones aren't yet complete, but so far the trends are as follows:

- Recruitment problems
  - 38% stated they had difficulty recruiting
- Description of problems
  - 20% for both high competition and high wage rate
  - 18% low skill
  - 16% not willing to move

The community, particularly the agricultural sector seems to find skilled labour hard to find. There may be developing problems with wages paid to competing industries, particularly with the establishment of the coal mine in the area and the loss of the skilled and semi-skilled labour.

Also, town based, getting professionals is difficult. Few seem ready to make the move out of the city and forgo city wages to live in the country. From the perspective of the Liverpool Plains, the young leave town to pursue education and aren't necessarily going to come back to town. There seems to be a real lack of young professionals. The closure of major services such as obstetrics is a big issue. The whole community is nervous about the health services that seem to be dwindling in the area, due to the close proximity of the Tamworth Base Hospital. **(Information supplied by H Ranclaud, Board Member and relates to a business survey from the Liverpool Plains Shire area)**

#### Terms of Reference

**(h) The methods used by training organisations including TAFE to assess skill needs in rural and regional NSW and their response to identify needs.**

#### Training Facilities

A review of courses offered to young regional apprentices and job trainees indicated that many participants are forced to take time off work to attend training in larger centres, which in many cases, are hundreds of kilometres from the person's home. This means the accommodation offered is often unsupervised for younger teenage trainees and the traditional family support necessary at this age is missing. Often, the accommodation is at commercial rates, which is difficult for trainees to afford. This contrasts with a similar situation in the metropolitan area where trainees can at least travel to their homes on a daily basis.

The additional costs and lack of family/peer support for those trainees who contemplate engaging in skills development, acts as a disincentive for regional and particularly the rural areas such as the New England North West.

The Committee may also be interested in the fact that the Queensland TAFE College at Morton Queensland, assists apprentices with accommodation requirements when they are on block release **(source: L. Parsons, Board Member)**

## **TAFE NSW and TAFE Queensland- Administration**

The New North West Region of NSW due to its proximity to the Queensland border, contains some firms which have apprentices traveling to Queensland for courses. There is not a system in place where NSW apprentices can obtain reimbursement from TAFE NSW for the costs involved (source: **L Parsons, Board Member and business proprietor**).

There is also no recognition of Queensland TAFE training modules by TAFE NSW. There is also a requirement in NSW TAFE system for a minimum of fourteen (14) trainees to run a trade class. (source: **L. Parsons, Board Member and business proprietor**)

On this basis, if this latter restriction could be lifted, it would allow more apprentices to attend classes closer to their home towns and reduce the cost of accommodation and travel.

### **Apprenticeships - Other Related issues**

**Note: Information on the issues number (1) to (4), supplied by Charles McCarthy, Board Member and Principal, McCarthy Management Consultants Pty. Ltd.**

**(1) Cost** - in one trade, it was estimated to cost the employer \$60,000 to engage an apprentice to the end of his/her qualifications. This cost is high when compared to any Federal and State Government support available.

**(2) Retention** - All employees complained that retaining trained apprentices after they had completed TAFE and then acquired their Trade Certificates to be a huge problem. It was suggested that Governments consider:-

- (a) Paying the employer a grant amount so that the employer in turn pays the apprentice increased remuneration. This payment should be a type of HEC's.
- (b) The apprentice contracts to remain with the employer for (say) 2-3 years after qualification.
- (c) In the event of the apprentice breaching the undertaking in (b) - the HEC's becomes repayable to the government by the apprentice/now qualified trade person.

**(3) Ongoing Professional/Trade Courses** - Governments should consider a (say) 50% payment of ongoing professional development courses to add to the qualified apprentice's skills and training. It was felt that this could assist retention and foster skills pride.

**(4) Apprentices are currently poorly remunerated** - It was felt that apprentices are currently poorly paid. Resentment is experienced particularly in the building trades between pay rates for apprentices and unskilled builder's labourers. Several instances were quoted of apprentices dropping out of courses to become builder's labourers who were better paid. The "long term" benefits of staying with the apprentice course as compared to the "now" extra cash benefit of a labourer is a serious issue.

The lack of trades people particularly in the electrical, plumbing, mechanical and refrigeration area is acute in our region. A client is currently advertising for trades people in South Africa.