

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

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Theme:

Summary



PARLIAMENT OF NEW SOUTH WALES
LEGISLATIVE ASSEMBLY

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Please quote:
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4 August 2005

State Development Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Chair

I write further to my letter of 22 June 2005 concerning the Committee's Inquiry into Skills Shortages in Rural and Regional NSW.

As advised at that time, I conducted a survey in my Electorate of Northern Tablelands in May 2005 on Skills Shortages and I now enclose a Summary of the Survey.

I trust that this information will be of value.

Yours sincerely


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Summary of Northern Tablelands' Survey, conducted May 2005

Skills Shortage



Summary of Northern Tablelands' Survey, conducted May 2005

Skills Shortage



Background

In May 2005, members of the Northern Tablelands electorate were surveyed to gather information concerning:

- Any skills shortages they have experienced which have affected their households or businesses
- The impact of state based stamp duties payroll and property taxes on their households and/or businesses
- Any gaps they may perceive in the provision of TAFE courses.


As well, respondents were asked for their suggestion on how to encourage inland regional growth.

The questions contained in the survey were open-ended, giving respondents the scope to respond in their own words as to how the issues affected them.

Of the surveys distributed, 957 surveys were returned – an extraordinary response to a mail survey of community members.

The findings are presented in three sections - skills shortages, impact of taxes and TAFE courses required. Where relevant, each section is also broken down by location to identify where there may be specific gaps or issues in the various communities making up the Northern Tablelands electorate.

While the focus is primarily on the frequency of responses in each area (with the two most common responses to each question being marked in **bold** for each community), the numbers have been complemented with illustrative comments from respondents. These quotes have been included to convey the level of frustration that many are feeling with respect to the skills shortages they perceive, and the impact of property and payroll taxes on their consumption and investment decisions,



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Skills Shortages

As can be seen from Table 1, in response to the question:

“What skills shortages are you experiencing at present (eg access to tradespeople etc)? How is this affecting your household, farm or business and how would you like to see the skills shortage addressed?”

there were a range of responses prompted by the question. While the prompt to the question referred to tradespeople, individuals reported a wide range of areas where a shortage of skills was impacting on them.

The two most commonly cited skills shortages perceived for each town are:

- Armidale -- repairs/maintenance and builders.
- Guyra -- builders and electricians
- Inverell -- builders and plumbers
- Tenterfield -- dentists and GPs
- Uralla -- repairs/maintenance and electricians
- Glen Innes -- repairs/maintenance and plumbers
- Other locations -- repairs/maintenance and plumbers

Table 1. Skills Shortages

Occupations	Community						
	Armidale	Guyra	Inverell	Tenterfield	Uralla	Glen Innes	Other
	N (%)	N (%)	N (%)	N (%)	N (%)	N (%)	N (%)
General							
Repairs/maintenance	62 (21)	10 (13)	28 (12)	14 (10)	8 (17)	40 (22)	49 (18)
Builders	57 (19)	15 (19)	30 (13)	10 (7)	5 (10)	23 (13)	27 (10)
Carpenters	10 (3)	2 (3)	7 (3)	3 (2)		4 (2)	11 (4)
Painters	4 (1)	4 (5)	5 (2)	1 (-)		6 (3)	7 (3)
Plumbers	18 (6)	13 (16)	30 (13)	6 (4)	7 (15)	24 (13)	35 (13)
Electricians	19 (6)	14 (18)	20 (9)	9 (7)	5 (10)	19 (10)	32 (12)
Tilers	9 (3)	2 (3)	3 (1)	3 (2)		8 (4)	8 (3)
Plasterers	3 (1)	2 (3)	2 (-)	1 (-)	1 (2)	1 (-)	6 (2)
Bricklayers	1 (-)	1 (-)	7 (3)	2 (1)		7 (4)	2 (-)
Mechanics	6 (2)		3 (1)	2 (1)	1 (2)	3 (2)	7 (3)
Fridge/AC		2 (3)	4 (2)				1 (-)
Gas fitter	1 (-)						2 (-)
Panel beaters	4 (1)		1 (-)			1 (-)	1 (-)
Locksmiths	1 (-)	2 (3)					
Architects/draftspeople	5 (2)						
Communications/IT	1 (-)			2 (1)	1 (2)	3 (2)	3 (1)
Engineers	6 (2)		1 (-)			1 (-)	
Early childhood educators	2 (-)		1 (-)			1 (-)	1 (-)
Aged care workers	7 (2)		3 (1)	2 (-)		4 (2)	3 (1)
Police	2 (-)			2 (-)		2 (1)	2 (-)

Roads/garbage/ sanitation				6 (4)			
Surveyors/valuers				3 (2)			
Rural							
Shearers	12 (4)	4 (5)	5 (2)	1 (-)	5 (10)	1 (-)	8 (3)
Farm workers	11 (3)	5 (6)	4 (2)	1 (-)	4 (8)	6 (3)	10 (4)
Shed hands	9 (3)	1 (-)	1 (-)	1 (-)	3 (6)	2 (1)	5 (2)
Farm mechanics			2 (-)			3 (2)	2 (-)
Fencers	6 (2)	1 (-)			1 (2)	1 (-)	4 (1)
Truck drivers	1 (-)		3 (1)	1 (-)			2 (-)
Health							
GPs	12 (4)		22 (10)	23 (17)	3 (6)	7 (4)	16 (6)
Specialists	13 (4)		16 (7)	6 (4)	1 (2)	6 (3)	12 (4)
Nurses	5 (2)		8 (4)	3 (2)	2 (4)	4 (2)	7 (3)
Mental health	2 (-)		4 (2)	3 (2)			4 (1)
Dentists	8 (3)	1 (-)	14 (6)	27 (20)		4 (2)	7 (3)
Vets			1 (-)	1 (-)			
Chemists	1 (-)			3 (2)			1 (-)
Total	298	79	225	136	47	181	275

Trades

A clear pattern to emerge across all the communities was the problem of accessing people with the skills to undertake maintenance and repairs to homes, with between 12% and 23% of respondents in the various communities citing this as a shortage affecting their homes or businesses. Plumbers and electricians, too, are cited as being difficult to access in a number of communities. When considered with the dearth of builders reported, it seems that many respondents are extremely frustrated with the shortage of reliable, skilled tradespeople to undertake these tasks for them.

'I have been waiting 11 months for my builder to undertake renovations' (R: 138, Tenterfield)

'Shortage of plasterers, bricklayers, and tilers. But as with most other apprenticeships, opportunities are limited not by enthusiastic youngsters, but TAFE requirements which force people from as far as Tenterfield to travel to Tamworth. Why can't this be more decentralised?' (R:123)

'There is an across the board shortage of all trades so you hop in the queue and wait. As for farm repairs we have to travel out of the town area.' (R: 720, Glen Innes).

'We find tradespeople won't come out to Torrington for small jobs. We are in dire need of apprentices to keep kids here and future trades people.' (R: 745, Torrington)

'I have been waiting about 12 months for a builder to put guttering on a shed which would allow us more housewater.' (R:748)

The survey responses are consistent with the recent skills audit commissioned for the New England North West by the New England North West Area Consultative Committee (Kelloway and Associates, 2005). In this report, regional skills shortages in the following trades were noted:

- Builder
- Carpenter
- Electrician
- Fibrous plasterer
- Motor mechanic
- General mechanic
- Panel beater
- Plumber
- Refrigeration and air conditioning mechanic
- Truck driver
- Shearer
- Welder/boilermaker (Kelloway and Associates, 2005: 5-6)

One of the consequences of the shortage of skilled tradespeople who can carry out small scale repair jobs and maintenance, is that respondents in small communities, or living out of town, report having to face long waiting times for service and paying high fees for the services when they finally can access them.

'Long waiting time for tradespeople for our home extensions. Suggest the CDEP 'Building Branch' be extended with more apprenticeships and similar groups set up – perhaps with a 'bond' or guarantee by apprentice to complete training. (R: 685, Armidale).

'We recently renovated a house out of town (36km from Glen Innes) it was very difficult to tee up builders, electricians and plumbers etc. We had to wait weeks for our renovations to be completed. (R: 721, Glen Innes).

'Access to builders, plumbers, electricians, tillers. We live 45km from town and it is difficult to get anyone to travel.' (R: 722 (Glen Innes).

'Access to tradespeople – payment for fuel/travel just to get something looked at is very high' (R:730, Ashford).

' We have found that construction industry sub-contractors are not prepared to travel to smaller villages (when they do we pay high travel costs) as they already have too much workload in their own towns' (R:734, Deepwater).

Many respondents identified the importance of well supported apprenticeships to alleviate these problems and to facilitate employment in smaller communities for younger people. As well, they pointed to the need to make the apprenticeships affordable to the employers and yet provide reasonable income for the apprentice.

'Reintroduce apprenticeships and raise the status of trades with young people so they see them as worthwhile and lucrative careers' (R: 869, Guyra).

'Need more incentives for tradesmen to take on apprentices – better pay for apprentices. Keep kids in the country' (R: 569)

Professions

While the shortage for skilled tradespeople are noted by 10% of Tenterfield respondents, the most significant gap for Tenterfield respondents concerns the lack of dentists (20%) and general practitioners and specialists (21%). The concern about the shortage of medical personnel was not confined to Tenterfield, with many respondents from across the other communities (except Guyra) noting this.

'Not having a full time doctor at the local hospital on weekends for medical emergencies' (R: 94, Glen Innes)

'Shortages in all areas of medical, especially ambulance personnel, doctors (G.P), specialists, physios etc. Impossible to get an electrician, plumber, carpenter, etc.' (Respondent: 137, Tenterfield)

'The lack of skilled tradespersons is catastrophic, also the medical area' (R: 691, Tenterfield)

'You have to wait months for appointments to GPs and specialists' (R: 692, Armidale)

'Specialist medical services are not readily available to Inverell people – they have to travel too far for these and some are unable to travel' (R: 694, Inverell)

'More skilled medical people would help to keep retirees in the country areas' (R:952, Inverell).

The concern expressed by respondents about the shortage of medical services across the electorate is also reflected in the NENW ACC Skills Audit (Kelloway and Associates, 2005: 5-9) report where it was reported that the following professions were experiencing skills shortages:

- Dentist
- General Practitioner
- Pharmacist
- Physiotherapist
- Podiatrist
- Accountants
- Financial Advisers

Similar concerns about limited access to medical services were expressed by respondents in the consultation processes associated with the health and well being report prepared for the Armidale Dumaresq Economic Development Committee,. (Sheridan, Conway and Harris, 2003).

Rural tradespeople

Not surprisingly, given the number of primary producers in the electorate, a shortage of shearers, farm workers and fencers was identified by a number of respondents.

'There is a shortage of skilled labour in the shearing industry, particularly shed hands, also young people with stock handling skills for work on rural properties' (R: 729, Uralla).

'Shortage of shearers – not enough young people taking up the profession' (:R 809, Deepwater).

The difficulty in attracting and retaining staff to properties located away from towns was a common theme from the agriculturally based respondents.

'Unable to find staff willing to live away from town area (we have a beautiful 4 bedroom house with adjoining paddock). Fuel prices too high for partner to work in town and to do bus run. Just us now working here with occasional casual help. This is a large productive property and needs permanent staff'. (R: 859, Armidale)

'Of greater concern is the number of skilled people in rural trades – fencing, stock work, operation of farm machinery etc who are forced into unskilled work in towns or cities because although farmers need them, they cannot afford 5 day week employment. Some form of organized 'sharing' of skilled people among several farmers would be a solution. It would require an 'agreement' covering payment, tax, insurance etc.' (R: 561: Bundarra)

Impact of Taxes

As can be seen from Table 2, a clear pattern to emerge across all the communities was the dampening effect the current state taxes have on business growth. Once again, the two most commonly cited issues per community are denoted by bold print.

The two most commonly cited issues associated with the taxes question for each town are:

- Armidale – hampering business growth and payroll tax as a disincentive to employ people.
- Guyra – hampering business growth and payroll tax as a disincentive to employ people.
- Inverell – reduction in taxes needed and these taxes as a disincentive for jobs/investment
- Tenterfield – reduction in taxes needed and these taxes as a disincentive for jobs/investment
- Uralla – reduction in taxes needed and these taxes as a disincentive for jobs/investment
- Glen Innes – reduction in taxes needed and these taxes as a disincentive for jobs/investment
- Other locations – reduction in taxes needed and these taxes as a disincentive to employ people.

Many respondents with businesses cited the problems the state taxes create for employing staff.

'State taxes make it unviable to employ staff. The Sydney boys make it impossible to bolster rural employment. Sydney has no ide of how or what it takes to survive in the bush' (R: 720, Glen Innes).

'Stamp duty on our insurances alone (workers compensation, public liability, income protection, home owners warranty, motor vehicles) adds to the cost of our overheads. Removing or reducing stamp duty would save on construction costs'. (R: 734, Deepwater).

'Stamp duty and property taxes reduction (or elimination of stamp duty) would make a significant positive impact on investment decisions. Workers compensation is now a joke and not a true form of insurance. We consciously employ as few people as possible and opt for contract labour wherever possible.' (R: 868, Guyra).

'Payroll tax is a major inhibitor to employment and should be abolished' (R: 873, Glen Innes).

'My wife and I are now retired; property taxes affect our retirement planning and income. The 'cottage on the coast' will be difficult to maintain. And we still pay tax.' (R: 324, Armidale).

Table 2. Issues identified regarding taxes

Issue	Community						
	Armidale	Guyra	Inverell	Tenterfield	Uralla	Glen Innes	Other
	N (%)	N (%)	N (%)	N (%)	N (%)	N (%)	N (%)
Hampering business growth	33 (11)	9 (18)	7 (5)	1 (2)	1 (2)	9 (9)	19 (10)
Disincentive for retirement investment	12 (4)	1 (2)	2 (1)			5 (5)	13 (7)
Reduce tax for pensioners	3 (-)	3 (6)	2 (1)	1 (2)	3 (7)	3 (3)	4 (2)
Zonal taxes needed	17 (5)	1 (2)	14 (10)	3 (6)	3 (7)	3 (3)	9 (5)
Fuel taxes too high	4 (1)	1 (2)	1 (-)	1 (2)	2 (5)	3 (3)	4 (2)
Insurance too high	6 (2)	1 (2)	2 (1)	2 (4)	1 (2)		7 (4)
Prefer to invest in Qld not NSW	15 (5)	2 (4)	8 (6)	1 (2)	2 (5)	1 (1)	11 (6)
Negative impact on real estate	22 (7)	2 (4)	6 (4)	1 (2)	2 (5)	5 (5)	11 (6)
Stamp duty a disincentive to invest	24 (8)	2 (4)	7 (5)	3 (6)	2 (5)	4 (4)	17 (9)
Payroll tax a disincentive to employ people	55 (18)	11 (22)	18 (13)	4 (8)	4 (10)	9 (9)	39 (20)
Payroll a disincentive to take on apprentices	9 (3)	2 (4)	3 (2)	1 (2)	1 (2)	3 (3)	5 (3)
Reduction in taxes needed	19 (6)	1 (2)	23 (16)	6 (11)	5 (11)	17 (18)	20 (10)
Disincentive for jobs/investment	32 (10)	2 (4)	36 (26)	12 (23)	14 (32)	25 (26)	15 (8)
Property/Land tax complaints	33 (11)	5 (10)	2 (1)	5 (10)	1 (2)	1 (1)	4 (2)
Paper road complaints	5 (2)	1 (2)	2 (1)	5 (10)	1 (2)	1 (1)	3 (2)
GST on other taxes	24 (8)	4 (8)	7 (5)	6 (11)	2 (5)	7 (7)	15 (8)
Total	313	49	141	52	44	96	196

The taxes in Queensland were cited by a number of people in response to the question about state taxes. In particular, the high rates of NSW taxes relative to those charged in Queensland were seen as a disincentive to invest or employ in NSW.

'Taxes here restrict is from purchasing an investment property. People are looking to invest in Queensland' (R: 777, Tenterfield).

'As we live close to the state border, we experience difficulty with trades people being licensed in one state but not being able to ply their trade on our side. To get trades people from NSW we have to pay enormous travel cost. (R:621: Texas)

For a number of respondents, they indicated while stamp duty, payroll tax and property taxes were not an issue for them, they perceived them impact on their communities.

'These things [stamp duty, payroll tax and property taxes] don't affect us personally, but it has a big impact on small businesses in country towns' (R: 717, Glen Innes).

'These taxes are an impediment to growth in our area' (R: 723, Inverell)

Fuel taxes were also raised by a number of respondents as impacting negatively on them.

While the frequency counts suggest that more than 10% of respondents from Inverell, Tenterfield, Uralla, Glen Innes and Other locations believed there should be a reduction in taxes, many respondents also offered the view that they were willing to pay taxes, if the tax revenue was used well. Roads and transport infrastructure were areas where people identified the need for more money to be spent.

For instance,

'I am happy to pay taxes of I thought that we would then have adequate transport, education and medical services' (R: 711).

'Add costs that nobody can afford – it would be okay if monies were returned to country communities' (R: 911, Armidale).

'Stamp duty – what's it for? This is a real deterrent to purchase more land – it can involve tens of thousand so f dollars to the purchase price and for what purpose: Just another tax that we in the bush seen no benefit from. In the area where we live, we don't even have a decent road to drive on – what I consider basic infrastructure. (R: 920, Ben Lomond)

TAFE Courses wanted

The TAFE courses identified by respondents very much reflected the skills shortages identified in the first question (see Table 3). As such building, electrical, plumbing and short trade courses were nominated by a number of respondents as necessary, as were a range of agriculturally based courses. Many respondents believed that greater availability of such courses would help to retain younger people in their towns - much like the arguments used about the training of rural people in medicine that we see at a national level to address the shortage of rural doctors.

'More trade and service courses available locally to local students, many of whom will remain local to service the needs of the local area'. (R: 347, Armidale).

'There are lots of trade apprenticeships not available eg Glen Innes TAFE such as hairdressing, motor mechanics. Young people have to travel o Armidale or Tamworth. They end up leaving towns that don't cater for their needs, or can't provide the training. (R: 298, Glen Innes).

'A course to qualify people as certified station hands on all required areas such as drenching, tractor skills, horse skills, fencing etc would greatly help farmers' (R 282: Glen Innes).

'If our town had some full time courses for apprentices and trainees it would keep our youth in the smaller towns – also some secondary industries' (R: 451)

'Need to encourage greater numbers of apprentices via assisting employers' (R: 448)

'More farm skills courses (especially short courses for full time workers) (R: 427)

Table 3. TAFE Course shortages

	Armidale	Guyra	Inverell	Tenterfield	Uralla	Glen Innes	Other
TAFE Course	N	N	N	N	N	N	N
Building	12	3	9	8	4	9	17
Electrical	12	2	6	1	1	5	6
Plumbing	7	2	4	1	1	1	
Tiling		2					
Carpentry	9	2	5	1		4	1
Small engine maintenance	7		7	1		2	
Mechanics	4	1	3			1	6
Metal work	3	1	3	2	1	4	2

Bricklaying	1	2	1		1	2	2
Electronics	10		3	5	1	4	3
Short trade courses	12	3	10		2	3	9
Shearing	9				1	3	3
Sustainable agriculture	7	1	2	2			3
Viticulture	1		3	1	1		
Agriculture	1	3				4	3
Farm management skills	5	1					
Horticulture	11	2	2	1	1	1	1
Tailoring/dressmaking	2						
Beauty therapy	7	1	3	2			
Crafts	22	1	4	2		3	2
Food/hospitality	5		2	1		3	1
Customer relations	2						
Business management	6						
Parenting	3		2	1			
Life skills	6	2		1			2
Music	2		1				
Tourism	3	1	1	2			
Real Estate			1		1		1
Total	169	30	71	32	15	48	62

Note: No percentages reported as numbers too small to be very meaningful.

A concern expressed by a number of respondents related to the distances traveled for some students to attend their courses.

'At the moment there are very few courses in local areas to benefit 'skills and 'trades'. At the moment we employ an apprentice and have to send him one week per month to Sydney to study. This is an added cost to any employer when starting apprentices. It means that the real wage is approximately twice the award. Government incentives are minimal and not enough to entice employers to train additional staff' (R: 289, Glen Innes)

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'Make sure the local TAFE covers all aspects of the building trades to encourage local youth to stay within the area. Block release of TAFE courses wouldn't be that hard to organize' A scheme could be put in place where an apprentice works between 2 or 3 employers, if one hasn't sufficient work'. (R 286: Glencoe).

'I would like to see all apprentices be able to do their TAFE courses at a local TAFE or at least in our area. Motor cycle mechanic apprentices travel to Bathurst for one week per month for 2-3 years. This is very costly.' (R: 222, Inverell).

'All the trade courses. At the moment anyone doing building, carpentry, mechanics, electrical etc have to travel hours to attend TAFE course. My husband is a qualified builder and mechanic. Her had to travel from Inverell to Moree and Tamworth for 3 years for both'. (R; 570, Inverell).

The comments by respondents to the question about what courses they would like to see introduced at their local TAFE are consistent with the findings of the NENW ACC Skills Audit and Strategic Plan (Kelloway and Associates, 2005: 8-8) where it was noted that:

'Although the NEI of TAFE is offering a comprehensive suite of technical training course, the campus locations at which the courses are to be conducted in 2005, to some extent, is offsetting the availability of courses. Specifically, comments by employees indicated a substantive reluctance to release apprentices. Reasons given by employers included:

- Travel time, which results in a day of lost labour either side of the block release period
- Concerns about the danger of traveling by road; and
- The general unavailability and/or cost of overnight accommodation at the training location.'

It seems that while TAFE is seen as a valuable resource within the communities, the variation in the provision of courses at particular TAFEs is seen as a problem by respondents.

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References

Kelloway, R. and Associates (2005) 'New England North West Area Consultative Committee Skills Audit and Strategic Plan', <http://www.nenwacc.com.au/skills.html> (accessed 29 July 2005.)

Sheridan, A., Conway, M. and Harris, J. (2003) 'Armidale: Healthy people living and learning in a healthy environment', report prepared for Armidale Dumaresq Economic Committee.