

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

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Theme:

Summary

Southern Councils Group
Submission to the
Legislative Council Standing Committee on State Development

Skills Shortages in Rural and Regional NSW Inquiry

Introduction:

The Southern Councils Group (SCG), formerly the Illawarra Region of Councils, is the peak organisation representing Local Government in the Illawarra and South Coast regions. Member Councils include Bega Valley Shire, Eurobodalla Shire, Kiama Municipal, Shellharbour City, Shoalhaven City, Wingecarribee Shire and Wollongong City Councils.

The Terms of Reference for the above Inquiry encompass issues of immediate and ongoing concern to all member Councils of SCG. This submission will primarily address Items 1(c) and 1(e) and 1(g) of the Terms of Reference and addresses what local government in the region is tackling jointly. Member Councils will detail local responses themselves.

SCG is taking 2 approaches to the issue of skills shortages in the region.

- Firstly through its Economic Developers Practitioners Group it is working regionally to help address identified skills shortage areas in the Illawarra and South Coast.
- Secondly through its Local Government Organisational Development Working Group it is working to address skills shortages in the Local Government industry itself.

The Terms of Reference are discussed in the light of both of these approaches.

Background to SCG Involvement.

The SCG identified skills shortages as a major issue at its Economic Developers Practitioners' Group Meetings in 2004 and identified the need to work more closely together and support the work of individual member Councils and other levels of government.

The Economic Developers at member Councils noted that historically government in rural and regional areas had played an intrinsic role in training and providing the region with a pool of qualified trades people. This role, as for large employers such as BHP, had not been maintained in the late 80's and 90's with a subsequent increase in skills shortages in the region. Corporatisation of entities such as Sydney Water, out-sourcing and

contracting of non-core business, has seen a decrease in the apprenticeship and traineeship areas. An increasing complexity of government requirements has also seen an increase in demand for skilled professionals commonly trained within local government through cadetships such as engineers planners and para-professional and administrative staff.

The matter was raised with the General Managers Committee in October and subsequently with SCG at its Meeting held November 2005. SCG agreed that an approach based on Local Government leading by example was valid. It identified the issue as "urgent" which gives it high priority within its Strategic Plan, and some further activities were initiated.

Activities to date:

- An analysis of population profiles for the region, both current and predicted, as an indicator of the ageing workforce aspect of the predicted skills shortage. As can be seen from the table below, the current median age of well over a third of the region's population is well above the State average.

Council	Estimated Population June 2004	Median Age
Bega Valley	31,955	42.8
Eurobodalla	35,902	45.8
Kiama	20,176	41
Shellharbour	62,338	34.7
Shoalhaven	91,765	42.2
Wingecarribee	44,311	39.6
Wollongong	191,558	36.8
	<u>477,000</u> Total	NSW Average
		<u>36.4</u>

Furthermore, more than 1 in 3 people on the South Coast will be over 65 by 2031. At the same time the median age and the dependency ratio for these areas is also alarming as illustrated by the following figures extracted from the DIPNR New South Wales Statistical Local Area Population projections 2001-20031 (2004 release)

Council area age	Aged 65+ 2001	Aged 65+ 2031	Dependency Ratio 2031	Median 2031
Sydney	12%	18%	52.0	39
<i>Shoalhaven Part B</i>	<i>22%</i>	<i>35.3%</i>	<i>96.3</i>	<i>56</i>
<i>Eurobodalla</i>	<i>21.8%</i>	<i>37%</i>	<i>97.1</i>	<i>57</i>
<i>Bega Valley.....</i>	<i>17.2%</i>	<i>34.9%</i>	<i>94.6</i>	<i>56</i>

Only the mid-north coast profile is comparable to that of the South Coast. The profile describes whole communities dominated by older people, with a heavy burden of care placed on the insufficient numbers of younger workers.

- A survey of current member Council employment practices in respect of size and age of workforce, numbers of apprentices, traineeships and cadetships and anticipated numbers of these, was undertaken in late 2004.

This indicates that a third of member councils' workforce is over 45 years of ages (with adjustment for Blue Haven Retirement Village discrepancy) and that more than 50% and in some cases all staff in some disciplines are currently over 45 years of age.

(Survey Summary attached. See Attachment A)

- Member Councils immediately reviewed their commitment to traineeships, cadetships and apprenticeships and a repeat of the survey will be necessary to capture new numbers initiated.
- SCG joined the Illawarra Skills Shortage Taskforce (ISST) with a view to both contributing to its initiatives and participating in its projects. This allows valuable input and feedback from the SCG Economic Development Practitioners Group and a heightened awareness of what industry in the region is achieving. The Taskforce must be commended for the rapidity of its response to date and the initiatives it has launched. The focused and diverse membership have been action-oriented and SCG looks forward to contributing to further work.
- A SCG Taskforce (LGODT) was convened with membership drawn from both member Councils and relevant regional agencies and institutions. In addition the involvement of the DLG was sought and received because of its office location within the region and a 3-pronged method of attack mapped out. (see attachment B). Interestingly this approach independently mirrored that identified by the ISST.
- The Human Resource Officers from member Councils were addressed at a Conference held in Bateman's Bay on 27th July 2005 seeking continuing support and advice; and implementation within local government of the tools developed by the Illawarra Skills Shortages Taskforce. These include the Employer's Toolkit and a Workforce Planning Tool, and contributions to the Website being developed were sought.

Continuing Action and Involvement:

To address skills shortages in the Local Government industry itself, three working groups of the SCG Taskforce will work on initiatives outlined below

- **Joint Marketing Working Party**
Possible actions: Website development, brochure and "glossy" development, develop case studies and profiles, identify target audiences, selling "lifestyle" etc.
- **Joint Employment and Training Working Party**

Possible actions: Trial targeted immigration option, trial workforce planning tool, develop "bundled" traineeships and cadetships, regional scholarships and awards, mentorships etc.

- **Joint Policies Working Party**

Possible actions

Repeat survey with newly identified questions, develop policies and practices for retention of older workers, attracting and retaining women employees, reducing drain of skilled people to State Government and private industry, etc.

To help address shortages in identified skills shortage areas in the Illawarra and South Coast, SCG will

- Continue to work closely with industry and government through the ISST on approaches such as boosting the numbers of apprenticeship and traineeships, encouraging better workforce planning, joint marketing etc.
- Work through the Economic Developers Practitioners Group on identified initiatives such as joint marketing of the region for targeted business immigrants, promotion of the region as a "lifestyle" alternative for young families and retirees looking for part-time employment or home based industry, etc.

Comment in response to the Terms of Reference:

1(a) The current and future demand for labour

Current labour shortages have been identified for the Illawarra and South Coast and are being surveyed regularly eg current survey by the Illawarra Regional Development Board. Meeting these shortages has been an ad hoc approach involving short-term planning, knee-jerk reactions, and "poaching" from other regions.

Significantly more work is required on future demands. This includes need for greater use of workforce planning as a tool, more assessment of the impacts of ageing profiles and the demographic scenarios; a better understanding of part-time and casual work expectations of semi-retirees; and more information on the increasing labour demands of the tourism, aged and disabled service sector, and new and emerging SMEs. This is recognized and the ISST is the regional response to ensuring that a co-ordinated approach does occur.

1(b) The economic and social impact of the skills shortage

The Australian Government has commenced some work on this issue and a recent report has examined the impact of health and ageing on local government and the services it delivers. It notes that one of the challenges will be "to find enough qualified staff to provide these services (education, health welfare, public safety, housing and community amenities, recreation and culture which make up 49% of local government expenditure) ..Productivity Commission 2004b, p12.11)

However there will, the report notes, be an offset in some service areas such as children's, youth, and playgrounds, sporting fields etc services.

1(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 organizations and Area Consultative Committees and Regional Development Boards.

As noted SCG is working with the ISST which includes representatives of the above organizations in this region. In addition member Councils are engaging directly in local area strategies and programs. These include for example the work of Bega Valley Council with the construction industry ??????????

In addition membership of the SCG LGOD Committee is representative of these organizations also.

1(d) Consider appropriate models from other States in interacting with the Commonwealth's skilled regional migration programs
Not addressed.

1(e) Coordination between Local State and Commonwealth Governments to attract and retain skilled workers
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1(f) The impact of the Commonwealth's regional migration programs

Not addressed.

1(g) The adequacy of current measures used to record and report on the skills shortage

The current measures may be adequate to records and report on current shortages but are considered inadequate in addressing future needs.

1(h) The methods used by training organization to assess skill needs
Not addressed by this submission.

Conclusion:

SCG Member Councils welcome the Inquiry. They are keen both individually and collectively to see what may be done to further address this burning issue both for their communities and within their own workforces.

This submission has been kept very brief as the Inquiry is referred to the significant body of study being undertaken at both local and regional levels within the Illawarra by such initiatives as the ISST around the issues it is examining.

A handwritten signature in black ink, appearing to read 'Lesley Scarlett', with a stylized, cursive script.

Lesley Scarlett
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Southern Councils Group