

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

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**Theme:**

**Summary:**

Griffith City is a diverse and dynamic area that has experienced a rather substantial growth over the last 10 years with an increase in population well over 10% and this has been reflected with the explosion of economic development within the area. This growth in economic development has been a significant bonus to our area, but has put a tremendous strain on acquiring skilled labour to aid the growth of these businesses. The tremendous diversity of the Griffith area is highlighted with the growth of the wine industry through one of Australia's worst droughts, which has severely impacted on other agricultural industries, and yet we are still facing a skill shortage in the agricultural industry.

There are many other specialised industries that are feeling the effects of skill shortages from health, manufacturing, professional services, transport and retail. This then contributes to social and economic barriers such as affordable housing, transport, cost of living etc.

Griffith is a very multi-cultural region and as we have continued to build on our multiculturalism by working closely with the Riverina Skilled Migration Officer to assist businesses who are after skilled migrants. We believe that we have the culture to be able allow skilled migrants to "fit in" quite easily to the social and cultural environment of our area. Skilled migrants will only satisfy some of our needs and we really need to be looking to either retain our youth in the area or encourage new residents to settle here. This will mean promoting the area as a place to settle and grow in that can provide the services that are required by to continue to learn and develop.

All levels of government need to be involved in helping local councils to work towards correcting the skill shortages that are occurring in their areas and this will include making traineeships and apprenticeships more attractive for young people and also businesses to encourage them to look towards the future.

Griffith City Council looks forward to the enquiry and would be more than happy to assist in having the Standing Committee in holding the enquiry in our city. We are passionate about finding a solution to the skill shortage as this will directly affect the growth and prosperity of our great city.

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

## **Submission from Griffith City Council**

Griffith is one of the most vibrant regional economies in Australia with a large export sector and mature and developing enterprises in value-add food and wine production, retail, manufacturing, residential and industrial development, tourism and agriculture. Due to the diversity of produce and products within the Griffith area it is one of the fastest growing communities in regional Australia and has seen unprecedented growth of industry over the past 5 years.

With unemployment in Griffith at 4.7% compared to the NSW average of 6.0% and the Australian average of 6.2% there is an acknowledged problem in addressing all employment needs not just the skilled shortages. This causes the effect of semi-skilled jobs drawing away people from attaining a skill due to the competition in the market and the rates of pay that can be obtained.

Being in a regional area creates problems in that we are reliant on a labour force from within our immediate area or we have to look at attracting people from larger centres to move permanently to this area. This requires being able to market the area to prospective people in larger metropolitan areas and meet not only their educational, medical, housing and social needs but make an attractive lifestyle choice.

Our submission addresses a number of the Inquiry's Terms of Reference as follows:

### **a. Current and Future Demand**

The current demand for skilled labour in the Griffith area has intensified with the rapid growth of the wine industry and the associated industries that either supply to or benefit from that industry. This has created a number of skill shortage areas from wineries to engineering to specialised services and has caused industry to look overseas to try to fill these vacancies.

The wine industry creates a unique problem when it comes to skill shortages because the work that is required over vintage will attract hundreds of job vacancies, but these are usually only for 4 – 6 months and are classified as semi-skilled labour. Due to the long hours that these people will work and the rates of pay, a cellar hand can earn in excess of \$1000 per week and this compared to an apprentice carpenter wage is a great difference. Thus the attraction for young people to come out of school and move straight into shift work rather than get into a trade for life.

After conferring with one of our local wine producers, Casella Wines, whose growth over the last 10 years has seen them go from 14 employees to 500 employees we have been able to look at their current demands and also what they predict will be their future demands. These demands indicate a worrying trend as they are not very

confident of being able to obtain the skilled staff that they will require to meet the projected growth of their business.

Below is a snapshot of the labour requirements for some of our major businesses for the last 6 months and what they estimate will be their requirements for the next 6 – 12 months:

Labour requirements over last 6 months and for the future:

**Casella Wines**

Administrative (Skilled)	5 Positions
Manager/Supervisory (Skilled)	5 Positions
Specialist Technical (Skilled)	5 Positions
Trades (Skilled)	6 Positions
Full-time Cellar Hands (semi-skilled)	20 Positions
Forklift Drivers (semi skilled)	10 Positions
Cellar Hands (Vintage)	100 Positions

Whilst most of these positions were filled there were some of the skilled positions that needed to be sourced from overseas and even then there were problems with immigration restrictions and these positions still have not been filled.

Casella's believe with their expected growth over the next few years their job requirements will range from laboratory assistants, administrative, specialist technical and electrical trade positions. Filling these vacancies will have a direct impact on their growth within the domestic and international markets.

**Bartter Enterprises**

Bartter Enterprises are one of the largest poultry producers in Australia and currently employ over 3000 employees Australia wide with over 1500 being employed in this area. They are a true multi-cultural employer with over 50 different nationalities employed at the Griffith processing plant.

Bartter Enterprises currently have 10 trade positions available ranging from electricians, food technology, accountants and administrative which they are unable to fill and this is a company that is constantly searching both here and overseas. They also have 20 process worker vacancies and these positions can vary from semi-skilled to skilled labour.

The greatest concern for Bartter Enterprises is not only where to find these positions but also the expense in trying to attract skilled labour to the area with them having to spend large amounts of money to try and attract skilled labour from overseas. This obviously affects their bottom line and will have an impact on future growth plans in this area as they may look to expand other site rather than those in regional areas.

**A & G Industries**

**b. Economic and Social Impact**

Some major issue that contribute to the skill shortages within the area are affordable housing, educational services, medical services and specialist services, but these services in themselves suffer severely from shortages. To encourage skilled workers

to an area you need to be able to provide the best services as well as the appropriate work and levels of wages.

Whilst Griffith has 12 Primary schools, 3 High schools, 7 childcare centres, the Griffith Campus of TAFE incorporating the Wine and Food Technology Centre and also offering combined Riverina Institute of TAFE/Charles Sturt University Degree Bachelor of Business/Advanced Diploma of Business Management and Post Graduate studies through CSIRO Division of Land and Water Research Facility. We are still seen to lack higher educational facilities such as a university and whilst we are in the processes of attracting a university to the town it is not something that most of them are receptive to.

Griffith has a 92 bed hospital, yet we are struggling to be able to access the doctors and nurses that are required to provide the comprehensive range of clinical services that are needed by a town this size. We currently have the situation where many specialists are being flown into Griffith on a weekly basis to see patients or our patients must make journeys to Wagga Wagga, Albury, Canberra, Melbourne or Sydney to seek the specialist treatment they require. This has now extended to obstetrics. As with many other centres we are finding it difficult to attract and keep nurses due to the shortage in this skilled field and the competition of private hospitals in larger regional and metropolitan areas.

Griffith has a rapidly aging population that will place a greater demand on our already stretched hospital and aged care facilities as well as the increasing demand on staff to provide the necessary care.

### **c. Councils Working Relationships**

Griffith City Council has always been pro-active in looking at solutions to solving the skilled shortage issue and believes that we need to work with either businesses or community groups to find solutions to these issues. This resulted in Griffith City Council being a major partner and force behind the Leaders in Careers Forum held in Griffith last November. The Leaders in Careers forum attracted over 100 people from a range of organisations, including schools, Government, industry and community. The forum highlighted that skills shortages affect all industries and that their needs to be a combined approach to start to rectify this situation and as a result of the outputs of the day some recommended actions to follow up from the momentum generated at the forum.

The recommendations included:

- Create an employers network from all interested employers for the purpose of sharing information and best practices around employment, training and labour attraction. This has now been done with Griffith Enterprise Network (GEN) being established to coordinate an approach that will involve all industries and be a guide for new ideas.
- Apply for funding through the National Skills Shortages Strategy to obtain resources to execute some of the projects, which could be used to employ a coordinator to manage the industry network and projects it executed. GEN is currently awaiting a response regarding their funding submission to the

NSSS so that a coordinator may be employed to work on new projects that will address the skills shortage in this area.

- Establish a marketing and branding committee for Griffith which could develop a marketing and branding strategy which would promote the area the prospective people looking for a lifestyle change and after employment. This committee has been setup and have applied for funding to DSRD to help with this project.

Griffith City Council is also involved in the Riverina Regional Development Boards (RRDB) C-Change project with Council already committing funding to be a major part of this. Council sees this of a great way to get to a mass of people in metropolitan areas who may not know the benefits of moving to such a great regional area and also highlighting the employment opportunities that exist in this area.

#### **d. Skilled Migration**

Griffith is a very multi-cultural area and the region was has always had its heritage with migrants coming and working the land and turning what was barren unworkable land into the irrigated oasis that it is today. As mentioned earlier Bartter Enterprises employ over 50 different nationalities who speak over 60 different languages, so we have a great basis to work with the skilled migration programs.

The major difficulties that are faced by businesses when dealing with skilled migration are the risks that they take when looking to employ someone from overseas and ensuring that they comply with all the visa regulations. This can be compounded with the costs to the business to firstly find the right applicant and ensure that their qualifications are to a standard that is required in Australia and then relocate them to Griffith.

Griffith City Council is currently working with the Riverina Skilled Migration Officer to look at ways that we can assist businesses to access the skilled staff that they need to help their businesses stay competitive. These will include educating businesses on the right visa applications to apply for and how to apply for those visas.

#### **e. Coordination between Local, State and Commonwealth Governments to attract and retain Skilled Workers**

There is an obvious need for the three levels of Government in Australia to work more cooperatively towards strategic goal that will address skills shortages in Rural and Region NSW.

For far to long the three tiers of Governments have operated largely independently of each other and this is particularly so in reference to the relationship between Local and State Governments.

An example of the potential foot partnerships to yield meaningful results was an initiative by the Griffith community which resulted in the establishment of the Griffith Registered Nurse Support Fund. This involved the community fund raising in excess of \$72,000 for the strategic purpose of attracting registered nurses to Griffith to ensure that the hospital operates at its optimum capacity.

The program has been extremely successful with over 14 nurses accessing funds of up to \$60,000 to date to assist in relocation costs, temporary rental accommodation and contribution towards ongoing professional development.

It is suggested that the inquiry could pick this up as a model to be implemented in other areas with the obvious change being that the community and/or local businesses such as Barters and Casella having to contribute funds to attract nurses to the region.

It must be said that one of the existing mechanisms by which employers can attract people to the Western Riverina is the fact that Griffith and the region is classified as “remote” by the Australian Taxation Office which means that employees can salary sacrifice 50% of their home loans or rental accommodation which is an added incentive to attract and retain staff in the region and gives the region a competitive edge over other centres such as Wagga and Albury.

### **SUMMARY**

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