

# SOUTHERN INLAND NSW



# SKILLS AUDIT REPORT



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An Australian Government Initiative

## FROM THE CEO AND DIRECTOR OF REGIONAL DEVELOPMENT

The Southern Inland area of NSW is a diverse region, with exciting times ahead:

- Canberra Airport's continuing development and utility is expected to generate over 21,000 indirect jobs by 2030
- The Feasibility Study for Snowy Hydro 2.0 is complete with a solid and prosperous future expected
- The opening of the Country University Centre in Goulburn will make higher education courses more accessible for regional students and
- A number of significant road and infrastructure developments in the region have been approved providing key enablers for future economic development and sustainment.

However, for the region to realise this growth, we must ensure people in the region have the skills and the experience they need to engage in current and growth industries.

To that end I am proud to present this *Southern Inland Skills Audit Report*. The report provides information on the skills shortages and training needs of our business sector, now and into the future. It is designed to help position Government and training institutions to meet the future demand of the region.

This report has found that there are critical skills shortages in many of the Southern Inland's growth industries, including, tourism, education, health, primary industries, IT and construction.

The data gathered will also provide valuable insight into the skills gaps and opportunities for potential businesses and investors seeking to relocate to the Southern Inland region.

The RDA Southern Inland Board is made up of informed, experienced, enthusiastic and connected community members committed to unlocking the region's economic potential and capability. This report will assist us in our role. On behalf of the Board I thank all the businesses within our region that took the time to complete the survey.



Mareeca Flannery  
CEO and Director of  
Regional Development

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# The Southern Inland Region



## HIGHEST EMPLOYING INDUSTRIES IN THE SOUTHERN INLAND REGION IN 2016



## GROWTH INDUSTRIES BETWEEN 2011 AND 2016 (INCREASE IN NUMBER EMPLOYED)



## DECLINE INDUSTRIES BETWEEN 2011 AND 2016 (DECREASE IN NUMBER EMPLOYED)



\*ABS Census Data 2016

# Executive Summary

## THE STUDY

Skills shortages are a significant issue confronting regional Australia, with workforce numbers not growing fast enough to keep up with the demand for skilled labour. The availability of skilled workers in the right areas is critical to the economic future of our region.

Regional Development Australia Southern Inland (RDASI) aims to be the main facilitator between industry, business, government and the broader community to facilitate growth and development. As part of this role, RDASI have developed, and undertaken, a skills audit of businesses in the Southern Inland region to identify and explore skills gaps to understand the local workforce and training needs.

The study was undertaken through a 15-minute online survey with businesses in the Southern Inland region. Business owners and senior managers were targeted across a range of industries.

The survey was conducted in order to

- Identify and address skills shortages in the region
- Identify opportunities to align education and training with industry requirements
- Help increase the prosperity of the Southern Inland Region through developing, attracting and retaining skills in the region
- Update RDASI's skills in demand database for our visa migration program
- Assist RDASI to better meet the needs of businesses in our region.

## FINDINGS

The study confirmed that there is a skills issue in the Southern Inland region, with three in five businesses identifying a skills shortage

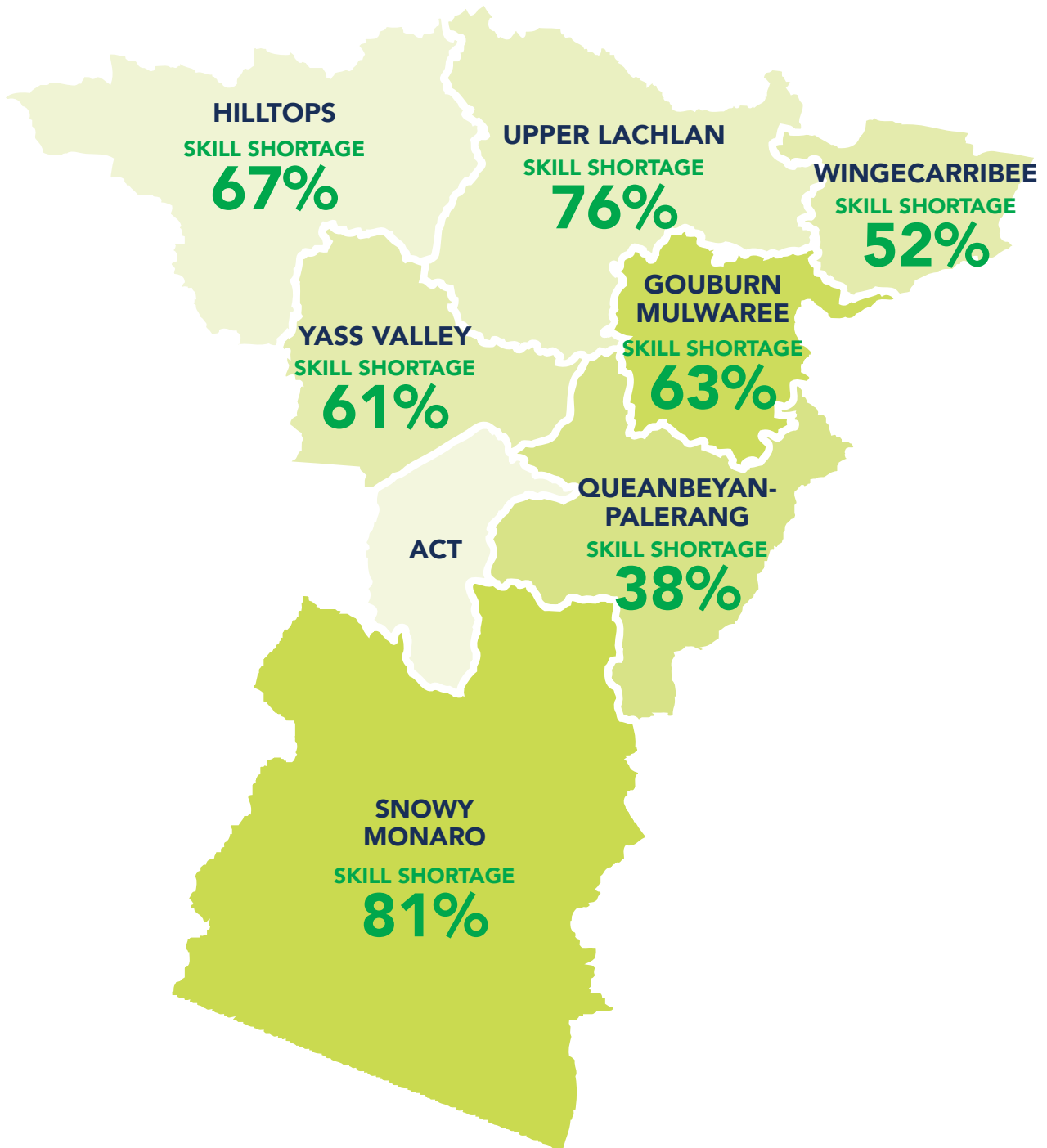
within their business. In the Snowy Monaro area, the skills issue is most significant, with 81% of businesses identifying a skills shortage. Amongst a range of industries, the manufacturing industry and the motor trades and engineering industry have the most significant skills shortages.

Skills shortages in the region are primarily attributed to remoteness of the area, a lack of technical skills and a lack of experience amongst candidates. An opportunity exists for better communication between education providers and local businesses regarding training needs in order to develop the technical skills and experience of candidates. It may be useful for education providers in the region to focus courses towards a practical component that provides meaningful experience for students. RDASI can act as an independent facilitator of these discussions and assist stakeholders to collaborate on training needs.

Positively, there is a desire for growth within the region, with 64% of businesses planning to grow their business locally in the next five years and 60% of businesses planning to have significantly more or slightly more employees. This positive finding indicates high business confidence in the region and an underlying strength in the local economy.

However, if businesses are to realise this growth, the critical skills issue must be addressed through a coordinated approach amongst relevant stakeholders. Stakeholders including education and training providers, Councils, Business Chambers and RDASI must work together to develop coordinated strategies to fill the skills gaps present in the region. At the heart of a skills strategy should be education – rejuvenating the TAFE system and ensuring that people have the appropriate skills and knowledge to meet skill demands in the Southern Inland region.

## SKILL DEMANDS IN THE SOUTHERN INLAND REGION



# 1. Methodology

## 1.0 SURVEY SAMPLE

A database was compiled of businesses located within the Southern Inland region, from existing RDASI databases and from businesses publicly listed on Local Government and Chamber of Commerce sites. The survey was sent out to 814 businesses via email.

Additional responses were received through the following channels:

- RDASI website and social media platforms; businesses were invited to download and complete the survey
- Various stakeholders assisted in forwarding the survey on to relevant businesses, including, The Business Enterprise Centre, Business Chambers and Associations and each local Council within the region.

The survey sample was considered representative of the NSW Southern Inland business sector as it included businesses across all industry categories and located in all Local Government Areas (LGAs) within the Southern Inland region including:

- Tourism & Hospitality
- Medical and Health care
- Community and Social Services
- Manufacturing
- Information Technology and Media
- Building and Construction
- Professional, scientific and technical services sector
- Employment Services
- Finance and Insurance
- Motor Trades & Engineering
- Retail
- Real Estate
- Education and Training
- Primary Industries
- Freight and Logistics
- Arts/Recreation

170 businesses completed the survey across the Southern Inland region.

Please note that low response rates were received in certain LGAs and any data for this specific region should be interpreted with care.



## 1.1 QUESTIONNAIRE

A questionnaire was compiled which included demographic information including location, industry type, length of business operation, number of people employed and annual turnover.

The questionnaire moved on to explore:

- Skills shortages
- Cause of skills shortages
- Impact of skills shortages
- Steps to address skills shortages
- Future skills shortages in 5 years
- Plans and aspirations for the future of the business
- Strategies to better attract employees

The survey took approximately 15-minutes to complete and was open from 3 August - 20 October 2017.



## 2. Key Findings

### Three in five businesses identified a skills shortage in their business

62% of businesses in the Southern Inland region believe that their business has a skills shortage, i.e. they have struggled to recruit new staff in the past or currently have unfilled vacancies. Businesses in the Snowy Monaro reported the most significant skills shortages (81%), followed by Upper Lachlan (76%) and Hilltops (67%). Just 38% of businesses in the Queanbeyan-Palerang Shire believe their business has a skills shortage, suggesting their proximity to Canberra provides them with a larger pool of candidates.

### Reasons for skills shortages centre around location and a lack of suitability amongst candidates

Remoteness of the area and a lack of technical skills and experience amongst candidates are the top three reasons for skills shortages. Education and training is a key issue that needs to be addressed within the Southern Inland region, with almost one in two businesses stating that local training of employees and greater investment into the TAFE and University sector would assist them in attracting and recruiting employees in the future. According to a recent report from The Regional Australia Institute, one third of students in regional and rural areas do not finish year 12 and only 18% will go on to complete a university degree<sup>1</sup>. Positively, the introduction of Country Universities Centre in Goulburn, and the already established Cooma Centre, will assist in improving access and delivering the right courses. However, a greater investment in TAFE and local training is also perceived to be needed to ensure skills related to trades, for example, are developed.

### Blue collar industries report the most significant skills shortages

100% of businesses in the manufacturing sector and 89% in the motor trades and engineering sector state that they have a skills shortage. Skills shortages include: qualified welders, mechanics, engineers and metal fabrication.

### Despite skills shortages, business confidence is high

Despite the significant skills shortages in the Southern Inland Region, business confidence amongst local businesses is high. 64% of businesses plan to grow their business locally in the next five years, whilst 70% expect their revenue to be much or somewhat stronger in the next three - five years. Whilst business confidence is high, business growth in the region will ultimately mean higher demand for skilled workers.

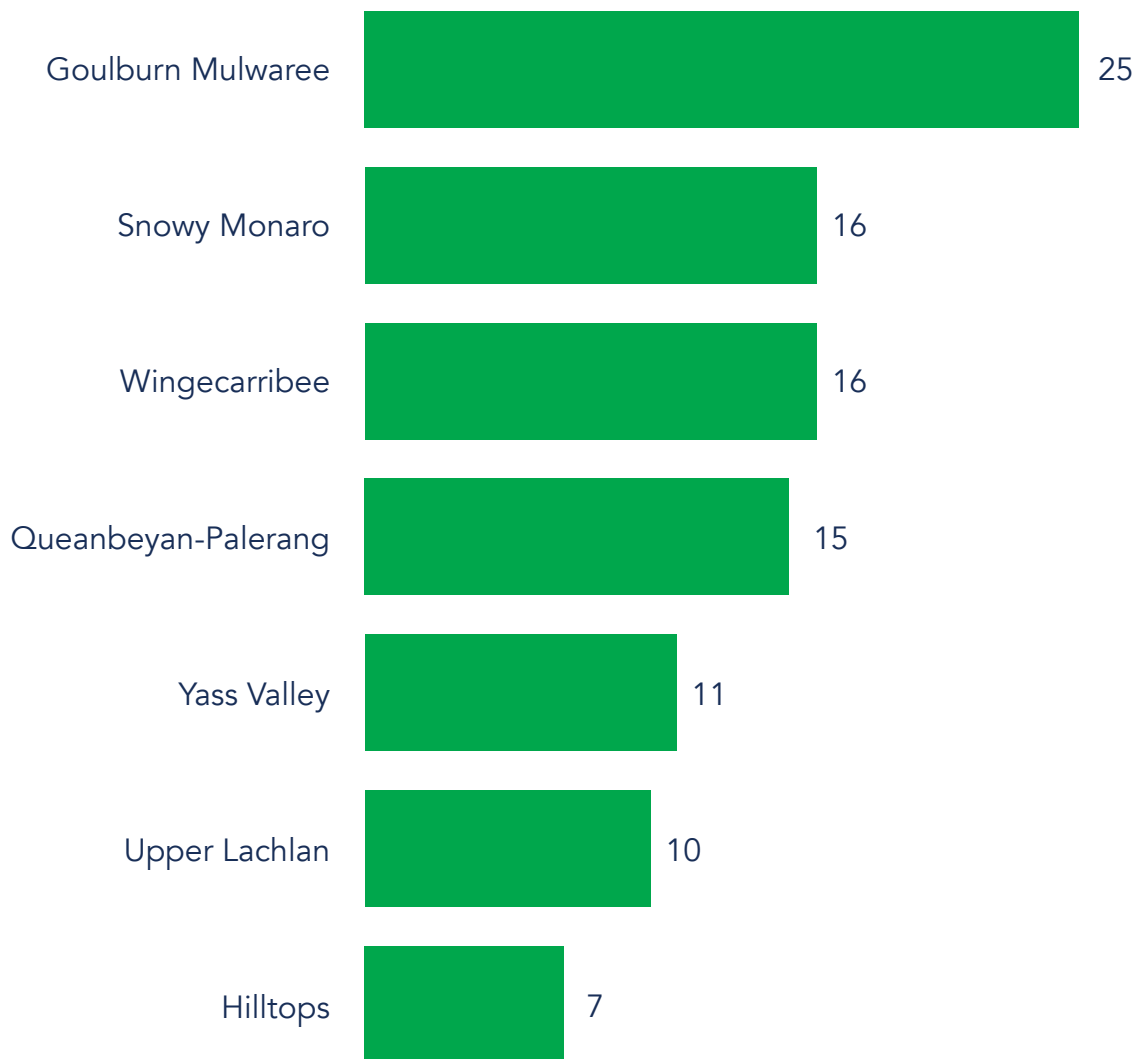
“Employers are not happy and feel they are not supported especially in the area of education for their staff.”  
Tourism & Hospitality, Wingecarribee

<sup>1</sup> Bourne, K., Nash, A., Houghton, K. (2017) *Pillars of communities: Service delivery professionals in small Australian towns 1981 – 2011*. The Regional Australia Institute.

# 3. Detailed Survey Results

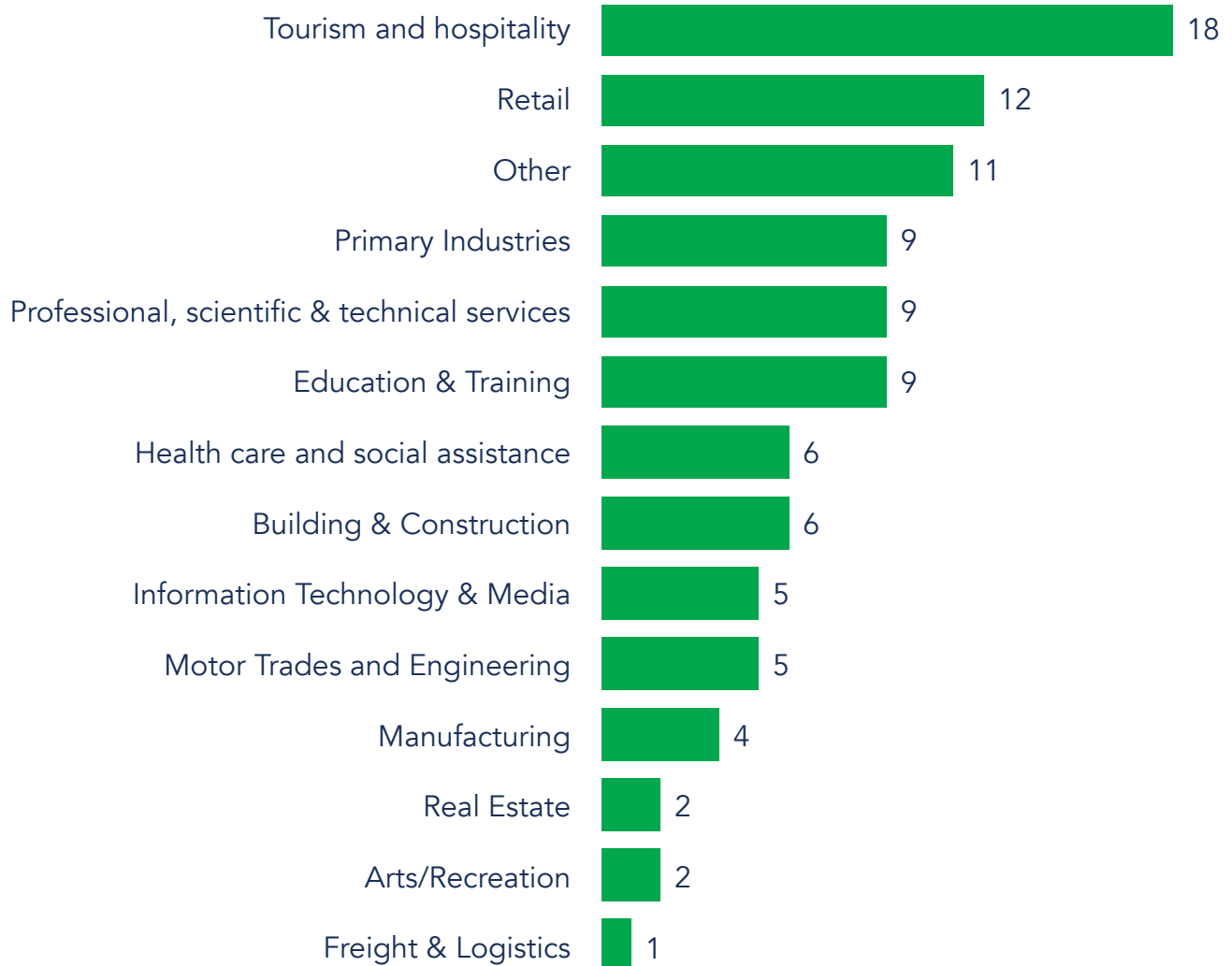
## 3.0 DEMOGRAPHICS

### LGA THAT THE BUSINESS IS PRIMARILY OPERATED FROM



Base: Businesses n=170 (Q3)

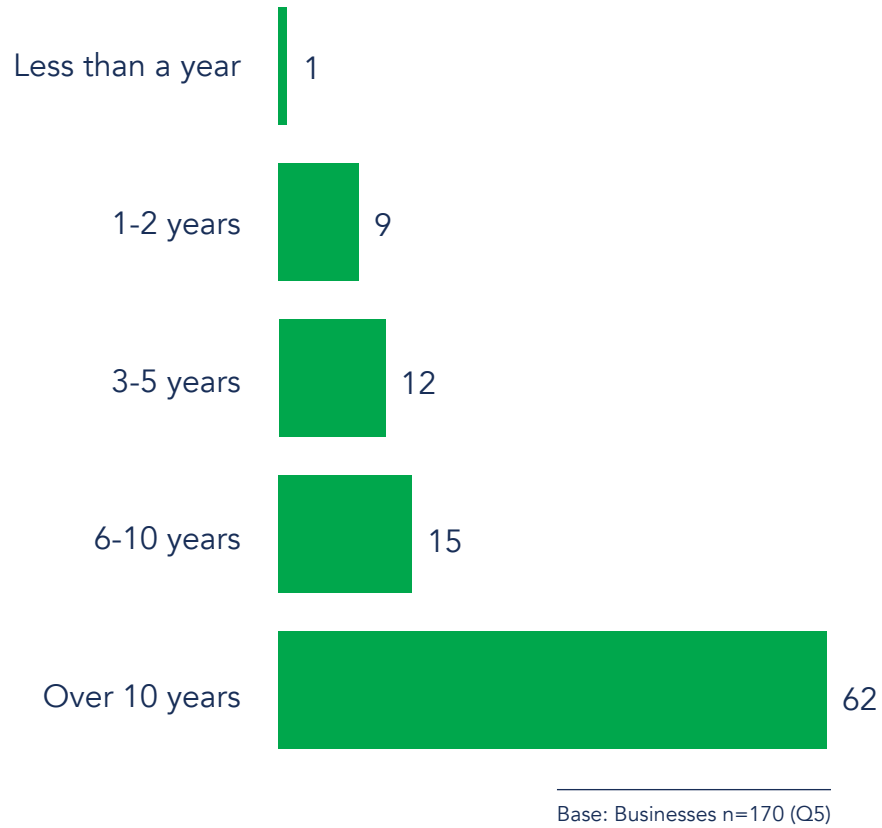
## TYPE OF INDUSTRY



Base: Businesses n=170 (Q4)

Businesses who participated in this survey were from a range of industries, with almost one in five being from the tourism and hospitality sector. 'Other businesses' included, wedding services, environmental remediation, hair and beauty and cleaning.

## LENGTH OF BUSINESS OPERATION



The Southern Inland business community is an established and experienced community. Over three in five businesses have been in operation for over 10 years, a positive sign for the Southern Inland. Just 11% have been in business for less than two years.

## NUMBER OF EMPLOYEES IN THE BUSINESS

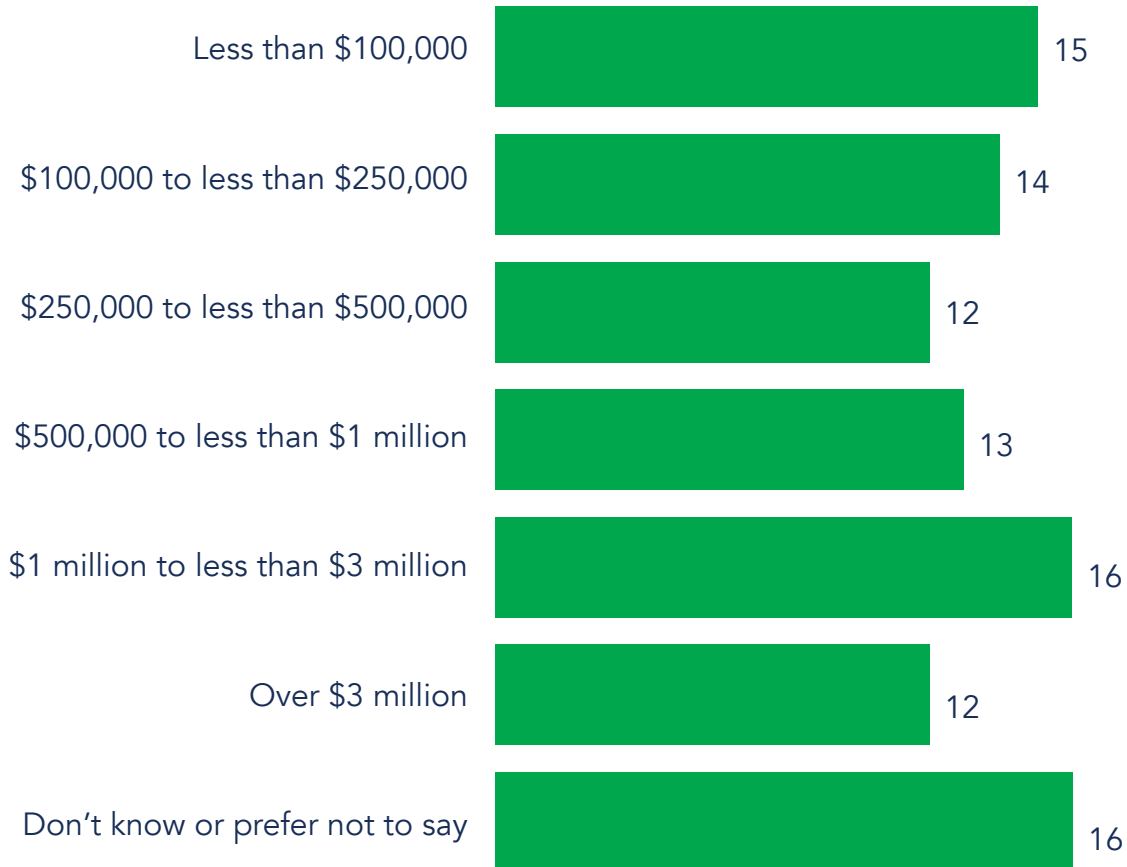


Base: Businesses n=170 (Q7)

Eight in 10 businesses in the Southern Inland region are classified as a small business, having less than 19 employees.

Over one in five businesses are sole traders, reflecting an entrepreneurial and flexible workforce.

## ANNUAL TURNOVER (GROSS)

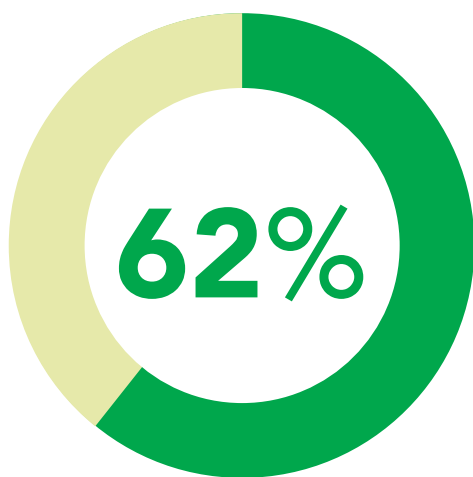


Base: Businesses n=170 (Q6)

55% of businesses have a turnover of less than \$1 million, whilst 29% turnover more than \$1 million. Sole traders are significantly more likely to earn less than \$500,000 (94%), compared to 0% of businesses with 20 employees or more. 75% of businesses with 20 employees or more turnover \$1 million or more per year.

## 3.1 SKILLS SHORTAGES IN THE SOUTHERN INLAND

### BUSINESSES THAT IDENTIFIED A SKILLS SHORTAGE



Base: Businesses n=170 (Q9)

62% of businesses in the Southern Inland Region believe that their business has a skills shortage, i.e. they have struggled to recruit new staff in the past or currently have unfilled vacancies.

The larger the business, the more likely they are to have a skills shortage. 46% of businesses whose annual turnover is less than \$500k identified a skills shortage, compared to 79% of businesses with an annual turnover of over \$500k. 45% of businesses with four employees or less identified a skills shortage in their business, compared to 79% of businesses with five employees or more. Further, just 34% of sole traders identified a skills shortage in their business, likely due to the fact that they do not currently have a need to search for employees.

### SKILLS MOST DIFFICULT TO ACCESS

16% of businesses believe trades people/mechanics are the most difficult to access. Businesses across industries identified this skills shortage, including building, manufacturing, primary industries, motor trades & engineering and retail sectors. 9% of businesses believe chefs/restaurant managers/kitchen hands are the most difficult to access; these businesses were largely from the tourism and hospitality sector. 9% of businesses found marketing/sales skills as the most difficult to access. These businesses were from a range of industries, including, medical and health care, finance and insurance, retail, tourism and hospitality and IT.

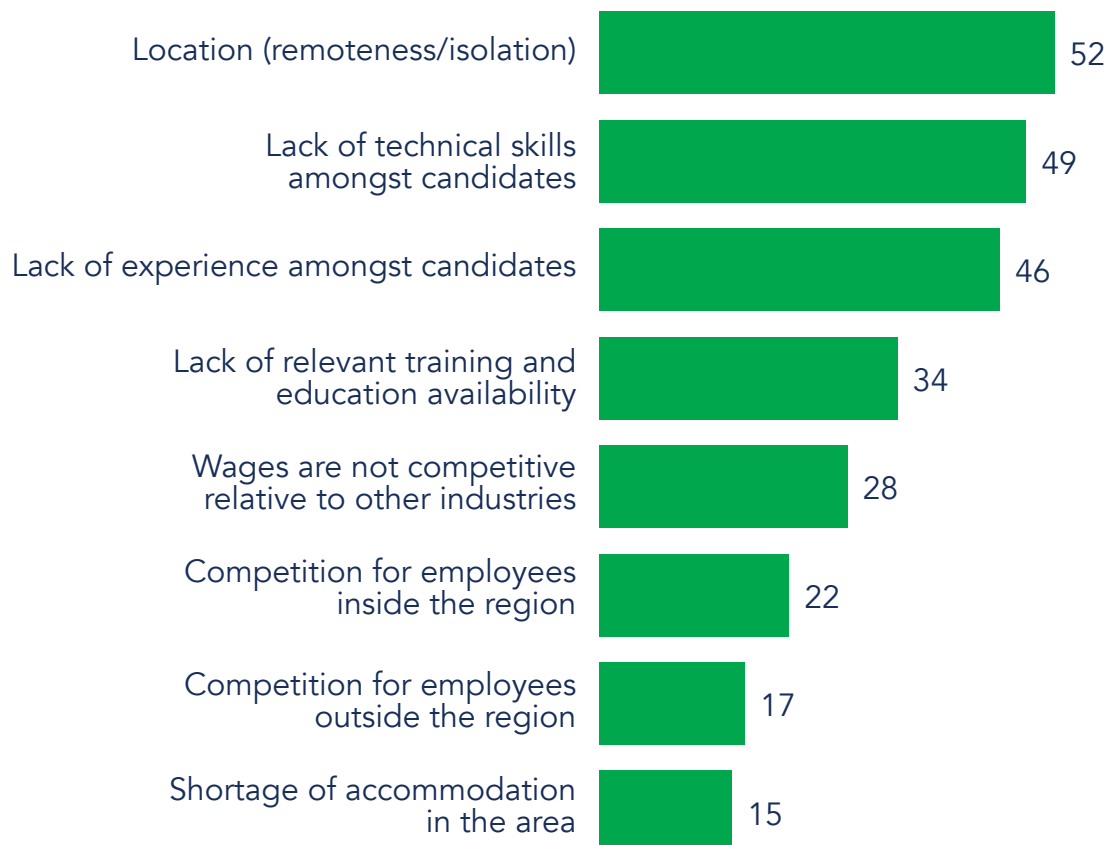
Interestingly, 6% of businesses believe employees with good soft or personal skills are hard to access, identifying skills such as reliability, enthusiasm, versatility and honesty.

“ I am very old school and have seen some significant moves in education away from the basics. This has created a new style of employee that has no true grounding and are missing some basic knowledge. ”  
Tourism & Hospitality, Wingecarribee

Base: Businesses n=170 (Q8)



## CAUSE OF SKILLS SHORTAGES



Base: Businesses n=170 (Q11)

More than one in two believe skills shortages are caused by the remoteness or isolation of the LGA.

Location was less of an issue for certain LGAs, largely due to their proximity to main cities of Sydney and Canberra. Just 30% of Queanbeyan businesses, 37% of Goulburn Mulwaree businesses and 43% of Wingecarribee businesses believe location contributes to skills shortages. On the other hand, 88% of Hilltops businesses and 77% of Upper Lachlan businesses believe location is a cause of skills shortages in their LGA.

A lack of technical skills (49%) and experience (46%) are also key factors, which is possibly linked to a lack of relevant training and education availability in some regional areas. This survey also found that even if a LGA has a TAFE or various Registered Training Organisations (RTO), they may not deliver relevant courses or courses specific to a skill or industry. One respondent suggested that a lack of suitable courses in a LGA can limit a young person's career choice.

“You can complete some courses in hospitality (in the Wingecarribee) but for another food related training the closest opportunity is Wollongong.

What this does is it removes the opportunity for a young person to take this on as they do not see this as a suitable career.

Tourism & Hospitality, Wingecarribee”

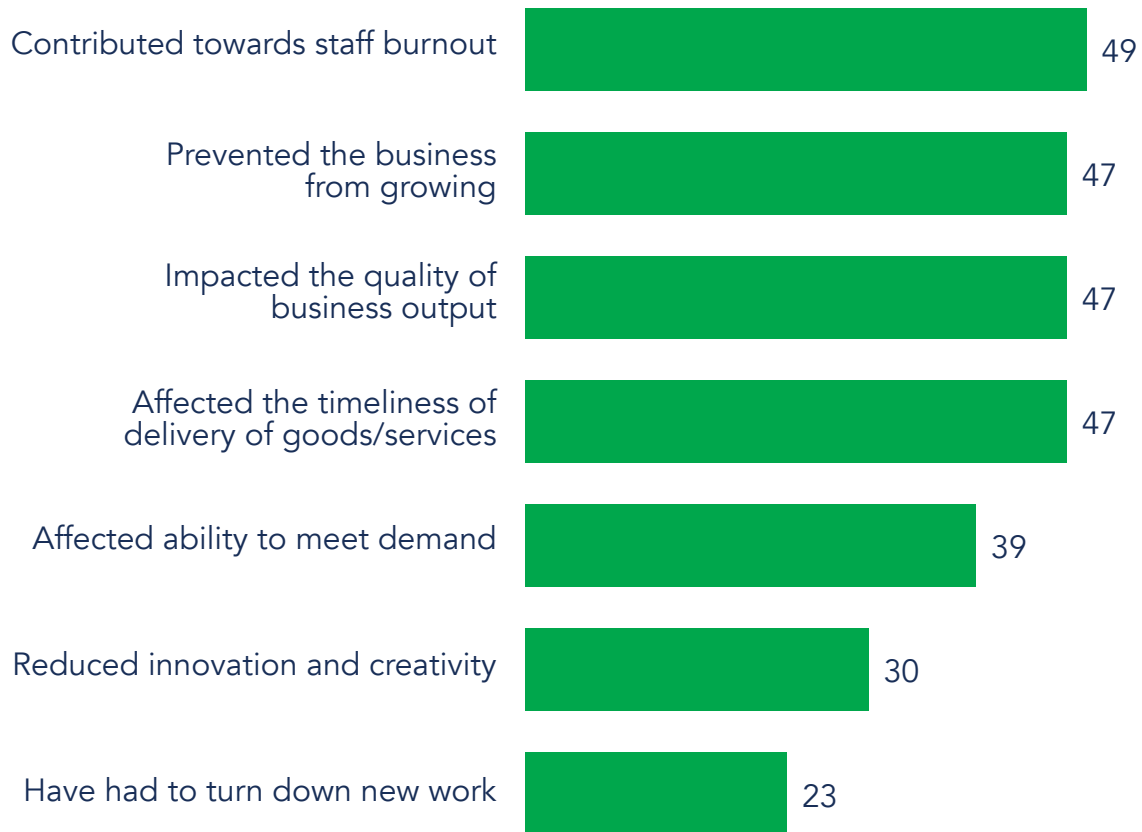
## **OTHER REASONS INCLUDED**

- Lack of commitment by juniors (Motor Trades & Engineering, Yass Valley)
- Low apprentice wage (Motor Trades & Engineering, Yass Valley)
- The cost to employ out ways the profit (Other industry, Yass Valley)
- Centrelink support can detract from the motivation to obtain work (Motor Trades & Engineering, Goulburn Mulwaree)
- Lack of internet and mobile phone service in the area (Primary Industries, Upper Lachlan)

\*See 3.2 for more information on each LGA.



## NEGATIVE IMPACTS OF SKILLS SHORTAGES



Base: Businesses n=105 (Q12)

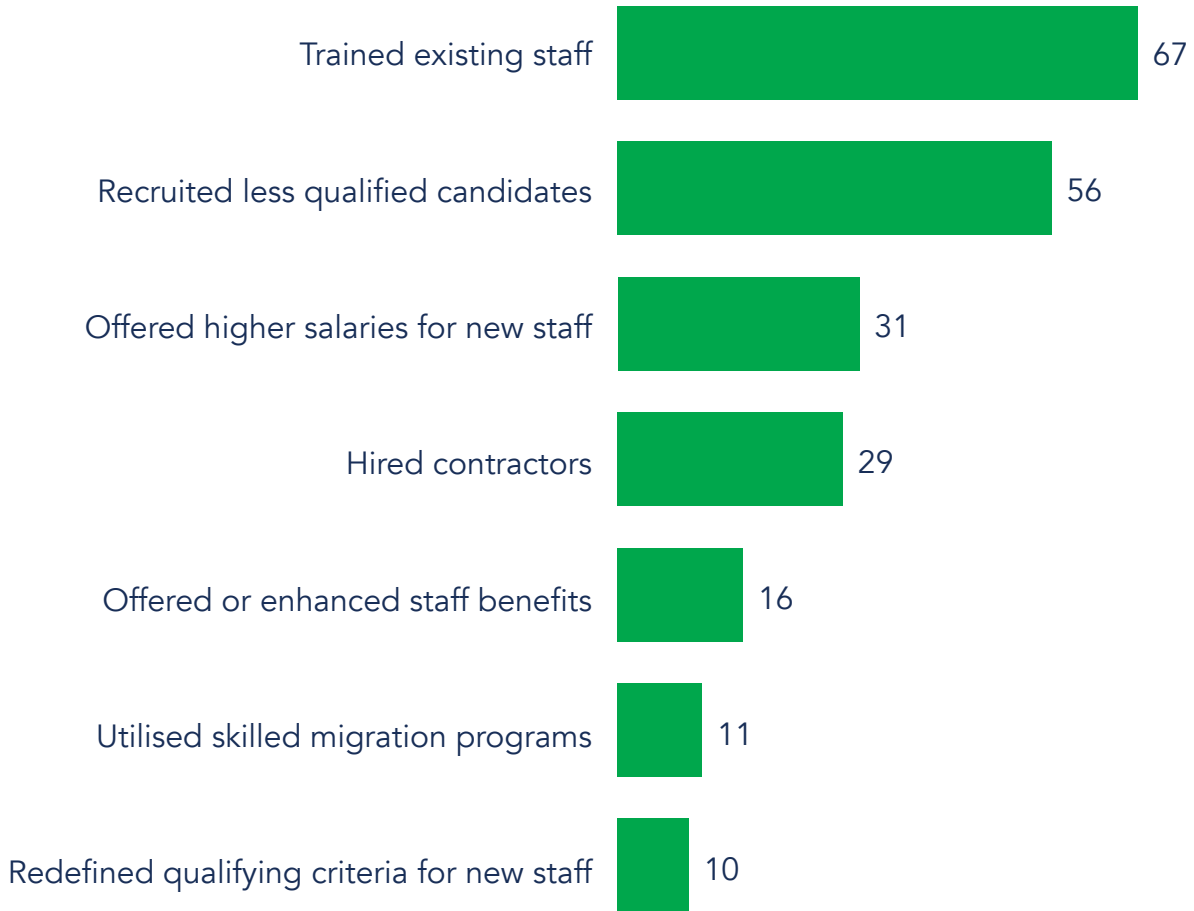
In terms of the impacts of skills shortages, almost one in two businesses say their skills shortages have contributed towards staff burnout, suggesting that many regional businesses are understaffed and therefore, demanding more of their existing employees.

Skills shortages also have a significant impact on the business operation, with 47% stating that their skills shortages have prevented the

businesses from growing, 47% believing it has impacted the quality of the business output and 47% stating it affected the timeliness of delivery of goods/services.

Over one in five businesses have had to turn down new work as a result of their skills shortages, meaning income has been lost as a result.

## STEPS TO ADDRESS SKILLS SHORTAGES



Base: Businesses n=105 (Q13)

In order to address skills shortages, 67% of businesses have trained existing staff to meet their skills requirements and 56% have recruited less qualified candidates. Businesses' willingness to upskill and train existing or less qualified candidates is an effective strategy, however likely to bear a financial and time cost.

Utilisation of migration programs is low compared to other strategies and there is an opportunity here to further promote the skilled migration programs to the Southern Inland region. 91% of businesses who have used the programs turnover more than \$500,000 each year, indicating the financial cost involved with migration programs.

## ASSISTANCE IN ATTRACTING FUTURE EMPLOYEES



Base: Businesses n=169 (Q18)

Almost one in two businesses believe that education and training would assist them in attracting and recruiting employees in the future. Local training that better meets business needs and greater investment into local TAFEs and Universities are perceived as the most successful strategies to fill the skills shortage in the Southern Inland region.

Some businesses called for greater communication and collaboration between businesses and TAFEs to work together to build suitable courses that meet regional needs. TAFE personnel must be ‘on the ground’ and engaged with their local business community.

By regularly engaging with businesses, TAFE and other education providers can work to build courses that develop job-ready and skilled graduates.

“Regional TAFEs should form alliances or a bridging organisation with key regional business and industry. Knowledgeable course managers should then build and align syllabus on regional needs.”

Tourism & Hospitality, Wingecarribee

Promotion of the region to skilled workers outside the region was also identified as a strategy to attract employees. Strategies to attract employees should be multifaceted and could include; promoting the region to education providers outside the region (particularly to those studying courses where there are skills shortages, e.g. engineering), encouraging young people back to the area and a general marketing campaign. RDASI's Jobs and Growth Insight Report is expected to assist in the promotion of the region to skilled workers, both internationally (i.e. those looking for skilled migration visas) and nationally (either those returning back to the area or those who have never lived in the area).

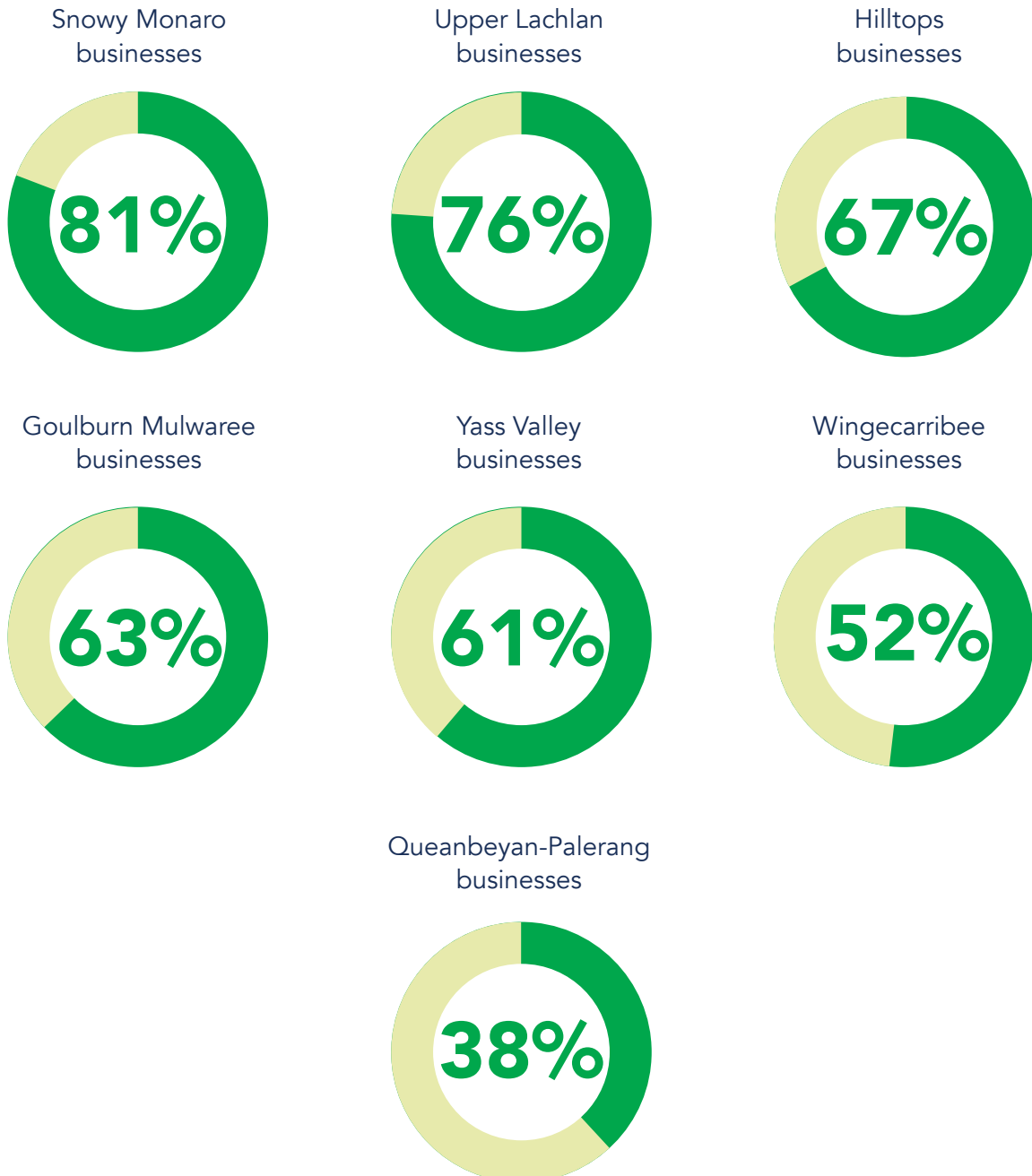
## OTHER SUGGESTIONS INCLUDED

- *Seasonality is a huge issue - more activity in the summer months would make it easier to manage staff workloads, training and rewards. (Real Estate, Snowy Monaro)*
- *Government Grants to help us entice skilled staff to the area and help maintain quality staff. (Tourism & Hospitality, Wingecarribee)*
- *Local transport to/from our regional village. (Queanbeyan-Palerang)*
- *Decentralisation of business and government to regional areas. The affordability of city living is difficult for ordinary wage earners and regional areas represent great lifestyle locations however there needs to be the jobs here to support them. Certain skills will relocate providing there are work opportunities for partners, children etc. (Motor Trades & Engineering, Goulburn Mulwaree)*
- *More incentives for people to do apprenticeships. (Building and Construction, Queanbeyan-Palerang)*
- *Dept. Immigration is not providing the support it once did making skilled migration much more expensive for both the employee and employer. (Tourism & Hospitality, Yass Valley)*



### 3.2 OVERVIEW OF EACH LOCAL GOVERNMENT AREA

#### BUSINESSES BY LGA THAT IDENTIFIED A SKILLS SHORTAGE





## SNOWY MONARO

Comprising a strong tourism economy heavily impacted by seasonality, the Snowy Monaro has the most significant skills shortages in the Southern Inland.

81% of businesses in the Snowy Monaro LGA identified a skills shortage, the highest amongst all the LGAs.

The top reasons identified for these skills shortages were location (remoteness/isolation) (59%), lack of technical skills amongst candidates (50%) and a shortage of accommodation in the area (50%).

Base: Snowy Monaro businesses n=27 (low sample size) (Q9) and n=22 (Q11)



## UPPER LACHLAN

The Upper Lachlan, the smallest LGA of the Southern Inland and a strong agricultural area, has the 2nd most significant skills issue in the region.

76% of businesses in the Upper Lachlan LGA identified a skills shortage, above the average of 62% for the Southern Inland region.

The top reasons identified for these skills shortages were location (remoteness/isolation) (77%), lack of experience amongst candidates (54%) and a lack of technical skills (54%).

Base: Upper Lachlan businesses n=17 (low sample size) (Q9) and n=13 (Q11)



## HILLTOPS

The Hilltops region encompasses Harden, Boorowa and Young and is well-known for its diverse agricultural industry. The area has the 3rd most significant skills shortage in the Southern Inland.

67% of businesses in the Hilltops LGA identified a skills shortage, slightly above the average for the Southern Inland region.

The top two reasons identified for these skills shortages were location (remoteness/isolation) (88%) and a lack of experience amongst candidates (38%).

Base: Hilltops businesses n=12 (low sample size) (Q9) and n=8 (Q11)



## GOULBURN MULWAREE

63% of businesses in the Goulburn Mulwaree region, a region located in close proximity to Sydney and Canberra, believe they have a skills shortage.

63% of businesses in Goulburn Mulwaree identified a skills shortage, slightly higher than the average across the Southern Inland region.

The top two reasons identified for these skills shortages were a lack of technical skills amongst candidates (59%) and a lack of experience (44%).

Base: Goulburn Mulwaree businesses n=43 (Q9) and n=27 (Q11)





## YASS VALLEY

Situated in close proximity to Canberra, Yass Valley is one of the smaller Southern Inland LGAs, with over 3 in 5 businesses identifying a skills shortage in their area.

61% of businesses in the Yass Valley LGA identified a skills shortage.

The top two reasons identified for these skills shortages were location (remoteness/isolation) (55%) and a lack of experience amongst candidates (55%).

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Base: Yass Valley businesses n=18 (low sample size) (Q9) and n=11 (Q11)



## WINGECARRIBEE

Wingecarribee is a tourist destination for many and is less affected by the skills shortages than other LGAs.

52% of businesses in the Wingecarribee LGA identified a skills shortage, comprising the 2nd lowest skills shortage of any LGA.

The top reasons identified for these skills shortages were a lack of relevant training and education availability (64%), a lack of experience amongst candidates (50%) and a lack of technical skills amongst candidates (50%).

Upon further investigation into the perceived lack of relevant training and education availability, it was found that RTOs (such as the Quality Training and Hospitality College) and TAFE have a limited number of courses available. The relevance and high cost of courses was also an issue with one business stating, *We just feel that the courses they are offering are not as relevant for the up and coming kids... also courses are continuing to charge higher costs.*

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Base: Wingecarribee businesses n=27 (low sample size) (Q9) and n=14 (Q11)



## QUEANBEYAN-PALERANG

Queanbeyan-Palerang has the lowest skills shortage of any LGA, possibly due to their close proximity to Canberra.

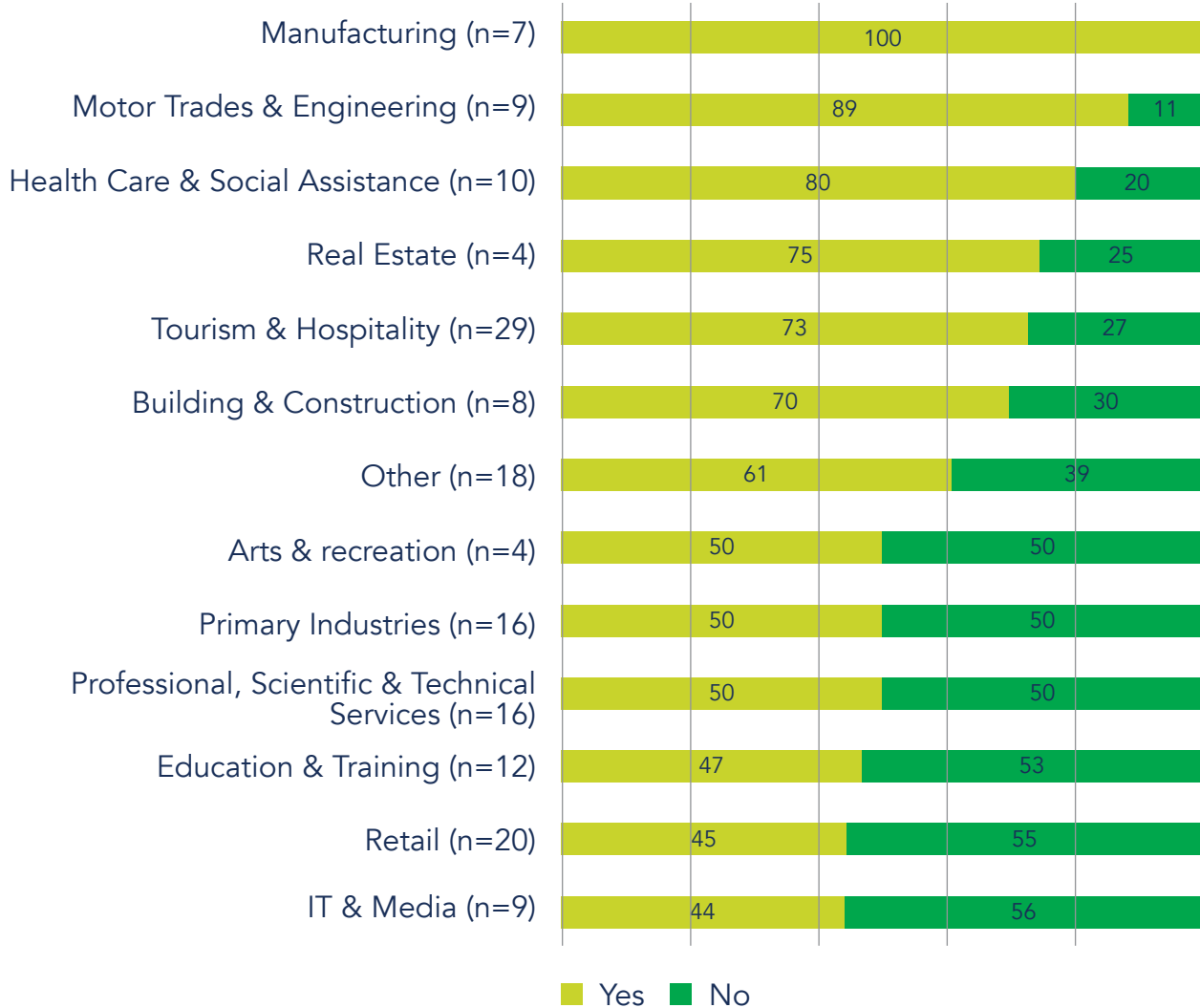
Just 38% of businesses in the Queanbeyan-Palerang LGA identified a skills shortage, the lowest of any LGA. Situated conveniently close to Canberra, local businesses can draw candidates from both the Queanbeyan-Palerang area and Canberra.

Amongst those who did identify a skills shortage, the top two reasons identified for these skills shortages were a lack of experience amongst candidates (70%) and lack of technical skills (70%).

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Base: Queanbeyan-Palerang businesses n=26 (low sample size) (Q9) and n=10 (Q11)

### 3.3 OVERVIEW OF EACH INDUSTRY



The industries with the greatest skills issue are the manufacturing industry, where all businesses believe there is a skills shortage, and the motor trades and engineering industry, whereby 89% of these businesses believe they have a skills shortage.

Skills shortages are the lowest in the IT and Media, Retail and Education and Training industries.

A deep dive into each industry's perception of skills shortages will be explored below.

\* Please note that responses across each industry group had low sample sizes and results must be interpreted with caution. Responses from the real estate sector and arts and recreation sector were too low to analyse.

## THE MANUFACTURING SECTOR

The manufacturing sector is undergoing rapid change and evolving into a complex industry focused on innovation, research and high-technology. As the industry continues to decline in the region (29% decrease in employment in 5 years according to ABS Census Data 2016), 100% of surveyed businesses in the manufacturing sector are experiencing a skills shortage. Despite reports that the industry has a poor image in the minds of young people, businesses within the industry do not believe this is a cause of their skills shortage (just 14% believe industry image causes skills shortages).

Instead, 71% of respondents believe the skills shortage is due to a lack of technical skills amongst candidates, possibly linked to a reduction in apprentices and trainees. A business in the Wingecarribee states, *This area (Wingecarribee) was once an area with a very strong manufacturing base with high levels of metal work driven by mining spin offs. We no longer have these and feel that kids are continually expected to go to University rather than focus on trades.*

57% of businesses also state that a lack of training and education availability is a key cause of skills shortages.

### Skills most difficult to access currently

- Engineers
- Draftspeople
- Graphic designers
- Metal and automotive trades
- Metal fabricators

Expected skills shortages within the next five years are similar to current skills shortages. Well-rounded education was stated as a possible issue in the future, as well as metal based and engineering skills.

### Courses that should be delivered by TAFE and other educational systems in the future include

- Engineering
- Welding
- Project management for engineers
- Quality systems
- Electronics

“All metal based skills due to lack of focus for many years, all engineering skills due to unprecedented infrastructure expenditure in Syd CBD – Goulburn.  
Manufacturing, Snowy Monaro”

## THE MOTOR TRADES AND ENGINEERING SECTOR

Significant growth is occurring in the motor trades industry, due to rapidly changing technology in vehicles and an increasing number of vehicles on our roads, as well as the engineering sector, due to the number of large infrastructure projects in metropolitan and regional areas.

However, demand is not keeping up with supply, with 89% of businesses in this sector reporting a skills shortage in their business. As well as location (50%), businesses believe lack of relevant training and education availability (50%) and low wages (37.5%) are part of the cause of these skills shortages.

Skills most difficult to access currently include

- Qualified welders
- Spray painters
- Retail and sales skills
- Detailing
- Small engine mechanics
- Automotive mechanics
- Plant mechanics
- Rail Industry specific, ie, wagon & locomotive specialists

Technological advances, including computerised controls, navigation systems in cars and the ever-nearing shift to autonomous vehicles, means the skills needed for the future will be more focused on information technology. According to businesses in the sector, skills most difficult to access in 5 years time will include

- Information Technology
- Automotive knowledge willing to transfer those skills to a retail environment
- Competent staff at base skill and remuneration level
- Qualified mechanical trades

Courses that should be delivered by TAFE and other educational systems in the future include

- Customer service
- Problem solving
- Work ethics
- Specialised Parts Interpreter
- E-commerce
- Electrical, e.g. fitting and machining with hydraulics & pneumatics

## HEALTH CARE AND SOCIAL ASSISTANCE SECTOR

80% of businesses in this sector reported a skills shortage in their business. Wages are a key cause of skills shortages in this industry, with 50% of businesses identifying non-competitive wages compared to other industries as a reason for their skills shortages. Low wages in the industry, particularly considering the high number of hours worked and diversity of skills needed, mean many young people may find the health care and social assistance sector unappealing. Other reasons for skills shortages include location (50%) and a lack of technical skills amongst candidates (50%).

Skills most difficult to access currently include

- Dental assistants
- Registered nurses
- Business management
- Sales staff
- VET trained in disability services
- Support workers

Expected skills shortages within the next five years identified were similar to current skills shortages, however, digital training skills and technology skills were also identified. One respondent also stated that high level interpersonal/communication skills would be difficult to access in the future.

Courses that should be delivered by TAFE and other educational systems in the future

- Programs that assist business to navigate the challenges with technology and the digital platforms coming into play
- Enrolled nursing at TAFE and then Registered Nursing through the university centre
- Short courses for small business owners
- Customer service
- Computer skills
- Working in disability and aged care services for employees with a CALD background
- Certificate III and Certificate IV in Aged Care



## THE TOURISM AND HOSPITALITY SECTOR

Employment in this sector is on the rise, with accommodation and food services experiencing an 8% growth in employment in five years (ABS, 2016). However, with this growth has come a serious skills shortage, with 73% of businesses in this sector believing their business has a skills shortage. According to 59% of businesses, location is a key cause of these skills shortages, as well as a lack of experience (45%) and technical skills (45%) amongst candidates.

Skills most difficult to access currently are

- Office management
- Event management
- Marketing/sales
- Chefs and cooks
- Restaurant managers
- Waitstaff
- Experienced front of house staff
- Kitchen hands

Businesses were concerned with being able to maintain trained staff over the next five years, due to the high turnover rates experienced in the industry.

Skills most difficult to access in five years' time also include

- Good English speaking people and technology updates
- Trade Skilled staff

Courses that should be delivered by TAFE and other educational systems in the future

- Customer service
- Hospitality
- Working with food, e.g. food preparation
- Business management, including financial and HR skills
- Hotel management
- Diploma / Certificate III & IV / Management in Hospitality Industries specialising in Asian cooking
- Barista
- Cooking
- Waiting

“ Skilled and committed staff - sometimes qualified staff are less skilled than unqualified ones. I also struggle with balancing skill with availability - all the good workers have limited availability due to family commitments or other jobs... Genuine customer service skills. So many incoming staff just lack fundamental, intrinsic people skills, even though they might have completed training in this area. People can be an excellent chef or great at clearing tables quickly but it's pointless if they aren't engaged with the customer. ”

Tourism and Hospitality, Snowy Monaro

“ Our local TAFE has significant focus on my industry and I think that this certainly benefits the region. I think that increased participation in some of the lower level or non-award courses would help increase customer service skills. ”

Tourism and Hospitality, Snowy Monaro

## THE BUILDING AND CONSTRUCTION SECTOR

70% of businesses in the building and construction sector reported a skills shortage, a concern for the region considering it is one of the growth industries in the Southern Inland. Location (57%) and a lack of experience amongst candidates (57%) are highlighted as a cause, possibly linked to the decreasing number of apprentices and trainees (down 45% between 2012 and 2016<sup>2</sup>). One respondent also stated that people have a *lack of motivation to work in a physically demanding role* (Upper Lachlan).

### Skills most difficult to access currently

- Trades People
- Truck drivers and plant operators
- Architectural
- Roof tilers
- Painters
- Bricklayers
- Carpentry
- Glazing
- Electricians

When asked what skills they believe will be most difficult to access in 5 years time, the majority of responses were similar to previous responses about current skills shortages. One respondent stated that it may be difficult to find local skilled workers in the future.

### Courses that should be delivered by TAFE and other educational systems in the future

- Electrical services
- WHS concerns
- Paperwork/administration
- Architectural drafting/computer aided design

“Trade studies should be promoted in schools with local trade persons presenting the benefits of trades qualifications and the directions those qualifications can take them.”  
Building and Construction, Goulburn

<sup>2</sup> Business Council of Australia, 2017, Coalition of Business Groups Calls for Decisive Action to Rescue Australia's Ailing Apprenticeship System; <http://www.bca.com.au/media/coalition-of-businessgroups-calls-for-decisive-action-to-rescue-australias-ailing-apprenticeship-system>



## OTHER INDUSTRIES

61% of businesses in 'other industries' reported a skills shortage. 'Other businesses' included, wedding services, environmental remediation, hair and beauty, cleaning, pet care. 55% of businesses attribute their skills shortage to lack of experience amongst candidates and/or a lack of technical skills amongst candidates.

Skills most difficult to access currently

- Surveyors, Architects & Engineers
- Trades people
- Qualified hair stylists and beauty therapists
- Conservation and land management
- Arborists
- Small business administration

Some businesses are concerned about finding qualified staff in the coming years due to a lack of training programs. Soft skills were also commonly mentioned, including honesty, reliability, motivation and networking ability.

Skills most difficult to access in five years' time

- Conservation and land management
- STEM Literacy (Science, Technology, Engineering and Maths)
- Innovation

- Strategic thinking
- Creative problem solving
- Analytical and report writing
- Farming skills, such as, shearing, operation of farm machinery

Courses that should be delivered by TAFE and other educational systems in the future

- New emerging technologies
- Industry aligned trade courses
- Renewable Energy technologies
- Conservation and land management
- Farm skills and sustainability
- Permaculture & Polycultural farming
- Aquaponics
- Cert IV (management), as well as related to trades





## THE PRIMARY INDUSTRIES SECTOR

50% of businesses in the primary industries sector identified a skills shortage, the fifth lowest skills shortage across all industries. Whilst this is surprising, this may be due to the size of the business, whereby 50% of businesses are sole traders. As explored above, the smaller the business, the less likely they are to have a skills shortage, with just 34% of sole traders believing they have a skills shortage.

As well as a lack of experience amongst candidates (63%), 50% of businesses believe wages are not competitive relative to other industries.

### Skills most difficult to access currently

- Financial/accounting
- Livestock agents with experience
- Administration staff
- Electricians
- Miners
- Heavy machinery operations
- Horticultural workers
- Stock handlers, particularly transport
- Large animal vets
- Shearers

Skills most difficult to access in five years' time were largely specific to the individual business operator and included

- Strong work ethics
- Heavy machinery operators
- Seasonal pickers
- Vineyard manager
- Equine trainers

### Courses that should be delivered by TAFE and other educational systems in the future include

- Food production
- Soils
- Mobile and fixed plant fitters
- Instrument technicians
- Mineral processing
- Blasting and mine supervision
- Horticulture
- Work safety
- Stock handling
- Sustainable farming viticulture

“Mineral processing skills, blasting and mine supervision which is now required in the new year by the mines regulator. Maybe TAFE could do this?”  
Primary Industries, Goulburn

## THE PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES SECTOR

50% of businesses in this sector believe their business has a skills shortage. 63% of businesses believe this is caused by wages not being competitive relative to other industries and 63% also believe it is due to a lack of experience amongst candidates.

### Skills most difficult to access currently

- Good strategic thinking
- Industry networking support groups that look beyond local geographical area
- Business research and analysis
- Customer Service and business support
- Research Scientist
- Marketing/sales
- Customer service and business support
- Bookkeeping
- Project Management

### Skills most difficult to access in 5 years' time include both soft and technical skills

- Technical advice and running a business
- Innovation, strategic thinking, creative problem solving, exceptional networking
- Casual reliable staff who can be trusted to work from a remote office
- Analytical and report writing
- General insurance
- HR managers
- Licensed mortgage broker

### Courses that should be delivered by TAFE and other educational systems in the future

- Technical advice and running a business
- Communications technology
- Customer service
- Business finances/accounting
- Innovation in practice
- Strategic thinking and planning
- Communication skills
- Social media and technology
- Business skills



## THE EDUCATION AND TRAINING SECTOR

The education and training sector is one of the top five growth industries in the Southern Inland region. However, this increased demand for skilled workers is lagging, with 47% of businesses identifying a skills shortage in their business. Skills shortages in the education and training sector are particularly concerning, considering teachers and tutors help to provide students with the skills and knowledge for admission into university or to find a job. The top reasons for these skills shortages are location (71%), low security of work (43%) and a lack of technical skills amongst candidates (43%).

Skills most difficult to access currently

- Maths and science trained staff
- Mental health support for students
- Tutors with post graduate qualifications
- Program Creation

Skills most difficult to access in 5 years time centre around technology and unknown changes

- Information and communication technology
- IT and social media skills
- Change acceptors
- Trained and enthusiastic staff who are prepared to travel

Courses that should be delivered by TAFE and other educational systems in the future were not all specifically related to the education industry, with most respondents taking a broader view and considering courses for all students in the future

- E-learning
- Business admin
- Information and Communications Technology (ICT)
- Data management and analysis
- 3D printing technologies
- Using technology to promote business
- Certificate 4 in training, apprenticeships

“Skills to meet the needs of jobs that haven't been created yet - how do we equip students for this?”

Education and Training,  
Goulburn Mulwaree

“TAFE tries to attract students but in regional areas often doesn't attract enough to run a class.

Videoconferencing could help and in the Monaro, tourism business need to support TAFE's efforts by getting their staff to enrol in the appropriate courses.”

Education and training, Snowy Monaro

## THE RETAIL SECTOR

Despite being one of the Southern Inland's key employers, according to ABS data, the industry is experiencing a declining growth rate. In addition to this, 45% of businesses in the retail sector identified a skills shortage. 55.6% of businesses believe skills shortages are due to location, a lack of relevant training and education availability and/or a lack of experience amongst candidates.

### Skills most difficult to access currently

- Marketing/sales
- Financial/accounting
- Computing
- Customer service
- Reliability and honesty

Skills shortages expected in the future were similar to current skills shortages. The ability to find local labour was identified as a potential issue in the next five years.

### Courses that should be delivered by TAFE and other educational systems in the future

- Problem solving
- Customer service
- Computer skills
- Sales and marketing
- Customer Service



“Customer Service, beyond just being nice and friendly. Lack of people skilled in engaging with the customer, making sure they understand what the customer is seeking, offer suggestions and options and be able to keep check on what else is happening in the shop at the same time.”  
Retail, Queanbeyan-Palerang

“People skills and how to work effectively in a team and with other people; not so much “hard” skills.”  
Retail, Snowy Monaro

## THE IT AND MEDIA SECTOR

As marketing, media and advertising continues its transition to digital structures, skills shortages are being faced by some businesses. Positively, this sector reported the lowest number of skills shortages in the region, with 44% of businesses in the IT and media sector identifying a skills shortage. Respondents attribute this skills shortage to a lack of technical skills amongst candidates (100%).

Skills most difficult to access currently are

- Sales and accounts services
- Copyright and advertising consultants
- Graphic design
- Pre-press production

Technology and the rapid change associated with it were most commonly identified as the most difficult skills to access in the next five years.

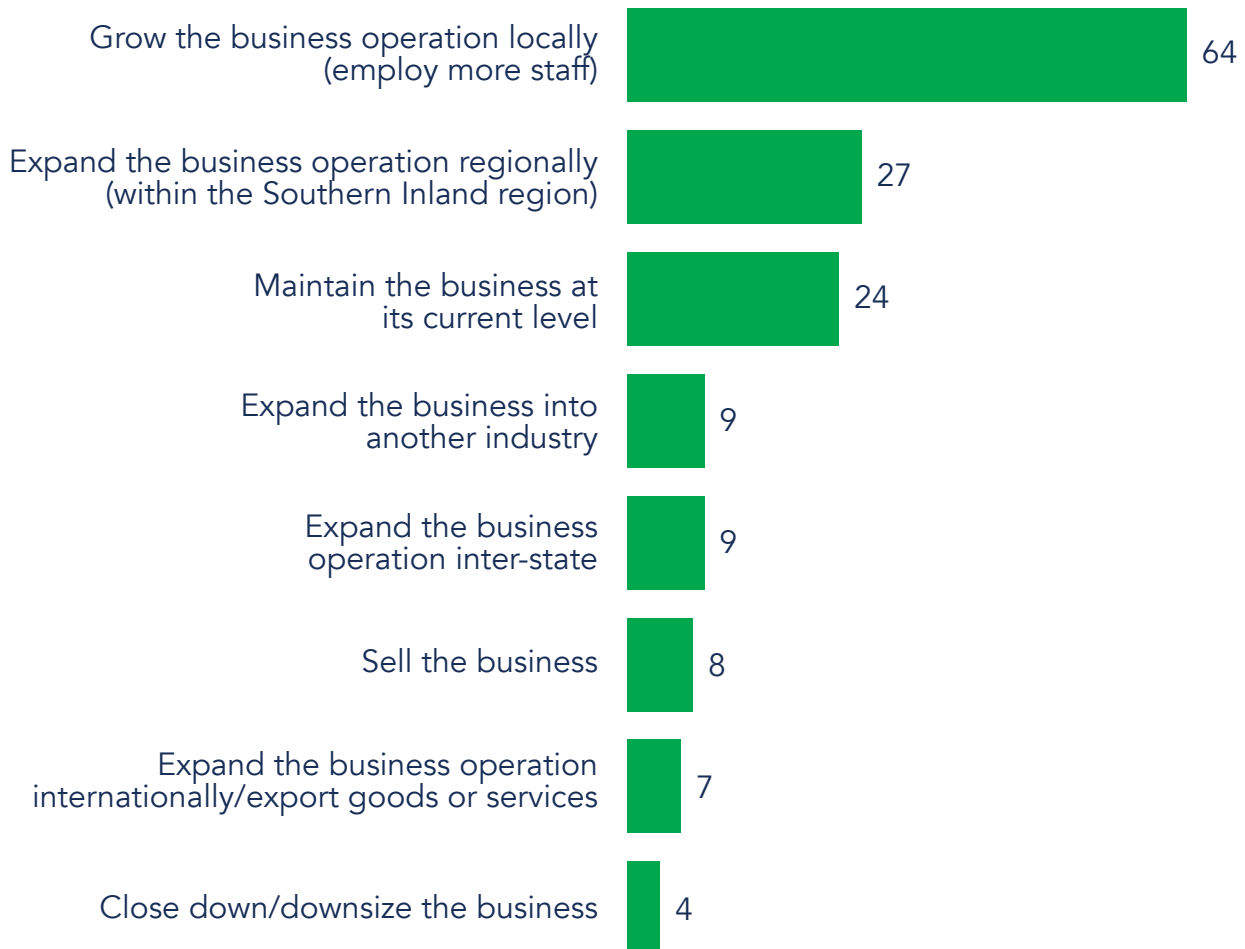
Courses that should be delivered by TAFE and other educational systems in the future

- Graphic User Interface Design
- Web Design & Programming
- Effective Social Media Marketing
- Marketing/sales
- Graphic Arts
- Customer Service
- Desk top publishing
- Computer skills



### 3.4 BUSINESS CONFIDENCE

#### BUSINESS PLANS IN THE NEXT FIVE YEARS



Base: Businesses n=169 (Q14)

Business confidence throughout the Southern Inland Region is high despite skills shortages, with 64% of businesses planning to grow their business locally in the next five years.

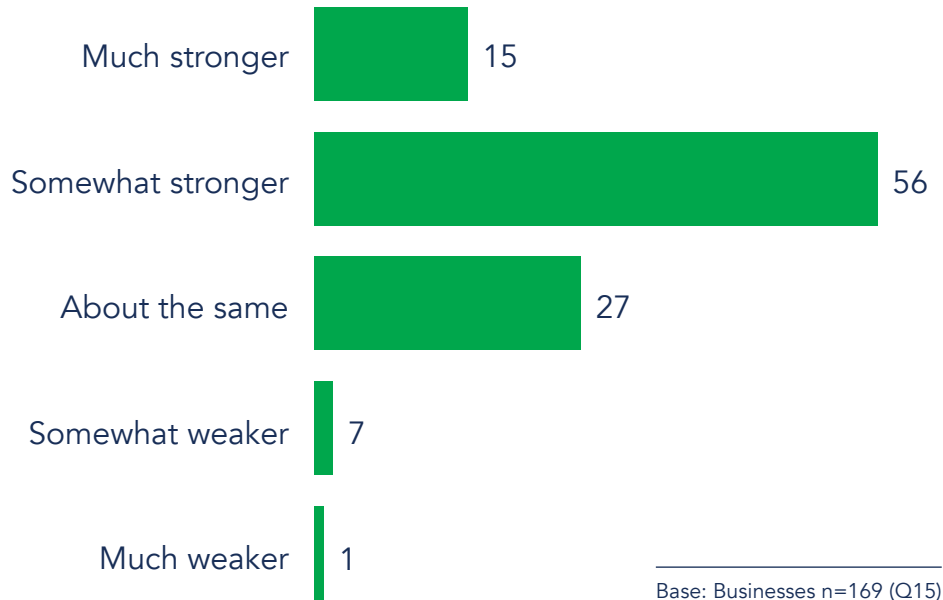
Further, despite eight in 10 businesses in the Snowy Monaro LGA stating that they have a skills shortage, 81% plan to grow their business operation locally in the next five years. However just 19% of Snowy Monaro businesses plan to expand their business regionally. Businesses in Queanbeyan-Palerang are the most ambitious, with 46% planning to expand the business

regionally and 19% planning to expand the business inter-state (perhaps due to their proximity to the ACT).

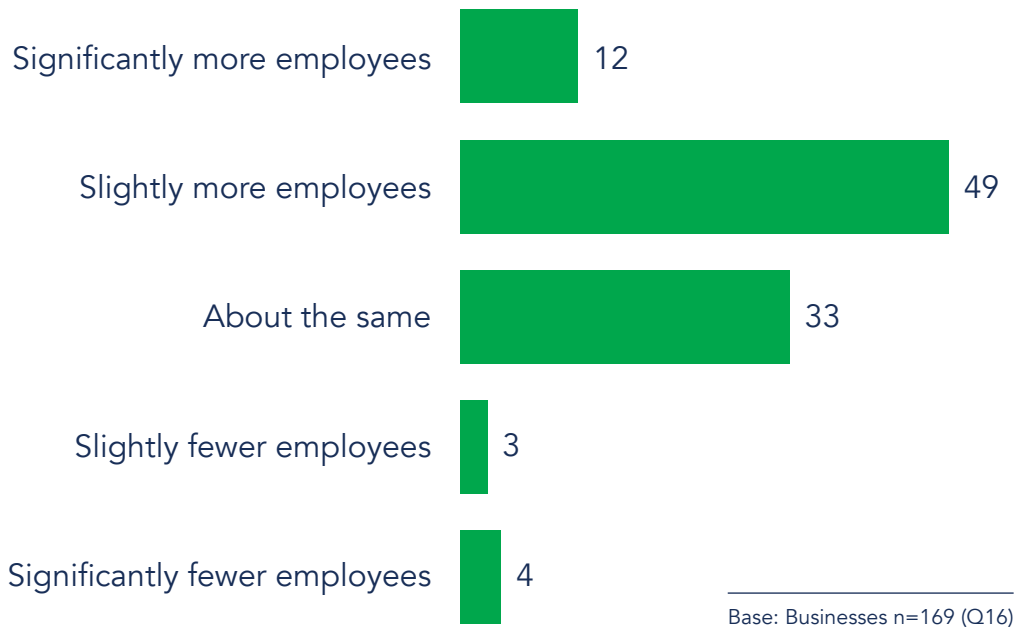
Growth appears a strong focus for more profitable businesses, with 78% of businesses who turnover more than \$1 million planning to grow their business operation locally, compared to 56% who turnover less than \$1 million.

Business growth, however, is likely to be restricted if the skills shortage throughout the region is not addressed.

## EXPECTED BUSINESS PERFORMANCE IN THE NEXT 3-5 YEARS – TOTAL SALES/REVENUE



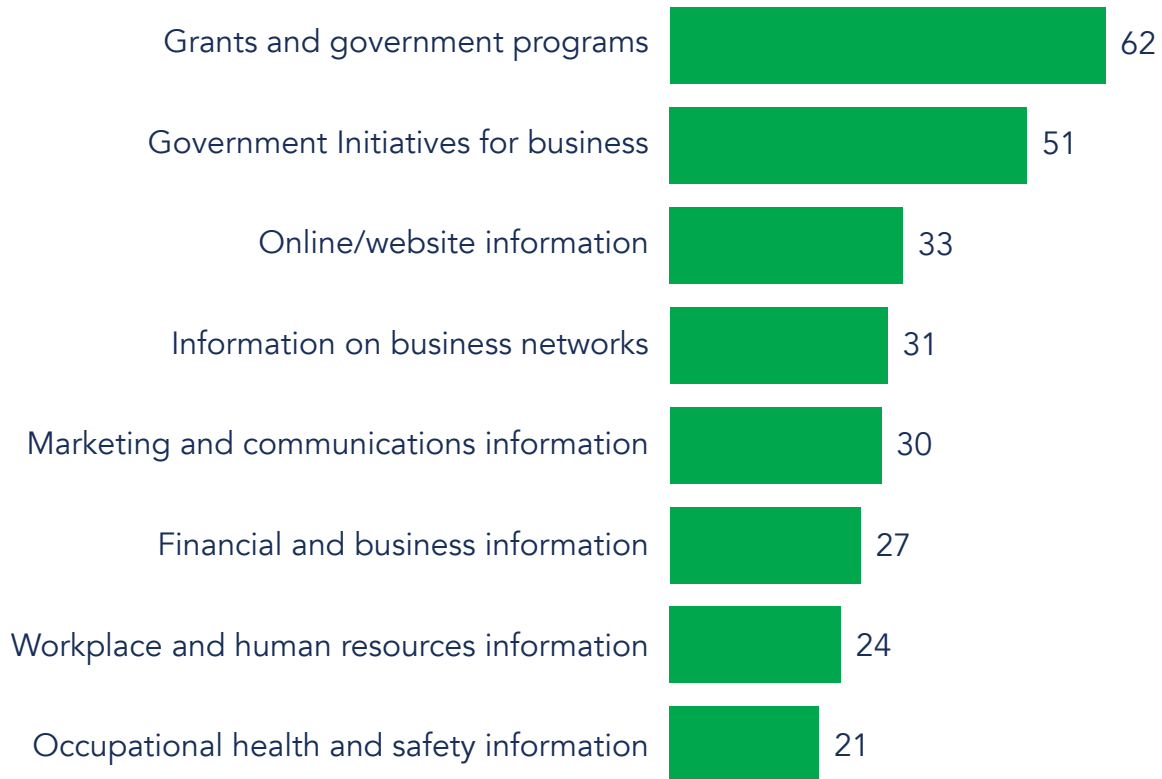
## EXPECTED BUSINESS PERFORMANCE IN THE NEXT 3-5 YEARS – TOTAL NUMBER OF EMPLOYEES



Expected business performance in the next 3-5 years is extremely positive, with 97% of businesses stating they expect their sales/revenue to be stronger or about the same and 93% planning to have more employees or about the same in the next 3-5 years.

This suggests that employment growth may increase in the next 3-5 years – a positive for the region. However, it may also mean that skills shortages become a greater issue if not addressed in the short term.

## INFORMATION THAT WOULD ASSIST BUSINESSES



Base: Businesses n=169 (Q20)

62% of businesses would like to receive information about grants and government programs. The most preferred way to receive this information is via email, with 43% of businesses selecting this channel as their most preferred.

Those who believe their business has a skills shortage are more likely to want to receive information about workplace and human

resources information than those who do not have a skills shortage (31% compared to 14%).

Sole traders are more likely to want to receive information about business networks (40%) compared to businesses with more than 2 employees (28%), suggesting that sole traders should be a key target audience for any business networking events in the future.



## 4. Conclusion

Skills shortages in regional areas are an ongoing and significant issue. This Skills Audit Report explored the prevalence of skills shortages across industries and LGAs, the causes and the impacts. Positively, despite three in five businesses identifying a skills shortage, business confidence throughout the region is high and businesses remain resilient.

Nevertheless, many of the skills needed for the key industries of the future are in short supply. A collaborative approach amongst government, community and industry organisations should be pursued in order to address this issue.

The following opportunities exist to address the skills issues in the region

- Further investment into education providers, particularly TAFEs, to ensure that skilled labour is available to meet demand across industries
- Regular communication between education providers and local businesses to ensure local training aligns with business needs. There may be an opportunity for a third-party to facilitate these regular meetings
- Collaborative programs between education providers and businesses to provide hands on experience and mentoring to students. These programs could be similar to the Barangaroo Skills Exchange, a partnership between Lendlease and TAFE to train workers in modern construction methods via on-site classrooms and mentors
- A multi-faceted communications strategy to promote the region to skilled workers outside the region. The strategy may include
  - Promoting the region to students outside the region, via educational institutions, particularly those studying courses that were identified as having a skills shortage
  - Targeting those who have left the region to study or work for a period of time
  - Distribution of a Jobs and Growth Insight Report via various channels highlighting key industries and competitive advantages of each LGA in the Southern Inland
- Training and networking nights with local businesses and other relevant stakeholders, such as employment agencies. This will allow businesses to share their stories and challenges surrounding recruitment and human resources. There is potential to tie this in with Business Connect meetings held across the region currently
- A renewed focus on apprenticeships, including incentives for young people to complete them, assistance to businesses and a communications or education campaign to encourage more people to complete an apprenticeship
- More education and awareness building of the skilled migration programs available to businesses







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