

SKILLS AUDIT REPORT

**The Southern Grampians Shire
and Glenelg & Southern
Grampians Local Learning
& Employment Network**

JUNE 2006

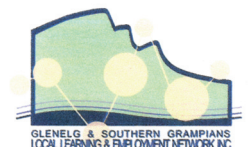


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1.0 BACKGROUND

The Southern Grampians Shire Economic Development and Tourism Unit together with the Glenelg & Southern Grampians Local Learning & Employment Network engaged Genr8 Business and Marketing to conduct a skills audit survey on the Southern Grampians Shire. The skills audit was an initiative identified within the Economic Development Strategy for the Shire, completed in November 2004.

The skills audit report has been drafted to fulfil the objectives set out in the brief, namely;

- To provide a summary of the current position of local industry's ability to attract and retain a skilled, qualified workforce.
- To provide a summary of the external factors impacting skill shortages within the Shire.
- Identification of activities to address these shortages and deficiencies enabling the Council to provide support and assistance in overcoming these problems.

Whilst the consultation process uncovered several suggestions that are considered to be long term strategies, the recommendations identified have been prioritised as to what is manageable given the resources available.

The recommendations have been developed as a result of data research together with community consultation. The data research involved a review of Victorian government information targeting regional skills shortages and deficiencies, Shire plans and web site data. The Economic Development and Tourism unit and the Glenelg & Southern Grampians Local Learning & Employment Network conducted community consultation and received 200 responses from the businesses surveyed across the Shire. A series of informal interviews with key industry leaders and a two hour workshop was facilitated with various industry, local government, educational providers and training organisations.

2.0 FINDINGS

In the last two decades the nature of the Australian work environment has significantly changed. The major trends influencing skills shortages in Regional areas are identified as;

- expansion of diverse industries;
- generally limited infrastructure and/or services;
- typically a less diverse culture, activities and lifestyle;
- limited professional development;
- a variable or seasonal demand for skills; and
- low supply of trained employees readily available

In conjunction with the trends identified, the supply of labour is being negatively impacted due to a range of causal factors. These include the ageing population, increased global competition from emerging industries and economies, identifiable skill shortages and deficiencies across both professional and commercial trades industries and an overall decline in the workforce participation rates.

2.1 Causes Influencing Skill Shortages

Ageing population (Ref 1)

The Australian demographic trends reflect an ageing population. This will be particularly evident in the next ten years, continuing on to 2030. Population trends and projections (Appendices 6.1) highlight there will be a greater impact experienced within regional Victoria. Structural ageing of the population has impacts for retiree numbers, the overall workforce size, retention of skills and knowledge within industry.

Increased global competition (Ref 1)

The Australian labour force has experienced a shift in the way business meets the needs of their customers. Consumer demands have placed a greater emphasis on service delivery driven by less discretionary time and higher disposable incomes. This has been compounded with the increased level of competition from emerging industries and off-shore economies to supply goods and services under more competitive cost structures.

Skill shortages and deficiencies (Ref 1)

In addition to the Australian population trends impacting the Southern Grampians Shire, skill shortages are a continuing trend amongst the 19 - 40 year age bracket in comparison to other age brackets. Unless an attraction and retention strategy is developed within the Shire, the identified skills shortages may lead to future social and economic disadvantage for lower skilled employees.

Cyclical nature of employment (Ref 2)

Cyclical fluctuations in employment can be included amongst the causes for skill shortages. Cyclical fluctuations reduce the number of training places offered by employers which impacts the number of qualified trainees entering an industry when demand for skills is greater. Displaced employees often do not return to the industry seeking employment in alternate industries. These cyclical fluctuations are particularly evident in building and construction, engineering and electro-technology sectors.

Declining workforce participation rates (Ref 1)

The Australian labour force has experienced an overall decline in workforce participation rates. This has occurred due to the increasing levels of female participation undertaking part-time employment, the increase in home-based small businesses, the ageing population and changes resulting from technological changes and globalisation. For regional Victoria, the projected participation rates will be more significantly impacted due to the current age profile and projected decline in birth rates.

1. Source: Victoria Government - Maintaining the Advantage 2006'

2. Source: Geelong and Colac Region Skills Research Report 2005'

2.2 Great South Coast Region

The Southern Grampians Shire is experiencing skills shortages and deficiencies similar to other regional areas with the supply of labour. This is particularly evident in the commercial trades industries, professional and semi-professional sectors. As economic development and tourism for the region continues to grow, the challenge for both the Shire and industry will be to attract and retain appropriately skilled personnel to supply the labour demand.

From research undertaken as part of the survey response and interview process, the most prevalent skill shortages have been identified. (Figure 3).

Figure 3 - Identified skills shortages in Great South Coast Region

PROFESSIONALS	
<ul style="list-style-type: none"> • General Practitioners • Mechanical Engineers • Civil Engineers • Urban and Regional Planner • Retail Pharmacist 	<ul style="list-style-type: none"> • Miscellaneous Health Professionals (ie. Occupational Therapists, Physiotherapists and Podiatrists) • Specialist nursing staff • Accountants • Lawyers
OTHER OCCUPATIONS	
<ul style="list-style-type: none"> • Agriculture and Primary Production • Truck Drivers • General Clerks 	<ul style="list-style-type: none"> • Chefs • Hospitality Staff
TRADES	
<ul style="list-style-type: none"> • Metal Fitters and Machinists • Carpentry and Joinery Tradespersons • Bricklayers • Electricians 	<ul style="list-style-type: none"> • Plumbers • Motor mechanics • Structural Steel and welding tradespersons • Plasterers

2.3 Findings from the Southern Grampians Shire ‘Skills Audit’

The Southern Grampians Shire and Glenelg & Southern Grampians Local Learning & Employment Network distributed 600 ‘skills audit’ surveys in November 2005 with a response rate of 32%.

Figure 4 outlines the organisational response rates.

Type of Organisation	Response Rate
Wholly owned Victorian business	73%
Part of an Australian business	7%
NFP - Government funded	7%
Government dept./agency	5%
Other	6%
Subsidiary of foreign company	2%

Findings from skills audit survey.

- 39% of employers reported difficulty in recruiting **skilled** staff.
- 17% of employers reported difficulty in recruiting **unskilled** staff.
- 17% of employers reported they have long standing vacancies that they are **finding difficult to resource**.
- 22% of employers reported they have used the services of a local job network agency to recruit staff.
- 57% of employers responded that they **would** consider using a job network agency to fill a vacancy.
- 34% of employers reported they have employed apprentices/trainees over the past 12 months with 92% responding that the overall experience in employing apprentices and trainees has been a **positive experience**.
- 41 per cent of employers reported they were **unaware** of government incentive schemes and information sources relating to employment of apprentices/trainees.

Comments

- 'Reasons for unsuitability of applicants include lack of experience, inadequate qualifications, lack of relevant technical skills, poor attitude or presentation and not suited to the type of work'.
- 'The main barriers to overcome with employing staff include attracting a broader range of applicants to the regional area and providing a social network'.
- '65% of employers across all industries had offered their employees some type of higher remuneration or better conditions in order to retain them'.

Findings from the one-on-one interviews conducted.

- Genr8 conducted 15 one-on-one interviews with various employers, industry and training groups as a result of 'skills audit' survey conducted in November 2005.
- 71% of employers have projected positive growth in the staffing levels for the following two years.
- 60% of employers considered the option of sourcing 'skilled migration' to fill positions.
- 85% of employers confirmed that to overcome the skills shortages within the Shire additional remuneration incentives such as accommodation assistance are being offered.
- All employers confirmed formalised training and induction are provided at commencement of employment. Generally, ongoing training requirements are assessed periodically or annually.

Comments

- 'Retaining Professionals within a regional community can be challenging for individuals with limited social networks. The Young Professional Network has been able to assist with providing limited social networks'.
- 'Retention of younger employees in the 18 – 30 age brackets can be difficult due to geographical distance from partners and spouses. Typical annual attrition rates are around 25%'.
- 'To attract individuals to the region, you need to provide attractive remuneration/relocation packages and invest in training and development of the individual to retain them'.
- 'Success in attraction of employees has been achieved through local AM/FM radio coverage, as this market is not saturated with job advertisements'.

3.0 KEY INITIATIVES

The recommendations outlined in the report have resulted from feedback gained from the Southern Grampians Shire Survey distributed to approximately 600 businesses across the Shire, a series of informal interviews conducted with key industry leaders and the two hour workshop facilitated in Hamilton. The feedback gained has acknowledged there are four areas requiring outcomes to be developed to address skill shortages across the Shire.

The four areas that have been used to formulate recommendations include;

- Attraction of individuals;
- Retention of individuals;
- Education and training and;
- Introduction of skilled migration to the Shire.

From the various methods of research undertaken to assess and address the skills shortages, it is recognised that the Council is not expected to resolve all issues. There has been an emphasis towards establishing effective partnerships between Council, Industry, State and Federal governments.

4.0 RECOMMENDATIONS

In planning for the short and long term, the Economic Development and Tourism Unit of the Shire will have to maximise the impact of its resources by directing them to areas of influence. Eight identifiable actions have been formulated together with an action plan. These can be summarised as;

- Increase the profile of the 'Young Professional Network' through events and promotion to attract a broader audience of 'non-professional' individuals.
- Enhance the utilisation rates for spousal/partner employment for skills identification via a centralised registration process.
- Increase the profile of the Shire through marketing events and visitations to potential markets such as Universities and key regional events.
- Introduce an 'attraction kit' to support prominent positioning of the Shire within the Provincial Victoria marketing campaign.
- Develop an 'exit interview' strategy for the Council to determine factors influencing attrition rates in employment and relocation from the Shire.
- Enhance awareness of government incentive schemes and information sources relating to employment of apprentices and trainees.
- Develop an active partnership between industry sectors, school based workforce entrants and adult workforce entrants.
- Develop a dedicated section on the Southern Grampians Shire website to provide all information relating to employment and skills attraction.

5.0 ACTION PLAN

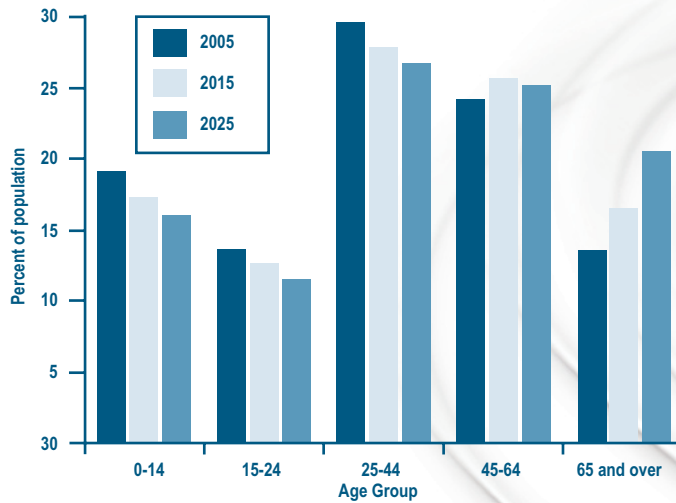
ACTION	HOW	PRIORITY	WHO
1. Increase profile of 'Young Professionals Network'	<ul style="list-style-type: none"> • Develop promotional material outlining the nature of the group, recent functions and contact details include on the Shire website. • Focus on developing professional and personal development activities to gain Industry support. • Increase potential membership by removing 'professional' focus to offer the group to the 18 - 35 age brackets. • Promote this group through Industry, educational providers and Not for Profit Groups. 	High	Economic Development and Tourism Unit and Industry
2. Spousal/Partner employment	<ul style="list-style-type: none"> • Develop a centralised database on Southern Grampians Shire website to enable spouse or partner to register details seeking employment upon relocation to Shire. 	High	Economic Development and Tourism Unit
3. Enhance the profile of the Shire 'Live, Work and Invest'	<ul style="list-style-type: none"> • Support the professional development of local tourism and business development groups. • Provide promotional material of the Shire on lifestyle benefits to educational providers i.e. University and schools in metropolitan and regional areas. • Ensure the Shire website contains information and links to Great South Coast website. 	High	Economic Development and Tourism Unit

ACTION	HOW	PRIORITY	WHO
4. Introduce an 'attraction kit' to promote the Shire	<ul style="list-style-type: none"> Undertake an annual skills audit survey to monitor trends engaging industry to assist in process. Promote the Shire via Provincial Victoria marketing campaign outlining infrastructure, support services, land availability, investment and career opportunities for the region. Ensure Council employees are skilled at communicating the benefits of the Shire 	High	Economic Development and Tourism Unit
5. Develop an 'exit interview' questionnaire	<ul style="list-style-type: none"> Design an 'exit interview' survey available via Shire website, identifying reasons for leaving the Shire and changes in employment. Database could be used for communication purposes to attract individuals back to Shire. Longer term build knowledge of individual movements across the Shire. 	High	Economic Development and Tourism Unit
6. Increase awareness of government incentives and training schemes for apprentices and trainees.	<ul style="list-style-type: none"> Ensure Shire website has links to business information and educational providers. Partner with educational providers to investigate a method of delivering accredited technical education. 	Medium - High	Job network providers, Economic Development and Tourism Unit and Glenelg & Southern Grampians Local Learning & Employment Network

ACTION	HOW	PRIORITY	WHO
<p>7. Develop an active partnership between industry sectors, school based workforce entrants and adult workforce entrants.</p> <p>8. Develop a dedicated section on the Shire website to contain a reference point for all aspects of employment and skills within the Shire.</p>	<ul style="list-style-type: none"> • Develop industry sector networks that wish to promote their workplace opportunities to the local workforce. • Establish a pilot program for engaging an industry sector with the interested partners in the community. • Allocate a page within the Southern Grampians Shire Council website. 	<p>Medium - High</p> <p>High</p>	<p>Economic Development and Tourism Unit and Local Learning Employment Network</p> <p>Economic Development and Tourism Unit</p>

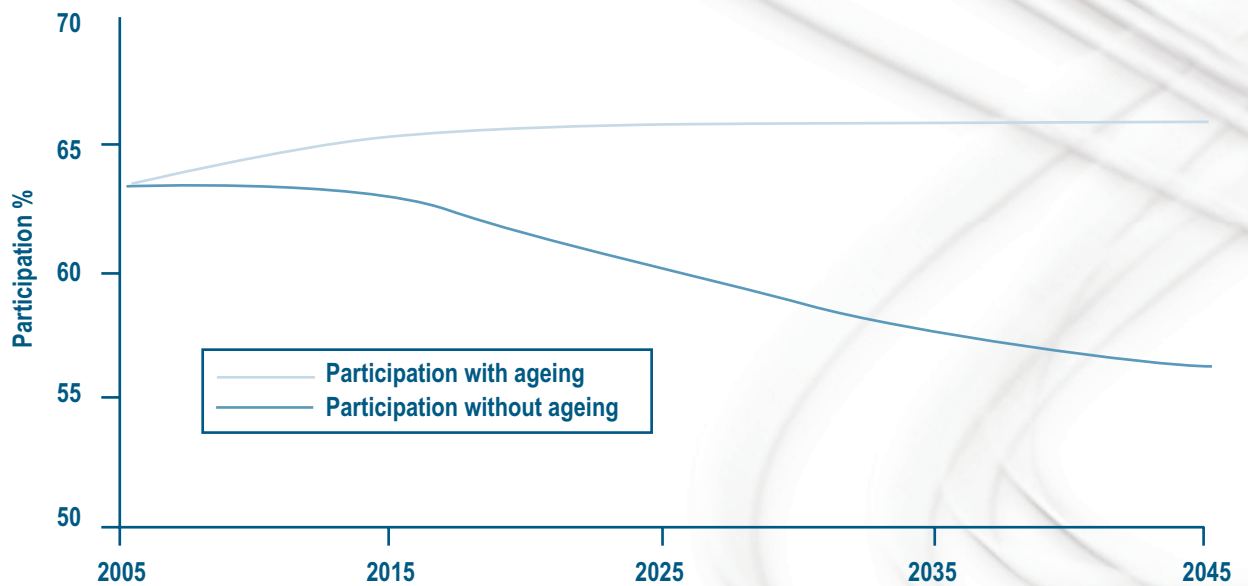
6.0 APPENDICES

Appendices 6.1 - Figure 1 - Victoria's ageing population



Source: ABS Population Projections, Australia, Catalogue No. 3222.0, Series B, 2005

Appendices 6.2 - Figure 2 - Victoria's projected participation rates



Source: Economic implications of an ageing Australia, Productivity Commission 2005

Appendices 6.3 – Feedback from Breakfast Workshop held 31st May, 2006

Attraction of Workforce – Industry and Shire

- Provide information of the social infrastructure - 'Young Professionals Network'.
- Promotion and marketing of the region and Southern Grampians Shire.
- Region based incentives to relocate to Southern Grampians Shire.
- Spousal employment, where possible.
- Industry to provide study assistance to enable succession planning.
- Promote lifestyle opportunities within the Shire.

Retention of Workforce – Industry and Shire

- Promote the social infrastructure - 'Young Professionals Network'.
- Transition program to assist with community integration.
- General education and vocational education.
- Ensure availability of 'suitable' accommodation.
- Industry to provide study assistance to enable forward planning for resourcing.

Education and Training – Career planning, Industry and Shire

- Availability of training provided through educational institutions aligned to business needs.
- Increase access and availability to training.
- Focus on re-skilling employees.
- Career planning with schools to increase awareness and career prospects of growth industries within the region.

Skilled Migration – Industry and Shire

- Attract government funding for a Skilled Migration program for the Shire.
- Ensure 'appropriate' accommodation and support is available.
- Provide general education and vocational education to assist with re-skilling.
- Promote lifestyle opportunities with the Shire.

7.0 REFERENCES

Australian Bureau of Statistics (ABS) Population Projections Australia 2005, cat. no. 3222.0.

Department of Sustainability and Environment (DSE) 2005, Regional Matters, An atlas of Regional Victoria, Victorian Government, Melbourne.

Geelong Colac Regional Skilled Migration Strategy 2005, Skills Research Project – Part 1 November 2005, Research Report, Melbourne

Productivity Commission 2005, Economic Implications of an Ageing Australia, Research Report, Canberra