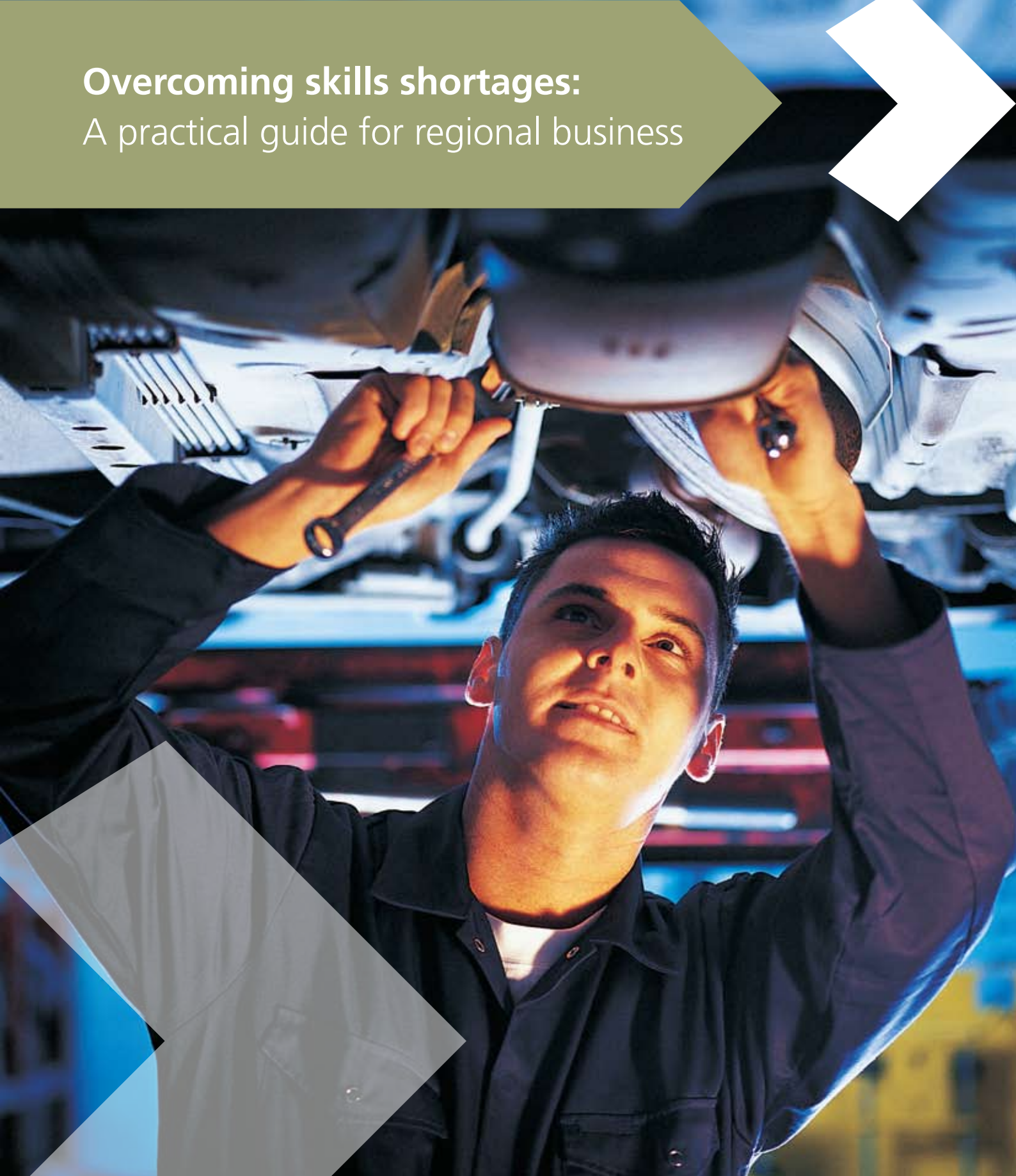




Department of State and  
Regional Development



# Overcoming skills shortages: A practical guide for regional business



# Introduction



The skills shortage in NSW and indeed Australia as a whole has attracted considerable media attention in the past few years and prompted initiatives by all three levels of government. Peak groups, business and communities have also attempted to find answers to this extremely complex issue.

The complexity is due to the many factors affecting the availability of skilled people. Recently, for example, the minerals boom in Western Australia and the high wages on offer led to the exodus of many tradespeople from the eastern states. Sometimes a skills shortage might stem from technological changes in a particular industry that demand new skills sets.

There is no uniform solution applicable across the board but experience to date shows that different approaches can work and that partnerships involving government, business and communities are often effective.

This booklet draws on accepted general knowledge of what works. It covers briefly how a business can become a more effective employer and an employer of choice, use salary and other incentives to attract skilled workers, improve recruitment practices, and draw labour from a number of sources. Its principal strength, however, lies in the supporting examples of practical action taken by various regional businesses and the results achieved. Also included is a listing of useful internet resources.

The NSW Department of State and Regional Development hopes that the booklet will help spark new projects by regional businesses to attract and retain skilled people.

## Step 1

# Become an efficient business and employer of choice

Attracting and keeping skilled people is about more than paying good wages. This is particularly true during skills shortages when workers have many employment opportunities and higher expectations of their employers.

It's therefore useful to review your work practices with the aim of not only increasing efficiency and profitability, but also of becoming an employer of choice.

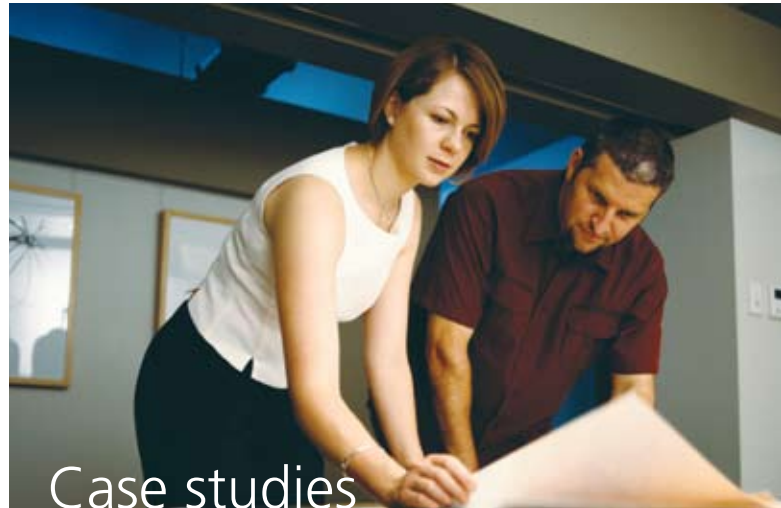
Efficiency gains can potentially be made by such means as:

- reorganising work arrangements so that existing workers can handle all tasks
- upskilling existing staff
- devolving responsibility
- introducing performance-based rewards
- flattening the organisational structure.

Strategies to consider in making your business a great place to work include:

- ensuring good communication in the workplace
- creating a culture of mutual respect
- giving positive feedback
- providing flexible and family friendly work conditions, for example, full-time/part-time work, work from home and job sharing
- promoting a healthy work-life balance.

Specialist consultants can advise you on how to become a more efficient business and an employer of choice. For more details see the *Useful contacts* section of this brochure.



## Case studies

### Flexible work conditions

The owners of a hardware store in regional Victoria believe that providing staff with flexibility is the key to being able to attract and keep good people working there.

Two female employees of the store are employed on a permanent part-time basis and have arranged to arrive at work after they have dropped their children at school and leave in time to pick them up. Many of the men in the store have sport commitments and they are also able to work their shifts around these. Rosters also take into account obligations that staff may have in volunteering for community organisations.

### Referral networks

Businesses in the Orange engineering cluster are referring work to other businesses on a regular basis when they are unable to complete it on time within their own resources.

### Best practice HR management

Victoria's dairy industry is addressing the labour shortage by improving its image as an employee friendly workplace. A leading employer, Gipps Dairy, invited local farmers, employees and union representatives to work together to develop guidelines on best practice in human resource management, with a strong focus on employer-employee communication. The guidelines cover issues such as pre-employment, the selection process, working together, the work team environment, and ongoing review and feedback.

## Step 2

# Salary and other incentives

Businesses that have difficulty attracting and keeping skilled workers often increase wages to remain competitive in the market workplace. This applies to both mainstream skilled workers and apprentices.

But there are other ways you can materially reward employees, such as profit sharing and providing free or subsidised accommodation. The following examples show the approaches some regional businesses have taken.

Before establishing pay rates and other material incentives, it's essential to understand the prevailing market conditions for similar jobs.



## Case studies

### Financial and other incentives

Modern Engineering & Construction Co Pty Ltd of Walla Walla, which manufactures silos, employs a variety of tactics to entice skilled workers from within and beyond the town's borders.

Recognising that financial incentives are important, the company pays above-award rates to all employees, including apprentices. And, after six months on the job, workers can be part of a profit sharing scheme based on criteria such as productivity, efficiency and attendance history.

To make upskilling easier for workers, the company also offers flexible hours and paid leave for training and study commitments.

### Productive apprentices

Many employers believe that an apprentice will only be productive in their third or fourth year. Grahame Bensley, owner of GB Auto Electrics in Orange, disagrees.

All apprentices are profit makers for his business, even though he pays them well above the award rate. This is possible because of good on-the-job training and the provision of interesting work rather than the menial tasks which many apprentices are traditionally given. The result is that first year apprentices are able to complete tasks which would otherwise be done by third or fourth year apprentices, without any loss in quality and safety. Qualified tradespeople still check all work.

Bensley is also careful in his choice of an off-the-job training provider, ensuring that he and his apprentices are happy with both the pattern and quality of training.

### Accommodation incentives

Two large horticultural businesses in Hillston in Central NSW are building onsite accommodation for permanent and seasonal workers.

## Step 3

### Recruitment practices

Many businesses take an ad hoc approach to recruiting staff, selecting people on the recommendation of others or on hunches. Neither is a reliable method.

One way to improve your recruitment practices is to engage a professional recruitment agency. Many businesses have difficulty in making a job sound attractive, which can reduce the pool of potential applicants. Agencies can be particularly helpful in writing advertisements for job vacancies, however agency fees can be high, with 17 to 18 per cent of the annual employee salary being fairly standard.

Job Network providers are another option and offer a cheap or free service to employers. However, you need to recognise that the providers' primary role is to find employment for the jobless, including long-term unemployed people.

See the *Useful contacts* section of this brochure for the internet addresses for the Recruitment and Consulting Services Association member directory, Job Network, and a free downloadable recruitment guide.



## Case studies

### Recruiter makes sure placements work

Outback Staff, Australia's largest agricultural recruitment agency, talks with both the employer and employee throughout the probation period and beyond to ensure things are working out.

## Step 4

# Use a range of labour sources

Any town or region has many potential sources of skilled labour.

Apprenticeships and traineeships are the most obvious means of developing skilled staff. Traditionally, most apprentices come straight from school so a good first step is to establish contact with schools and career advisers.

Businesses are also increasingly recruiting mature-aged people as apprentices and looking at other groups in the community who may be under-represented in particular industries and occupations. Such groups include women, indigenous people and farmers.

Another untapped source of labour is under-employment people. Frequently these are people who would like to work more hours. As an employer, you need to offer part-time or casual work opportunities so that these people can fit more than one job into their schedule.

Many businesses have turned to skilled migrants to fill vacancies. However, you need to keep in mind that, depending on their background, migrants may need special support to settle into the workplace and the area. You must also be sure that migrants have the technical and language skills required.

Completing the migration formalities, especially where the prospective employee is overseas, can be time consuming.

In NSW, ten Regional Development Boards and five other regional organisations are Regional Certifying Bodies, authorised by the Commonwealth Department of Immigration and Citizenship to certify certain classes of visa applications from skilled workers.

To certify applications, the Regional Development Board or other regional organisation must be satisfied, among other things, that the position cannot be filled from the local workforce. They are expected to use their own local knowledge to determine whether there is anyone available in the local labour market and can ask for evidence of efforts to fill the position from the local labour market.

## Case studies

### Forging links with schools

Hyne, operator of a large timber processing facility in Tumbarumba, has established a community trust and cooperated with Rotary to take a group of local Year 11 students on the Kokoda Trail.

### Women in male-dominated industries

2006 NSW Apprentice of the Year, Karen Hourigan has worked in male-dominated industries for over 13 years. After beginning a university degree in maths and science, she took an apprenticeship at EnergyAustralia as their first ever female motor mechanic. Ten years later she changed to another male-dominated industry at EnergyAustralia with an apprenticeship as an electrician.

### Targeting prospective employees

A number of mines in NSW have recruited farmers because of their skills in machinery operation and repair and general work ethic.

CBH Resources in Broken Hill is targeting miners retrenched from Broken Hill mines and now working elsewhere, encouraging them to 'return home'.

### Employers with skilled migrant workers

Regional businesses that have successfully employed skilled migrants include:

- a hotel in Albury employing a chef from the UK
- an engineering company in Corowa with four welders from Colombia, India, Mauritius and the Philippines
- a Wagga Wagga engineering company employing ten welders from China.

# Business checklist

## Becoming an efficient business and employer of choice

- Have you reviewed work and organisational arrangements to ensure they are as efficient as possible?
- Does the business use employees' time and skills effectively?
- Have you looked at and implemented ways of making work arrangements more flexible to allow for different employee needs?
- If you have done so, did you involve employees in this process?
- Do you give employees effective feedback on how they are doing on the job?

## Recruiting staff

- Do you use a range of methods to recruit staff?
- Have you considered using recruitment consultants?
- Have you established contact with local schools and career advisers?
- Do you have clear duty statements and skill requirements for each position?

## Offering the right salary and other incentives

- Do your employees receive a wage/salary package comparable to the market rate?
- Do you offer non-financial rewards?
- Do you offer financial incentives?
- Do you ensure regular training to up-skill all levels of the business?

## Networking

- Have you talked to councils, regional development and business organisations to see what they are doing to address skills shortages?

## USEFUL CONTACTS

### Becoming an employer of choice

NSW Business Chamber *6 strategies to help your business survive the skills shortage* (free download)

[www.nswbusinesschamber.com.au/default.aspx?content=/channels/Training\\_and\\_apprenticeships/Training\\_and\\_apprenticeships/Skills\\_shortage/retaining\\_staff.xml](http://www.nswbusinesschamber.com.au/default.aspx?content=/channels/Training_and_apprenticeships/Training_and_apprenticeships/Skills_shortage/retaining_staff.xml)

Equal Opportunity for Women in the Workplace Agency – developing a program for women

[www.eowa.gov.au/Developing\\_A\\_Workplace\\_Program.asp](http://www.eowa.gov.au/Developing_A_Workplace_Program.asp)

Consider attending one of DSRD's 'Become a great place to work' workshops.

Contact your local DSRD office for more information

Collective Learning Australia *Your employer* brand (available for purchase)

[www.collectivelearningaustralia.com](http://www.collectivelearningaustralia.com)

### Recruitment

NSW Office of Industrial Relations:

*A Quick Guide to Recruiting Staff* (free download)

[www.industrialrelations.nsw.gov.au/workplace/practice/recruit.html](http://www.industrialrelations.nsw.gov.au/workplace/practice/recruit.html)

The Recruitment and Consulting Services Association – index of recruitment companies

[www.rcsa.com.au/membershipindex/SearchMain.cfm](http://www.rcsa.com.au/membershipindex/SearchMain.cfm)

### Apprenticeships and traineeships

Australian Apprenticeship Centre

[www.australianapprenticeships.gov.au/default.asp](http://www.australianapprenticeships.gov.au/default.asp)

Australian Apprenticeships referral line

Tel: 13 38 73

**Employer Hotline** Tel: 13 17 15

[www.needstaff.gov.au](http://www.needstaff.gov.au)

**Job Network** Tel: 13 17 15

[www.workplace.gov.au/workplace/Programmes/JobNetwork](http://www.workplace.gov.au/workplace/Programmes/JobNetwork)

### NSW Department of Education and Training

[www.det.nsw.edu.au/trainingindustry/index.htm](http://www.det.nsw.edu.au/trainingindustry/index.htm)

[www.skilling.nsw.gov.au/snswp/](http://www.skilling.nsw.gov.au/snswp/)

**NSW TAFE** Tel: 13 16 01

[www.tafensw.edu.au](http://www.tafensw.edu.au)

### Linking with schools

Australian Industry Group 'Adopt-A-School' program

[www.aigroup.asn.au/scripts/cgiip.exe/wService=aigroup/ccms.r?PageID=802](http://www.aigroup.asn.au/scripts/cgiip.exe/wService=aigroup/ccms.r?PageID=802)

### Skilled migration

NSW Department of State and Regional Development

[www.business.nsw.gov.au/migration/](http://www.business.nsw.gov.au/migration/)

Australian Department of Immigration and Citizenship

[www.immi.gov.au](http://www.immi.gov.au)



## DSRD Regional Offices

### **Albury**

620 Macauley Street  
Albury NSW 2640  
Tel: +61 2 6041 4808  
Fax: +61 2 6041 4818

### **Armidale**

Suite 6, Level 1  
175 Rusden Street  
Armidale NSW 2350  
Tel: +61 2 6771 3284  
Fax: +61 2 6771 3286

### **Bathurst**

235 Russell Street  
Bathurst NSW 2795  
Tel: +61 2 6332 6841  
Fax: +61 2 6332 1129

### **Broken Hill**

Ground Floor, 32 Sulphide Street  
Broken Hill NSW 2880  
Tel: +61 8 8087 8033  
Fax: +61 8 8088 5100

### **Buronga**

1/1 Silver City Highway  
Buronga NSW 2739  
Tel: +61 3 5023 8661  
Fax: +61 3 5023 8441

### **Coffs Harbour**

Suite F, Level 1  
144-148 West High Street  
Coffs Harbour NSW 2450  
Tel: +61 2 6658 0351  
Fax: +61 2 6658 0303

### **Dubbo**

Level 1, 47-59 Wingewarra Street  
Dubbo NSW 2830  
Tel: +61 2 6883 3100  
Fax: +61 2 6883 3131

### **Gosford**

Building 16, The Avenue  
Mt Penang Parklands  
Karingong NSW 2250  
Tel: +61 2 4340 8700  
Fax: +61 2 43401005

### **Goulburn**

39 Goldsmith Street  
Goulburn NSW 2580  
Tel: +61 2 4821 8000  
Fax: +61 2 4821 8650

### **Grafton**

Level 1, 50 Victoria Street  
Grafton NSW 2460  
Tel: +61 2 6642 6511  
Fax: +61 2 6642 6021

### **Lismore**

Level 3, Rous Water Building  
218 Molesworth Street  
Lismore NSW 2480  
Tel: +61 2 6622 4011  
Fax: +61 2 6621 4609

### **Newcastle**

Level 3, 251 Wharf Road  
Newcastle NSW 2300  
Tel: +61 2 4908 7333  
Fax: +61 2 4929 7096

### **Nowra**

57 Worrigee Street  
Nowra NSW 2541  
Tel: +61 2 4421 1000  
Fax: +61 2 4423 7957

### **Orange**

2/206 Lords Place  
Orange NSW 2800  
Tel: +61 2 6360 8400  
Fax: +61 2 6360 8484

### **Port Macquarie**

Suite 1, 133-137 Gordon Street  
Port Macquarie NSW 2444  
Tel: +61 2 6583 5647  
Fax: +61 2 6583 5285

### **Tamworth**

Level 1, 11-15 Dowe Street  
Tamworth NSW 2340  
Tel: +61 2 6766 1360  
Fax: +61 2 6766 1378

### **Tweed Heads**

145 Wharf Street  
Tweed Heads NSW 2485  
Tel: +61 7 5599 3344  
Fax: +61 7 5599 3354

### **Wagga Wagga**

48 Fitzmaurice Street  
Wagga Wagga NSW 2650  
Tel: +61 2 6921 6422  
Fax: +61 2 6921 0780

### **Wollongong**

Suite 1, Terrace Level  
Crown Tower  
200 Crown Street  
Wollongong NSW 2520  
Tel: +61 2 4225 9055  
Fax: +61 2 4225 9056