Upper Hunter Workforce Plan

Summary Report

MCa

April 2014

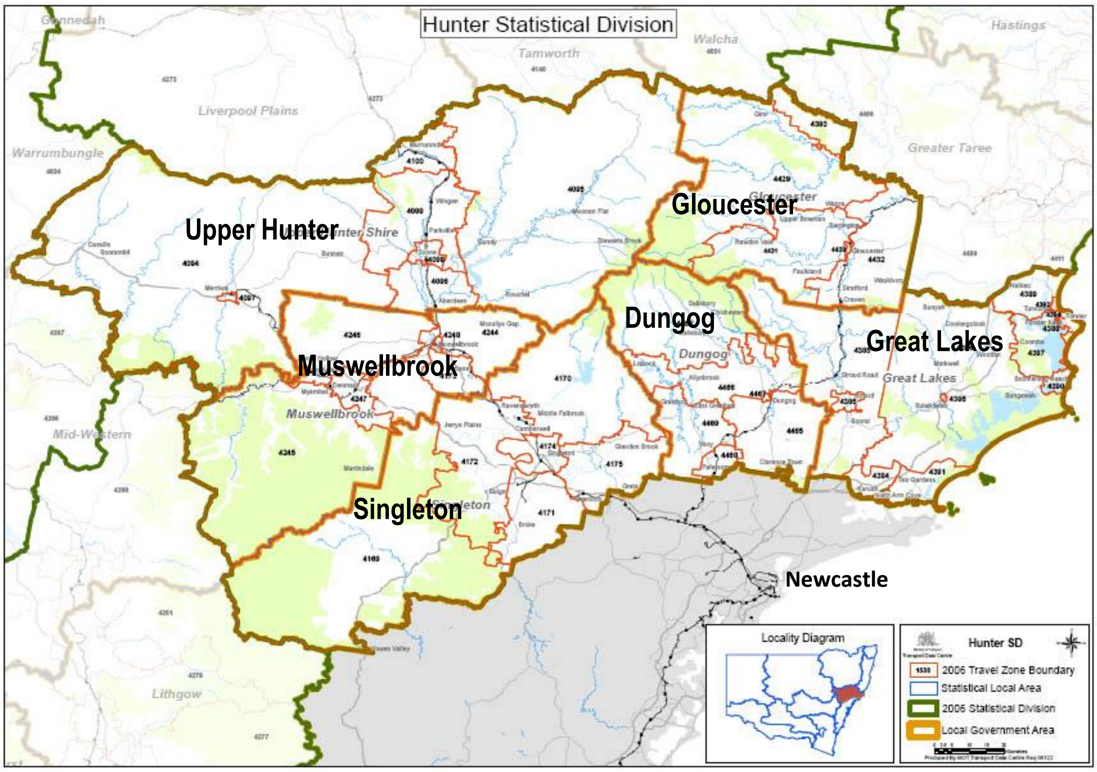
Contents

1. Overview

This report is a summary of the Upper Hunter Workforce Plan.[1] The workforce plan covers the Local Government Areas (LGAs) of Singleton, Muswellbrook, Upper Hunter, Dungog, Gloucester and Great Lakes.

1.1 The Workforce Plan Region

Upper Hunter LGAs



Source: NSW Department of Transport Website

1.2 Local Economies

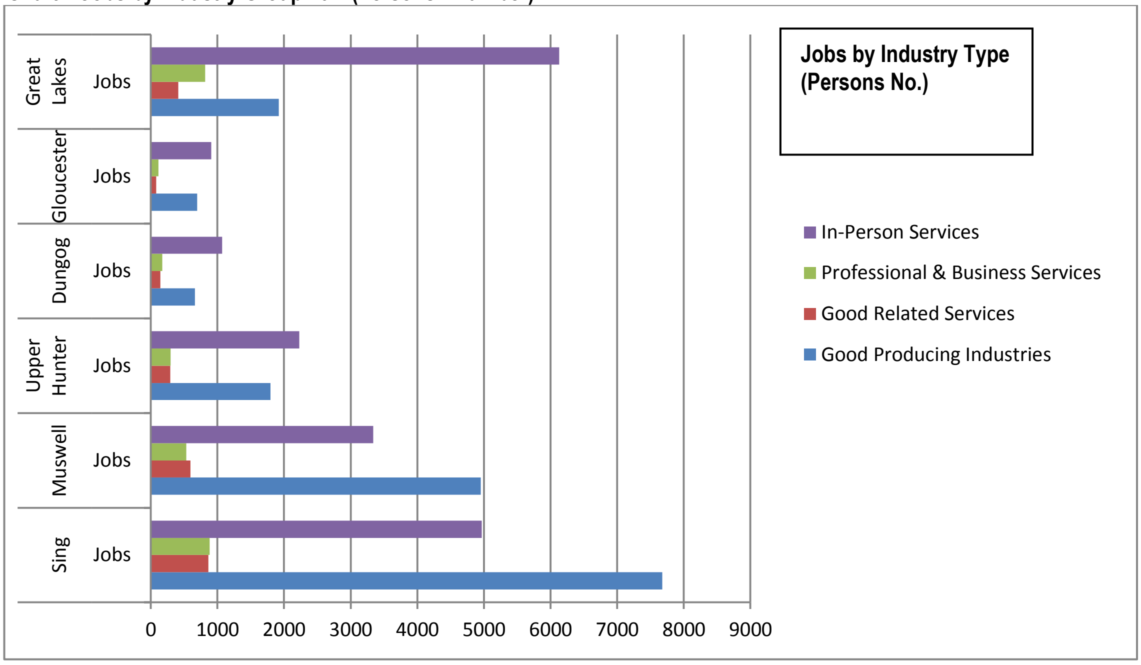
The Upper Hunter is a large and diverse region with significant differences between local government areas in terms of: population size and growth; labour force characteristics; industry structure; local jobs; and unemployment rates.

- The main concentrations of population are in Great Lakes LGA and in the Singleton /Muswellbrook/ Upper Hunter Shire area. The latter area has a strong employment base in mining, mining support and agribusiness and has low unemployment rates.
- Great Lakes has: population growth which is largely driven by retirement living; a services/tourism industry base; and is experiencing high rates of unemployment.
- In the smaller (population) LGAs of Gloucester and Dungog, population has been stable and jobs are mainly focused in agriculture and in services to the local population.

The nature of the local areas and their economic base is reflected in the structure of jobs. Detailed information on jobs by industry sector is contained in Appendix A.

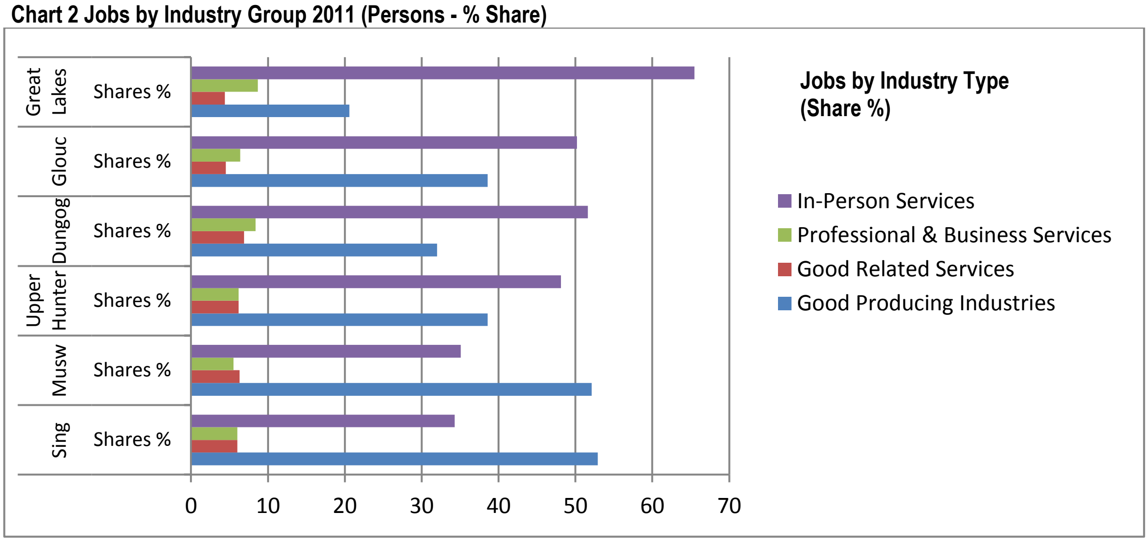
1 Upper Hunter Workforce Plan, , April 2014 , MCa Consulting

Chart 1 Jobs by Industry Group 2011(Persons - Number)



Source: ABS Census 2011 Working Population Data, MCa Analysis, (Definitions of industry types are contained in Appendix A).

Chart 2 Jobs by Industry Group 2011 (Persons - % Share)



Source: ABS Census 2011 Working Population Data. MCa Analysis, (Definitions of industry types are contained in Appendix A).

2. Labour Supply and Demand

2.1 Labour Supply

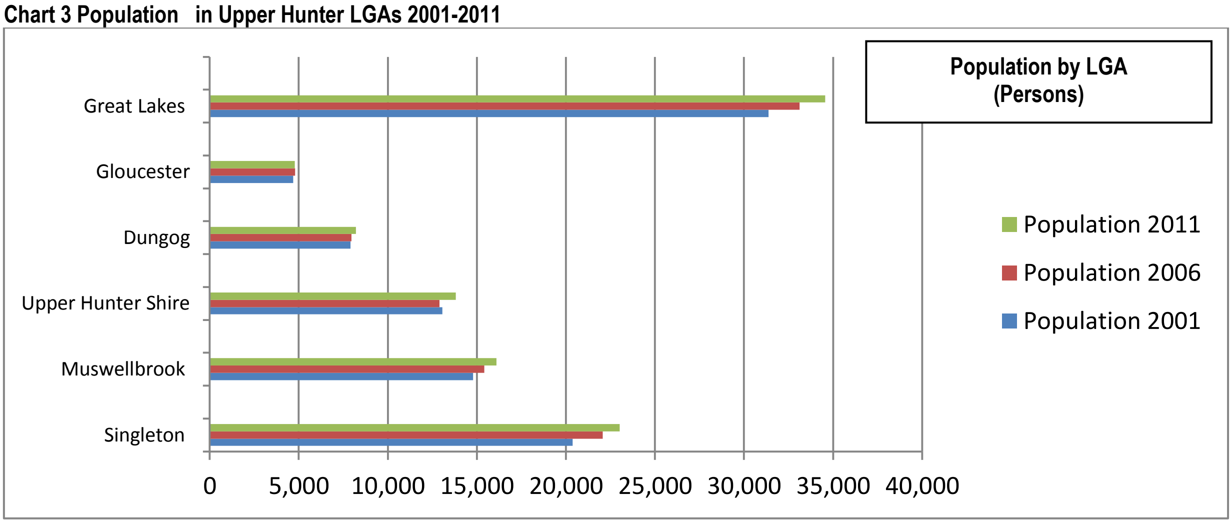
Population and Age

Population trends in the Upper Hunter are shaping the future of the area and are influencing the location of jobs, the types of employment and the characteristics of the regional labour force.

In the Upper Hunter the growth in the labour supply has been strongest in those areas experiencing population and employment growth. This is particularly the case with Singleton and Muswellbrook. Population and labour force growth has largely been driven by the availability of new jobs (mainly in mining and mining support activities). Labour force participation rates are higher and the labour force is generally younger in these two areas (reflecting the recruitment of new younger workers into mining and support industries during the expansion phase).

Singleton had the highest population growth rate in the 10 years to 2011 (12.9% or 2635), with Great Lakes having growth of 10.1% (3178 persons). Dungog and Gloucester are largely experiencing flat population growth, and most of the local jobs are in population services (or in agribusiness). Great Lakes continues to be different, with the largest population, a much older age structure and a much lower share of persons participating in the labour force. Most of the jobs that are located in Great Lakes are involved in servicing the population or are seasonal tourism related jobs.

Chart 3 Population in Upper Hunter LGAs 2001-2011



Source: ABS Census 2011 Resident Population Data.

There are significant differences between the LGAs in terms of age structure of their populations. These population characteristics have implications for: the long term pattern of demand for services (both for private services and for government provided services); and for the future availability of a skilled workforce. Overall the population across the Upper Hunter is ageing, with the share of the population aged over 55+ increasing in all six LGAs that are covered in this workforce plan.

However three of the LGAs have a significantly older age structure: Great Lakes with 47% aged over 55 years, Gloucester 42% and Dungog 33%. The two LGAs with the increasing pool of industrial jobs (Muswellbrook and Singleton - with jobs in mining and mining support) have a lower percentage of persons aged over 55 years, and a higher share of the population in the 25-54 year age group (the active age group for a skilled workforce). Gloucester shares some characteristics with Great Lakes in terms of population age and lower labour force participation rates.

The age structure has implications for the medium term and the longer term in terms of the capacity of an area to recruit persons to fill jobs, particularly in those sectors that are servicing the regional population.

Labour Force

The available labour supply is affected by several factors: regional population size (and its age structure) and labour force participation rates; and the education/training qualifications of the population.

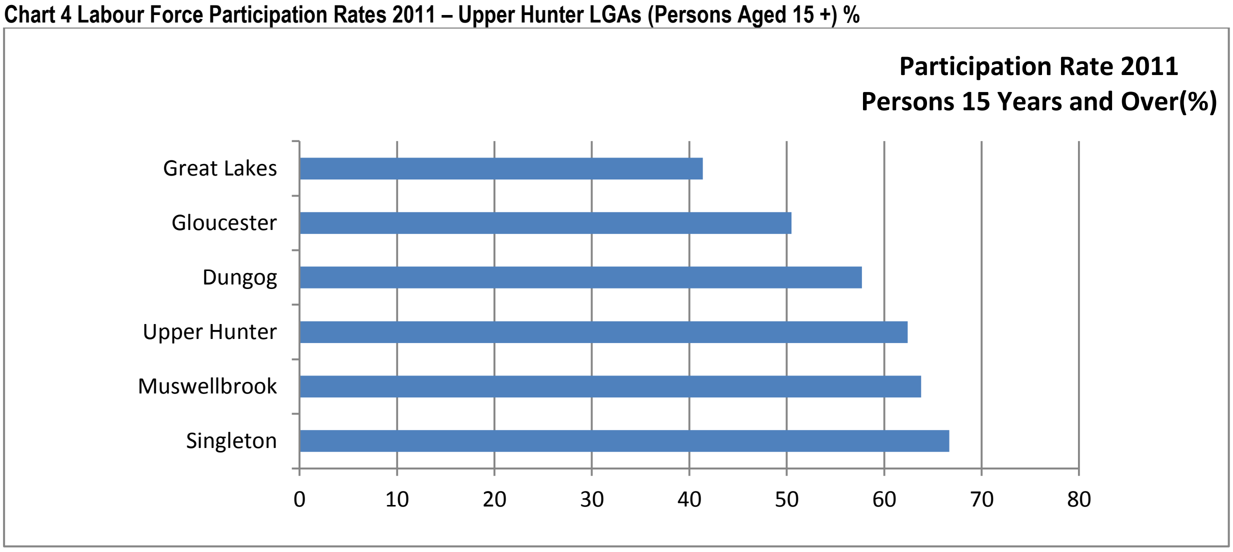
- Reflecting the local economies, labour force participation rates are highest in the Singleton, Muswellbrook and Upper Hunter LGAs, and are lowest in Great Lakes and Gloucester (which have older populations). Great Lakes, with an older population of retirees, has a very low labour force participation rate (only 45% for males in Great Lakes LGA in 2011 were in the workforce, compared with 76% for males in Singleton LGA).
- Over the 10 year period to 2011, the number of persons in employment (covering both full time and part time jobs) increased in all of the LGAs. Female employment was growing over the period in service industries.
- Unemployment rates declined substantially in the period from 2001 and were lowest in the growth areas of Singleton and Muswellbrook LGAs and were high in Great Lakes. With the slowdown in the economy over the last two years, local area unemployment rates have increased substantially in several LGAs and particularly in Great Lakes.

Table 1. Summary of Labour Force Indicators - Upper Hunter LGAs 2011 (Persons)

Indicator		Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes
Population	no.	23,019	16,098	13,822	8,212	4,777	34,562
Labour Force	no.	11789	7779	6771	3896	2 070	12 066
Labour Force Participation Rate	%	66.7	63.8	62.4	57.7	50.5	41.4
Unemployment							
Unemployed	no.	395	376	244	174	108	1000
Unemployment rate (2011 Census)	%	3.4	4.8	3.6	4.5	5.2	8.3
Unemployment rate Dec 2011 (DEEWR)	%	1.2	2.3	1.3	1.5	2.4	4.2
Unemployment rate Dec 2012(DEEWR)	%	2.7	4.7	2.7	3.2	5.9	9.9

Source ABS Regional Profiles 2013 (ABS Census 2011 data); DEEWR Small Area Labour Market Statistics.

Chart 4 Labour Force Participation Rates 2011 – Upper Hunter LGAs (Persons Aged 15 +) %



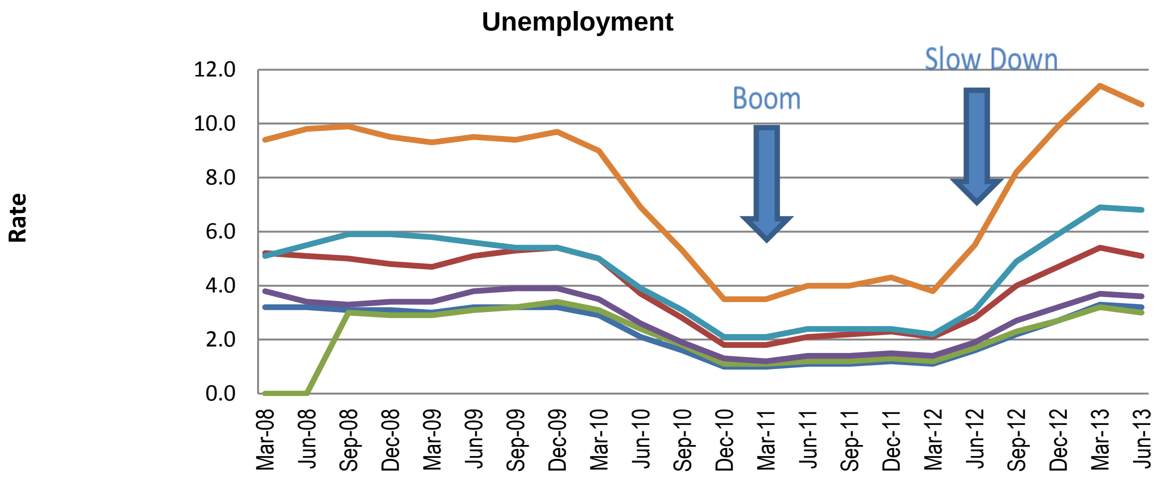
Source: ABS Census 2011 (Resident Population Data)

Unemployment

The following shows unemployment rates for each of the LGAs over the period from March 2008 to June 2013 and highlights the fall in unemployment (during the boom) and the increase since March 2012, with the slowdown in the regional economy.

- There is a significant dispersion of rates, with unemployment rates in Singleton/ Muswellbrook/ Upper Hunter Shire still being below the NSW average. In these areas part of this current unemployment rate represents long-term unemployment associated with entrenched social disadvantage.
- Unemployment rates in other areas are high, with Great Lakes rising to over 10% and Gloucester at almost 7%. Youth unemployment rates are substantially above these overall rates.

Chart 5 Unemployment Rates Upper Hunter LGAs 2008-2013 (%)



	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
Singleton (A)	3.2	3.2	3.1	3.1	3.0	3.2	3.2	3.2	2.9	2.1	1.6	1.0	1.0	1.1	1.1	1.2	1.1	1.6	2.2	2.7	3.3	3.2
Muswellbrook (A)	5.2	5.1	5.0	4.8	4.7	5.1	5.3	5.4	5.0	3.7	2.8	1.8	1.8	2.1	2.2	2.3	2.1	2.8	4.0	4.7	5.4	5.1
Upper Hunter Shire (A)	0.0	0.0	3.0	2.9	2.9	3.1	3.2	3.4	3.1	2.4	1.8	1.1	1.1	1.2	1.2	1.3	1.2	1.7	2.3	2.7	3.2	3.0
Dungog (A)	3.8	3.4	3.3	3.4	3.4	3.8	3.9	3.9	3.5	2.6	1.9	1.3	1.2	1.4	1.4	1.5	1.4	1.9	2.7	3.2	3.7	3.6
Gloucester (A)	5.1	5.5	5.9	5.9	5.8	5.6	5.4	5.4	5.0	3.9	3.1	2.1	2.1	2.4	2.4	2.4	2.2	3.1	4.9	5.9	6.9	6.8
Great Lakes (A)	9.4	9.8	9.9	9.5	9.3	9.5	9.4	9.7	9.0	6.9	5.3	3.5	3.5	4.0	4.0	4.3	3.8	5.5	8.2	9.9	11.4	10.7

Source: Small Area Labour Market Statistics, Department of Employment, November 2013

Skills and Education

The Upper Hunter population has a high incidence of vocational education and training (VET) qualifications.

- Males that have a post school qualification mainly have certificate level qualifications (66% of those with a qualification). This reflects regional employment patterns with males employed in sectors that are largely male intensive and that require trade qualifications and other VET qualifications (these sectors include: mining, manufacturing, construction, and other services).
- Females have a higher incidence of higher education qualifications (29% of females with a post school qualification have a bachelor degree or above compared with 16% of males who have a post school qualification). This reflects female employment in sectors/occupations that require degrees, including health (nursing and allied health professionals); education; and some areas of professional services.
- Of persons 15 years and over and who are in employment: 41% of employed males and 44% of employed females have no post school qualifications. Looking at the total regional population aged 15 and over (covering both persons in employment, persons not in the labour force, and some still in education) almost 49,000 persons (or 60%) had no post school qualifications.

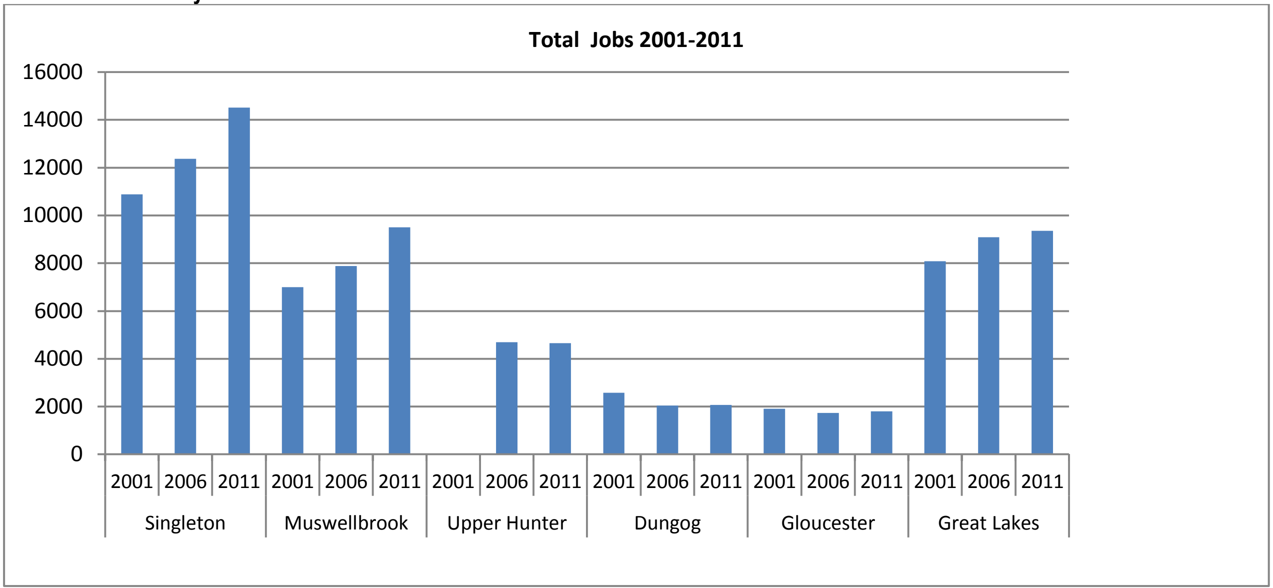
A major current and future trend is the continued decline in lower skill jobs (which require no formal qualifications) and the growth in jobs requiring vocational or higher education qualifications.

2.2 Labour Demand

Jobs in the Region

Growth in the Upper Hunter regional economy has largely been driven by growth in the mining sector and the associated expansion of jobs in both mining and in linked industries. Continued population growth in Great Lakes has contributed to growth in service jobs over the 10 years to 2011.

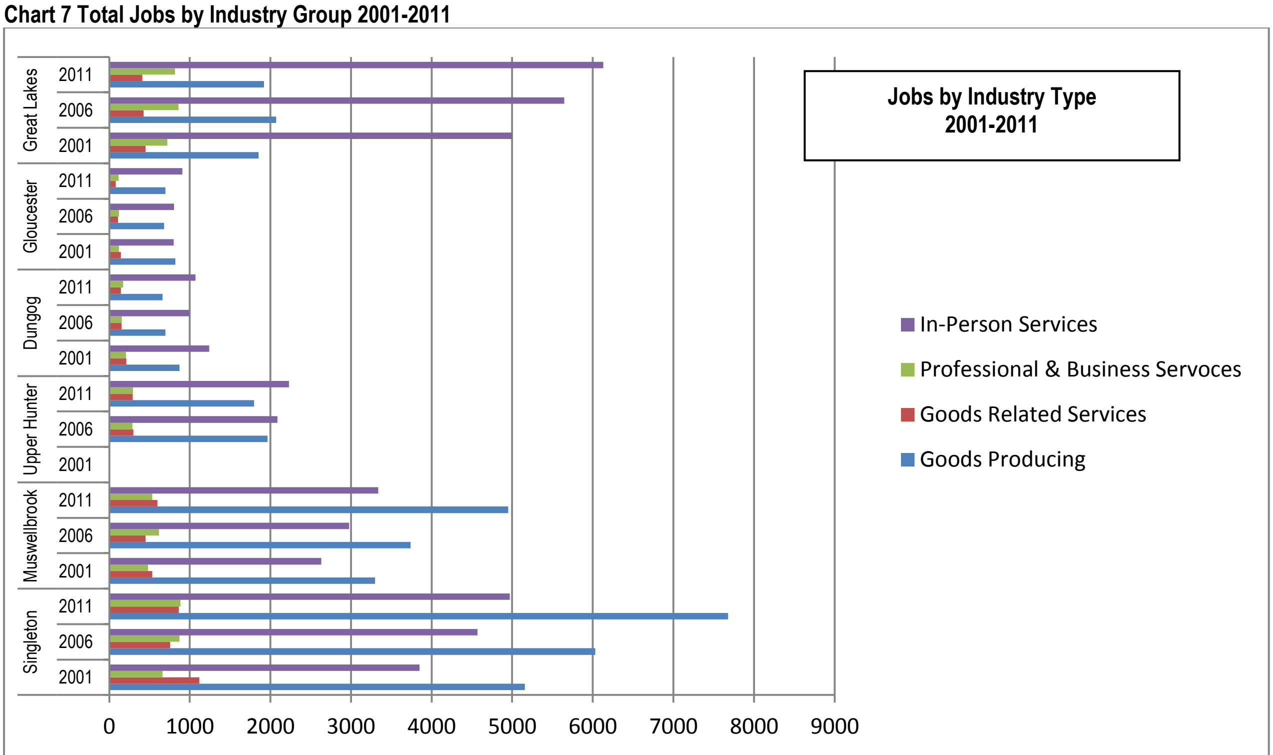
Chart 6 Total Jobs by LGA 2001-2011



Source: ABS Census 2001-11. Working Population Data

The following chart shows the differences in the number of jobs and the structure of employment over the 10 years to 2011. Singleton and Muswellbrook have goods producing sectors as the major area of employment (mainly mining related); Upper Hunter Shire has a significant goods producing sector (agriculture, food processing and linked industries); Gloucester and Dungog have agriculture and local services (and employment levels have been largely stable); and Great Lakes is dominated by in-person services.

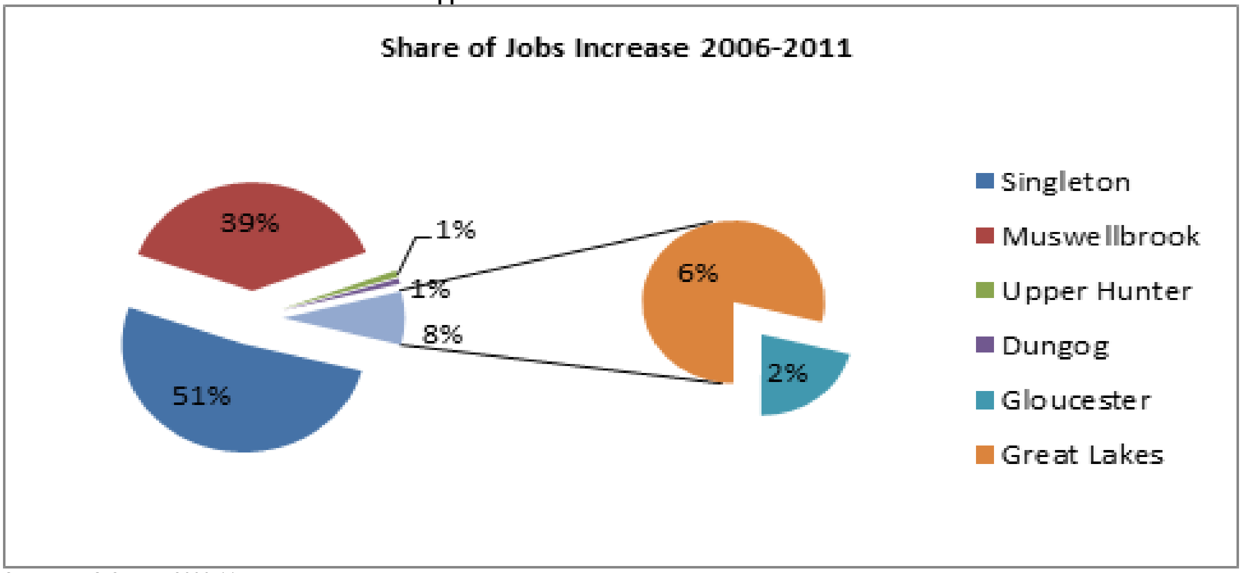
Chart 7 Total Jobs by Industry Group 2001-2011



Source: ABS Census 2001-11. Working Population Data

Mining activity was the major driver of total jobs growth in the Upper Hunter between 2006 and 2011. With this pattern of industry growth, Singleton and Muswellbrook LGAs accounted for around 90% of the total increase in jobs in the Upper Hunter over this period.

Chart 8 Share of Total Jobs Growth 2006-11- Upper Hunter LGAs



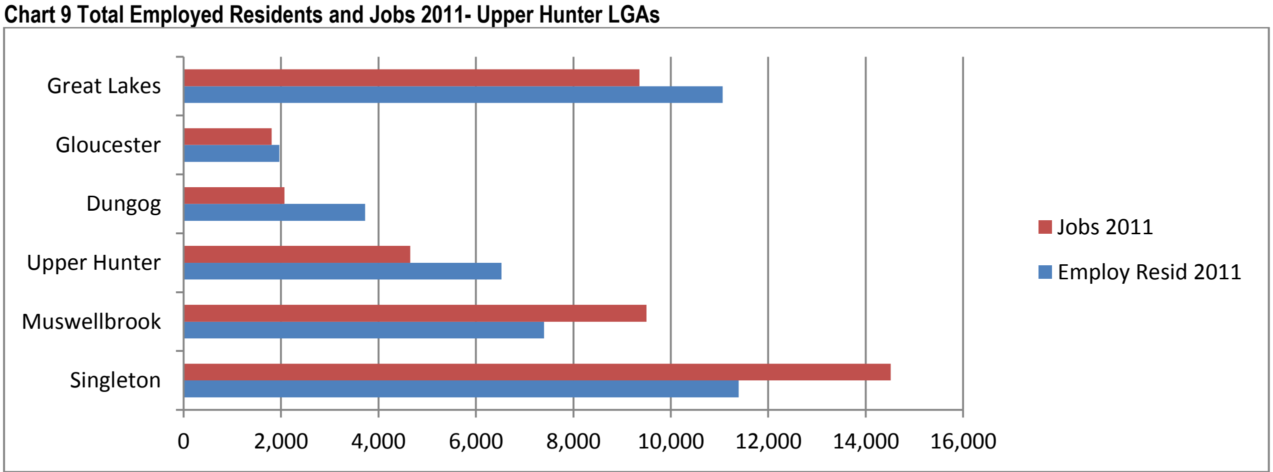
Source: ABS Census 2006-11. Working Population Data

A Regional Labour Market

There is an inter-regional dimension to labour supply and employment. People commute to jobs in adjacent areas. The two mining areas of Muswellbrook and Singleton have more jobs than employed residents, while the other LGAs have more employed residents than local jobs. The Upper Hunter linkages in the jobs market have continued to increase, with a significant number of Upper Hunter residents also commuting to jobs in the Lower Hunter (including Maitland and Newcastle). The Hunter Expressway by reducing travel times will increase these employment patterns.

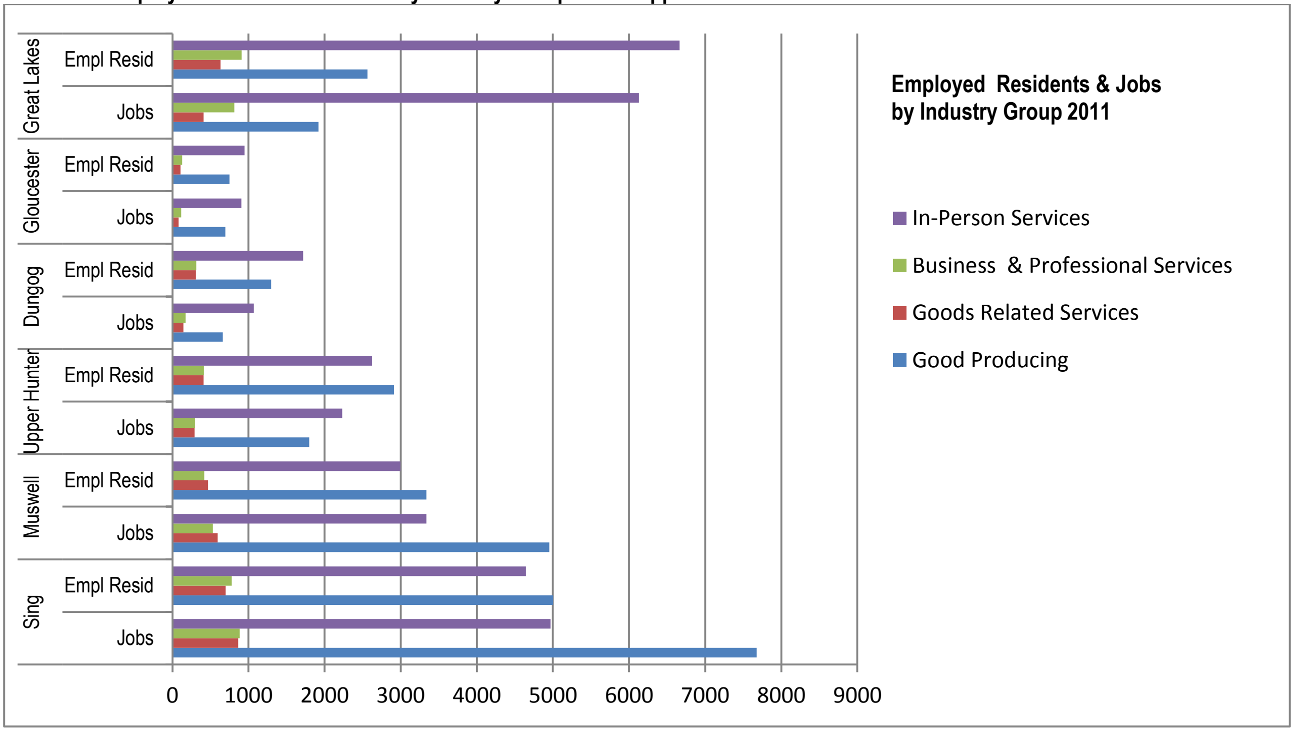
The Upper Hunter has increasingly become an inter-linked regional labour market with movements between the LGAs and commuting to and from the Lower Hunter. This reflects a combination of: population size, industry structure, patterns of growth, job locations and residential preferences.

Chart 9 Total Employed Residents and Jobs 2011- Upper Hunter LGAs



Source: ABS Census 2011 Working Population and Resident Population Data

Chart 10 Employed Residents and Jobs by Industry Group 2011 - Upper Hunter LGAs



Source: ABS Census 2011 -Working Population and Resident Population Data

The mining sector has a major impact on this jobs pattern through: its scale; the requirements for local workers for operations; and OHS restrictions on travel times and distances. Recent trends have seen an increase in the number of workers living in Upper Hunter Shire and working in Muswellbrook mines. A large number of professionals living in areas like Dungog are commuting to jobs in the major centres of Newcastle and Maitland.

This jobs pattern has allowed for flexibility with workers able to take up jobs in expanding sectors. For example, it has meant that the mining sector has been able to secure a workforce during the growth phase associated with the mining boom. Part of the experienced workforce has moved from the Lower Hunter, as mines there have reached the end of their life and expansion has occurred in the Upper Hunter. The local labour market has been able to deliver workers for operational roles in the mines, however this has put major pressure on other industry sectors that are unable to pay wage rates that are competitive with the mining.

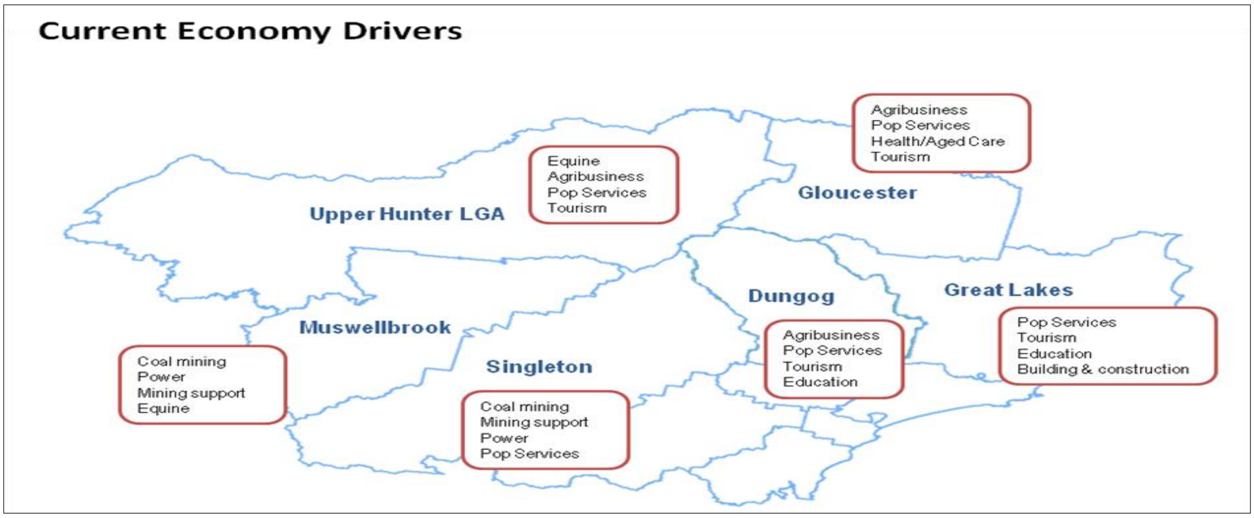
These job location and commute patterns have implications not only for labour supply and demand and meeting skill requirements, but also for regional transport (in what is a car dependent region with a narrow range of public transport options); for access to jobs for younger people; and for access to other services, including childcare.

2.3 Future Directions

Economic Drivers

The *Upper Hunter Economic Diversification Report* highlighted the key drivers of the regional economy.[2] The major change since the report was completed in 2011 has been the end of the mining investment boom and some reductions in industry employment (in mine construction, operations and in support industries). Despite the current employment reductions in the sector, mining will remain a major driver of the regional economy now and over the longer term.

A 2013 study undertaken for *Regional Development Australia Hunter* has highlighted the long term factors that will shape both the Lower Hunter and Upper Hunter Regions (over a 20 year horizon).[3] The regional economy will maintain its strong specialisations in mining and agriculture, and is projected to achieve growth of around 2.4% per year (higher than for the rest of New South Wales).[4]



Source: Upper Hunter Economic Diversification Project, Report 3: Strategy Report Buchan Consulting, June 2011 P19

Future Population Growth

Recent population projections (2013) show long term population growth in all of the LGAs over 10 and 20 year horizons.[5] The population is growing strongly in the upper areas of Singleton/Muswellbrook/Upper Hunter Shire and in Great Lakes. The growth rates for Upper Hunter Shire and Dungog LGA are significantly above earlier projections, as they take into account more recent growth patterns.

These growth patterns have implications for local demand for services and for the labour force. It is likely that Upper Hunter Shire will achieve an even higher growth rate than indicated in the 2013 projections. This is based around recent settlement patterns, with individuals being attracted to the LGA for a rural lifestyle and affordable housing.

Table 2. Population Projections 2011-2031 Upper Hunter Region

Projected Population						Change		% Change	
LGA	2011	2016	2021	2026	2031	2011-2021	2011-2031	2011-2021	2011-2031
Upper Hunter Region									
Singleton	23,500	24,700	25,800	26,800	27,700	2300	4200	9.8	17.9
Muswellbrook	16,300	17,100	17,900	18,600	19,300	1600	3000	9.8	18.4
Upper Hunter Shire	14,200	14,900	15,500	16,000	16,500	1300	2300	9.2	16.2
Dungog	8500	9000	9300	9600	9800	800	1300	9.4	15.3
Gloucester	5000	5300	5400	5600	5700	400	700	8.0	14.0
Great Lakes	35,600	38,200	39,700	40,700	41,600	4100	6000	11.5	16.9
Total	**103,100**	**109,200**	**113,600**	**117,300**	**120,600**	**10,500**	**17,500**	**10.2**	**17.0**

Source: New South Wales Local Government Area Population Projections: 2013 (Preliminary Revision), Department of Planning and Infrastructure NSW

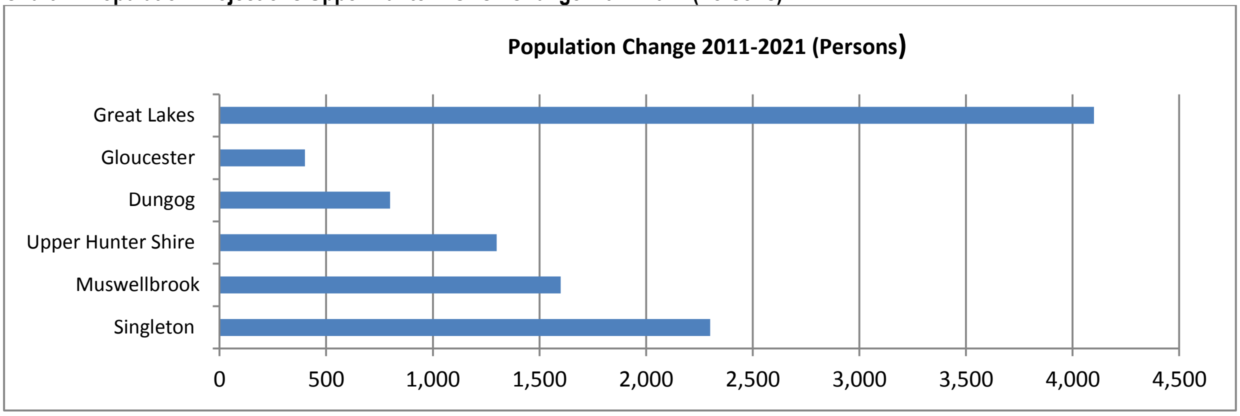
2 Upper Hunter Economic Diversification Project, Report 3: Strategy Report Buchan Consulting, June 2011

3 Prospects and challenges for the Hunter Region *A strategic economic study for Regional Development Australia Hunter* March 2013 Deloitte Access Economics

4 Prospects and challenges for the Hunter Region *A strategic economic study* Regional Development Australia Hunter March 2013 Deloitte Access Economics Pii

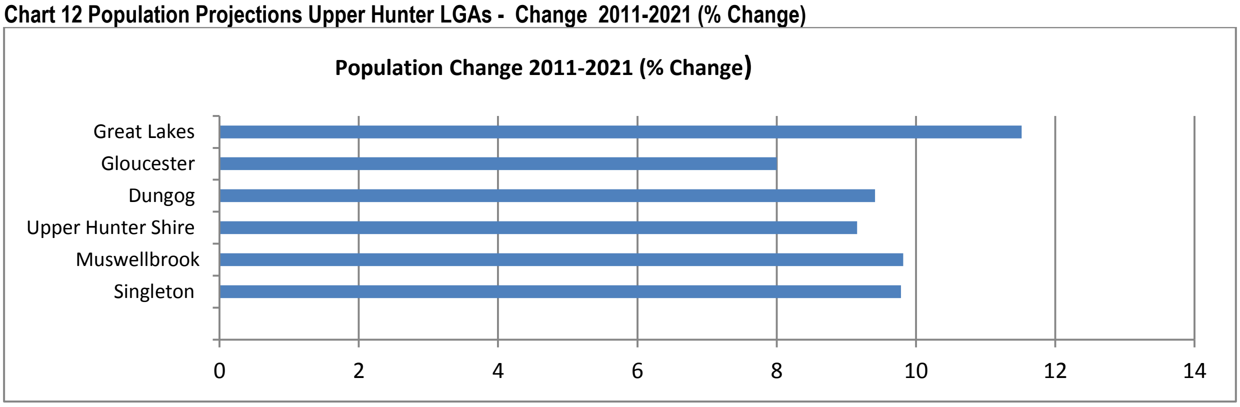
5 New South Wales Local Government Area Population Projections: 2013 (Preliminary Revision), Department of Planning and Infrastructure NSW

Chart 11 Population Projections Upper Hunter LGAs - Change 2011-2021 (Persons)



Source: New South Wales Local Government Area Population Projections: 2013 (Preliminary Revision), Department of Planning and Infrastructure NSW

Chart 12 Population Projections Upper Hunter LGAs - Change 2011-2021 (% Change)



Source: New South Wales Local Government Area Population Projections: 2013 (Preliminary Revision), Department of Planning and Infrastructure NSW

3. Workforce Issues

3.1 Regional Workforce Issues

The LGAs that make up the Upper Hunter differ in their industry structure and this affects some of the workforce issues in each location.

- Some common issues were: difficulties in recruiting professionals in local government (and to other service industries); competition for skilled labour and tradespersons with mining; a need to improve local delivery of VET programs and higher education; difficulties in recruiting childcare workers; issues related to securing a sustainable workforce in the aged care sector; and the impacts of the current scale back in activity in the coal sector.

- Other issues included: an increase in the number of residents commuting to jobs in adjacent LGAs; limited jobs growth and a narrow range of job opportunities in the non-mining LGAs; ageing populations and workers, and the associated workforce replacement requirements (in sectors including manufacturing, electricity generation, some parts of mining, health, aged care and local government).

- The Upper Hunter is a region with industries that rely heavily on trades skills (particularly in engineering, automotive, electro technology and construction trades). There is a need to plan for replacement and succession as *baby boomers* start to retire from the workforce (with many tradespersons not planning to work past age 60).

- Youth employment is a major issue in the region and includes: the limited availability of entry-level positions for young people; and evidence of some youth disengaging from education and training. There are also limited local apprentice positions available for young people resident in the smaller LGAs of Dungog and Gloucester.

In summary, the major factors that will affect labour supply and regional workforce planning over the next 10 years are: population growth; the age structure of industry workforces and the pattern of retirement of skilled workers (creating a need for an increase in supply to cover both growth and replacement demand for retiring workers); industry skill shortages and the attraction of persons to the region.

With the labour market becoming more dynamic and inter-linked, a cross-regional approach to labour supply and workforce planning needs to be taken.

Table 3. Industry Workforce Issues

Workforce Issues	Summary
Agribusiness	Agriculture and the equine sector are major activities in the Upper Hunter Shire and in other areas of the region. Both sectors face issues in terms of labour supply and skills and the need to take action to ensure a sustainable long term workforce. Upper Hunter Shire has a major food processing operation, which is expanding.
Mining Sector	The mining sector is the largest individual sector in the region and has increased employment substantially over the last decade. It is a major employer for residents of Muswellbrook/Singleton/Upper Hunter Shire, as most workers employed in mine operations are locals (or within a one hour drive from their mine site). The slow-down in mine development during 2012 and 2013 has seen significant reductions in contractor workforces and some more recent changes to mine operations employee numbers. There have been major negative impacts on businesses, in the broader Hunter Region, that provide services to the mining sector. A survey of mining employment conducted as part of the development of this workforce plan projects a future increase in employment over a 5 and 10 year horizon (mainly in the Muswellbrook mines). The mining sector is a major provider of training to its workforce. It undertakes significant of in-house training (in relation to health and safety and operator skills). It is a major regional employer of apprentices and mainly relies on Hunter TAFE for its apprentice training (via the Mining Skills Centre at Muswellbrook and at Lower Hunter campuses).
Energy	Muswellbrook/Singleton is the centre of electricity generation and distribution. The sector will be undergoing change with future privatisation of generators and distributors. A major future workforce challenge is the older age structure and ageing of the workforce (particularly tradespersons and operators) and the need to replace older workers who retire. There is also an emerging clean energy sector in Upper Hunter Shire covering solar, wind and thermal power. Coal seam gas projects are also underway in Upper Hunter Shire and in Gloucester LGA. These projects have a medium sized construction workforce during the development phase and a smaller ongoing skilled workforce for operations and maintenance. Over the next 5-10 years, there will be significant workforce training requirements: in the electricity generators (associated with replacement demand and restructuring of the workforce following privatisation); and with emerging requirements in the clean energy sector (associated with new jobs). Workforce development for the sector should be the subject of a specific energy sector workforce plan.
Service Industries	There are workforce recruitment and retention issues that are impacting on some key service sectors in the region (including health services, aged care, children's services and local government). Skill shortages/recruitment difficulties are still prevalent across a range of occupations (eg. professionals and support staff). Some of these recruitment problems relate to a lack of local qualified persons and difficulties in attracting people to regional locations. There are also issues in relation to perceptions of specific industries and their working conditions (eg. in the aged care sector). There is a need for industry-wide approaches in each sector to address skill shortages and to develop tailored solutions for a sustainable long term workforce.
Productivity	Productivity: there are major issues of workforce productivity at a national, industry and regional level.[6] Productivity improvement often involves workforce re-organisation at the operations level, combined with improvements in systems and practices. Change may involve job redesign, increased employee participation and autonomy, mentoring and applying new learning to products, services and systems. Productivity is a focus in the Upper Hunter Region in mining companies (and mining support industries) that are currently caught in a squeeze between lower export coal prices and operating costs that increased significantly during the boom. Smaller businesses across a range of other sectors will also need to improve workforce productivity in response to ongoing competitive pressures.
Workforce Diversity	Some industry sectors are more female intensive (eg. health, aged care, childcare, education). Other sectors mainly employ males (eg. mining, manufacturing, transport and logistics, building and construction). To meet long term workforce requirements at a time when the labour force is ageing, there is a need to encourage greater diversity and to recruit from a broader regional labour pool. This includes employment of both females and males in *non-traditional* areas; retaining and re-employing mature workers; and bringing unemployed persons back into employment (through re-skilling). For example the mining sector has increased its employment of women. Great diversity in the workforce involves some changes to workplace arrangements including: on the job training; more part-time employment; adjustment of shift times; more flexible leave to meet family requirements; and transition to retirement arrangements for some older workers. It also has implications for the provision of other services, including child care and after school care. Broadening the workforce also involves attracting professionals and other skilled workers to live in the Upper Hunter LGAs and to take up available employment opportunities.

6 Future focus, 2013 National Workforce Development Strategy, Australian Workforce and Productivity Agency March 2013 P10

Consultations on workforce issues were held with businesses and other stakeholders in each of the six local government areas. The following table summarises major issues raised in discussions.

Table 4. Workforce Issues in Upper Hunter Local Government Areas

Area	Issues Summary
Singleton LGA	Key issues in Singleton include: difficulties in recruiting professionals into the area (including to local government jobs); continued population growth in the area; a need for local delivery of higher education through an extension of the Education Precinct; the impacts of the slowdown in mining activity (including loss of apprentice positions and impacts on supplying industries); skill shortage issues in non-mining industries that compete for skills; and major labour supply issues in health and community services (eg. aged care, health and children's' services) - covering current recruitment issues and an replacement of an ageing health workforce.
Muswellbrook LGA	Major issues in Muswellbrook are: its continued development as a centre for mining education and training (through expansion of the Mining Skills Centre and delivery of higher education programs); maximisation of local employment opportunities, including those for young people; improved education and training access via local delivery options; expansion of training in other sectors; a need for improvements in workforce productivity; and the impacts of the mining industry contraction on local employment and on the housing market.
Upper Hunter LGA	Key issues in the Upper Hunter LGA are: difficulties in recruiting professionals across a number of categories (including local government employees); a diverse local economy, but a narrow range of new employment opportunities; an increasing trend for people to live in the Shire and commute to jobs in Singleton and Muswellbrook (including an increase in mine workers); workforce recruitment in two expanding sectors (aged care and childcare); and a need to boost industry training in agribusiness - agriculture and equine industries (via industry skills initiatives and TAFE). A major issue in education and training is access and the need for local delivery (particularly for young people). There is a need to increase housing availability to cover the local workforce (including the expanding food processing workforce) and the commuting workforce. Access to affordable housing is an ongoing concern for the equine and food processing industries.
Dungog LGA	Key issues for Dungog include: difficulties in recruiting local government professionals; a narrow range of jobs in the area and an increased level of commuting to jobs in adjacent LGAs and in Newcastle; an ageing workforce; few local employment opportunities for young people (including apprenticeships); an older population, with some people moving to the area for retirement; and a need to improve the quality of training for the aged care industry. As a small business economy, most businesses are owner-operated, have few employees, and do limited training. Tocal College located in proximity to Dungog LGA is a major asset for agriculture in the broader Hunter Region.
Gloucester LGA	Key issues in Gloucester are: a slow growing population, which has an older age structure; some recent closures of engineering businesses in the LGA; no growth in local jobs; an ageing workforce in some sectors (including health services); recruitment difficulties for nurses and specialists; a largely small business economy with only few large employers (eg. hospital, mines and Council); some recent retrenchments at the mine; local concerns on the future development of the coal seam gas sector and on the expansion of mining; and limited access to local training delivery. The *Gloucester Skills Project* is encouraging school/business links for work experience.
Great Lakes LGA	Issues in Great Lakes include: the population is growing and has an older age structure due to retirees being attracted to coastal areas; most local industry is servicing the local population; there are a narrow range of full time ongoing jobs and a high incidence of part-time and seasonal jobs in the tourism sector. There is a significant level of commuting to jobs outside the region, particularly to Taree; unemployment is high and has increased substantially over the last 2 years; while major concurrent skill shortages exist in aged care, childcare, health (nurses), and in some professions (eg. engineers and accountants). The aged care sector is expanding and has implemented an industry-wide initiative to attract and develop a sustainable workforce. A similar type of industry initiative is required in the childcare sector. Industries need to become actively involved with workforce planning and skills development for their sector. There are recognised issues in relation to customer service and a need to improve business structures and management skill levels in the small business sector.

3.2 Future Employment Demand

Age Structure and Replacement

An ageing workforce and the associated replacement requirements is a major issue for industry sectors including: agriculture, manufacturing, electricity generation, health services, aged care and local government. While at an aggregate labour force level, Muswellbrook and Singleton both have a younger age structure, the areas have industries with older workers and face retirements and workforce replacement requirements. There are several strategic workforce issues in the Upper Hunter..

- Looking out over the next 5-10 years it is expected that workforce participation rates of mature workers will increase. Workers in some industries may continue working part-time beyond retirement age (often because their superannuation is not sufficient) and some under 65s may transition to retirement by working part-time and flexible hours. However these transition options are often only available for people in professional occupations or in service roles.

- Trade skills dominate in a number of key sectors in the Upper Hunter (eg. engineering, automotive, electro technologies, and construction trades). There is a need to plan for replacement and succession in these sectors, as older workers start to retire. Most tradespersons have undertaken heavy manual work, and many are not planning to work past 60 (much less work beyond 65).
- Mining industry: due to the expansion of mining activity in the region, the average age of operators and tradespersons is between 39-44 years. However there are some workers in their 50s, who would be retiring within the next 10 years.
- In electricity generation (Muswellbrook/Singleton LGAs), the age of the skilled workforce (trades and machine operators) is older than for other sectors, and there are also emerging skills needs for the renewable energy sector (within the next 5 years).
- Health services: the sector has an older age structure (particularly for nurses) and requires a planned approach to workforce training and development. Hunter New England Health is active in workforce planning, training and recruitment for its hospitals and other health services.
- Agriculture traditionally has the oldest workforce as farmers to continue operating their farms well beyond normal retirement age (20% of persons in the sector are over 65 years).There are major issues in the sector covering: recruitment of farm workers; succession planning; and the development of farm skills.
- Another major issue that relates to the age of a workforce is the currency of skills and qualifications that may have been completed decades earlier. With changes in technology and an older workforce, there is a need for ongoing training programs to update skills and to up-skill employees.

Table 5. Age Structure of Selected Industries 2011 - Total Upper Hunter Region (Employed Persons)

Selected Industries	15-19 years	20-24 years	25-34 Years	35-44 years	45-54 years	55-64 years	65+ years	Total
Agriculture, forestry and fishing	119	229	419	559	678	719	659	3,382
Share %	3.5	6.8	12.4	16.5	20.0	**21.3**	**19.5**	100.0
Mining	70	406	1,467	1,564	1,337	636	50	5,530
Share %	1.3	7.3	26.5	28.3	24.2	11.5	0.9	100.0
Manufacturing	185	283	535	576	652	372	72	2,675
Share %	6.9	10.6	20.0	21.5	**24.4**	**13.9**	2.7	100.0
Electricity, gas, water and waste services	31	62	132	205	369	166	34	999
Share %	3.1	6.2	13.2	20.5	**36.9**	**16.6**	**3.4**	100.0
Construction	184	331	614	767	759	523	103	3,281
Share %	5.6	10.1	18.7	23.4	23.1	15.9	3.1	100.0
Retail trade	809	474	634	786	870	570	110	4,253
Share %	19.0	11.1	14.9	18.5	20.5	13.4	2.6	100.0
Accommodation and food services	777	401	453	555	580	390	128	3,284
Share %	24.0	12.0	14.0	17.0	18.0	12.0	3.9	100
Transport, postal and warehousing	26	69	149	333	402	423	101	1,503
Share %	1.7	4.6	9.9	22.2	26.7	**28.1**	**6.7**	100.0
Public administration and safety	92	162	337	473	534	346	53	1,997
Share %	4.6	8.1	16.9	23.7	**26.7**	**17.3**	2.7	100.0
Education and training	36	109	346	612	810	590	74	2,577
Share %	1.4	4.2	13.4	23.7	**31.4**	**22.9**	2.9	100.0
Health care and social assistance	84	212	478	872	1,313	818	107	3,884
Share %	2.2	5.5	12.3	22.5	33.8	**21.1**	**2.8**	100.0

Source: ABS Census 2011 Resident Population Data

Retirements from the Workforce

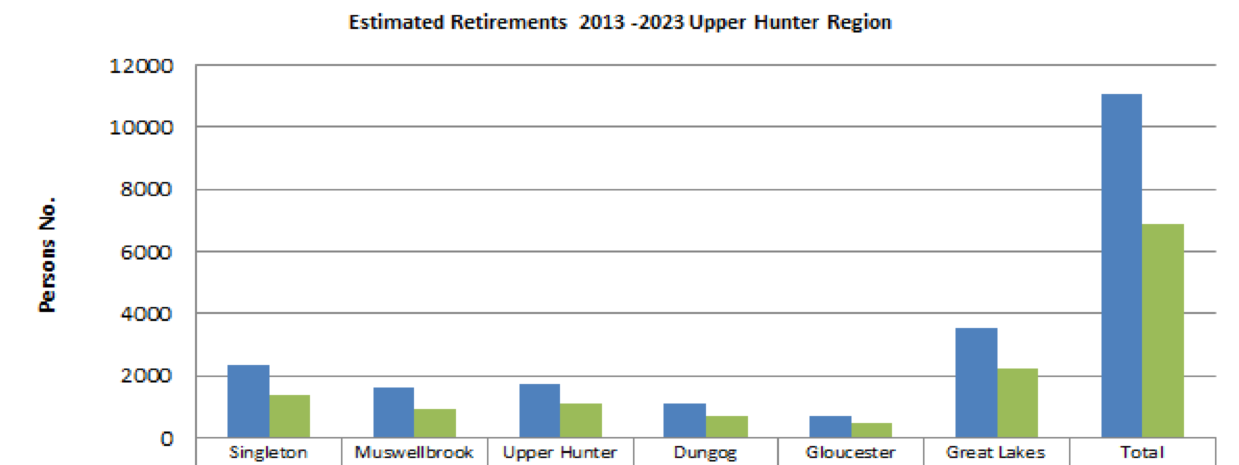
Ageing and retirements are major workforce issues for the region, particularly in LGAs including Dungog, Gloucester and Great Lakes. The mining areas have a much younger labour force and will not be affected to the same extent.

The following charts show projected retirement numbers over the 10 years to 2023 for the Upper Hunter Region LGAs. In total around 11,100 persons or 26% of employed persons in the region would be retiring over the next 10 years, with 6900 (16%) of these retiring over the 5 year period to 2018.

There are some differences between local government areas.

- Singleton and Muswellbrook have a lower share retiring, as they have labour forces with a generally younger age structure, which reflects the growth in mining jobs in the area and the hiring of younger workers.
- Dungog and Gloucester have a static jobs market and an older age structure of employees.
- Great Lakes LGA has a large labour force with an older age structure and this generates a large number persons retiring over the 5 and 10 year periods.

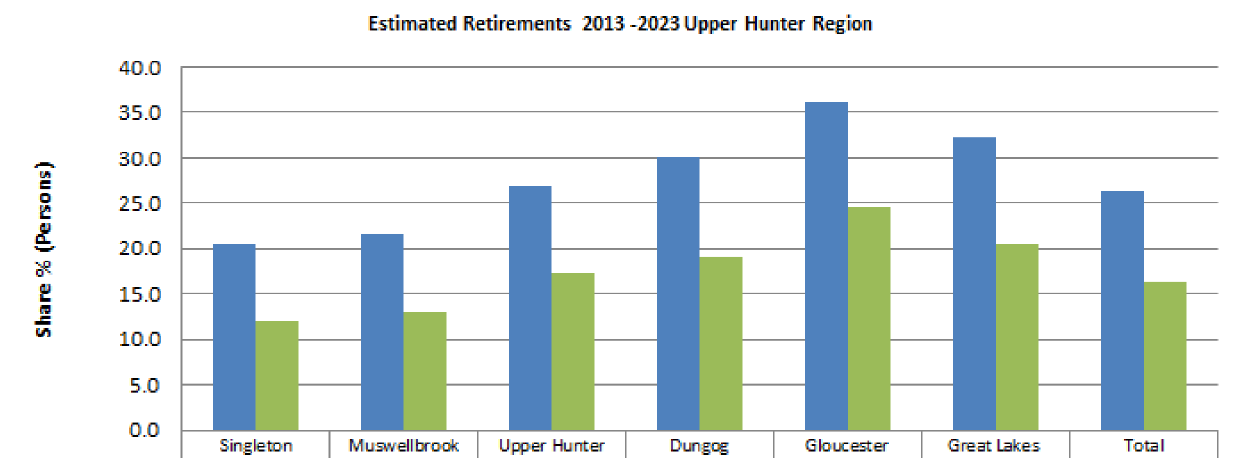
Chart 13 Estimated Retirements from Workforce - Upper Hunter LGAs (Persons)



	Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes	Total
Retire 10 Years	2339	1601	1755	1121	710	3565	11091
Retire 5 Years	1368	958	1125	712	481	2256	6900

Source: MCa Estimates based on ABS Census 2011 Resident Population Data.

Chart 14 Estimated Retirements from Workforce - Upper Hunter LGAs (% Share of Employed Persons)



	Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes	Total
Retire 10 Years	20.5	21.6	26.9	30.1	36.2	32.2	26.4
Retire 5 Years	12.0	12.9	17.2	19.1	24.5	20.4	16.4

Source: MCa Estimates based on ABS Census 2011 Resident Population Data.

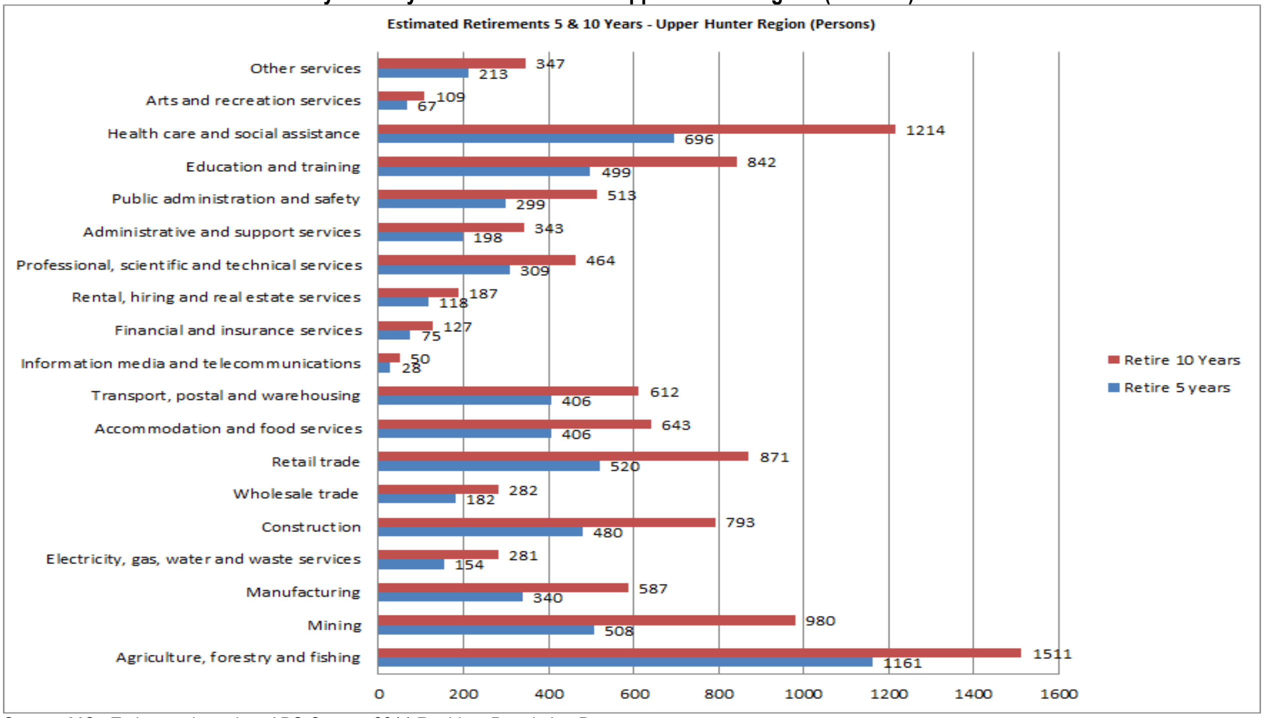
Retirements by Industry

The following tables provide estimates of retirements for each industry sector over 5 and 10 year periods.

The sectors with larger shares of future retirees over the next 10 years are: agriculture 45% (reflecting the fact that farmers are generally much older than the general labour force); transport, postal and warehousing 41% (mainly older truck drivers); education 33%; health services 31% (particularly nurses and support workers); professional services 30%; and electricity, gas, water services 28% (mainly older tradespersons and operators in the electricity generation sector).

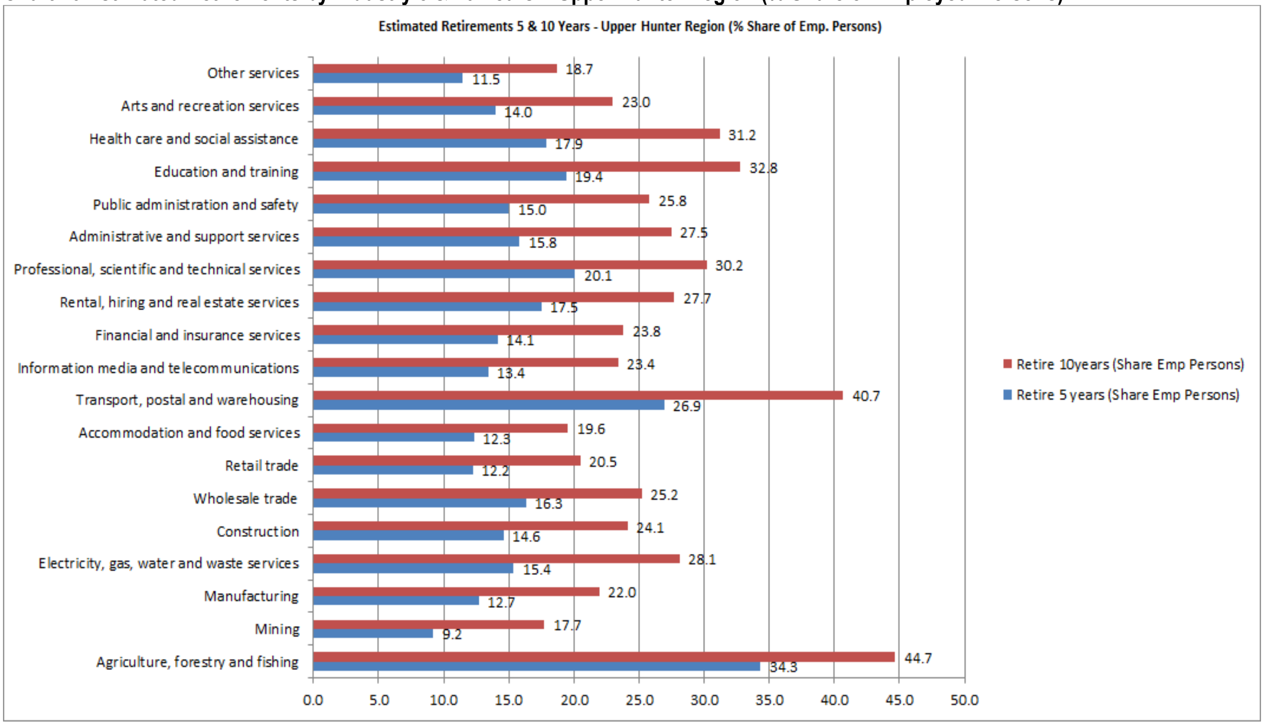
A broadly similar pattern is evident in the retirements that will occur over the 5 year period to 2018.

Chart 15 Estimated Retirements by Industry 5 & 10 Years – Total Upper Hunter Region (Persons)



Source: MCa Estimates based on ABS Census 2011 Resident Population Data.

Chart 16 Estimated Retirements by Industry 5 & 10 Years – Upper Hunter Region (% Share of Employed Persons)



Source: MCa Estimates based on ABS Census 2011 Resident Population Data.

Future Employment Demand

The following table shows estimates of future employment demand, which comprises both the projected long term growth in employment and the replacement demand for persons retiring from the workforce.

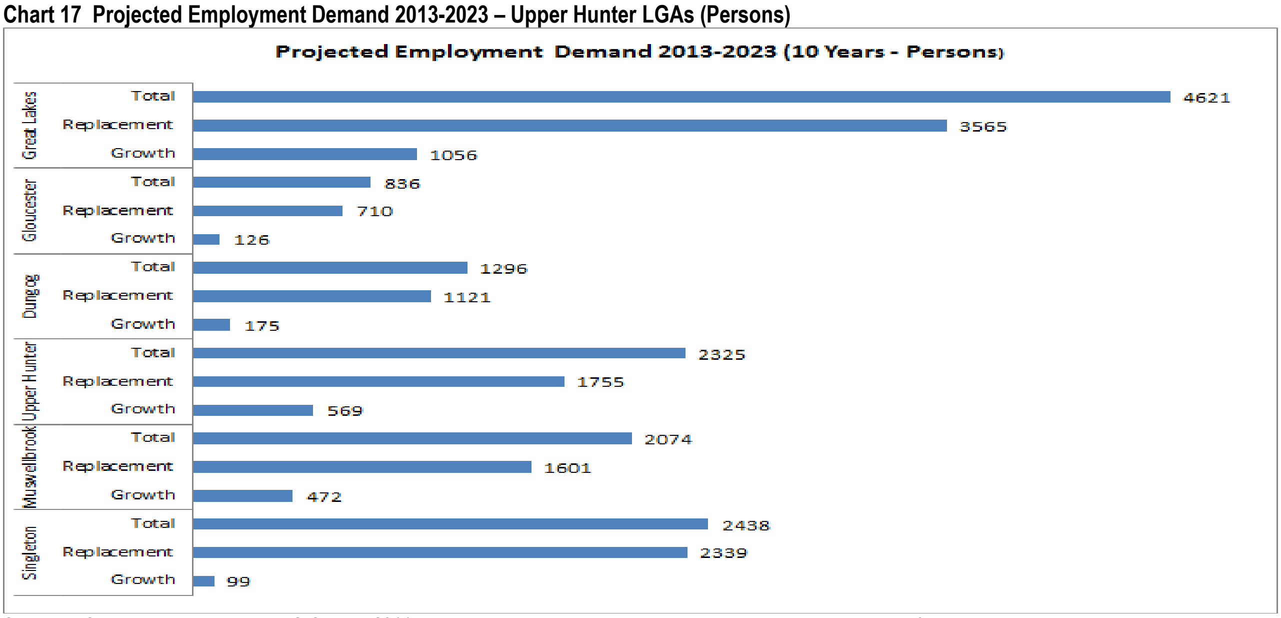
The growth projections are based on modelling of population driven growth and its impact on services demand and employment in population driven sectors, and the used of informed estimates of expected growth in other sectors.[7] In general conservative estimates of industry employment change have been used, with modest employment growth or stable levels in some sectors and declines in other sectors (eg. in agriculture and mining). The replacement demand estimates are based on modelling of the employed population and on assumptions in relation to trends in age specific labour force participation rates (and are detailed in the section above on retirements).

It needs to be noted that these estimates are not the number of jobs that will be advertised over a period, as they do not include the job vacancies that become available as a result of the normal patterns of workforce turnover. Average labour turnover rates (identified in the industry consultations for this project) are between 3%-8% of the workforce per year. This suggests a potential range of between 1230-3280 vacancies per year resulting from this workforce turnover.

In overall terms, replacement demand (due to retirements) is substantially above employment demand due to industry growth in the Upper Hunter LGAs. For the period 2013-2023 in the total region replacement demand was 11,091 jobs and the total net growth in the number of jobs was 2498. This is due to the projected falls in employment in agriculture and mining will offset jobs growth in other sectors that is driven by population growth in the region.

- Singleton (total net jobs growth = 99) has growth in in-person services (484) due to projected population growth, but this is offset by falls in mining employment in the 10 year period to 2023.
- Muswellbrook (total net jobs growth = 472) has some projected growth in-person services (337) and manufacturing (160) and only a small fall in mining jobs (-50).
- Upper Hunter Shire has some growth in jobs (total net jobs growth = 569) that is largely driven by the expansion of food processing and in-person services. It has a significant replacement demand (2325) due to the dominance of agriculture and the older age of farmers.
- Dungog has projected growth in jobs (total net jobs growth = 175),mainly due to growth in population related services. Replacement demand is significant due to an older workforce (1121).
- Gloucester has some projected growth in jobs in population related services and a significant replacement requirement due to the older age structure of its workforce.
- Great Lakes has strong population growth projected, which has the potential to generate a significant increase in net new jobs (+1056). At the same time, with the oldest population in the region, Great Lakes will have significant replacement demand (3565) over the 10 year period, which is spread across a wide range of industries.

Chart 17 Projected Employment Demand 2013-2023 – Upper Hunter LGAs (Persons)



Source: MCa Estimates based on ABS Census 2011 Resident Population Data. Industry growth based on modelling of the regional economy

7 The change in employment in the mining sector is based on the findings of the Mining Sector Survey conducted in late 2013 as part of this project.

Table 6. Estimated Employment Demand 2013-2023 - Total Upper Hunter Region (Persons)

2013-2023	Total Upper Hunter Region		
Jobs by Industry	**Growth**	**Replacement**	**Total**
Goods Producing Industries			
Agriculture, forestry and fishing	-580	1511	931
Mining	-628	980	352
Manufacturing	584	587	1171
Electricity, gas, water & waste services	30	281	312
Construction	240	793	1033
Total	**-296**	**4153**	**3857**
Goods Related Services			
Wholesale trade	30	282	312
Transport, postal & warehousing	271	612	884
Total	**301**	**895**	**1196**
Professional & Business Services			
Professional, scientific & technical services	87	464	551
Information media &telecoms	23	50	73
Financial & insurance services	31	127	157
Rental, hiring & real estate services	140	187	327
Total	**280**	**828**	**1108**
In-Person Services			
Retail trade	968	871	1839
Accommodation &food services	347	643	990
Administrative &support services	0	343	343
Public administration &safety	0	513	513
Education and training	193	842	1035
Health care & social assistance	280	1214	1494
Arts & recreation services	256	109	365
Other services	168	347	515
Total	**2212**	**4883**	**7095**
Inadequately described		332	332
Total All Industries	**2498**	**11,091**	**13,589**

Source: MCa Estimates based on ABS Census 2011 Resident Population Data. Industry growth based on modelling of the regional economy and impacts of population change.

3.3 Skills and Qualifications

Skill requirements differ between industries and depend on: activities, technologies, occupations, workforce regulations and the size of organisations.

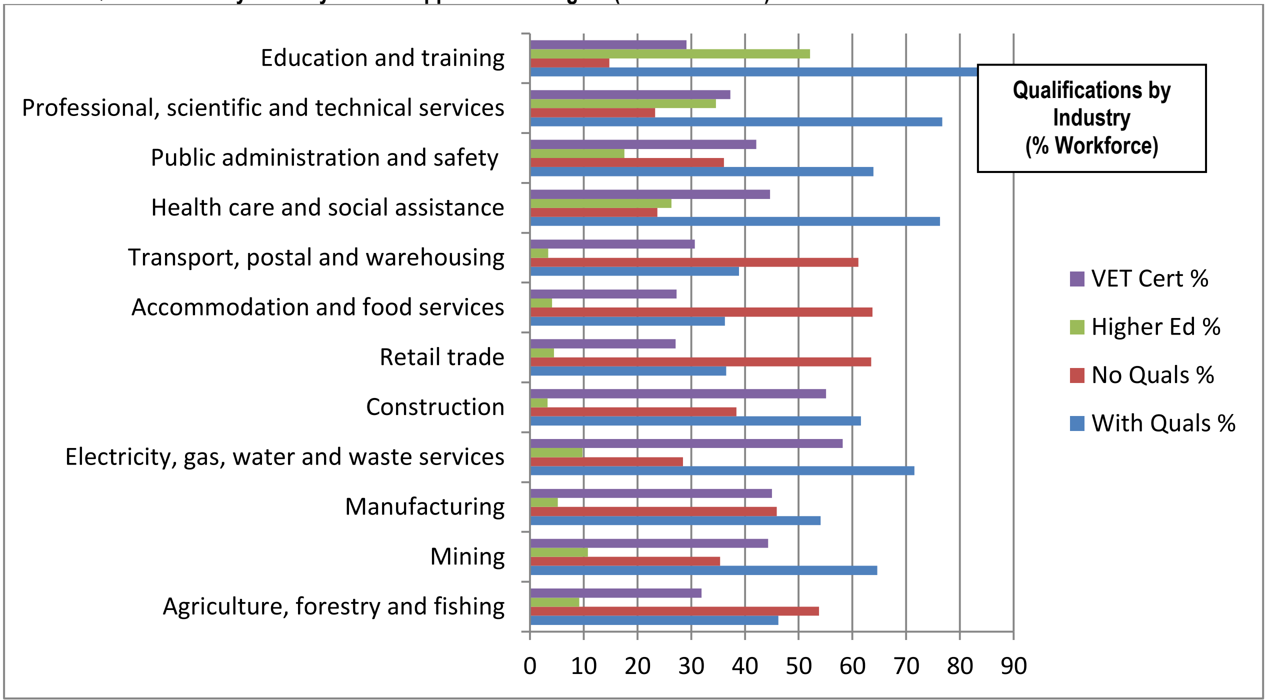
- Sectors including: mining, health care, electricity generation, construction, government, professional services, and education and training have a high percentage of their workforces with qualifications. In most cases these industries are characterised by larger organisations; require technical skills to deliver products or services; and have regulatory requirements that are related to qualifications.
- Other sectors: have a lower incidence of formal qualifications (eg. retail; accommodation and food services; and agriculture); have a range of jobs which do not require formal qualifications; and are made up of small businesses (owner operators). Training in these industries is often limited and is usually conducted informally on the job.

Developing Skills in the Region

There are major skill requirements in the Upper Hunter:

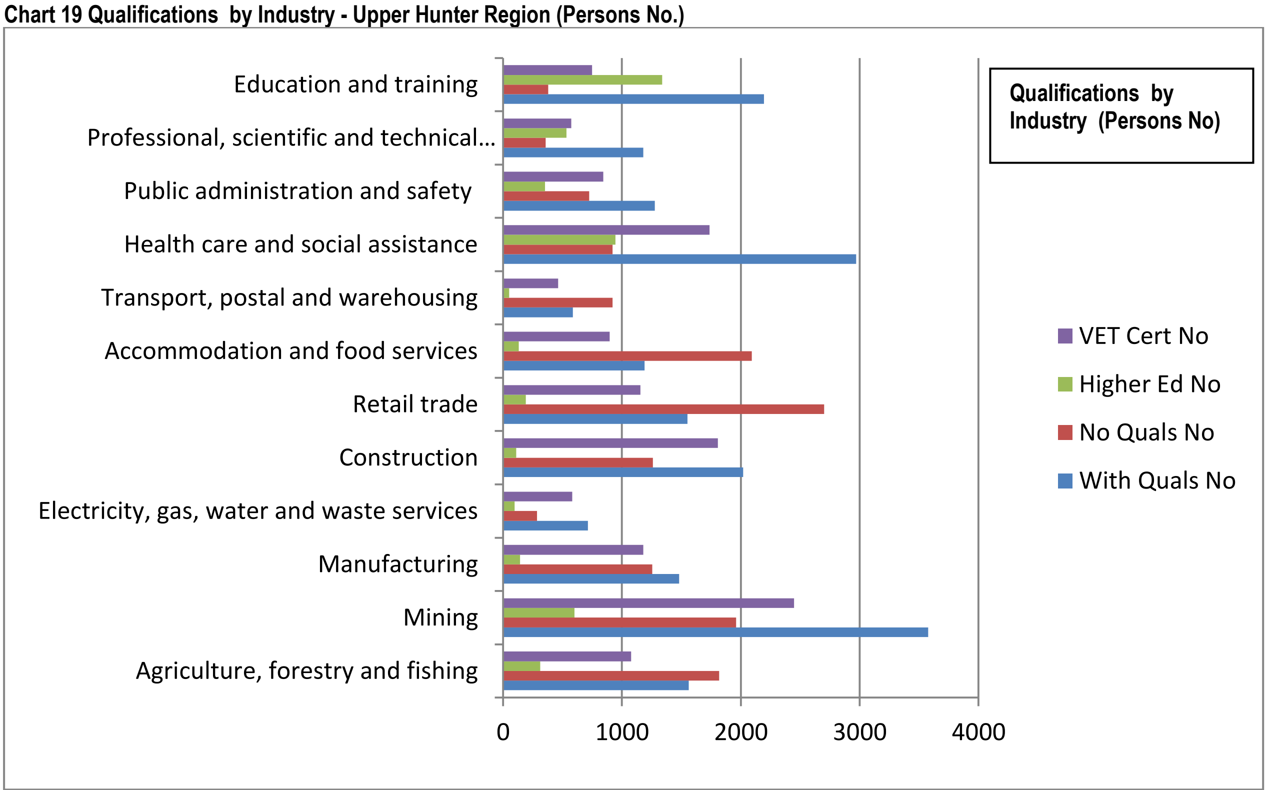
- **Many of the persons heading to retirement are: tradespersons; skilled workers with other VET qualifications; or are degree qualified professionals.**
- **Replacement of persons leaving the workforce will require: a sustained lift in uplift in apprentice intakes; ongoing up-skilling of existing workers; trades training and upgrades of trade skills; and the delivery of other education and training in the region (including higher education programs).**

Chart 18 Qualifications by Industry – Total Upper Hunter Region (% of Workforce)



Source: ABS Census 2011 Resident Population Data

Chart 19 Qualifications by Industry - Upper Hunter Region (Persons No.)



Source: ABS Census 2011 Resident Population Data

4. Education and Training

4.1 Education and Training Delivery

For higher education, the Upper Hunter is served by: Newcastle University (Newcastle campuses) and some local course delivery by the University of New England (in the Taree Study Centre); two TAFEs (Hunter Institute and North Coast Institute); DPI's Tocal College (at Paterson in Maitland LGA); and three specialist training centres (mining in Muswellbrook; tourism and hospitality in Kurri Kurri; and equine in Scone). There are also private RTOs and Community Colleges (adult and community education providers) that operate in the region, and are delivering a range of vocational education and training.

The TAFE Institutes covering the Upper Hunter are North Coast TAFE (Great Lakes, Gloucester) and Hunter TAFE (Singleton, Muswellbrook, Upper Hunter, Dungog).TAFE has a footprint across the region, with training delivery broadly aligning with the industry structure in the catchment area. However there are issues related to the *thinness* of the training market and the inability to offer some courses because of potential low numbers of students. Many businesses are concerned about access to training for their industry, with trainees having to travel to TAFE campuses in other locations.

4.2 Key Issues

There are a number of issues in relation to workforce development and program delivery in the Upper Hunter. These include: improved regional access to higher education (including local delivery of university courses); further development of vocational education and training; a need for improved flexibility in industry training (greater flexibility will be triggered by competition generated by the *Smart and Skilled Policy*); and encouraging more training activity in small and medium sized businesses.

- A major gap is no university presence or local delivery of university courses in the Singleton/Muswellbrook/Upper Hunter Shire area. Singleton and Muswellbrook Councils and Hunter TAFE are exploring links with regional universities for the delivery of specific courses at local learning centres. Great Lakes Council is also working in cooperation with neighbouring Councils and stakeholders to increase access to higher education in their area.
- With the convergence of the three coal basins, Muswellbrook is well situated to be a regional education and training hub for the mining sector. Muswellbrook Council: has a strong commitment to education and training; has built student accommodation; is partnering with Hunter TAFE to secure delivery of a mining engineering degree course; and has secured funding for an education centre. This combined with the *Mining Skills Centre* will establish Muswellbrook as the regional skills hub for the mining sector (with the capacity to offer specialist training for local mining operations and for the broader mining industry).
- The introduction of *Smart and Skilled* from 2015 will change the VET market situation in the Hunter Region (including the Upper Hunter). TAFE institutes will face more competition in most segments of their delivery. The new arrangements are likely to see an increase in the number of private providers delivering training that is tailored to specific industry requirements

The high incidence of occupations in the Upper Hunter requiring trade qualifications indicates potential demand for: update training for tradespersons; transition programs from trades to higher qualifications; and replacement demand for older tradespersons who are planning retirement.

4.3 Industry Skill Requirements

Given the structure of the industry in the Upper Hunter, there is a high incidence of VET certificates, covering apprentice trades and other industry related qualifications (in mining, manufacturing, and construction). Higher education qualifications tend to be focused in the mining, education, health services, government and professional services sectors. Other sectors with a relatively low number of persons with formal qualifications, tend to have a high incidence of small owner-operated businesses and have an emphasis on experience on-the-job.

The follow table summarises the industry outlook and skill requirements for the major industry sectors in the Upper Hunter. This assessment is based on an analysis of industry data and industry consultations.

Industry Outlook	Medium Term - Employment Outlook	Occupation/Skill Requirements
Good Producing Industries		
Mining	Generally stable with some employment growth - in the Muswellbrook and Gunnedah fields (in next 5 years). Growth is associated with development of new mines or mine extensions. Mining businesses are active in internal workforce planning and onsite training for tradespersons and operators. There is a major emphasis on productivity improvements.	Demand is across major categories: tradespersons, operators and mining professionals. The workforce is generally younger than other industries. However over a 10 year period there will be some replacement demand for older tradespersons.
Agriculture	Overall employment levels will show a slow decline with some rationalisation of land holdings.	There will be some replacement demand as older farmers retire. There are major requirements for reskilling the workforce and recruiting farm workers.
Equine Sector	Some employment growth is expected over 5 years as the industry develops their local workforce.	The industry is focusing on developing job pathways and skills training to attract and retain a local workforce. There are also re-skilling requirements for the existing workforce.
Electricity Generators	Some reductions in employment are expected in the medium term from a restructuring of the workforce, following privatisation.	There is significant replacement demand due to the sector having an older workforce. This would cover tradespersons and some operators.
Clean Energy	Some employment growth in the sector in the construction phase and in operations(Upper Hunter Shire).	Demand will cover engineering and trade skills (construction, engineering, electro technologies). This will create a demand for apprentices and for skills upgrades of existing tradespersons.
Construction	Future growth is linked to population growth in the region (housing and commercial construction) and major infrastructure projects.	Demand will be for construction tradespersons. There is some replacement demand for older tradespersons, who are approaching retirement age.
Manufacturing	Engineering (mining linked) - employment is expected to stable following some recent falls. Food processing – continued growth is expected in Upper Hunter Shire.	There is replacement demand for tradespersons and other older workers. There is also requirements for skills upgrade training for existing tradespersons. Major issue is the attraction and retention of a workforce (457 visas are being used) and industry training.
Goods Related Services		
Transport and Logistics	Employment growth is expected in the sector. The sector is moving products in and out of the region. In the Upper Hunter Region the major employment category is truck drivers.	There are skill shortages, recruitment issues and a significant replacement demand for drivers, based on the retirement of older drivers. This is a national industry labour supply issue.
In-Person Services - Linked to population growth		
Health	There will be continued growth in demand for services as the population increases and ages. Growth in employment will continue.	There will be increased demand for health workers across all categories (both professionals and support occupations). There is significant replacement demand due to the age structure of existing workforce (eg. nurses and some support workers).
Aged Care	There is continued growth in demand for services due to the ageing of the population. There are major current issues of recruiting and retaining a local workforce.	Future employment demand covers professionals (managers and nurses) and personal care assistants.
Childcare	There is an increase in service demand associated with growing population and higher workforce participation rates. Employment will increase and there are current skill shortages in the sector.	There is a major requirement for recruitment and training of childcare workers to meet new regulations. Workers require higher qualifications (Cert IV and Diplomas) and existing workers will need to be up skilled. There is demand for managers, qualified professionals and childcare workers.
Retail	Overall employment is likely show slow growth. Workforce changes are reducing the number of jobs in some areas of retail.	The trend is for fewer unskilled jobs in the sector. Employment will comprise young workers and increasingly mature workers. There will be a demand for up-skilling the workforce.
Accommodation and Food Service	Some growth is expected in the sector , which is linked to both population growth and growth in the tourism sector.	Workforce growth will require hospitality training (eg. chefs, cooks, and waiters), customer service training and small business management programs.
Local Government	Total employment is expected to be stable overall, but with some changes in services mix and the potential of some Council amalgamations.	A major issue is recruitment and attraction of professionals to regions. There is some replacement demand associated with retirement of older workers.

5. Upper Hunter Workforce Plan

The Workforce Plan is linked to the *Upper Hunter Diversification Strategy*, and follows recognition that workforce and skills issues are fundamental to future development of the Upper Hunter and its industries.

5.1 Strategic Context - Developing a Productive Workforce

The plan will be implemented within the medium term context that is being shaped by a number of factors. These include: major change that is occurring in the mining sector as it moves from an investment boom period (and an overheated regional labour market) to lower export coal prices, a scale-back in mine development and reductions in employment (however industry projections, developed as part of this project show some recovery in employment over 5 and 10 year horizons); a narrowing of the range of entry level jobs for young people (and fluctuations in apprentice position numbers); and some evidence of increased disengagement of young people (from education, training and employment).

There are ongoing recruitment problems and skill shortages and gaps in some sectors, including the equine industry; health services, aged care and local government. There is also a need to meet the medium term workforce requirements of expanding sectors (eg. health services, aged care, and early childhood development).

Other key issues include: the ageing workforce and significant replacement demand over the next 5-10 years in some industry sectors (eg. energy; health services; transport and logistics; local government; and education); a policy and market change with the introduction of *Smart and Skilled*; and a recognised need for more active industry and business involvement in developing their own practical local solutions to workforce requirements.

There are a number of gaps in relation to workforce development and program delivery in the Upper Hunter, and these include: industry information for medium term regional workforce planning and for the identification of current and future skills requirements and training demand; no delivery of university programs in the region; limited programs for up-skilling of the existing workforce (including older tradespersons); and a low uptake rated of training programs by small businesses and in some industry sectors (eg. in retail and tourism). Skills programs and small business development programs are often concentrated in the Lower Hunter Region, with limited local delivery in the Upper Hunter..

5.2 The Workforce Plan

Plan Objectives

The Upper Hunter Workforce Plan has a number of operational objectives.

Upper Hunter Workforce Plan Objectives <9 Objectives>
1. Support the growth and diversification of the Upper Hunter Region and its sub-regions, in terms of activity levels, businesses and jobs.
2. Develop a sustainable long-term workforce for key industry sectors and for emerging industries in the region.
3. Take local and regional action to address critical skill shortages.
4. Increase workforce participation opportunities across all groups including youth, mature persons and disadvantaged persons.
5. Improve productivity and workforce practices in businesses (including recruitment, retention and employee development).
6. Have a greater level of industry involvement in the education and training system and the development of workforce solutions.
7. Ensure that there is a responsive and accessible training system that delivers both general and specialised workforce skills; and that specialist training infrastructure is available to industry.
8. Improve the information available for workforce planning at enterprise, industry and regional levels.
9. Develop an effective structure for ongoing regional workforce planning.

Themes and Directions

The key elements of the plan are: planning the workforce in a changed economic environment (in particular the slow-down in the coal sector); renewing the workforce (including opportunities for younger workers) in a situation of an ageing population and an ageing workforce in key industries; matching labour demand and supply in an increasingly inter-linked regional labour market; responding to a competitive training market from 2015 (with the *Smart and Skilled* policy); making higher education (university courses) and industry training more accessible in the Upper Hunter; maintaining specialist industry education and training infrastructure in the region to support innovation and growth; and having industry more actively involved in developing and implementing tailored sectoral workforce solutions.

The key themes and directions of the plan are summarised below.

Themes	Directions
1.Growth and Diversification	1.1 Facilitating regional growth and diversification
	1.2 Supporting key industries
2. A Sustainable Workforce	2.1 Acting on skill shortages - with targeted training programs in areas of shortage/gaps
	2.2 Planning for change
	2.3 Meeting industry skill requirements
	2.4 Improving mobility and adjustment to change
3.Broadening the Workforce	3.1 Increasing labour market participation rates
	3.2 Bringing groups into the workforce - disengaged youth, mature workers, persons with low skills and indigenous persons.
	3.3 Attracting skills to the region
4.Improving the Workplace	4.1 Taking a broader approach to workforce planning
	4.2 Productivity improvement - a major industry issue
	4.3 Alternative employment models for a sustainable industry workforce
	4.4 Providing businesses with planning tools
5. Developing Skills	5.1 A flexible and responsive training system
	5.2 Greater industry involvement in workforce solutions
	5.3 Ensuring access to government programs
	5.4. Regional and local education and training delivery
6. Planning Processes	6.1 Better workforce planning -information and structures
	6.2 Tracking Performance
	6.3 Updating the Plan

The plan will also enable more effective accessing of industry and workforce programs of the Australian Government and the New South Wales Government.

There is a need to commence on the initial priorities in the plan. A major requirement will be promoting the plan to business and the community in each of the LGAs, and securing the active engagement of businesses, local chambers and regional industry associations.

Greater industry involvement is a key requirement: to enable better planning of the regional workforce; to address changes in labour demand; and to deal with specific skill shortages and skill gaps.

Workforce Plan: Recommended Actions

The following table summarises the plan and the recommended actions and identifies the level of involvement of Councils in each element of the workforce plan.[8] This involvement is based on the industry mix of an area and the workforce issues identified in consultations held in each LGA.

	Council /LGA Involvement						
Directions	Actions <Primary Involvement ▲▲ ; Involvement ▲ >	Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes
1. Growth and Diversification: Growth and industry diversification is a major priority for the Upper Hunter to generate long term employment opportunities.							
1.1 Facilitating regional growth and diversification.							
	1.1.1 Regional Development: workforce issues covered in planning strategies and in LGA level economic development strategies and other plans.	▲	▲	▲	▲	▲	▲
	1.1.2 Workforce assessments undertaken for emerging opportunities and regional infrastructure projects.	▲	▲	▲	▲	▲	▲
1.2 Supporting key Industries.							
	1.2.1 Review (on an ongoing basis), workforce requirements in key sectors:.						
	Mining	▲▲	▲▲			▲	▲
	Power Generation	▲▲	▲▲				
	Equine		▲▲	▲▲			
	Aged Care	▲▲	▲	▲▲	▲	▲	▲▲
	Agriculture and Viticulture	▲▲	▲	▲▲	▲	▲	▲
	Tourism	▲▲	▲	▲▲	▲▲	▲	▲▲
	Manufacturing/Engineering	▲▲	▲▲	▲▲		▲	
	1.2.2 Information made available to training providers	▲	▲	▲	▲	▲	▲
	1.2.3 Utilise workforce information for industry expansion and investment attraction.	▲	▲	▲	▲	▲	▲
2. A Sustainable Workforce: A sustainable workforce requires: action at an industry level to deal with skill shortages; planning for replacement demand in sectors with older workforces; a regular dialogue between training providers, State Training Services and industry on changing technologies, work practices and skills; and improving labour mobility to enable adjustments to change and economic cycles.							
2.1 Acting on critical skill shortages- a need for targeted training programs in areas of shortage.							
	2.1.1 Aged care workforce: a need for a region wide approach to recruitment and retention. Extend the industry model.	▲▲	▲	▲	▲	▲	▲▲
	2.1.2 An *UH Aged Care Industry Taskforce* to be established	▲▲	▲	▲▲	▲	▲	▲▲
	2.1.3/2.1.4 Early childhood sector: region wide initiatives – in recruitment and training.	▲▲	▲▲	▲▲	▲	▲	▲▲
2.2 Planning for change.							
	2.2.1/2.2.2 Retirements - assessment of key sectors, workforce planning and guidance to businesses.	▲	▲	▲	▲▲	▲▲	▲▲
2.3 Meeting industry skill requirements.							
	2.3.1/2.3.2 An STS dialogue with key industries on changing technologies and skill requirements/program adjustments.	▲	▲	▲	▲	▲	▲
2.4 Improving mobility and adjustment to change							
.	2.4.1 The *Rapid Response Team* on retrenchments to continue.	▲▲	▲▲				▲
	2.4.2 Improve careers advice and regional market information.	▲	▲	▲	▲	▲	▲

8 Primary involvement also means that a particular Council may take the lead role in developing or implementing a project or activity for the region.

Directions	LGA Involvement Actions <Primary Involvement ▲▲ ; Involvement ▲ >	Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes
3. Broadening the Workforce: There is a need to broaden the labour supply through increasing labour force participation rates (eg. for women and mature aged persons) to meet labour demand and to fill future workforce gaps.							
3.1 Increasing labour market participation rates							
3.1 Increasing labour market participation rates	3.1.1 Augment the regional workforce by increasing participation rates , via employment advice and provision of training to develop new skills for available jobs (eg. in aged care, health services and other sectors).	▲	▲	▲	▲▲	▲▲	▲▲
3.2 Bring groups into the workforce: disengaged youth, mature workers, persons with low skills and indigenous persons.							
	3.2.1 Disengaged young persons: develop alternative education programs with a vocational skills component.	▲▲	▲▲	▲	▲	▲	▲▲
	3.2.2 Mature workers: develop local programs to harness the experience of mature workers.	▲	▲	▲	▲▲	▲▲	▲▲
	3.2.3 Deliver regional based programs to develop employability skills of unemployed persons.	▲	▲	▲	▲▲	▲▲	▲▲
	3.2.4 Indigenous employment: continue work on *Closing the Gap* at a regional level.	▲▲	▲▲				▲
	3.2.5 *Opportunity Hub Upper Hunter* - support the operations of this new program for indigenous persons.	▲	▲▲	▲			
	3.2.6 Aboriginal employment programs: support enterprise level initiatives being implemented by mining companies and other large employers.	▲▲	▲▲				
3.3 Employee Attraction: Bringing Skills to the Region							
	3.3.1 Develop a regional approach to promoting the Upper Hunter as a place to live and work (in 2 geographical clusters).	▲▲ **Cluster A**	▲▲ **Cluster A**	▲▲ **Cluster A**	▲▲ **Cluster B**	▲▲ **Cluster B**	▲▲ **Cluster B**
	3.3.2 Examine opportunities for co-ordinated recruitment in industry sectors experiencing major ongoing skill shortages.	▲	▲	▲	▲	▲	▲
4. Improving the Workplace: is an important part of the plan, and is focused on lifting productivity through changes in business structures and innovation in work practices. There is a need to equip <u>small and medium sized businesses</u> with tools for: enterprise level workplace change, for planning; and for productivity improvement.							
4.1 Taking a broader approach to workforce planning.							
	4.1.1 Develop business awareness of enterprise level workforce planning, through the use of industry associations for program delivery.	▲▲	▲▲	▲	▲	▲	▲▲
4.2 Productivity improvement							
	4.2.1 In line with their work on the Innovation Score Card for the Hunter, *RDA Hunter* should profile case studies of workforce innovation in key industry sectors.[9]	▲	▲	▲	▲	▲	▲
	4.2.2 Advice to SMEs on productivity through Hunter Region BEC (Business Enterprise Centre)/TAFE/Hunter Business Chamber.	▲	▲	▲	▲	▲	▲
4.3 Alternative employment models may be needed to secure an industry workforce.							
	4.3.1 Continue and extend alternative employment models.	▲▲	▲▲	▲	▲	▲	▲
	4.3.2 Temporary Work (Skilled) visas (subclass 457) –visa access to remain for critical specialist skill requirements and to fill workforce skill gaps.	▲	▲	▲▲			
4.4 Provide businesses with planning tools.							
	4.4.1 Provision of guides, tools and templates (available through Business NSW) to assist SMEs in the region.	▲	▲	▲	▲	▲	▲

9 http://rdahunter.org.au/initiatives/hunter-innovation-scorecard

	LGA Involvement						
Directions	**Actions** **<Primary Involvement ▲ ▲ ; Involvement ▲ >**	**Singleton**	**Muswellbrook**	**Upper Hunter**	**Dungog**	**Gloucester**	**Great Lakes**
5. Developing Skills: Developing skills requires a flexible and responsive training system; greater industry involvement in the training system; and accessing of the full range of government programs. It also requires improved access to education and training through the local area delivery of university and VET programs.							
5.1 A flexible and responsive training system.							
	5.1.1 Expand local access to training in the Upper Hunter.	▲ ▲	▲ ▲	▲ ▲	▲	▲	▲
	5.1.2 /5.1.3 Ensure ongoing delivery, greater flexibility and improved quality of training (with the *Smart and Skilled* Policy).	▲	▲	▲	▲	▲	▲
	5.1.4 Maintain and develop the specialist skill centres located in the Upper Hunter.	▲	▲ ▲	▲ ▲			
.	5.1.5 Mining Skills Centre (Muswellbrook)- extend the centre and develop Muswellbrook as the regional hub for mining skills training.	▲	▲ ▲				
.	5.1.6 DPI education and training programs need to be maintained and developed to support agriculture in the region.			▲ ▲	▲ ▲	▲	
5.2 Greater industry involvement in workforce solutions.							
	5.2.1 Greater industry involvement with government and VET providers in workforce planning and developing workforce skills solutions.	▲	▲	▲	▲	▲	▲
	5.2.2 Mining Sector: conduct a mining industry/workforce survey on an annual basis.	▲ ▲	▲ ▲			▲	▲
.	5.2.3 Health Sector: Upper Hunter Councils to work with Hunter New England Health on local skill shortages and gaps.	▲ ▲	▲	▲	▲	▲ ▲	▲
	5.2.4 Equine Sector: support for the sector for workforce initiatives, including the pilot traineeship program (*Hunter Thoroughbred Breeders Association).*	▲	▲ ▲	▲ ▲			
	5.2.5 Manufacturing Sector: manufacturing and engineering remain an important part of the Hunter regional economy. Continue the RDA Hunter *Manufacturing Education Program (ME Program)* and broaden its delivery.	▲ ▲	▲ ▲	▲			
	5.2.6 Agribusiness: an industry-wide approach to skills development. Establish a *training development project* focused on farm skills with part-funding sought under the *Agrifood Skills Australia - National Workforce Development Fund.*	▲	▲	▲ ▲	▲ ▲	▲	
	5.2.7 Tourism: Establish a *Tourism Industry Taskforce* to define skill needs and to access funding for training under the Australian Government's *Workforce Futures* initiative *(Service Skills Australia).*	▲	▲	▲ ▲	▲ ▲	▲	▲ ▲
5.3 Ensure access to government programs							
	5.3.1/5.3.2 Actively link businesses to relevant programs that can assist with industry and enterprise workforce development. (Councils , Chambers and industry associations to be involved).	▲	▲	▲	▲	▲	▲
5.4. Regional education and training delivery							
	5.4.1 Extend the local delivery of higher education and training.	▲ ▲	▲ ▲	▲ ▲	▲	▲	▲
	5.4.2/5.4.3 Higher education: attract local delivery of courses by regional universities.	▲	▲ ▲	▲			▲
	5.4.4 Higher Education/TAFE partnerships: Partnership arrangements should be further developed as a vehicle for improving local delivery in the Upper Hunter.	▲ ▲	▲ ▲	▲			▲

Directions	LGA Involvement Actions <Primary Involvement ▲ ▲ ; Involvement ▲ >	Singleton	Muswellbrook	Upper Hunter	Dungog	Gloucester	Great Lakes
6. Planning Processes: are required to underpin the implementation of the workforce plan and these cover improved information for strategic sectors (via surveys and industry dialogues); industry taskforces and an Upper Hunter Workforce Planning Group (with industry and government representation).							
6.1 Better workforce planning - information and structures							
	6.1.1 Better Planning. There is a need to put in place a process for ongoing planning covering information collection; industry engagement and a planning structure.	▲	▲	▲	▲	▲	▲
Information/surveys	6.1.2/6.1.3 Information collection/distribution: there is a need for a regular process for collection and distribution of intelligence on employment and skill requirements (annual industry surveys/consultations) in major industry sectors - mining and energy, equine industry, aged care and tourism.	▲▲	▲▲	▲▲	▲	▲	▲
	6.1.4/6.1.5 Assess potential for industry surveys to be conducted through regional industry groups/chambers. Provide survey templates (for online surveys).	▲	▲	▲	▲	▲	▲
Coordinating the plan	6.1.6 Upper Hunter Workforce Planning Group: a group should be established to drive the workforce plan and its implementation. (Linked to *Upper Hunter Diversification Working Party*). All Councils to be members and some industry members to be appointed to the Planning Group.	▲	▲	▲	▲	▲	▲
	6.1.7 Workforce Development Coordinator: appoint an executive officer to work across the region and coordinate implementation of the plan and programs.	▲	▲	▲	▲	▲	▲
Developing industry solutions.	6.1.8 Industry Skills Taskforces: should be established, in sectors facing major workforce changes and skills issues, to develop industry and regional solutions. (A Council can take a lead role for each taskforce).	▲▲	▲▲	▲▲	▲▲	▲	▲
6.2 Tracking Performance							
	6.2.1 Tracking Performance: there is a need to track a range of quantitative and qualitative indicators and other information on employment and the labour market.	▲	▲	▲	▲	▲	▲
	6.2.2 This information should be compiled in a twice yearly regional labour market report.	▲	▲	▲	▲	▲	▲
6.3 Updating the Plan	6.3.1/6.3.2 Regional Workforce Plan: the plan should be updated every two years and a short annual report prepared.	▲	▲	▲	▲	▲	▲

5.3 Implementation Priorities

There is a need to initiate the workforce plan and to commence acting on initial priorities. The following are recommendations in relation to the first year of operation of the plan.

Recommendation	Theme	Recommendation/Action No.
1. Establish an Upper Hunter Workforce Planning Group.	6. Planning Processes	6.1.6
2. Establish a position of Upper Hunter *Workforce Development Coordinator* to initiate workforce projects.	6. Planning Processes	6.1.7
3. Create Industry Taskforces in sectors experiencing skill shortages (eg. aged care, children's services, agribusiness, tourism) and initiate industry skills projects.	2 A Sustainable Workforce	2.1.2 2.1.3 5.2.6 5.2.7
4. Implement initiatives to broaden the workforce - covering mature workers and unemployed workers.	3. Broadening the Workforce	3.2.2 3.2.3
5. Attract a university to deliver courses in the Muswellbrook/Singleton area.	5. Developing Skills	5.4.2 5.4.3 5.4.4
6. Provide support to Opportunity Hub Upper Hunter program.	3. Broadening the Workforce	3.2.5
7. Maintain and expand programs of *Specialist Skills Centres* in the region.	5. Developing Skills	5.1.4 5.1.5 5.1.6
8. Continue development of Muswellbrook as mining industry skills hub.	5. Developing Skills	5.1.5
9. Support continuation and extension of the ME Program.	5. Developing Skills	5.2.5
10. Provide support for Equine Industry skills initiatives.	5. Developing Skills	5.2.4
11. Provide support to small and medium sized businesses for workforce planning, productivity improvement and skills development.	4. Improving the Workplace	4.1.1 4.2.2
12. Secure agreement to an annual mining industry survey.	5. Developing Skills	5.2.2
13. Encourage more industry involvement in industry workforce and skills programs through engagement with local chambers and industry associations.	5. Developing Skills	5.2.1
14. Review age structure of major industries in the region.	2. A Sustainable Workforce	2.2.1
15. Develop an initial regional labour market report.	6. Planning Processes	6.2.2
16. Ensure workforce issues covered in regional and local plans and strategies.	1.Growth and Diversification	1.1.1

Appendix A : Industry Structure and Jobs

In this report a classification is used which highlights the growth factors - from external market driven goods producing industries to internal market driven in-person services. The following defines the industry groupings.

Industry Classification	Definition	Sectors Included
Goods Producing Industries	Produce products that are exported outside the region. External markets driven – state, national and international markets.	Agriculture, forestry and fishing; mining; manufacturing; electricity, gas, water and waste services; construction.
Goods Related Services	Involved in activities that distribute products and move them in to and out of the region. Linked to goods producing sectors and the movement of products into region (consumer and industrial products).	Wholesale trade; transport, postal and warehousing.
Professional & Business Services	Business services and other services which are delivered to businesses and consumers. Activity and employment is generally driven by population size and the size and structure of businesses in the region.	Information media and telecommunications; financial and insurance services; rental, hiring and real estate services; professional, scientific and technical services.
In person Services	Services that are usually delivered on site and in-person. This sector is largely population driven (by the size of the local/regional population). Generally internal market driven.	Retail; accommodation and food services; administrative and support services; public administration and safety; education and training; health care and social assistance; arts and recreation services; other services.

Table A.1 Industry Structure: Jobs by Industry – Upper Hunter LGAs 2011

Jobs in the Region 2011 (Persons)	Singleton		Muswellbrook		Upper Hunter		Dungog		Gloucester		Great Lakes		Total Upper Hunter	
	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%
Good Producing Industries														
Agriculture, forestry and fishing	415	2.9	508	5.3	1186	25.5	404	19.5	308	17.1	370	4.0	3191	7.6
Mining	5244	36.1	2702	28.4	22	0.5	18	0.9	146	8.1	126	1.3	8258	19.7
Manufacturing	1060	7.3	473	5.0	327	7.0	78	3.8	114	6.3	436	4.7	2488	5.9
Electricity, gas, water and waste services	126	0.9	644	6.8	25	0.5	20	1.0	18	1.0	195	2.1	1028	2.5
Construction	833	5.7	624	6.6	236	5.1	140	6.8	110	6.1	793	8.5	2736	6.5
Total Goods Producing	**7678**	**52.9**	**4951**	**52.1**	**1796**	**38.6**	**660**	**32.0**	**696**	**38.6**	**1920**	**20.6**	**17701**	**42.2**
Good Related Services														
Wholesale trade	494	3.4	340	3.6	103	2.2	35	1.7	24	1.3	149	1.6	1145	2.7
Transport, postal and warehousing	371	2.6	256	2.7	188	4.0	108	5.2	58	3.2	262	2.8	1243	3.0
Total Goods Related	**865**	**6.0**	**596**	**6.3**	**291**	**6.2**	**143**	**6.9**	**82**	**4.5**	**411**	**4.4**	**2388**	**5.7**
Professional & Business Services														
Information media and telecommunications	49	0.3	40	0.4	6	0.1	12	0.6	8	0.4	68	0.7	183	0.4
Financial and insurance services	123	0.8	99	1.0	62	1.3	22	1.1	21	1.2	143	1.5	470	1.1
Rental, hiring and real estate services	230	1.6	114	1.2	44	0.9	37	1.8	25	1.4	242	2.6	692	1.7
Professional, scientific and technical services	481	3.3	280	2.9	183	3.9	102	4.9	62	3.4	362	3.9	1470	3.5
Total Business	**883**	**6.0**	**533**	**5.5**	**295**	**6.2**	**173**	**8.4**	**116**	**6.4**	**815**	**8.7**	**2815**	**6.7**
In-Person Services														
Retail trade	926	6.4	734	7.7	473	10.2	228	11.0	197	10.9	1511	**16.2**	4069	9.7
Accommodation and food services	689	4.7	514	5.4	389	8.4	179	8.6	149	8.3	1184	12.7	3104	7.4
Administrative and support services	508	3.5	169	1.8	55	1.2	40	1.9	22	1.2	247	2.6	1041	2.5
Public administration and safety	704	4.9	437	4.6	222	4.8	118	5.7	103	5.7	444	4.7	2028	4.8
Education and training	579	4.0	391	4.1	439	9.4	232	11.2	150	8.3	747	8.0	2538	6.1
Health care and social assistance	661	4.6	593	6.2	414	8.9	171	8.3	193	**10.7**	1396	**14.9**	3428	8.2
Arts and recreation services	64	0.4	66	0.7	91	2.0	16	0.8	20	1.1	200	2.1	457	1.1
Other services	838	5.8	434	4.6	148	3.2	85	4.1	72	4.0	402	4.3	1979	4.7
Total In-Person Services	**4969**	**34.3**	**3338**	**35.1**	**2231**	**48.1**	**1069**	**51.6**	**906**	**50.2**	**6131**	**65.5**	**18644**	**44.5**
Inadequately described/Not stated	119	0.8	85	0.9	40	0.9	25	1.2	6	0.3	77	0.8	352	0.8
Total	**14514**	**100**	**9503**	**100**	**4653**	**100**	**2070**	**100**	**1806**	**100**	**9354**	**100**	**41900**	**100**

Source: MCa analysis of ABS Census 2011, Working Population Data.

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