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## MID NORTH COAST

# Workforce Challenges in the Mid North Coast

## Snapshot of a Regional Skills Audit

March 2025

### Introduction

The Mid North Coast (MNC) of New South Wales faces workforce challenges, including labour and skills shortages, along with socio-economic issues like housing affordability, limited childcare, and inadequate infrastructure. These factors hinder long-term economic growth. Addressing these requires a strategic approach, focusing on workforce development, infrastructure, migration strategies, and targeted training initiatives to support the region's future success.

### Key Findings

**Labour Shortages** in the MNC are exacerbated by a smaller working-age population and lower participation rates than the NSW state or national average, making it difficult for businesses to fill positions and causing strain across multiple industries.

- The working-age population in the MNC is lower than the state average, with 55% of the population in the 16-64 age group, compared to 64% for New South Wales.
- The region faces challenges in attracting sufficient labour across all industries, compounded by a lower labour force participation rate (69.1%) compared to the state's average of 71.1%.
- The tight labour market, coupled with low unemployment (3.9% as of December 2023), creates additional difficulty in filling vacancies.

**Skill Shortages:** The MNC is experiencing a 'brain drain' with more qualified individuals leaving the region than moving in, particularly in high-demand sectors such as healthcare, aged care, and construction, exacerbating the skill shortage crisis.

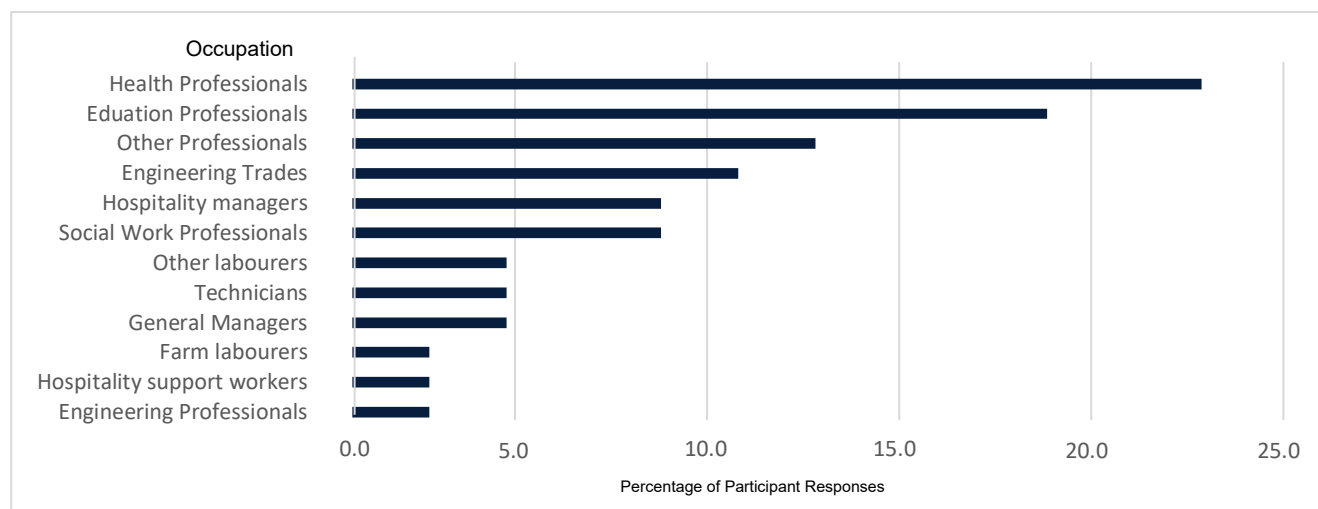
- Despite net migration into the MNC, more skilled individuals are leaving the region than are migrating in, leading to a net decline in qualifications, commonly referred to as a 'brain drain'.
- Skill shortages are particularly pronounced in healthcare, aged care, construction, and technical fields, which are vital for the region's economic development.

**Skill Gaps:** Limited access to vocational training within the region is creating significant skill gaps, with many workers forced to travel to larger cities for education, raising costs and reducing accessibility.

- Many residents seeking vocational training must leave the region for larger cities like Newcastle, Sydney, or Brisbane due to limited local training options.
- The high costs associated with travelling for training—along with accommodation and living expenses—create additional barriers for individuals wishing to upskill or undertake apprenticeships and traineeships.
- A lack of local support mechanisms, such as group training schemes, further exacerbates this issue, particularly during periods of labour market volatility.

When asked about jobs likely to disappear in the future, participants consistently identified administrative roles such as receptionists, admin support, and accounting and finance staff. There was also recognition that lower-skilled positions were at risk. In contrast, when asked about roles needed in the future, responses were more varied, with health and welfare service workers and hospitality workers being most mentioned. Participants also highlighted that higher-skilled workers, particularly professionals and managers, would be in high demand. The figure below provides a detailed breakdown of the roles identified by participants as needed over the next five years.

#### *Occupations required in the next five years*



**Infrastructure Challenges:** Inadequate transport services and digital infrastructure are preventing local workers from accessing training, employment, and development opportunities, limiting workforce participation across the region.

- The MNC has significant limitations in public transport services, with many areas lacking regular services outside of school hours. This restricts access to education, training, and employment opportunities, particularly for young people and those without private transport.
- Digital connectivity remains inconsistent, with many communities still relying on outdated ADSL connections. This impacts remote working and online learning opportunities, further limiting workforce participation.

**Housing Affordability:** Rising housing costs are creating barriers to both attracting skilled workers and enabling current residents to establish long-term roots in the region, threatening economic stability and growth.

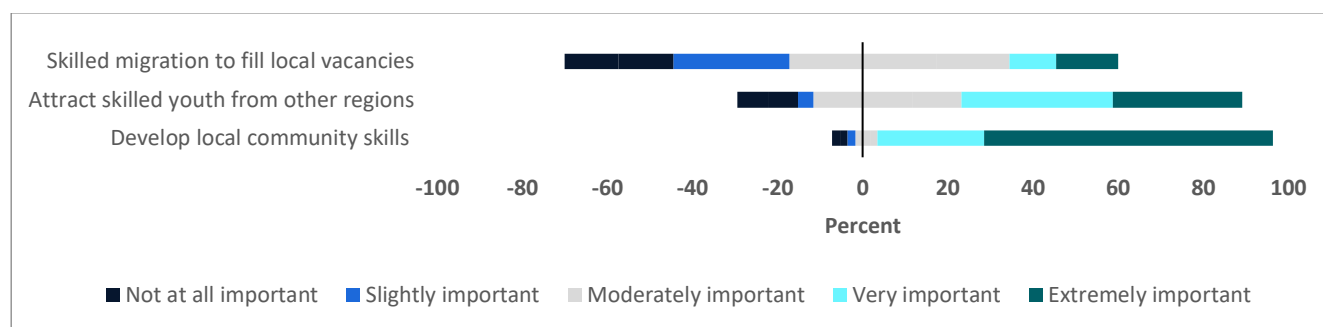
- Housing affordability continues to be a significant barrier to workforce attraction and retention. The high cost of housing in the region makes it difficult to attract skilled workers, particularly younger workers and families.
- Housing affordability also poses a challenge for those seeking to establish long-term residential foundations in the region and may deter potential workers from accepting training wages or relocating to the area.

**Early Childhood Education and Care (ECEC) Availability:** Limited access to affordable Early Childhood Education and Care (ECEC) is a significant barrier to workforce participation, particularly for women, and exacerbates skill shortages in the region.

- The availability of childcare is a critical factor influencing workforce participation, particularly for women. The significant challenges in this sector hinder the region's ability to attract skilled workers and support local workers' access to training and career development.

Respondents strongly favoured developing local skills within the MNC to fill vacancies before recruiting from outside the region. They believed that individuals with local connections are more likely to stay, helping build the regional economy and stimulating development. A skills ecosystem approach was highlighted, emphasising the value of local knowledge in sectors like aged care and community services. While attracting workers nationally was deemed important, international migration was seen as less critical, with most respondents rating it as moderately or slightly important.

### Importance of Local, Australian and Overseas Workers to Fill Vacancies



## Key Recommendations

- **Regional Housing Strategy:** Develop a cohesive housing strategy aligned with workforce planning to address housing affordability, improve worker retention, and support the attraction of skilled workers to the region.
- **Universal Access to Early Childhood Education and Care (ECEC):** Implement a strategy to ensure universal access to ECEC services across the MNC, which will support workforce participation, particularly for women, and address broader skill shortages.
- **Building Workforce Resilience:** Invest in building a resilient workforce by providing career pathways within and across industries, supporting flexible work arrangements, and encouraging participation from under-utilised workers, such as carers and older workers. Enhance opportunities for lifelong learning and development, including apprenticeships, traineeships, and work placements.
- **Strengthen the Regional Skills Ecosystem:** Foster stronger collaboration between employers, training providers, and education institutions to improve training resources and delivery. Develop partnerships and industry clusters to identify and address shared skills needs, and create group training opportunities to help manage labour market volatility.
- **Infrastructure Development:** Prioritise infrastructure improvements in transport, housing, and digital connectivity to ensure the region is equipped to support workforce attraction and retention. Align infrastructure development with workforce planning to create an environment that supports both the attraction of workers and their long-term retention.
- **Strategic Migration Pathways:** Develop inclusive migration strategies that support both temporary visa holders and long-term migrants, ensuring that these workers are successfully integrated into the community and workforce. Build support structures and community networks for migrant workers and their families to enhance retention and long-term success in the region.

The research outlines strategies to address workforce challenges, including building local talent pipelines through stronger education-employer connections, work experience programs, and supporting apprenticeships. International recruitment is promising but requires review. Infrastructure solutions should focus on housing, transport, and ECEC access, while workplace innovation, such as flexible arrangements and career progression, can help attract and retain staff. The diagram below summarises the solutions and strategies identified by survey and focus group participants.

## Solutions and Strategies

Developing Local Talent Pipelines	International Recruitment Strategies	Infrastructure and Support Solutions	Workplace innovation	Industry Collaboration
<ul style="list-style-type: none"> <li>• Building stronger connections between education providers and employers</li> <li>• Using work experience programs to identify and nurture potential employees</li> <li>• Supporting traineeships and apprenticeships to 'grow your own' skilled workforce</li> <li>• Creating clearer career pathways for people in the region</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of skilled and temporary visa programs across multiple industries</li> <li>• Strategic recruitment of skilled migrants in sectors like aged care and healthcare</li> <li>• Development of support structures for migrant worker groups</li> <li>• Long-term visa arrangements to enable sustained workforce development</li> </ul>	<ul style="list-style-type: none"> <li>• Need for coordinated approaches to housing availability for workers</li> <li>• Importance of transport solutions for workforce mobility</li> <li>• Childcare availability as key enabler of workforce participation</li> <li>• Investment in regional amenities to attract and retain skilled workers</li> </ul>	<ul style="list-style-type: none"> <li>• More flexible working arrangements to attract and retain staff</li> <li>• Improved career progression pathways, particularly in trades</li> <li>• Enhanced workplace culture and conditions</li> <li>• Better recognition and remuneration for technical skills</li> </ul>	<ul style="list-style-type: none"> <li>• Shared approaches to workforce development</li> <li>• Cross-sector strategies for addressing common challenges</li> <li>• Regional coordination of training and development initiatives</li> <li>• Collective advocacy for infrastructure needs</li> </ul>

RDA Mid North Coast will continue to collaborate with stakeholders across the region seeking practical programs to work on with the region which will help relieve the pressure. There is a constant need to advocate for improvements to the infrastructure challenges which are holding back the region's development, and we will continue to do this with the other agencies responsible for the Mid North Coast of NSW.

If you have particular interest in these topics or want to participate in programmatic responses, please reach out to the RDAMNC team by contacting Dianne Wall at [operations@rdamnc.org.au](mailto:operations@rdamnc.org.au).