



Charles Sturt  
University

Regional Development  
Australia Mid North  
Coast  
2024 Skills Audit

Regional Work and Organisational  
Resilience Research Group

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## Acknowledgements

Charles Sturt University acknowledges all First Nations elders, both past and present, from the lands where CSU students and staff reside. In particular, CSU acknowledges the Wiradjuri, Ngunawal, Gundungarra and Biripai peoples of Australia, who are the traditional custodians of the land where the University's campuses are located. CSU also acknowledges the many First Nations peoples who are the traditional custodians of the lands in which NSW Ambulance operates.

The evaluation was commissioned by Regional Development Australia, Mid North Coast (RDAMNC).

We sincerely thank the RDA MNC for the opportunity to work with them to develop a comprehensive understanding of the skills ecosystem of the Mid North Coast (MNC) region of NSW.

We wish to thank all those who attended the Ignite Sessions and Focus Groups, for contributing their knowledge, experience and understanding of skills and the shortages and gaps in skills throughout the region. This report would be impossible without you and is intended to help support your admirable support for regional development into the future.

## Disclaimer

The data, figures and analyses within this report are not assumed to be generalisable to wider populations or regions. Opinions and stories are not assumed to be generalisable to wider populations or other people in similar situations.

## Preferred citation

Bamberry, L., Burmeister, O. and Hicks J., (2025) *Regional Development Australia Mid North Coast 2024 Skills Audit*, Charles Sturt University, Thurgoona.

Print ISBN: 978-1-86-467485-9

eBook ISBN: 978-1-86-467484-2

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# Executive Summary

Regional Development Australia Mid North Coast (RDAMNC) approached Charles Sturt University (CSU) to undertake a study to identify skill shortages impacting the Mid North Coast (MNC) Region of New South Wales, as part of their mandate to foster economic development in the region. The study combines analysis of existing evidence on skill needs and shortages within the region with targeted data collection from businesses, industry and employment and training service providers. This was undertaken in conjunction with community consultation to assess the current and potential future skills shortages in the region.

This report adopts a 'skills ecosystem' approach to understanding and addressing workforce development challenges of the MNC. It recognises that skills are reproduced in spatially bounded and context-specific labour markets shaped by interconnected networks of firms, markets, and institutions. This approach considers the broader socio-economic context in which skills are embedded, including the complex relationships between business settings and networks, institutional and policy frameworks, training approaches, job design, and work organisation within a specific regional context.

Statistical, survey and focus group data reveal that the MNC is experiencing three distinct labour market and workforce planning challenges: labour shortages, skills shortages and skills gaps, each of which requires particular, and overlapping strategic approaches for resolution.

- **Labour shortages:** Census data shows that 55 percent of the MNC population are of working age (16-64), compared to 64 percent of the NSW population. With less of the local population available for work, the MNC has a significant challenge in finding sufficient labour across all industries and workplaces. This is exacerbated by overall lower labour force participation (69.1 percent) across the region, with some variation by age in particular LGAs, compared to the NSW average (71.1 percent), and a tight labour market with unemployment levels (3.9 percent in December 2023) below the Reserve Bank's estimate of full employment (5 percent). *Strategies to address labour shortages include:*
  - Retention strategies such as *job redesign* to encourage under-utilised workers to re-enter the workforce, such as part-time work for workers with caring responsibilities and those approaching retirement, as well as improved workplace flexibility and access to leave entitlements.
  - Retention of workers through *developing career paths and lifelong training and development*
  - *Training and development* of entry level workers including apprenticeships, traineeships and improved work-placement for undergraduates to 'grow your own'.
  - *Attraction of workers nationally* from other regions and *international skilled migration*.
  - *Adopting a skills ecosystem approach* that can bring together strategic links between employers, training providers, workers and the community.
- **Skill shortages:** While net migration into the MNC is positive, more people with post-school qualifications are leaving the region than are migrating into the region. That is, the region is experiencing a net qualification decline or a 'brain drain'. There are particular skill shortage pressure

points in healthcare, aged care, construction, and emerging technical fields. *Strategies to address skill shortages include:*

- *Attraction of workers nationally* from other regions and *international skilled migration*, including developing support mechanisms and strategies to embed workers and their families into the community through the provision of schools and sporting and cultural amenities to ensure longevity of retention.
- *Retention strategies* for existing skilled workers including career pathways and opportunities for development and life-long learning.
- *Improving regional access to training for entry-level workers* including apprenticeships, traineeships and work placements for undergraduate students.
- **Skill gaps:** participants identified that vocational training opportunities are particularly limited within the region, with many apprentices, trainees and those seeking post-graduate studies needing to travel out of the region to Newcastle, Sydney or Brisbane to complete their study. Limited access to training is exacerbated by high costs of transport, accommodation and living expenses for those completing their training. There is also a lack of support mechanisms based in the region for apprentices, such as group training schemes which can even out the challenges created by labour market volatility.

*Strategies to address skill gaps include:*

- *Improving training networks* between employers, training organisations, schools and universities.

A number of barriers to the implementation of these strategies were identified through the desktop study and by survey and focus group participants. Key concerns included housing affordability, early childhood education and care availability, infrastructure barriers such as a lack of access to transport, power and telecommunications, and the cost of living and global uncertainty.

- **Transport and infrastructure:** The region faces significant public transport limitations, with many areas having no regular services outside school hours. This severely impacts access to education, training and employment opportunities, particularly for young people and those unable to afford private transport. Digital connectivity remains highly variable, with many communities still relying on inadequate ADSL connections that limit remote working and online learning opportunities.
- **Housing Affordability:** Failure to improve the region's housing affordability risks hampering growth prospects by limiting the ability to attract required skills and talent, while also pricing out younger cohorts and families seeking to establish long-term residential foundations and creating a barrier to accepting training wages. It is a barrier for both international skilled migrants and for those coming from other regions.
- **Availability of Early Childhood Education and Care (ECEC):** Childcare availability is a critical driver of labour force participation, particularly for women, and plays a key role in skills development strategies and economic growth for the MNC Region. The significant challenges identified in this sector have implications for the region's workforce and economy and impact attraction of skilled migrants as well as regional workers' access to training and development. Addressing ECEC challenges is crucial for the MNC's economic development strategy.



The recommendations arising from this are summarised below.

## **Recommendations:**

A cohesive regional housing strategy aligned with workforce planning should be a key infrastructural priority.

A strategy to achieve universal ECEC access will address multiple issues of economic productivity and regional development while addressing significant skill shortages in regions such as the MNC.

Investment in cultivating a resilient workforce can position the region's labour force strongly for future regional development within an uncertain global context.

Adopting cohesive, inclusive approaches to support temporary visa holders as well as longer-term international and national migration into the region.

Developing a skills ecosystem approach in which:

- Employers and training providers take a more proactive and collaborative role to build appropriate training resources and deliver them into the region.
- Building stronger networks between employers, educators and community services to improve group training opportunities, work placements and apprenticeships as part of regional skills development
- Developing partnerships and industry clusters to identify and address shared skills needs
- Supporting employees to become trainers or mentors within the broader ecosystem
- Working with government agencies to develop and foster appropriate skilled migration programs to support the region.

## **Key actions:**

### **1. Develop an Integrated Regional Infrastructure Strategy**

- Prioritise coordinated approaches to housing, transport, and digital connectivity
- Align infrastructure development with workforce planning
- Ensure infrastructure supports both attraction and retention of workers to minimise turnover

### **2. Strengthen the Regional Skills Ecosystem**

- Foster collaborative networks between employers, training providers, and education institutions
- Support industry clusters to identify and address shared workforce challenges
- Develop regional approaches to work placements and group training
- Create pathways for experienced workers to become mentors and trainers

### **3. Build Regional Workforce Resilience**

- Support flexible work arrangements to encourage greater participation from carers and older workers
- Enhance ECEC accessibility to enable workforce participation
- Build career pathways within and across industries

- Develop programs to retain and attract younger workers that address infrastructure and transport challenges

#### 4. Enhance Regional Training Capacity

- Expand local delivery of face-to-face and hybrid vocational training
- Support innovative approaches to work-integrated learning
- Improve access to life-long learning and professional development opportunities, especially face-to-face
- Develop place-based solutions for skills gaps

#### 5. Foster Strategic Migration Pathways

- Build on lessons from the PALM Scheme to ensure that more inclusive and respectful approaches are taken to support temporary migrant workers within the region
- Develop support structures and community networks for migrant workers (including temporary migrant workers) and families
- Create partnerships between employers and settlement services
- Align migration strategies with regional workforce needs

# 1. Introduction

In 2023 Regional Development Australia Mid North Coast (RDAMNC) approached Charles Sturt University to undertake a study to identify skill shortages impacting the Mid North Coast (MNC) Region of New South Wales. RDAMNC is part of the national network of organisations fostering regional economic development. It is a small not-for-profit organisation whose role is to support the economic development of the MNC region which spans the local government areas of Coffs Harbour, Bellingen, Nambucca, Kempsey, Port-Hastings and Midcoast. They also work with Lord Howe Island and Norfolk Island.

In 2024, RDAMNC's strategic priorities focus on four key investment areas: developing human capital through locally-informed decision making, enabling place-based community development, enhancing regional service quality and accessibility, and fostering sustainable growth in regional industries and economies. RDA works with all three tiers of government, regional business and the wider community to boost the economic capability and performance of their regions. In the light of these priorities, it has never been more important for government, industry and community to understand what skills are in short supply, what future skills will be needed and to collaborate to build a skills ecosystem delivering solutions to meet the projected needs of the region.

This study reviewed the existing evidence and data on skill needs and shortages within the region supported by a targeted data collection process with businesses, industry and employment and training service providers. This was undertaken in conjunction with community consultation to assess the current and potential future skills shortages in the region.

## 1.1 Project Objectives

The key objectives of this project were to address the following questions:

- What data exists on the skills currently available in the MNC region?
- Which skills are required by businesses and industries in the MNC region now and into the future?
- Is there a gap between the skills available and the skills required in the MNC region?
- What are the barriers and facilitators to skills attraction and retention across the MNC region?
- What training and development resources are needed to develop skill capacity locally?

## 1.2 Methodology

This study was comprised of three phases:

- Desktop Research – to ascertain background information and data about the MNC and what is already known about skills shortages within the region.
- Survey – to collect data from businesses and organisations in the region.

- Community and Industry Focus Groups – to validate and explore findings from the desktop research and the survey in more detail. This involved two types of focus groups. One with industry leaders and the other with general community stakeholders.

### **1.2.1 Desktop Research**

The desktop research phase was completed from late 2023 to mid-2024. Data sources included the Australian Bureau of Statistics (ABS), REMPLAN, Centre for Education Statistics and Evaluation, NSW, Labour Market Information Portal, NSW Department of Planning, Industry and Environment, and the Department of Regional NSW. Data retrieved was analysed with Microsoft Excel.

### **1.2.2 Survey**

Previous skills studies conducted by RDAs from across the country were reviewed in order to determine appropriate and relevant questions for the instrument. The survey instrument was primarily drawn from previous studies of skills shortages in the Riverina and Murrumbidgee regions<sup>(1)</sup> which were developed by team members in conjunction with Gail Fuller at the Spatial Analysis Unit at Charles Sturt University (CSU). This survey was reviewed and updated in consultation with team members at RDAMNC prior to being built and hosted on the Qualtrics platform. The survey was open from the 5th of February 2024 to the 31st of July 2024. The survey instrument was distributed via email networks held by RDAMNC to their stakeholders as well as being advertised via RDA website, newsletter and social media. The target population for the survey were business owners, operators and human resources managers for businesses in the MNC, currently employing or wanting to employ staff. Local newspapers, social media groups and business networks were also used to distribute the survey instrument. After data cleaning there were 142 respondents to the survey. Data from the survey was analysed using statistical computing software SPSS and Microsoft Excel.

### **1.2.3 Focus Groups and Interviews**

There were two types of focus groups. The ones with industry leaders (June) followed an earlier round with general community stakeholders (February). The initial round with community stakeholder was held in 5 locations in conjunction with RDAMNC Ignite activities which brought together many community groups. Once the transcripts were returned, the CSU researchers and members of the RDAMNC independently analysed one of those and then met to discuss an agreed way forward. This was not only for inter-rater reliability purposes, but also to ensure that all parties were agreed on categorisation, and informed about changes, if any, for the second round of focus groups. That process ensured that the data gathering goals of the focus groups and surveys would be achieved.

Focus groups were audio recorded and transcribed. Transcripts were analysed and coded by the CSU team utilising NVivo qualitative analysis software. The coding frame for analysis drew on the findings of the survey data and the key research themes but was also flexible enough to incorporate the themes and issues that emerged from the discussions with participants.

Pseudonyms have been used throughout to protect the identity of participants. All quotations used in this report are either attributed utilising the following format or not attributed. Those not attributed are either generic, that is, indicative of many similar quotations, or could identify people/organisations if attributed. Those that are attributed give gender, whether community or industry focus group, and location. For example, (Female, Industry, Kempsey) means that the quotation is attributed to a female participant of the second round of focus groups which were industry (not community) focused, and that the focus group she participated in took place in Kempsey. It should be noted that amongst the community stakeholders in the February focus groups there were a small number of industry representatives. Similarly, in the second round of focus groups with industry representatives, there were a small number of community members who were not present as representatives of any particular industry. Five focus groups were held for both rounds, resulting in data from a total of 10 focus groups. The first round took place in three locations (Kempsey, Bellingen and Taree), with two locations having so many people wanting to participate that two focus groups were held there. The second round took place across five locations (Kempsey, Port Macquarie, Coffs Harbour, Macksville and Taree), with one focus group in each.

### **1.3 Report Structure**

The report begins by providing an overview of the context of the MNC region and the range of challenges the region has faced recently, including environmental conditions such as droughts, bushfires and floods, responses to the global COVID-19 pandemic, and changing policy parameters such as government strategies around decarbonisation, migration processes and government training and education policies.

This is followed by a discussion of labour force skills supply and demand issues that emerged from the secondary data.

Section 4 explores the survey data on the current demands and needs of businesses for skills in the region while Section 5 reports on the findings from the focus groups in relation to the facilitators, challenges and barriers to attraction and retention of skilled workers as well as the strategies for skill development within the region.

## 1.4 Introducing the Mid North Coast

The MNC region spans the local government areas of Coffs Harbour, Bellingen, Nambucca, Kempsey, Port-Hastings and Midcoast. They also work with Lord Howe Island and Norfolk Island, however, this report is focused on the mainland areas of that region, as shown in Figure 1.1, below

Figure 1.1 Mid North Coast Region of NSW



Source: Regional Development Australia

## 2. Understanding the regional context

RDAMNC undertook its previous skills audit in 2017. Since that time, the MNC, like much of regional NSW and Australia has experienced a number of significant shocks and challenges, such as drought, bushfires, floods and a pandemic that have impacted on migration patterns, workplace practices and skills acquisition. At the same time, a range of state, national and international trends and policies such as digital transformation, transition to a carbon neutral economy and the impact of wars on global supply chains and energy have changed the economic landscape, impacting the cost of living and challenging housing affordability.

### 2.1 Drought

The MNC region of NSW experienced severe drought conditions between 2017 and 2020, with intense periods in 2019 and early 2020. The drought had widespread impacts across the region, affecting water supply, households, and key industries such as agriculture and manufacturing. Across the region, major supply rivers and dam levels dropped significantly, with some dams reaching as low as 30% capacity <sup>(2-5)</sup>. Water restrictions were implemented across multiple council areas, including level 4 restrictions in Port Macquarie and the Hastings Valley when combined dam levels fell below 39.52% <sup>(3)</sup>.

The agriculture sector was substantially impacted, with reduced productivity and output, particularly in livestock sectors like dairy and meat production. Many primary producers had to make difficult decisions to significantly reduce herd sizes due to lack of water and feed availability. Crop production was also severely affected by lower water availability. Specific areas like the Bellingen River in the Coffs Coast region experienced its lowest mean flow levels since 1982 between December 2019 and January 2020 <sup>(2)</sup>.

In addition to the direct impacts on water supply and agricultural production, the drought conditions also had implications for household quality of life, amenity, and restricted productivity for other important regional industries like manufacturing. The prolonged drought posed significant challenges across the MNC region's economy and communities.

### 2.2 Bushfire

The 2019-2020 bushfire season was catastrophic for the MNC region of NSW, with widespread devastation impacting communities, industries, the environment and infrastructure.

The region as a whole suffered significant burned areas - approximately 24% of the Midcoast <sup>(6)</sup>, 50% of the Hastings-Macleay region <sup>(7)</sup>, 26% of Nambucca <sup>(5)</sup>, and 9% of the Coffs Harbour <sup>(2)</sup> region were impacted by the fires. This resulted in substantial property losses, with over 450 properties damaged or destroyed across the Midcoast and Hastings areas alone.

Key regional industries were severely impacted, with flow-on effects rippling through local economies. Tourism took a major hit, with estimates of 30-60% declines in visitation across multiple areas during peak periods. The agricultural sector suffered damage to assets like fencing, plantations, pastures and feed supplies. Forestry industries lost around 10% of long-term wood supply <sup>(2-5)</sup>.

Recovery from the fires was made more difficult by other environmental impacts like fish deaths in rivers due to ash run-off decreasing oxygen levels. Infrastructure took a heavy toll, with highways closed, digital connectivity lost and an estimated \$190 million in total damage across the Hastings-Macleay region alone <sup>(3)</sup>.

Beyond the immediate devastation, the 2019-2020 bushfires have had lasting economic, social and environmental impacts experienced throughout the MNC communities, as recovery efforts required additional skilled workers for rebuilding, environmental restoration, and community support services. These increased demands for labour compete with normal business operations for available talent and contribute to current ongoing skill shortages across the region.

## **2.3 Floods and storm damage**

The MNC has been severely impacted by repeated major flood and storm events over 2021 and 2022, causing widespread damage to properties, infrastructure, agriculture and disrupting businesses across the region.

Record-breaking floods in March 2021 inundated many areas, with an estimated \$20 million in damage to public facilities alone in the Midcoast area. The March 2022 floods also brought significant flooding and storm impacts to the Midcoast <sup>(4)</sup>.

The Hastings-Macleay region experienced substantial 1-in-100 year flood levels in February and March 2021, causing evacuations, isolating communities, and damaging residential properties, roads and infrastructure. Over 30% of businesses were directly impacted by these major floods <sup>(3)</sup>.

Key industries were heavily affected - agriculture saw livestock washed away, crops and pastures damaged. The tourism sector faced lasting impacts on visitation. Construction productivity was disrupted. Some livestock farmers had to relocate operations due to future disaster risks.

In Nambucca, the March 2021 floods damaged assets across agriculture, aquaculture, forestry and manufacturing. Production losses were significant, with repeated floods also triggering poor water quality events that wiped out oyster stock <sup>(5)</sup>.

The Coffs Coast was hit by major storms in 2021 like the Corindi event with over 500mm of rain, damaging homes, destroying crops and derailing a freight train. Other flooding in 2021 caused property damage, flash flooding and a major Waterfall Way landslide. The 2022 east coast rain again brought flooding, damaging land, stock and infrastructure <sup>(2)</sup>.



Across the region, businesses reported negative impacts, with 47% in Midcoast citing natural disasters in March 2022 <sup>(4)</sup>. The area also saw a relatively high number of small business disaster relief claims after the floods.

## **2.4 COVID-19 pandemic**

The COVID-19 pandemic delivered a significant economic and social shock to communities across the MNC region. Businesses were heavily impacted, with surveys showing 39-51% of businesses across the various LGAs reporting negative effects from the pandemic restrictions and downturn <sup>(2-5)</sup>.

Some of the regions' key industry specialisations were among the hardest hit. The tourism and visitor economy faced major disruptions from travel bans and lockdowns, with steep declines in visitation, revenue and employment. Accommodation and food services sectors saw revenues down 25% and job losses of 15% during the initial pandemic phase <sup>(2-5)</sup>.

Manufacturing workforces, which are an economic specialisation in areas like the Midcoast, also took a heavy toll - with estimated 33% employment drops from late 2020 to early 2021 <sup>(4)</sup>.

Beyond the business impacts, there were serious flow-on effects for community welfare and household finances. Across the region, the number of Jobseeker recipients spiked dramatically, rising 42-60% from March to June 2020 as job losses mounted. Healthcare card holders also increased 26-32% over that same period as more residents required assistance <sup>(2-5)</sup>.

## **2.5 Infrastructure challenges**

The MNC faces multi-faceted infrastructure challenges that affect its economic resilience and growth potential. These include access to public transport, power and digital connectivity and the importance of current and future major infrastructure projects. Large and small Infrastructure projects have the potential to provide opportunities for building skills within the region, however the demands for rapid change and transition constrain the opportunities for local skill development and such projects have tended to draw on 'fly-in, fly-out' or temporary workers rather than drawing on the local labour market<sup>(8)</sup>.

### **2.5.1 Access to public transport**

The Mid North Coast faces significant public transport challenges that affect workforce mobility, access to services, and critically, educational and training opportunities. The region's dispersed population and extensive geographic coverage create inherent difficulties in providing efficient public transport networks, impacting both intra-regional and inter-regional travel<sup>(9-10)</sup>.

Limited bus services, particularly in rural areas, and the absence of passenger rail services<sup>(9.11)</sup> restrict access to education and training opportunities within the region. This transport limitation particularly affects young people and those seeking to reskill or upskill, who may be unable to access vocational education campuses or training facilities in major regional centres like Port Macquarie or Coffs Harbour.

The constraints extend beyond regional boundaries, as some specialised vocational training programs are only available in Brisbane, Maitland, Newcastle, or Sydney. The limited public transport connections to these cities<sup>(9)</sup> create additional barriers for residents seeking to access these training opportunities. Without reliable and affordable transport options, many potential students face either substantial private transport costs or are unable to pursue their desired qualifications altogether.

These public transport limitations disproportionately impact the region's most vulnerable residents who rely on public transport for accessing essential services, education, employment, and training opportunities. The situation reinforces existing inequalities and may contribute to skills shortages by limiting access to education and training pathways, both within and beyond the region.

## 2.5.2 Power and Digital Connectivity

Robust telecommunications infrastructure and widespread high-speed connectivity have emerged as critical priorities for the MNC region<sup>(2-5,12,13)</sup>. Reliable digital access underpins not just business productivity and economic growth opportunities, but also skills development pathways, education delivery, telehealth services, and community resilience in the face of natural disasters and emergencies<sup>(12)</sup>.

The region's current connectivity landscape is mixed, with many industrial areas, rural communities and pockets like Bellingen still operating on lower quality ADSL connections that lack the bandwidth and sophistication to support emerging digital needs<sup>(2-5,12,13)</sup>. This patchwork of digital blackspots acts as a constraint on maximising the potential of online employment, e-commerce, remote learning, and other digital transformation opportunities.

Recent crises like the COVID-19 pandemic and recurrent natural disasters have underscored the critical importance of robust telecommunications. As the pandemic ushered in widespread remote work, study, and telehealth adoption, it highlighted how inadequate internet access can disrupt economic and educational continuity in communities with poor connectivity. Similarly, when fires, floods and storms have severed the region's physical infrastructure links, retaining internet and mobile access became a crucial resource for affected areas to coordinate emergency response and maintain social connections.

While positioned between the New England and Hunter-Central Coast Renewable Energy Zones (REZs)<sup>(2,14)</sup>, the MNC's exclusion from these designated zones has limited its access to renewable energy development opportunities. The region has struggled to participate in feasibility studies and attract renewable energy investment, despite having potential for renewable energy development<sup>(14)</sup>. The Oven Mountain pumped hydro energy storage project (<https://omphydro.com.au/>) is a major infrastructure project which has the potential to improve power supply in the region, but will need to be supported by a program to improve the region's energy distribution system.

The region's challenging topography of dense bushland, mountains, and valleys creates significant obstacles for both power and telecommunications infrastructure expansion<sup>(13,14)</sup>. The costs of extending power lines and establishing new connections in remote areas are often prohibitively expensive, leading many residents to adopt home battery solutions<sup>(12)</sup>. While some choose this for an off-grid lifestyle, others are compelled by the practical and financial barriers of connecting to the main power grid through difficult terrain<sup>(12)</sup>.

These same geographical challenges also affect mobile telecommunications infrastructure<sup>(12,13)</sup>. The establishment of new mobile towers faces similar obstacles, resulting in persistent blackspots across the region. Many industrial estates and rural communities contend with unreliable mobile reception and continue to rely on lower-quality ADSL connections that lack the bandwidth to support digital transformation, remote working, and online education opportunities<sup>(2-5)</sup>.

This dual challenge of power and digital connectivity constraints affects business productivity, skills development pathways, and the region's ability to attract and retain skilled workers who increasingly expect reliable utilities and digital services. The situation particularly impacts businesses seeking to establish or expand operations in more remote parts of the region, where both power and telecommunications infrastructure may require significant investment to achieve adequate service levels.

Looking ahead, the MNC's ability to attract innovative industries, skilled workers, and build resilient communities will hinge greatly on upgrading its digital infrastructure across the entire region. High-speed, reliable broadband is the foundational utility to facilitate emerging technologies, online learning and telemedicine - while also providing redundancy during crisis events.

### **2.5.3 Major infrastructure projects**

The region's significant infrastructure developments are driving immediate demands for skilled trades while shaping long-term workforce needs, industry growth potential, and housing affordability outcomes. While there are a wide range of infrastructure projects underway, some key projects include the Coffs Harbour Bypass, the Port Macquarie Hospital redevelopment, the Valla Growth area, the Oven Mountain pumped hydro energy storage project, and region-wide bridge and road renewal projects<sup>(2-5,11,15)</sup>.

The Coffs Harbour Bypass, as a major transport infrastructure project, has generated substantial demand for civil construction workers, heavy machinery operators, engineers, and various skilled trades. While this project presents an ideal opportunity for apprenticeships and on-the-job training in construction-related trades, this potential has not been fully realised due to a reliance on short-term contractors<sup>(8)</sup>. Once completed, the improved freight efficiency and regional connectivity will support growth in logistics, manufacturing, and agricultural industries, potentially increasing demand for transport, warehouse, and logistics workers.

The Port Macquarie Base Hospital redevelopment and expansion<sup>(3)</sup> demonstrates the intersecting demands for both construction and healthcare skills. While the construction phase requires building trades, the expanded facility will increase demand for healthcare professionals and support workers. This creates opportunities for developing healthcare-specific trade qualifications such as hospital maintenance, medical equipment technicians, and specialised facilities management.

The Valla Growth Area<sup>(5,15)</sup> development signals both immediate and long-term workforce demands, while also significantly impacting regional housing dynamics. The construction phase requires carpenters, electricians, plumbers, and other building trades, offering opportunities for apprenticeship training. However, while this development aims to address housing supply, there are concerns about housing affordability in the region. The increasing costs of construction materials and skilled labour shortages are

likely to influence final housing prices, potentially limiting accessibility for key workers and first-home buyers. This creates a complex challenge where the very trades workers needed to build these homes may struggle to afford housing in the communities they're helping to develop. The development's focus on expanding regional housing and community infrastructure will drive future demand for community services, retail, and healthcare workers, reflecting the changing demographic needs of the region, yet the ability to attract and retain these workers may be compromised if housing remains unaffordable.

Bridge and road renewal programs across all Local Government Areas, including Steels Bridge and Ocean Drive duplication in Port Macquarie-Hastings, and Kalang Road improvements in Bellingen<sup>(2-5)</sup>, create ongoing demand for civil construction trades. These projects could provide consistent opportunities for apprenticeships and skills development in areas such as concrete work, bridge construction, road surfacing, and essential maintenance skills. However, the current training and apprenticeship arrangements have not effectively capitalised on these opportunities to build a sustainable skilled workforce.

## 2.6 Housing affordability

The MNC region has faced mounting housing pressures since 2018, with residential vacancy rates trending downward across multiple LGAs as population growth, partly driven by COVID-19 migration, outpaced increases in housing supply<sup>(2-5)</sup>. This tightening in available housing stock has coincided with considerable rises in median house prices throughout the region.

In the Midcoast, the median house price climbed 48% to \$670,000 by mid-2022 as vacancies remained low around 1% for an extended period<sup>(4)</sup>. The Hastings-Macleay area saw vacancy rates dip as low as 0.4% in 2021, coupled with median price growth of 51-60% to \$555,000-\$830,000 range<sup>(3)</sup>. Nambucca Valley<sup>(5)</sup> experienced a 58% median price rise to \$645,000 as vacancies constricted to 1%. Even the Coffs Coast, which maintained a relatively higher vacancy rate, faced sharp median price hikes like 87% in Bellingen to \$887,000<sup>(2)</sup>.

The diminishing affordability has pushed many areas' price-to-income ratios above the NSW average, some LGAs reaching as high as 9.8. This erosion in housing affordability poses challenges for attracting and retaining key skilled workers and families that major projects, businesses and industry growth increasingly require in the region.

While residential building approvals showed an uptick in some areas, suggesting supply-side responses, the persistently low vacancy levels indicate housing stock additions are struggling to keep pace with accelerating population and labour force demands. Enhancing housing availability, diversity and quality rental options will be crucial for the MNC to secure its skilled workforce pipeline and capitalise on economic opportunities.

Failure to improve the region's housing affordability risks hampering growth prospects by limiting the ability to attract required skills and talent, while also pricing out younger cohorts and families seeking to establish long-term residential foundations. A cohesive regional housing strategy aligned with workforce planning should be a key infrastructural priority.

This was one of the major sources of frustration for participants in both rounds of focus groups. When people from outside the region take jobs within the region, they not only want housing, but want it close to schools for their children, but in many cases the housing scarcity forces them to have long commutes to take their children to school or ECEC, before then going to work.

## 2.7 Early Childhood Education and Care

Early Childhood Education and Care (ECEC) availability is a critical driver of labour force participation, particularly for women, and plays a key role in skills development strategies and economic growth for the MNC Region. Recent surveys and national reports <sup>(16,17)</sup> highlight significant challenges in this sector that have implications for the region's workforce and economy.

Regional Development Australia MNC's 2023 survey <sup>(16)</sup> revealed substantial waitlists for ECEC services, with an average of over 100 families waiting per provider. Critically, 25% of providers are operating below their approved capacity due to staff shortages, and over half report vacant positions for ECEC workers. One-third of providers have had positions vacant for more than a year, underscoring the persistent nature of these workforce challenges. It should be noted that the labour shortages in ECEC are a particular barrier to providing services. In other industries, such as construction, if an apprentice fails to turn up to work, the construction work in most cases continues. But due to strict government regulation on number of carers per class, if a ECEC worker fails to turn up, then it can result in the inability to take in children that day, affecting the work situations of all the parents of those children as well as the ECEC facility's operation that day.

The situation in the MNC reflects broader national issues identified in the Productivity Commission's draft report on universal early childhood education and care <sup>(17)</sup>. The report emphasises that ECEC is essential for Australia's education system and economic prosperity, directly linking it to workforce participation. Significantly, the Productivity Commission's preliminary modelling suggests that increasing the ECEC subsidy to 100% for lower-income families could result in an estimated 3.4% increase in total hours worked, equivalent to 20,700 full-time employees nationally <sup>178)</sup>. For the MNC, this could translate into a substantial boost in workforce participation, especially among women and single parents.

For the MNC, the ECEC sector's struggles have a cascading effect on the broader economy. Limited ECEC availability can restrict parents', especially mothers', ability to enter or return to the workforce, potentially exacerbating existing skills shortages across various industries. This not only impacts individual families but also constrains the region's overall economic growth potential. The region faces particular challenges in recruiting and retaining ECEC workers. In response, a majority of local providers (68%) are willing to offer traineeships to 'grow the skills they need', indicating a proactive approach to addressing the shortage but also highlighting the depth of the problem <sup>(16)</sup>.

Addressing these ECEC challenges is crucial for the MNC's economic development strategy. Improved ECEC availability and affordability could significantly boost workforce participation, especially among women, and support skills development across the region. Commonwealth government strategies to address

workforce challenges, and raise subsidies for working families, may go some way to addressing access, but state and commonwealth governments will need to work together to address issues of availability and consider ways to make services available in areas of low supply, while ensuring that services offered exceed or at least meet quality standards. A strategy to achieve universal access will address multiple issues of economic productivity and regional development while addressing significant skill shortages in regions such as the MNC.

## 2.8 Migration and population shift

The MNC region is experiencing a pronounced population shift driven by lifestyle migration from metropolitan areas, accelerated during the COVID-19 pandemic<sup>(2-5)</sup>. This influx of remote workers, retirees, and families relocating from cities like Sydney brings potential economic benefits, but also strains on infrastructure, housing affordability, and services such as health and ECEC.

As more remote employees and online students opt to base themselves in the region's desirable communities, it creates increase demand on ECEC services that can facilitate labour force participation - particularly for women. Stakeholder surveys have already identified ECEC staff shortages becoming an acute issue, with 25% of providers operating under capacity due to lack of workers<sup>(16)</sup>.

While remote employment allows some newcomers to bring their metro-based jobs, others may be available to enter the local labour market, requiring reskilling or upskilling opportunities aligned with the region's industry needs. Enabling this new resident cohort to provide the skills needed to drive the MNC's economic development will be critical. The region experiences a tension between the immediate need for highly skilled workers to deliver time-sensitive major projects and seasonal work<sup>(8,18)</sup> which creates reliance on temporary visa holders and fly-in, fly-out workers, and the need to develop local skills and sustainable employment pathways for residents.

Concurrently, increased access to online education during COVID-19 has shown a potential pathway to reducing youth outmigration for tertiary studies. Retaining and providing training pathways for this next generation of local workers will also be key to avoiding future skill shortages and brain drain.

As population levels rise, strategic workforce planning and investment in nurturing skills pipelines through vocational training, higher education partnerships, and employer-led reskilling initiatives will be essential. This focus on developing human capital can equip the growing MNC communities with the capabilities required by growth industries and small businesses.

Failure to be proactive on the skills development front risks the region facing widespread labour shortages and skillset mismatches that could hamper its economic potential and ability to capitalise on the opportunities that lifestyle-driven migration has presented. An integrated skills and training ecosystem is a critical infrastructure need to harmonise with population growth.

## 2.9 Decarbonisation and the transition to net zero

As Australia transitions towards a net zero emissions economy, the MNC's economic strengths in emissions-intensive industries like agriculture, manufacturing, mining, construction and transport will face increasing pressures to decarbonise operations and adapt to changing sustainability requirements.

Across the region's local government areas, these key sectors generated hundreds of millions in economic output in 2020 <sup>(15)</sup>, underpinning communities' prosperity. However, their carbon footprints also represent challenges as policies aimed at meeting national and state net zero targets take effect.

Agriculture and value-added food production are vital specialisations that will need to innovate low-emission farming practices, processes and supply chains to remain competitive as consumer sustainability demands evolve. The mining and resources sector will likely confront the most disruptive transition away from fossil fuel reliance.

The construction industry faces an imperative to embrace green building techniques, renewable construction materials and circular economy principles <sup>(5)</sup>. Similarly, the transport and logistics workforce enabling the MNC's manufacturing and freight flows will require rapid upskilling for vehicle electrification and optimising energy efficiency.

Promisingly, the region is positioned amid the New England and Hunter Renewable Energy Zones, with existing specialisations in electricity generation and distribution <sup>(18)</sup>. This creates opportunities to facilitate the development of renewable transmission infrastructure and attract investment in clean energy projects requiring skilled labour.

Importantly, ensuring the MNC's industrial workforce has access to training pathways for emerging green skills, sustainable practices and technologies will be critical. Businesses will need to be proactive reskilling and upskilling employees to reduce emissions across operations while capitalising on the economic opportunities the transition to net zero presents.

A proactive, collaborative approach between industry, educators, and government focused on equipping the MNC's labour force with future-focused capabilities in areas like renewable energy, low-emission agriculture, green manufacturing and construction can position the region's skills base at the vanguard of decarbonisation. This will enhance long-term economic resilience and enable vital local industries to pivot towards more sustainable models.

## 2.10 Cost of living and global uncertainty

The MNC has confronted compounding economic shocks from climate change-induced natural disasters and global supply chain disruptions over recent years, creating significant inflationary pressures that are impacting major project costs, timelines and overall cost of living <sup>(14, 19)</sup>.

Since 2018, the region has endured a series of cascading emergencies and extreme weather events - droughts, bushfires, floods - offering a sobering preview of the escalating climate change risks <sup>(2-5)</sup>. These

events have wrought widespread damage to communities, businesses, infrastructure and key industries like agriculture, aquaculture and tourism that are environmental condition dependent.

As the frequency and intensity of climate impacts mount, building resilience across supply chains, assets and disaster response capabilities has become a priority to protect the region's economic future against these accumulating hazards<sup>(19)</sup>. However, these adaptation efforts are being inflated by global factors such as Ukraine war that have destabilised supply chains and driven up material and energy costs<sup>(20)</sup>. Stakeholders across construction and infrastructure projects report escalating expenses and delays attributable to sourcing and logistics bottlenecks.

These escalating costs for major capital works are reverberating through to households, who are confronting spikes in living expenses from higher construction costs inflating housing prices, climate impacts straining utility/insurance bills, plus broader inflationary forces impacting consumer goods and services<sup>(19)</sup>.

Facilitating the required infrastructure upgrades and sustainable industry transformations to boost the MNC's climate resilience will require a comprehensive workforce development strategy. Ensuring the region's labour force has access to targeted skills training that aligns with emerging green jobs, sustainable practices, and new climate-resilient technologies will be critical.

## **2.11 Recognising Indigenous Culture**

The MNC is home to several strong and vibrant Aboriginal nations, including the Biripai, Dughutti, Gumbaynggirr, and Worimi peoples, whose deep connection to Country spans tens of thousands of years. These nations maintain rich cultural traditions, language, and ecological knowledge that contribute significantly to the region's identity and heritage<sup>(21,22)</sup>. Local Indigenous communities demonstrate particular strengths in land and water management, with traditional knowledge increasingly recognised as vital for environmental conservation, bushfire management, and adaptation to climate change. The region benefits from active Indigenous-led organisations and enterprises that combine cultural knowledge with contemporary business practices, particularly in areas like cultural tourism, creative industries, and natural resource management. Many local Indigenous communities are actively involved in language revitalisation programs, cultural education initiatives, and sharing traditional stories and practices with younger generations. This living cultural heritage not only enriches the region's social fabric but also presents unique opportunities for sustainable economic development and environmental stewardship that aligns with traditional custodianship values. The strength and resilience of Indigenous culture in the MNC represents a significant asset for building community cohesion and developing distinctive regional advantages. Economic development of the region can benefit from a better understanding of Indigenous cultures.

## **2.12 Conclusion**

The desktop research reveals how the MNC region has faced an unprecedented series of challenges since 2018 that have tested community resilience while accelerating existing trends in regional development. The



cascading impacts of drought, bushfires, the COVID-19 pandemic, and repeated flood events have created complex pressures on regional infrastructure, businesses, and communities. These immediate challenges have occurred alongside longer-term structural changes including digital transformation, the transition to net-zero emissions, and shifting migration patterns. Housing affordability, ECEC availability, and rising living costs create additional pressures on workforce participation and economic growth. However, the research also reveals significant regional strengths, particularly in community resilience and adaptation, while highlighting the importance of Indigenous knowledge and cultural practices in building sustainable regional futures. These findings suggest that while the MNC faces substantial challenges, understanding their interconnected nature can help inform more integrated and effective responses.

# 3. Mapping Mid North Coast skills

## 3.1 A skills ecosystem

This report adopts a 'skills ecosystem' approach to understanding and addressing workforce development challenges in the MNC region. The skills ecosystem concept, developed by Finegold <sup>(23)</sup> and expanded by Buchanan and colleagues <sup>(24)</sup> in the Australian context, recognises that skills are reproduced in spatially bounded and context-specific labour markets shaped by interconnected networks of employers, markets, and institutions such as educational providers and Government agencies.

Rather than viewing skills gaps as simple mismatches between worker capabilities and employer needs, a skills ecosystem approach considers the broader socio-economic context in which skills are embedded. This includes understanding the complex relationships between business settings and networks, institutional and policy frameworks, training approaches, job design, and work organisation within a specific regional context <sup>(25)</sup>.

For the MNC, this approach has several important implications. First, it suggests that effective skills development requires coordination between multiple stakeholders - employers, education providers, industry associations, and policymakers - who together shape how skills are developed, and training is delivered. Second, it highlights the importance of regionally embedded networks, particularly the role of secondary and tertiary education career officers as key nodes in the ecosystem.

A skills ecosystem approach challenges the traditional view where employers see skills development primarily as a cost or as someone else's responsibility. Instead, it positions employers as active participants in a broader regional system that includes industry bodies, educational institutions, policy advocacy groups and government agencies, unions, employer associations and other local stakeholders. In such a model, investing in skills development becomes a shared responsibility with mutual benefits across all members of the ecosystem.

Under this framework, employers can better recognise how their individual investment decisions in skills development contribute to and benefit from the wider regional ecosystem. When employers understand they are part of an interconnected network including education providers, industry bodies, and other businesses and agencies, they may be more inclined to view skills investment as building regional capability rather than just developing their own workforce.

## 3.2 Labour Shortages, Skill Shortages and Skill Gaps: Distinguishing the Workforce Challenges

In the context of regional workforce planning and development, it is crucial to distinguish between overall labour shortages, skill shortages and skill gaps, as these terms represent distinct challenges that require tailored strategies to address them effectively.

Labour shortages occur in regional labour markets when there are simply not enough workers to meet the needs of employers in all industries. This can occur when there is a situation of 'full employment', or when the unemployment rate falls below the non-accelerating inflation rate of unemployment (NAIRU) (26). This can be exacerbated by lower levels of participation in employment in regional labour markets. Labour shortages might be addressed through migration, attraction and retention of workers to the region, or increasing workforce participation amongst the existing population, particularly improving opportunities for part-time work that may address the needs of workers with caring responsibilities or those approaching retirement.

Skill shortages refer to situations where there is an insufficient supply of workers with the required skills and qualifications to meet the current or projected demand within a particular industry or occupation (27). Skill shortages can manifest in various ways:

- **Insufficient trained workforce:** A lack of individuals pursuing education and training programs in specific fields, leading to an inadequate supply of qualified workers to fill available positions.
- **Geographic imbalances:** Certain regions or locations may experience skill shortages due to factors such as limited educational opportunities, lack of incentives, or preferences for urban areas, resulting in staffing challenges.
- **High turnover or attrition rates:** Professions with high turnover or attrition rates, such as ECEC, personal care workers or aged care nurses, may experience persistent skill shortages as the demand for replacements outpaces the supply of new entrants.

Skill shortages can have significant consequences, including difficulties in meeting service needs, increased workloads for existing staff, and potential impacts on the quality and accessibility of services or products within the region.

In contrast, skill gaps refer to situations where individuals within the existing workforce lack specific knowledge, competencies, or abilities required to perform their roles effectively or adapt to changes in their field. Skill gaps can arise due to various factors:

- **A mismatch between skills needed in the workforce and education and training provision available to workers.**
- **Technological advancements:** The introduction of new technologies, equipment, or processes may necessitate upskilling or reskilling of the existing workforce to ensure proficiency in their use.
- **Changing models of service delivery:** Shifts in delivery models, such as the emphasis on patient-centered care in health and disability services or a focus in online delivery in education and training, may require workers to develop new skills in areas like communication, care coordination, or digital delivery processes.
- **Regulatory or policy changes:** Updates to regulations, industry standards, or best practices, such as recent changes in ECEC, health and disability services may mandate the acquisition of new knowledge or skills to maintain compliance and ensure the provision of high-quality services and outputs.

- Evolving population needs: Demographic changes, such as an aging population or increasing prevalence of chronic diseases, may necessitate the development of specialised skills in areas like aged care or disability services.

Addressing skill gaps often involves targeted training and professional development initiatives to equip the existing workforce with the necessary knowledge and competencies to meet the evolving demands of their roles.

While labour shortages, skill shortages and skill gaps are distinct challenges, they can also intersect and compound one another. For instance, a skill shortage in a particular healthcare profession may exacerbate existing skill gaps within that workforce, as fewer resources are available for training and development.

By recognising the differences between labour shortages skill shortages and skill gaps, policymakers can develop comprehensive strategies that address both challenges simultaneously. This may involve initiatives to bolster the pipeline of new entrants into the workforce while also investing in continuous professional development and upskilling opportunities for existing workers.

### **3.3 A skills audit**

A skills audit is a systematic analysis of current and future skills needs within a defined area. When viewed through a skills ecosystem lens, a skills audit becomes more than just a stocktake – it is a tool for understanding the complex interactions between employers, workers, training providers and other stakeholders that shape regional skills development and deployment.

An audit of labour market skills for a region is essential to ascertain if the skills currently available in the region, or likely to be available in the future, meet the current and expected demand for skills by the region’s businesses and, if skills are a problem, identify the potential policies and actions that regional authorities might pursue to ensure that regional development is not unnecessarily constrained by labour shortages that could have been avoided. It is therefore essential that a skills’ audit focuses on both the supply side and the demand side of the region’s labour market.

In doing so, significant information can be derived from an analysis of the data collected by government. Official sources will include data collected by the Australian Bureau of Statistics (ABS) through both censuses and surveys or resulting from administrative activities of government as a useful by-product. Even when this information is utilised, it is highly likely that gaps in our knowledge will persist and require the collection of additional data through a range of means – including additional surveys and focus groups. However, before embarking on additional data collection an analysis of the data currently available is essential. Such an analysis will not only help in the assessment of the current state of the market for labour skills in the region but also help inform future research by both identifying the existing gaps and suggesting potential policy options for the future development of the region’s labour market. In structuring this labour market analysis, we have divided our data collection into an examination of both supply and demand aspects with a view to bringing the two together so that a comprehensive representation of the region’s

labour market is provided. On the supply side, we will begin by analysing the population, population projections, and migration patterns into and out of the MNC Region. The report then considers elements of the labour market, including participation, unemployment, the key industries of employment and the occupational structure of the region as well as journey to work data. The report then turns the education and training market in the region, exploring qualifications and fields of education.

On the demand side, we will examine the industry structure of the region and the employment patterns to which this gives rise – including factors that result in changes in industry structure and/or employment.

## **3.4 Labour Supply Factors**

### **3.4.1 Population**

The principal geographic area of interest is represented by the six Local Government Areas (LGAs) of Bellingen Shire, Coffs Harbour, Kempsey Shire, Midcoast, Nambucca Valley and Port Macquarie-Hastings and the two Statistical Area 3s (SA3s) of Lord Howe Island and Norfolk Island that make up the area with which RDAMNC works. REMPLAN <sup>(28)</sup> considers the LGAs, but not the two islands. Table 3.1 details the population by age (5-year groups) for the total MNC region. Given the small populations of Lord Howe and Norfolk Islands shown in Table 3.1, they have not been included in other MNC calculations throughout this report to avoid any potential distortions that may arise through over-emphasising their population needs.

Table 3.1 Population (persons) by age, MNC

	0-4 years	5-9 years	10-14 years	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	65-69 years	70-74 years	75-79 years	80-84 years	85-89 years	90-94 years	95-99 years	100 years and over	Total
<b>Bellingen</b>	542	753	920	708	400	412	631	649	652	850	916	1065	1196	1158	948	647	405	261	108	29	4	13253
<b>Coffs Harbour</b>	4060	4734	5172	4505	3601	4251	4534	4738	4535	4889	4933	5064	5518	5376	4810	3365	2357	1391	685	222	26	78759
<b>Kempsey</b>	1548	1669	1858	1694	1447	1494	1568	1499	1515	1659	1909	2253	2520	2458	2283	1498	947	512	254	97	6	30688
<b>Midcoast</b>	3907	4759	5408	4668	3453	3673	3929	4102	4284	5122	5795	6930	8489	8799	8846	6459	4078	2361	1197	295	37	96579
<b>Nambucca Valley</b>	978	1021	1208	1071	705	834	839	910	918	1115	1195	1566	1894	1816	1650	1191	762	429	215	74	3	20407
<b>Port Macquarie-Hastings</b>	3849	4688	5324	4938	3865	3735	3902	4255	4397	5070	5382	5715	6356	6448	6742	5298	3388	2092	1030	258	28	86762
<b>Sub Total</b>	<b>14884</b>	<b>17624</b>	<b>19885</b>	<b>17592</b>	<b>13465</b>	<b>14406</b>	<b>15401</b>	<b>16148</b>	<b>16305</b>	<b>18703</b>	<b>20130</b>	<b>22591</b>	<b>25978</b>	<b>26052</b>	<b>25288</b>	<b>18458</b>	<b>11938</b>	<b>7043</b>	<b>3477</b>	<b>961</b>	<b>107</b>	<b>326442</b>
<b>Lord Howe Island</b>	24	34	15	4	6	18	44	28	39	24	18	42	43	28	25	19	18	5	5	0	0	445
<b>Norfolk Island</b>	101	123	128	103	81	78	80	117	134	141	150	203	209	170	152	105	70	33	21	0	0	2188
<b>TOTAL RDAMNC</b>	<b>15009</b>	<b>17781</b>	<b>20033</b>	<b>17691</b>	<b>13558</b>	<b>14495</b>	<b>15527</b>	<b>16298</b>	<b>16474</b>	<b>18870</b>	<b>20298</b>	<b>22838</b>	<b>26225</b>	<b>26253</b>	<b>25456</b>	<b>18582</b>	<b>12025</b>	<b>7084</b>	<b>3515</b>	<b>975</b>	<b>104</b>	<b>329075</b>

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder. Some cells may be randomly adjusted by ABS to avoid release of confidential data.

The 2021 Census data <sup>(29)</sup> reveals that the largest LGAs (by population) in the region (dominated by the presence of large cities) are Midcoast (96,579 persons including the city of Taree), Port Macquarie-Hastings (86,762 persons including the city of Port Macquarie) and Coffs Harbour (78,759 persons including the city of the same name). The remaining LGAs combined have a smaller population than any of the three largest LGAs and the populations of both Lord Howe Island (445 persons) and Norfolk Island (2,188 persons) are very small by comparison. The total population of the MNC area is recorded at 329,075 persons in 2021.

### 3.4.1.1 Ageing Population

The MNC has an ageing population, with significantly lower levels of the working aged population and young people compared to the state average and significantly higher levels of over 50 (see Figure 3.1) <sup>(29)</sup>.

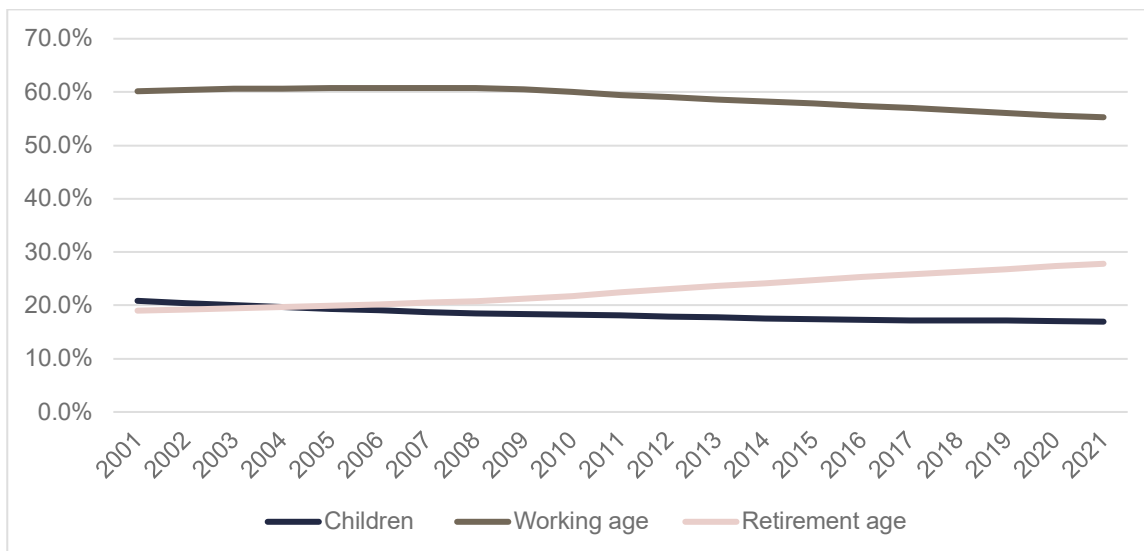
Figure 3.1 Age distribution of the Mid North Coast compared to NSW



Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

This pattern of distribution is largely repeated in each LGA within the MNC. NSW Department of Planning data <sup>(30)</sup> shows that since 2001, the proportion of the MNC population of working age has fallen from 60% to 52%, and the proportion that are children has fallen from 20.8% to 16.9% while the proportion of the population of retirement age has risen from 19.0% to 27.8%.

Figure 3.2 Breakdown of Children, Workers and Retirees in the RDANMC 2001-2021

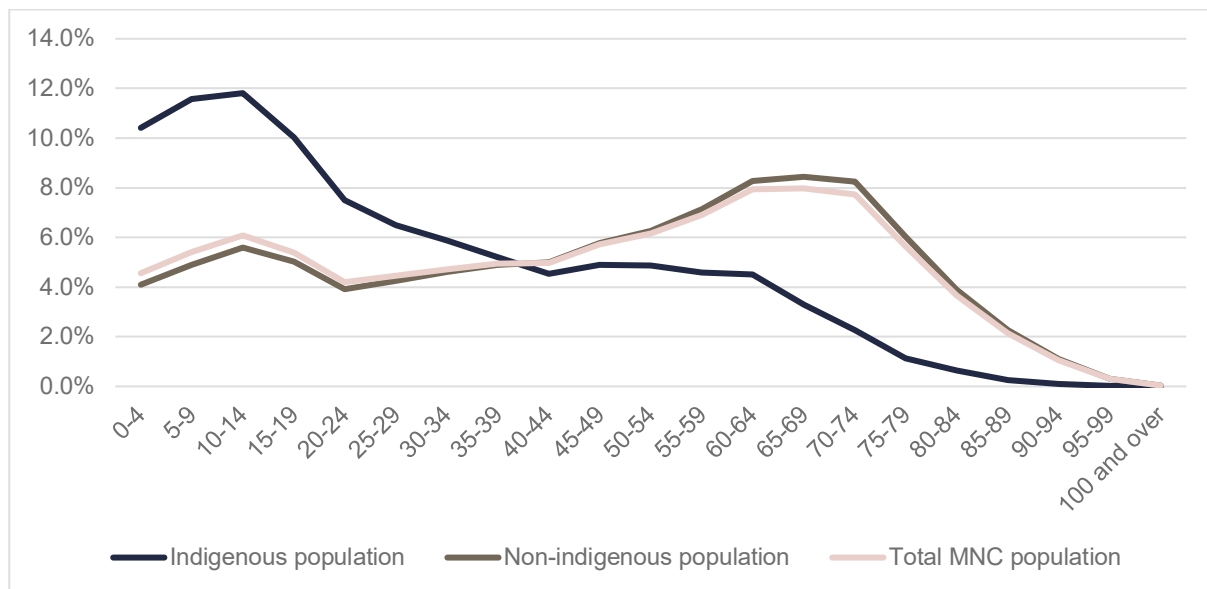


Source: NSW Department of Planning and Environment, *2022 NSW Common Planning Assumption Projections*

### 3.4.1.2 Indigenous population

Almost seven percent (6.9%) of MNC residents identified as Indigenous in the 2021 census <sup>(29)</sup>, more than double the NSW state average of 3.4%. Of these 95% identified as Aboriginal, 2% as Torres Strait Islander and 2% as both Aboriginal and Torres Strait Islander. 52% of the Indigenous population are women, while 48% are men. Within the region there is a significantly higher proportion of the Indigenous population aged under 35 years than the overall population, and a lower proportion over the age of 40.

Figure 3.3 Age distribution of Indigenous, Non-Indigenous and Total Population 2021



Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

In 2021 the Census collected information on Indigenous languages spoken at home. While only 0.2% of people across the region spoke an Australian Indigenous language this proportion was larger in the Kempsey Region (0.4%) and in Coffs Harbour (0.3%) and overall represents more than 600 people regionally <sup>(29)</sup>.

### 3.4.1.3 Cultural and Linguistic Diversity

83% of those living in the MNC region were born in Australia and the Pacific region, with a further 5% born in the United Kingdom and other Western European countries. Of those born outside Australia the top five countries of birth were England (3.5%), New Zealand (1.2%), India (0.7%), Philippines (0.5%), Germany (0.5%). 88.5% of residents speak English at home across the region. The top five languages other than English spoken at home are Punjabi (0.6%), German (0.3%), Mandarin (0.3%), Spanish (0.2%) and French (0.2%). As noted above Indigenous languages were spoken at home by 0.2% of residents. Tagalog was the 7<sup>th</sup> most commonly spoken language at (0.1%) <sup>(29)</sup>.

### 3.4.1.4 Working Age Population

In their labour force analysis of the six LGAs of the MNC region, the Regional Australia Institute (RAI) <sup>(31)</sup>, define the working age population as persons aged 15-64 years. We will continue this practice.



Table 3.2 presents census data on working age population of the MNC region. From

Table 3.2, we can observe that, in 2021, 64.1 percent of the NSW population was found in the working age group of 15-64 years. However, only 55.4 percent of the population in the MNC region were of working age. So immediately our attention is drawn to the fact that the basic population group from which the labour force is drawn forms a significantly smaller proportion of the population in this region than for NSW as a whole.

When five-year age groupings of working age population are examined, it can be calculated from

Table 3.2 that over 38 percent of the MNC region's working age population is aged over 50 years compared to just over 28.2 percent for NSW.

The percentage of the population in the working age group is even lower for Midcoast, Nambucca Valley and Port Macquarie-Hastings. Although it is higher in the remaining areas, in none of these areas does it exceed 60 percent. Further, in Bellingen, Midcoast, and Nambucca Valley over 40 percent of the working age population is over 50 years (and over 16 percent are over 60 years).

The inevitable outcome of a population age distribution that is skewed to the older years is that the proportion of the population in the working age group will be limited and the proportion of the working age group in older years will be greater than is generally the case throughout NSW.

Table 3.2 Working Age Population (persons) by Age and LGA, MNC

	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	Total Working Age Population	WAP/TP(%)	Total Population
<b>Bellingen</b>	708	400	412	631	649	652	850	916	1065	1196	7479	56.4	13253
% of WAP	9.5	5.3	5.5	8.4	8.7	8.7	11.4	12.2	14.2	16.0			
<b>Coffs Harbour</b>	4505	3601	4251	4534	4738	4535	4889	4933	5064	5518	46568	59.1	78759
% of WAP	9.7	7.7	9.1	9.7	10.2	9.7	10.5	10.6	10.9	11.8			
<b>Kempsey</b>	1694	1447	1494	1568	1499	1515	1659	1909	2253	2520	17558	57.2	30688
% of WAP	9.6	8.2	8.5	8.9	8.5	8.6	9.4	10.9	12.8	14.4			
<b>Midcoast</b>	4668	3453	3673	3929	4102	4284	5122	5795	6930	8489	50445	52.2	96579
% of WAP	9.3	6.8	7.3	7.8	8.1	8.5	10.2	11.5	13.7	16.8			
<b>Nambucca Valley</b>	1071	705	834	839	910	918	1115	1195	1566	1894	11047	54.1	20407
% of WAP	9.7	6.4	7.5	7.6	8.2	8.3	10.1	10.8	14.2	17.1			
<b>Port Macquarie-Hastings</b>	4938	3865	3735	3902	4255	4397	5070	5382	5715	6356	47615	54.9	86762
% of WAP	10.4	8.1	7.8	8.2	8.9	9.2	10.6	11.3	12.0	13.3			
<b>TOTAL MNC</b>	17584	13471	14399	15403	16153	16301	18705	20130	22593	25973	180712	54.9	329075
% of WAP	9.7	7.5	8.0	8.5	8.9	9.0	10.4	11.1	12.5	14.4			
<b>NSW</b>	457896	496185	555967	586057	580185	522984	516915	500027	490155	471628	5177999	64.1	8072163
% of WAP	8.8	9.6	10.7	11.3	11.2	10.1	10.0	9.7	9.5	9.1			

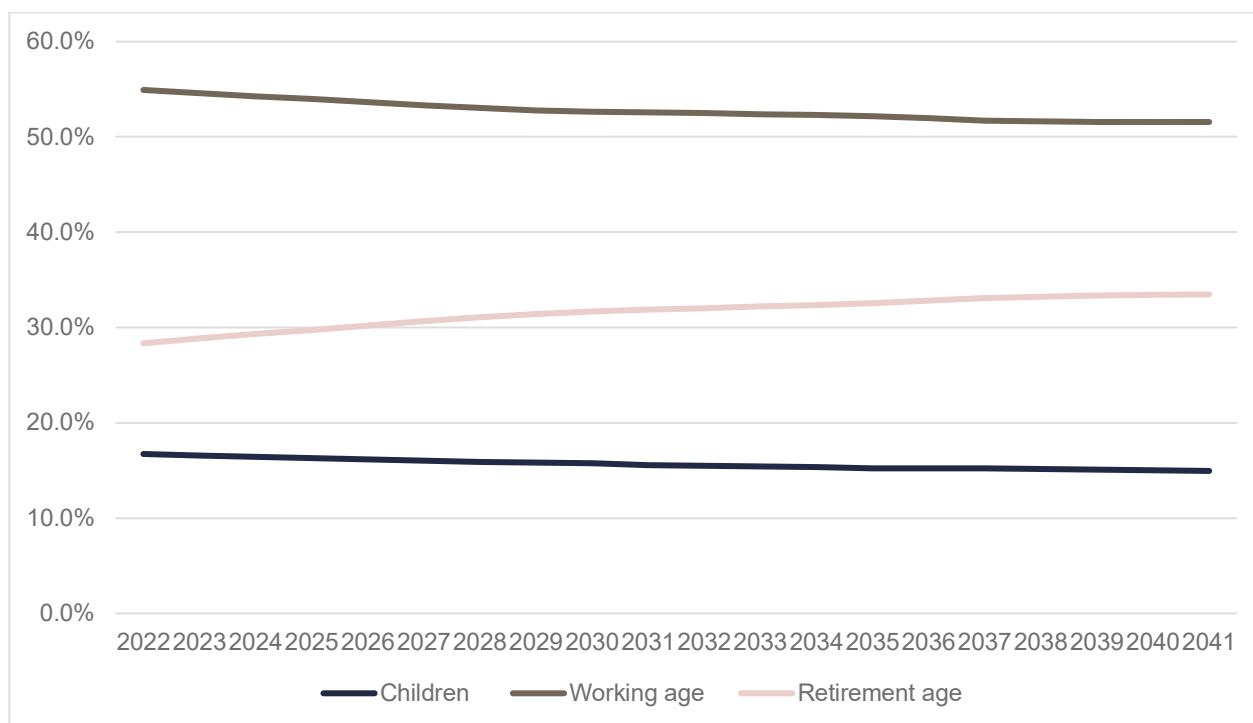
Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

### 3.4.1.5 Population Projections

REMPPLAN <sup>(32)</sup> also estimates that the combined population of the six LGAs within the MNC region grew at an annualised rate of 1.5 percent over the period 2016-2021. Variation in population growth across the LGAs of the MNC region over this period has varied between 0.9 percent for Bellingen to 2.0 percent for Port Macquarie – Hastings<sup>(32,40)</sup>. The median age of the population of the LGAs of the MNC is 49 years<sup>(32)</sup> with a variation from 44 years in Coffs Harbour to 54 years in Mid <sup>(32-40)</sup>. Although there is variation across the region, the median age across each LGA lies well above the NSW median age of 39 years – making the region, as a whole, quite elderly.

NSW Department of Planning projections to 2041<sup>(30)</sup> suggest that the working age population and the proportion of young people will continue to shrink to 51.6% while the retirement age group will grow to 33.5% of the regional population.

Figure 3.4 Projected proportions of Children, Workers and Retirees 2022-2041



Source: NSW Department of Planning and Environment, 2022 NSW Common Planning Assumption Projections

## 3.4.2 Population and Workforce Mobility

### 3.4.2.1 Regional Migration

One way in which a region might enhance the availability of skills is to encourage skilled workers to migrate to the region from other regions of the country. However, the extent to which this will be successful is also, in part, determined by the workers who leave the region to live and work elsewhere. Further, the skills of the regional immigrants relative to those of the regional emigrants will also be a determining factor in the role played by net migration in building a region's skill base.

Data on regional population and population movements (including regional migration) is provided by the ABS *Regional Population* report<sup>(40)</sup>. The publication identifies that the population of a region at any point in time ( $P_{t+1}$ ) is comprised of the population from the previous point in time ( $P_t$ ) plus births ( $B$ ) occurring between periods  $t$  and  $t+1$ , less any deaths taking place over the same period, plus net overseas migration ( $NOM$ ) and net regional (internal) migration ( $NIM$ ) in the period being considered. Obtaining all of this data from the census is problematic and the ABS uses a range of institutional data on which it bases its estimates. The ABS warns that the estimates produced are subject to error and that care must be exercised when making use of them – ‘especially for areas with very small populations’. The data in Table 3.3 indicates that for the periods 2020-2021 and 2021-2022 population in each LGA of the MNC tended to grow as a result of strong net internal migration and, to a lesser extent, net overseas migration. Natural increase (the excess of birth over deaths) generally was not experienced across the LGAs.

Table 3.3 Components of Population Change (persons) by LGA, MNC

LGA	Period	Total Change	%	Natural increase	Net internal migration	Net overseas migration
Bellingen	2020-2021	106	0.8	-23	125	4
	2021-2022	59	0.4	-8	28	39
Coffs Harbour	2020-2021	442	0.6	73	286	83
	2021-2022	944	1.2	130	394	420
Kempsey	2020-2021	170	0.6	0	161	9
	2021-2022	352	1.1	-13	287	78
Midcoast	2020-2021	802	0.8	-387	1144	45
	2021-2022	762	0.8	-545	1123	184
Nambucca Valley	2020-2021	49	0.2	-55	101	3
	2021-2022	228	1.1	-57	251	34
Port Macquarie-Hastings	2020-2021	1600	1.9	-86	1659	27
	2021-2022	1673	1.9	-216	1638	251

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

The estimates provided in this data are only of limited use in the discussion of the workforce. However, Houghton et al. <sup>(41)</sup> look further into this issue. They focus on the regional movement of persons in the 25–39-year age group (millennials) whom they regard as highly skilled and educated. Table 3.4 is drawn from data provided in Houghton et al <sup>(41)</sup>, Appendix A and clearly shows that net migration was a strong

contributor to the growth of the population in the millennial age group for each LGA in the region. Further, except for Coffs Harbour, this was also true of the overseas born population.

However, census data can also be employed to produce estimates of *NIM* for each LGA for the working age population by both age and qualification.

The method used for the calculation of *NIM* is discussed in Appendix 2.

Table 3.4 summarises the regional migration outcome for the MNC LGAs with respect to the working age population. While net migration is positive across all age groups, the percentage of emigrants with post school qualifications (PSQs) is much higher than the percentage of immigrants with post school qualifications for each of these age groups (and for the working age population in general) in each LGA.

Table 3.4 Internal Migration Experience of the 2021 Working Age Population by LGA, MNC

		15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	TOTAL WAP
<b>Bellingen</b>	Net Migration	14	-26	21	96	77	63	67	99	86	75	564
	% of Immigrants with PSQs	1.0	22.5	68.4	49.3	40.8	47.3	43.3	34.8	39.4	42.3	38.7
	% of Emmigrants with PSQs	2.3	38.3	74.0	97.9	73.6	55.3	77.4	77.8	62.7	87.3	57.6
<b>Coffs Harbour</b>	Net Migration	109	61	233	368	384	420	383	332	337	351	2988
	% of Immigrants with PSQs	5.7	30.5	45.2	51.6	43.2	39.9	38.1	38.5	33.7	36.5	37.3
	% of Emmigrants with PSQs	10.0	37.8	71.6	80.1	69.1	62.0	73.8	74.0	68.7	69.1	58.4
<b>Kempsey</b>	Net Migration	45	59	155	227	242	190	167	200	165	158	1638
	% of Immigrants with PSQs			1.0	14.6	12.9	11.9	16.4	24.8	8.0	20.1	13.2
	% of Emmigrants with PSQs	11.8	45.8	72.2	69.3	76.1	62.3	50.9	90.0	75.3	77.3	52.1
<b>Midcoast</b>	Net Migration	151	160	374	436	428	486	481	552	727	926	4712
	% of Immigrants with PSQs	3.6	32.1	44.4	43.1	36.7	35.0	33.1	36.3	35.9	39.7	35.3
	% of Emmigrants with PSQs	12.2	42.6	70.7	74.0	72.1	65.1	71.6	57.9	61.6	60.2	56.2
<b>Nambucca Valley</b>	Net Migration	56	16	124	124	114	106	92	150	159	192	1123
	% of Immigrants with PSQs	4.8	22.9	37.7	42.8	42.9	37.1	40.3	31.5	34.0	35.7	32.7
	% of Emmigrants with PSQs	14.6	45.4	68.7	76.8	93.6	88.5	53.2	35.3	57.1	59.1	53.9
<b>Port Macquarie-Hastings</b>	Net Migration	283	283	370	345	368	311	337	347	393	426	3455
	% of Immigrants with PSQs	7.0	36.1	56.9	57.8	52.2	46.2	46.6	42.0	40.5	39.2	42.1
	% of Emmigrants with PSQs	15.2	46.2	73.9	75.5	80.0	70.9	71.9	74.3	70.1	64.9	59.2

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder. Some cells may be randomly adjusted by ABS to avoid release of confidential data.

### 3.4.2.2 Exploring inwards and internal migration patterns

Drawing on census data relating to current place of usual residence and place of residence 1 year ago it is possible to identify the origin or source of the inwards migration to the region in the 12 months preceding the census date of August 2021. Given that during 2020 there were many national and state border closures due to the COVID-19 pandemic, it is unsurprising that the total inwards migration to the region from international and interstate locations was only 4743 people, with 37.0% coming from Queensland, 20.9% from Victoria and 21.9% from international locations.

Table 3.5 Immigration to MNC Region from international and interstate locations

Location of origin	Percent of interstate/international migration
Queensland	37.0%
Overseas	21.9%
Victoria	20.9%
Australian Capital Territory	5.6%
Western Australia	4.8%
Tasmania	3.5%
Northern Territory	3.1%
South Australia	2.9%
Other Territories	0.2%

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

A further 16,287 people migrated into the region from within NSW, with 31% moving from greater Sydney, 36% from the adjacent region of the Hunter (excluding Newcastle), and 7% from Newcastle and Lake Macquarie and 6% from the nearby New England region. Most of the migration from other regions of NSW fed into the Midcoast LGA (56%), while 21% relocated to Port Macquarie-Hastings, 13% to Coffs Harbour, 5% to Kempsey, 3% to Nambucca and 2% to Bellingen.

Movement within the region was also relatively limited during this period, with over 99% of the MNC population living in the same LGA as they had in the previous 12 months. There were some minor flows of residents from Bellingen and Nambucca to Coffs Harbour, but on the whole movement between LGAs within the region was minor.

### 3.4.2.3 Regional Workforce Mobility

Overall, the MNC region represents a relatively coherent natural labour market, 99% of workers who live in the MNC work in NSW and 88.6% of them work in the MNC or Coffs Harbour-Grafton region. A further 6.5% of those who live in the region have a workplace with no fixed address, while 1.7% of the workforce cited a workplace in Greater Sydney, 1.6% in the Hunter Valley and less than 1% in Newcastle and Lake Macquarie. The remaining 1% of workers were spread relatively evenly across regions in NSW, with very small proportions reporting a place of work in Queensland, Victoria or the greater Capital (Canberra) Region.

Table 3.6 Place of work for workers who reside in MNC LGAs

Place of Residence							
Place of work	Bellingen	Coffs Harbour	Kempsey	Mid-Coast	Nambucca Valley	Port Macquarie-Hastings	Total MNC
Mid North Coast	4.29%	1.29%	90.67%	81.83%	73.48%	90.28%	59.64%
Coffs Harbour - Grafton	83.95%	90.96%	0.94%	0.08%	16.43%	0.17%	28.96%
POW No Fixed Address (NSW)	8.04%	5.21%	6.38%	7.33%	7.50%	6.37%	6.45%
Greater Sydney Total	2.06%	1.47%	1.07%	2.20%	1.17%	1.82%	1.75%
Hunter Valley exc Newcastle	0.11%	0.06%	0.20%	5.63%	0.24%	0.22%	1.63%
Newcastle and Lake Macquarie	0.11%	0.18%	0.14%	1.95%	0.09%	0.36%	0.69%
New England and North West	0.74%	0.26%	0.24%	0.25%	0.33%	0.25%	0.28%
Richmond - Tweed	0.13%	0.18%	0.09%	0.04%	0.14%	0.10%	0.11%
Central Coast	0.00%	0.03%	0.00%	0.25%	0.07%	0.08%	0.10%
Capital Region	0.09%	0.12%	0.07%	0.09%	0.13%	0.07%	0.10%

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

Conversely, the number of MNC workers who reside outside the MNC is small at 3,198 workers (2.8% of all MNC workers). The greatest proportion of these workers reside in the adjacent Clarence Valley LGA (22.7%). A further 18.7% report their usual residence as Greater Sydney, with smaller proportions travelling from Port Stephens, Newcastle and other Central Coast and Hunter LGAs.

Table 3.7 Workers residing outside the MNC region by LGA of usual residence

LGA of usual residence	Proportion of non-residents working in MNC
Clarence Valley	22.73%
Greater Sydney	18.7%
Port Stephens	8.51%
Newcastle	7.19%
Maitland	5.16%
Central Coast (NSW)	5.10%
Lake Macquarie	4.94%
No usual address (NSW)	4.25%
Northern Beaches	2.28%
Dungog	2.16%
Remainder of NSW	18.98%

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

### 3.4.2.4 Journey to work

Within the MNC there is very limited access to public transport to support workers commuting to work. Across the region 71.9% of workers travelled to work via private vehicle, 3.4% used active methods, such as walking or riding a bicycle to work. Of note in the post-COVID-19 period, 22.8% of workers identified that they worked from home or did not go to work on the census collection date.

Table 3.8 Journey to work MNC residents

	Coffs Harbour	Kempsey	Mid-Coast	Nambucca Valley	Port Macquarie-Hastings	Total MNC
<b>Vehicle</b>	73.4%	73.5%	70.9%	71.3%	72.1%	71.9%
<b>Worked at home or did not go to work</b>	21.6%	20.2%	23.1%	23.1%	23.4%	22.8%
<b>Active Transport</b>	2.9%	4.2%	3.9%	3.3%	2.8%	3.4%
<b>Mode not stated</b>	0.6%	1.0%	1.1%	1.5%	0.5%	0.8%
<b>Public Transport</b>	1.0%	0.6%	0.6%	0.5%	0.8%	0.8%
<b>Other Mode</b>	0.4%	0.4%	0.4%	0.5%	0.3%	0.4%
<b>Total</b>	100%	100%	100%	100%	100%	100%

Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

### 3.4.3 The Labour Force

#### 3.4.3.1 Workforce Participation

Given the age distribution of the population throughout the MNC region, it is not surprising that the participation rate of persons 15-64 years (at 69.1 percent) is lower than for NSW (at 71.1 percent).

When participation by 5-year age group is considered (Table 3.9) it can be observed that participation in the MNC region is lower than in NSW in all age groups except for the groups 15-19 years and (with the exception of Nambucca Valley) the 20-24 years group.

Participation rates in both Port Macquarie-Hastings and Coffs Harbour exceed participation in NSW overall and in all age groups (except 60-64 years for Port Macquarie-Hastings). Keep in mind however, that the population is skewed to the older age groups in the MNC region and that this is especially true of Port Macquarie-Hastings.

For the remaining LGAs (and with the exception of the Bellingen 50-54 years age group), the participation rates in the age groups of 25 years and above are less than for NSW as whole.

Kempsey (60.4 percent) and Nambucca (62.8 percent) have the lowest overall participation rates of any of the LGAs.

Further, RAI <sup>(31)</sup> note that the participation rate in regional NSW on the whole is quite high – higher, in fact than for the NSW average. That the MNC region exhibits a participation rate of 69.1 percent which is significantly lower suggests that the region is somewhat of an outlier when compared to the rest of



regional NSW – an issue which needs to be explored further. In doing so, attention clearly needs to be paid to the LGAs of Kempsey and Nambucca Valley.

We conclude that supply of labour in the MNC region in general is constrained by a lower proportion of the population being in the working age group, a higher proportion of the working age population being in older age groups and a lower participation rate amongst persons in the younger and prime age working age groups.

The higher labour force participation rate (when compared with NSW) of persons in the 15-19 years age group is also of concern as it implies a lower participation in education amongst this group. To a lesser extent, the same is true of the 19-24 years age group. In each case, the non-participation in education may have a deleterious impact on the acquisition of skills.

RAI <sup>(31)</sup> consider that participation rates in the MNC region are largely in line with national and international expectations – given the distribution of the population. However, they note that the high participation rate in the 25-44 age group in Bellingen and the 45-54 age group in Kempsey warrant further investigation – as does the fact that the female participation rate in Kempsey is, unusually, higher than the male rate. RAI <sup>(31)</sup> also indicate that the participation rate of overseas born persons is higher than the participation rate of Australian born persons when, for NSW as a whole, the situation is usually the reverse. A potential explanation for this finding, however, may be the difference in the age distribution amongst overseas born compared to Australian born in the MNC region.

Participation of Indigenous Australians is also an issue that RAI <sup>(31)</sup> consider worthy of further investigation since it is generally low – and particularly low in Kempsey.

Table 3.9 Labour Force Status (persons) by Age and LGA, MNC

		15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	TOTAL WAP
<b>Bellingen</b>	Working Age Population	708	400	412	631	649	652	850	916	1065	1196	7479
	Labour Force	338	292	314	477	479	493	635	700	728	653	5126
	Participation Rate	47.7	73.0	76.2	75.6	73.8	75.6	74.7	76.4	68.4	54.6	68.5
	Unemployment Rate	14.2	9.6	10.5	4.0	2.9	5.9	3.5	4.0	3.6	5.2	5.5
<b>Coffs Harbour</b>	Working Age Population	4505	3601	4251	4534	4738	4535	4889	4933	5064	5518	46572
	Labour Force	2678	2778	3259	3523	3772	3616	3987	3815	3495	2993	33948
	Participation Rate	59.4	77.1	76.7	77.7	79.6	79.7	81.6	77.3	69.0	54.2	72.9
	Unemployment Rate	12.4	8.2	5.4	5.0	3.7	4.5	4.1	4.2	4.5	5.5	5.5
<b>Kempsey</b>	Working Age Population	1694	1447	1494	1568	1499	1515	1659	1909	2253	2520	17563
	Labour Force	821	940	894	1016	954	1037	1110	1266	1387	1190	10609
	Participation Rate	48.5	65.0	59.8	64.8	63.6	68.4	66.9	66.3	61.6	47.2	60.4
	Unemployment Rate	14.1	12.9	8.7	7.4	6.2	6.1	4.8	5.2	6.1	6.6	7.5
<b>Midcoast</b>	Working Age Population	4668	3453	3673	3929	4102	4284	5122	5795	6930	8489	50441
	Labour Force	2580	2546	2722	2890	3104	3153	3787	4165	4356	3911	33193
	Participation Rate	55.3	73.7	74.1	73.6	75.7	73.6	73.9	71.9	62.9	46.1	65.8
	Unemployment Rate	11.4	10.8	8.1	6.3	5.6	5.4	4.5	4.7	4.8	6.3	6.4
<b>Nambucca Valley</b>	Working Age Population	1071	705	834	839	910	918	1115	1195	1566	1894	11049
	Labour Force	540	504	576	578	632	678	834	815	949	838	6940
	Participation Rate	50.4	71.5	69.1	68.9	69.5	73.9	74.8	68.2	60.6	44.2	62.8
	Unemployment Rate	11.3	13.1	8.9	6.4	5.5	6.9	4.9	5.2	5.7	6.0	7.0
<b>Port Macquarie-Hastings</b>	Working Age Population	4938	3865	3735	3902	4255	4397	5070	5382	5715	6356	47616
	Labour Force	3028	3040	2983	3137	3444	3638	4195	4222	4021	3307	35018
	Participation Rate	61.3	78.7	79.9	80.4	80.9	82.7	82.7	78.4	70.4	52.0	73.5
	Unemployment Rate	11.5	7.5	5.7	4.2	3.3	2.9	3.1	3.6	3.9	5.3	4.9
<b>TOTAL RDAMNC</b>	Working Age Population	17592	13465	14406	15401	16148	16305	18703	20130	22591	25978	180719
	Labour Force	9981	10096	10767	11625	12413	12602	14548	14988	14942	12888	124835
	Participation Rate	56.7	75.0	74.7	75.5	76.9	77.3	77.8	74.5	66.1	49.6	69.1
	Unemployment Rate	12.1	9.3	6.8	5.4	4.5	4.5	4.0	4.3	4.6	5.7	5.8
<b>NSW</b>	Working Age Population	457896	496185	555967	586057	580185	522984	516915	500027	490155	471628	5178015
	Labour Force	205202	360124	428942	453899	453260	409884	402623	375929	336929	254041	3680808
	Participation Rate	44.8	72.6	77.2	77.4	78.1	78.4	77.9	75.2	68.7	53.9	71.1
	Unemployment Rate	12.5	8.2	5.4	4.1	3.7	3.7	3.7	3.8	4.0	4.9	5.0

Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder.

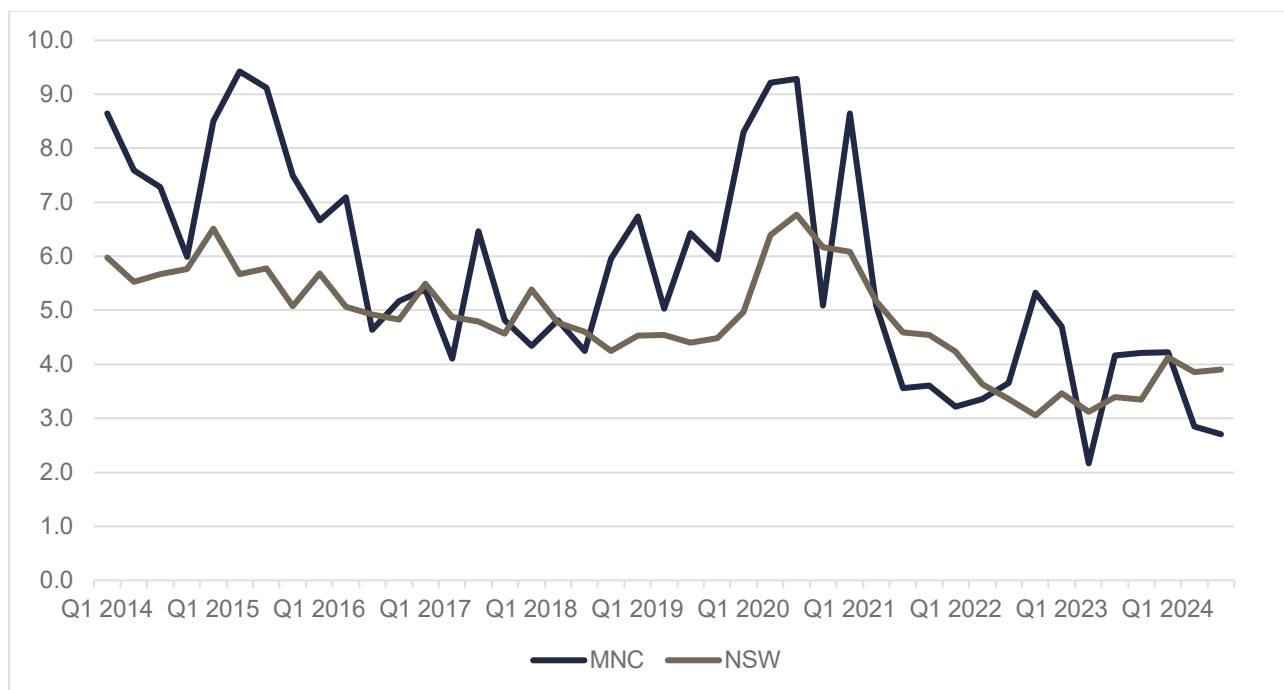
### 3.4.3.2 Unemployment

In 2021 the unemployment rate in the MNC was 5.8%, slightly higher than the NSW rate of 5%. The highest levels of unemployment across the region were in Kempsey (7.5%) and Nambucca (7.0%). The lowest levels within the mainland LGAs of the region were in Port Macquarie (4.9%) and Coffs Harbour (5.5%). Notably, these rates are close to the non-accelerating inflation rate of unemployment (NAIRU)<sup>(26)</sup>, which is considered an indicator of ‘full employment’ within the economy. These regions were experiencing significant labour shortages by this measure of unemployment. It is also conspicuous that in 2021, in the aftermath of the COVID-19 pandemic, which had a particular impact on employment in tourism, unemployment levels were relatively low across the region as a whole.

Figure 3.5 shows the unemployment rate for the MNC compared to the NSW rate from 2014 to 2024. The MNC saw a significantly higher peak in unemployment during 2020, at the height of the COVID-19

pandemic, but has subsequently fallen below the state average, signalling a tight labour market which contributes to overall labour shortages, but may be experienced as particular skill shortages.

Figure 3.5 Average quarterly unemployment rate MNC and NSW 2014-2024



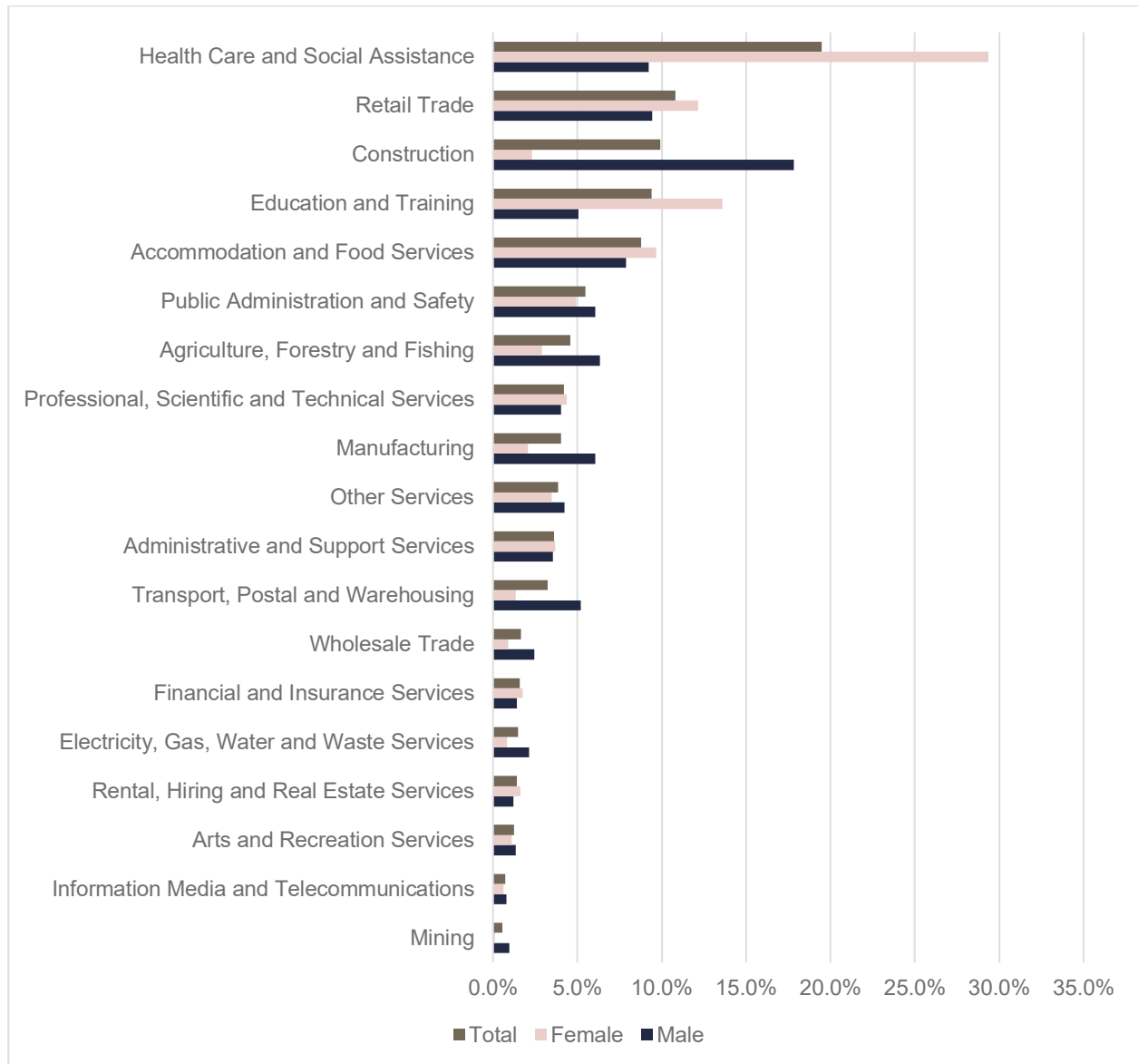
Source: ABS (2024) Labour Force Australia, Detailed, Table 16. Labour force status by Labour market region (ASGS)

### 3.4.3.3 Key industries of employment

Across the region, the most significant proportions of workers can be found in Health Care and Social Assistance (20.3%), Retail Trade (11.3%), Construction (10.3%) and Education and Training (9.8%). It is notable that the standard industry classification used by the ABS does not include a separate classification for the tourism sector which is considered a significant employment sector within the region. This report explores the role of the tourism sector for employment and provides an analysis of the industry sub-sectors that create the highest levels of demand for tourism workers in section 3.15 below on Labour Demand Factors in the skill ecosystem.

Of note, Australia’s labour market remains relatively gender segregated, with women’s employment concentrated in Health care and social assistance, retail trade and education, while men’s employment tends to be concentrated in construction, agriculture, forestry and fishing and manufacturing. These patterns are replicated in the MNC.

Figure 3.6 Employed by Industry MNC

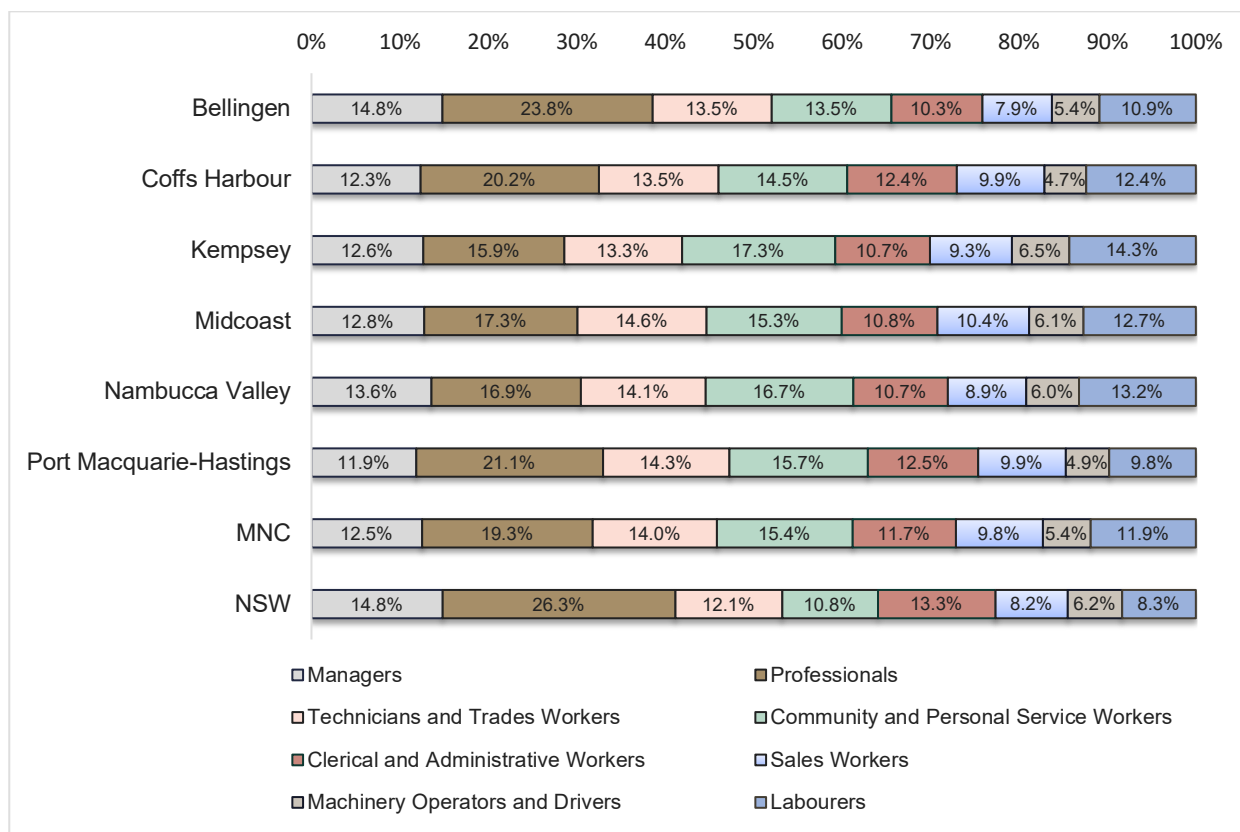


Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder.

### 3.4.3.4 Occupational Structure of the region

The qualifications and fields of education of workers are also reflected in the occupational structure of the region. Figure 3.7 shows that compared to the NSW figures, the MNC has a lower proportion of managers and professional workers, and significantly higher levels of unskilled labours. Of note, the region has a higher proportion of technicians and trade workers and community and personal service workers than the state average.

Figure 3.7 Occupational Structure Mid North Coast LGAs, total and NSW



Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.

### 3.4.4 Education and Training

In taking a skills ecosystem approach to regional labour markets it is important to understand the skills, knowledge and capacities of the workers within the region, the education and training networks available and the opportunities to maximise and grow the education and skilled resources available.

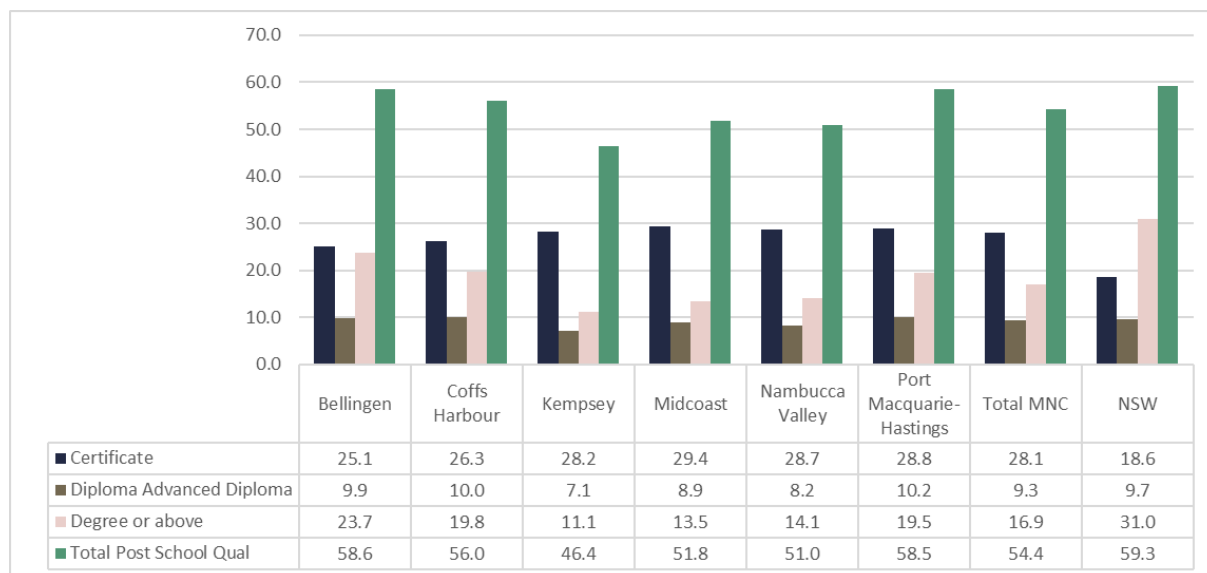
Understanding skills in this context requires recognising that skills encompass a complex mix of technical competencies, soft skills, workplace knowledge, and experiential learning that together enable effective participation in the workforce. This broader conceptualisation includes recognising traditional and cultural knowledge systems, particularly Indigenous knowledge, as well as the informal capabilities developed through work and life experience. For the MNC region, effectively identifying and developing skills requires consideration of how different types of knowledge and capability are recognised, valued, and utilised within the regional economy. This includes understanding both the formal qualification frameworks that structure many industry sectors, and the broader attributes and experiences that contribute to workforce capability and regional resilience.

With these limitations in mind, the following analysis of census data provides a foundation for understanding the formal skill profile of the MNC workforce, while recognising that this statistical snapshot

needs to be complemented by deeper understanding of how skills are developed, deployed, and valued within specific industry and workplace contexts.

Figure 3.8 provides data on the post-school educational attainment of the working age population in each LGA compared to the region as a whole and NSW.

Figure 3.8 Post-School Qualifications by LGA, total MNC and NSW



Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder.

Figure 3.8 shows that for the total working age population, the proportion holding some form of post-school qualification is greater for NSW (59.3%) than for the MNC region (54.4%) or for any of the individual LGAs in the region, although Bellingen (58.6%) and Port Macquarie-Hastings (58.5%) are closer to the state average. This is also true, in general, across the age groups as is shown in Table 3.10 which provides a detailed breakdown of post-school qualifications by age.

The most noticeable exception is Port Macquarie-Hastings where the working age population over 45 years tends to have a higher proportion of post-school qualifications than NSW as whole.

Figure 3.8 also shows that within the region there is a higher level of trades-level certificate qualifications compared to the State averages, and lower levels of degree or higher degree qualifications than in NSW on average.

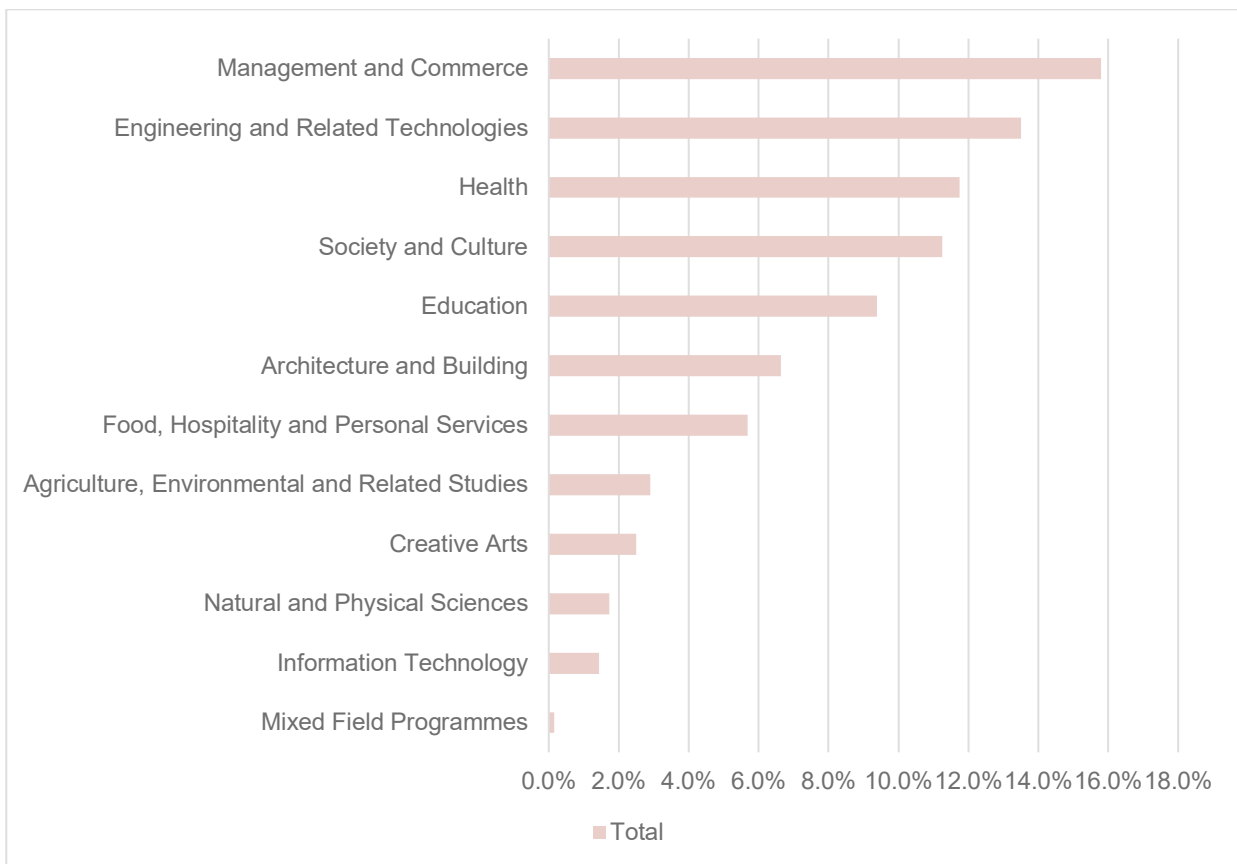
Table 3.10 Post-School Qualifications of Working Age Population (percent) MNC and NSW

		15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	TOTAL WAP
<b>Bellingen</b>	Certificate	3.8	28.8	29.6	29.3	30.4	28.2	26.5	24.0	27.0	26.3	25.1
	Dip/Advanced Dip	0.0	2.0	8.3	8.6	10.6	10.6	11.4	13.5	13.0	11.5	9.9
	Degree or above	0.0	5.5	25.5	26.3	27.9	30.4	31.6	28.8	24.3	25.0	23.7
	Total PSQ	3.8	36.3	63.3	64.2	68.9	69.2	69.5	66.4	64.3	62.7	58.6
<b>Coffs Harbour</b>	Certificate	6.5	27.3	29.9	28.8	28.9	27.0	27.7	28.2	29.0	28.2	26.3
	Dip/Advanced Dip	0.3	4.0	8.0	9.9	12.1	11.0	13.0	14.1	12.1	12.4	10.0
	Degree or above	0.0	8.1	21.5	27.3	27.4	28.2	26.8	21.2	17.4	17.9	19.8
	Total PSQ	6.8	39.4	59.4	66.0	68.3	66.1	67.5	63.6	58.5	58.5	56.0
<b>Kempsey</b>	Certificate	5.3	26.7	30.3	34.4	29.7	33.1	29.8	32.0	31.2	28.8	28.2
	Dip/Advanced Dip	0.2	2.6	4.4	7.0	7.2	8.9	9.5	9.8	8.1	10.2	7.1
	Degree or above	0.0	4.3	11.8	13.9	16.9	13.9	14.2	12.4	10.1	12.8	11.1
	Total PSQ	5.4	33.6	46.5	55.4	53.8	55.8	53.5	54.2	49.4	51.7	46.4
<b>Midcoast</b>	Certificate	6.6	31.0	34.4	34.4	32.3	32.1	33.1	31.7	31.7	28.2	29.4
	Dip/Advanced Dip	0.4	4.4	6.5	8.6	10.5	10.7	11.2	11.3	9.9	11.1	8.9
	Degree or above	0.0	5.5	17.1	18.3	20.4	17.9	16.8	13.6	12.0	13.9	13.5
	Total PSQ	7.0	40.9	58.0	61.3	63.2	60.8	61.1	56.7	53.5	53.2	51.8
<b>Nambucca Valley</b>	Certificate	6.2	27.1	33.8	36.2	30.9	32.2	29.1	31.1	30.6	30.0	28.7
	Dip/Advanced Dip	0.0	2.0	4.8	7.9	11.0	8.6	10.8	10.2	9.9	11.1	8.2
	Degree or above	0.0	4.7	14.7	18.1	20.7	19.0	18.4	16.7	13.9	14.0	14.1
	Total PSQ	6.2	33.8	53.4	62.2	62.5	59.8	58.3	58.1	54.4	55.1	51.0
<b>Port Macquarie-Hastings</b>	Certificate	7.3	29.8	34.4	33.4	31.4	30.4	31.1	31.4	32.2	29.2	28.8
	Dip/Advanced Dip	0.2	4.7	7.8	8.8	12.8	13.7	13.8	12.9	12.3	12.1	10.2
	Degree or above	0.0	7.8	24.7	28.8	29.0	27.3	25.7	21.4	16.8	17.1	19.5
	Total PSQ	7.5	42.2	66.9	71.0	73.3	71.4	70.6	65.8	61.2	58.4	58.5
<b>Total MNC</b>	Certificate	6.5	28.9	32.4	32.4	30.7	30.1	30.3	30.5	30.9	28.5	28.1
	Dip/Advanced Dip	0.3	4.0	7.0	8.8	11.3	11.3	12.2	12.3	11.0	11.5	9.3
	Degree or above	0.0	6.6	20.0	23.4	24.7	23.4	22.4	18.3	15.0	16.0	16.9
	Total PSQ	6.8	39.6	59.4	64.7	66.6	64.9	64.9	61.1	56.8	56.0	54.4
<b>NSW</b>	Certificate	4.8	17.3	19.0	18.8	18.4	19.3	21.1	21.9	22.9	21.5	18.6
	Dip/Advanced Dip	0.6	6.9	8.3	10.1	11.1	11.5	12.6	12.5	11.4	10.9	9.7
	Degree or above	0.1	18.3	41.8	44.1	44.2	40.7	34.6	28.9	24.7	23.3	31.0
	Total PSQ	5.5	42.6	69.0	72.9	73.7	71.4	68.3	63.3	59.0	55.7	59.3

Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder.

Reflecting the levels of skill that predominate across the region, as well as the key industries of employment within the region, Figure 3.9 illustrates the key fields of education of qualifications in the MNC region. The most significant fields of qualification include management and commerce (15.8%) and engineering and related technologies (13.5%). These fields reflect the needs of small to medium enterprises and manufacturing and construction employment and may also reflect the relatively higher proportion of certificate level qualifications in the region. The next three most significant fields of education include health, society and culture and education, reflecting more professional qualifications needed for the health and social assistance and education sectors.

Figure 3.9 Field of education in post-school qualifications MNC



Source: ABS (2021) *Census of Population and Housing, 2021*, Australian Bureau of Statistics, TableBuilder.



### 3.5 Labour Demand Factors

The forgoing has focussed on issues of labour supply. We now turn to a consideration of the issue of the demand for labour in the MNC.

#### 3.5.1 Business counts Mid North Coast

There are over 26,000 businesses in the MNC, 58% are non-employing, 39% have 1-19 employees, while 2% have 20 employees or more. This means that the majority of business (97%) are small businesses with less than 20 employees, who may have minimal resources for recruiting, training and developing their staff.

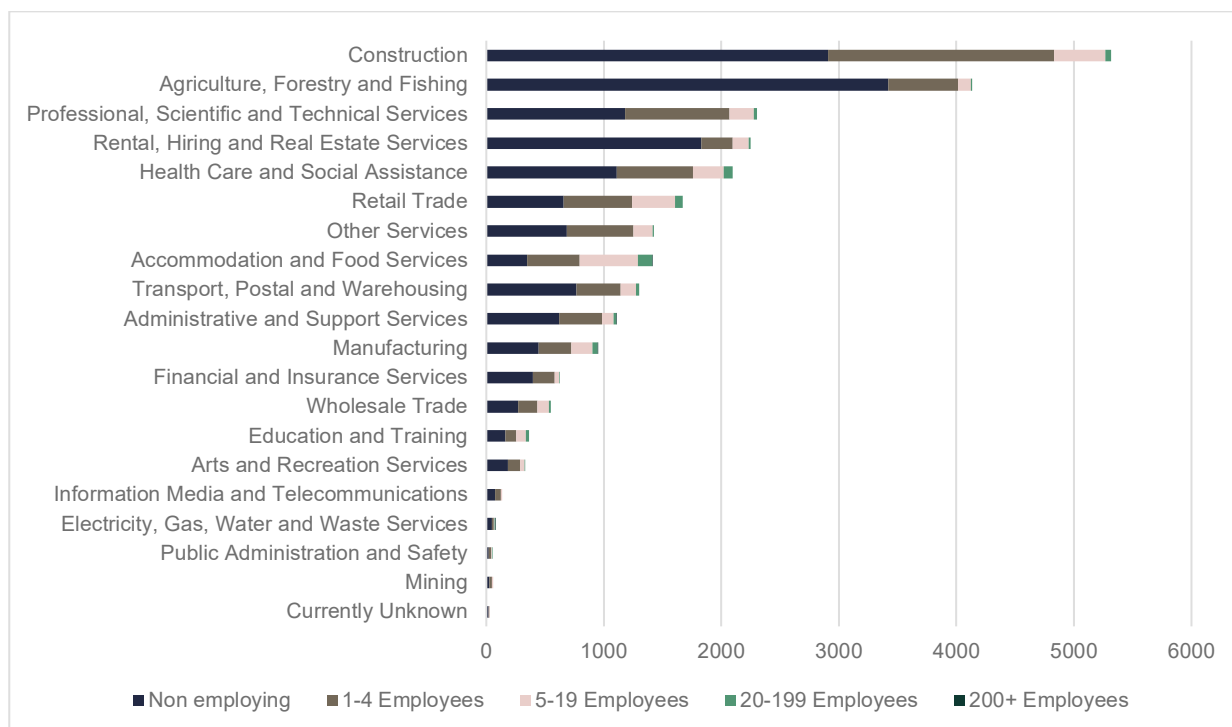
Table 3.11 Business count by size of employer, Mid North Coast

	Bellingen	Coffs Harbour	Kempsey	Mid-Coast	Nambucca Valley	Port Macquarie-Hastings	Total MNC
<b>Non-employing businesses (no.)</b>	801	3,492	1,575	4,359	997	3,956	15,180
<b>Employing businesses with 1-4 employees (no.)</b>	366	2,031	595	2,112	418	2,188	7,710
<b>Employing businesses with 5-19 employees (no.)</b>	135	805	213	705	123	764	2,745
<b>Employing businesses with 20 or more employees (no.)</b>	17	172	51	132	21	152	545
<b>Total businesses (no.)</b>	1,323	6,500	2,439	7,314	1,559	7,062	26,197

Source: Data by region 2011-2023, by Local Government Areas 2021 (ASGS Edition 3 (2021 – 2026), Some cells may be randomly adjusted by ABS to avoid release of confidential data.

Businesses are concentrated in the three centres of Midcoast, Port Macquarie-Hastings and Coffs Harbour. The largest proportion of businesses across the region are in the Construction industry (20.3%) and the agriculture, forestry and fishing sector (15.8%).

Figure 3.10 Count of Businesses by size of employment Mid North Coast



Source: <https://data.opendatasoft.com/explore/embed/dataset/counts-of-australian-businesses-by-lga@australiademo>

Businesses that employ more than 20 staff are most likely to be in the Accommodation and Food Services, Health Care and Retail Trade within the region.

There is a relatively even distribution of businesses to workers across the regions, with Bellingen having the highest ratio of businesses to 10 workers, and Coffs Harbour having the lowest level of businesses to workers.

Table 3.12 Key characteristics of businesses by LGA, Mid North Coast

	Total businesses	Percentage of MNC businesses	Workers	Businesses per 10 workers
<b>Bellingen</b>	1324	5.2%	4010	3.301746
<b>Coffs Harbour</b>	5870	23.0%	32693	1.795491
<b>Kempsey</b>	2438	9.5%	10371	2.350786
<b>Midcoast</b>	7313	28.6%	32403	2.25689
<b>Nambucca Valley</b>	1557	6.1%	5604	2.778373
<b>Port Macquarie-Hastings</b>	7062	27.6%	29766	2.372506

Source: <https://data.opendatasoft.com/explore/embed/dataset/counts-of-australian-businesses-by-lga@australiademo>

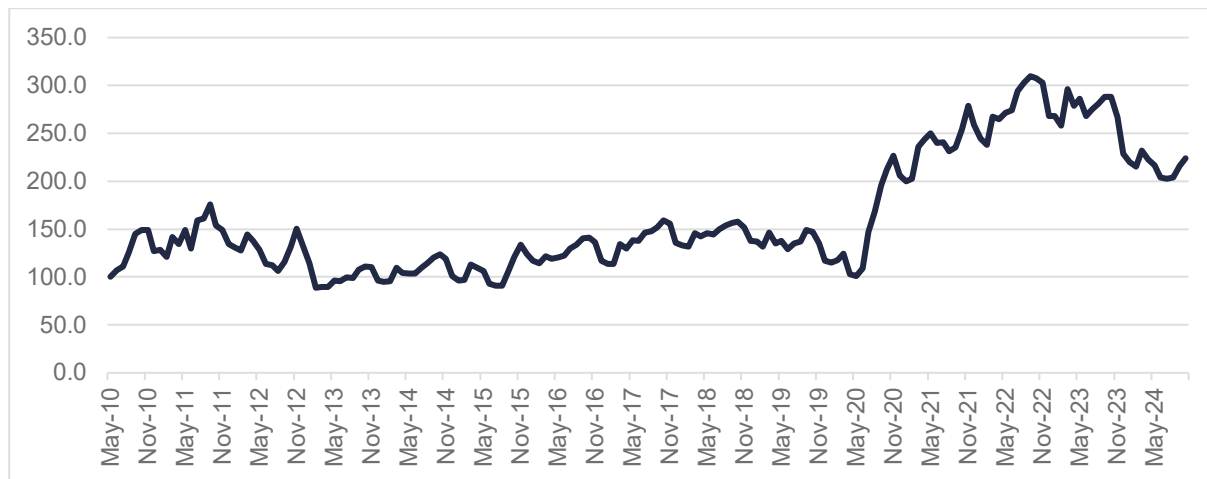
### 3.5.2 Internet Vacancy Index

The Internet Vacancy Index (IVI) is a monthly count of online job advertisements compiled by Jobs and Skills Australia. It is based on a count of new jobs advertised on online jobs platforms. The IVI is not available at an LGA level but is divided into regions. The data below is provided for the NSW North Coast, and as such it

should be interpreted as indicative only for the MNC as it refers to a larger region than that defined in this report.

The overall trend for the North Coast Region over the last 10 years has been a rise in the IVI, with a particularly sharp increase between May and November 2020 as NSW emerged from the COVID-19 pandemic. The tight labour market since that time is reflected in the continuing upwards trend.

Figure 3.11 Internet Vacancy Index, North Coast NSW 2010-2024



Source: <https://www.jobsandskills.gov.au/data/internet-vacancy-index>

The occupations that have seen the most significant demands in 2024 include professionals in general, but particularly Social and Welfare Professionals and Medical Practitioners and Nurses. There is also significant demand for Executives and Managers with a particular need for Hospitality, Retail and service Managers and Farmers and Farm Managers. Jewellers, Arts and Other Trades Workers figure prominently in the data, and there is a significant ongoing deficit amongst Carers and Aides and Other Clerical and administrative workers.

The IVI does not provide data on the proportion of advertised jobs that are filled or unfilled, nor does it provide details of how long positions continue to be advertised, that is how difficult it is to fill the positions advertised. The data does provide indicative patterns; however, specific surveys and qualitative data is needed to complete the picture in the MNC region.

### 3.5.3 Employment by Industry

REMPAN <sup>(33,43)</sup> data on employment by the ABS definition of industry ranks the industries in order of employment experience. Health Care and Social Assistance is clearly the most important for the combined six LGAs of the MNC region. However, if one considers the non-ABS classification of 'Tourism' as the combination of employment from a number of industry sectors including Retail Trade; Accommodation and Food Services; and Transport, Postal and Warehousing, then 'Tourism', as a sector, comes fifth in a ranking of industries by share of employment in the MNC region with a share of about 6 percent of total regional employment <sup>(42)</sup>.

However, as an estimate, REMPLAN's may be on the low side. In estimating the direct employment impact of tourism for the six LGAs of the MNC region (Table 3.13), we make use of the findings of Pambudi et al <sup>(44)</sup> for NSW (See Appendix 3).

The estimated contribution of tourism to employment in NSW, are presented in Table 3.13 (column 2) for the period 2007-2008. Applying the same percentages to employment data from the 2021 Census in the LGAs of the MNC regions results in an outcome similar to the estimates of REMPLAN <sup>(43)</sup> implying that nearly 6 percent of the region's employment can be attributed to tourism compared with 4.8 percent for NSW as a whole. Adjusting for the different percentage of employment in each industry compared with NSW the estimate of the percentage of total employment attributed to tourism in the region's LGAs rises to just over 10 percent (see column 9 of Table 3.13) which would move 'Tourism' up to third place in the ranking. In essence, therefore, it can be seen that 'Tourism' is an important sector within the region.

Further, on the basis of the estimates in Table 3.13, the impact of tourism on employment in the MNC region is assumed to be approximately double the impact of that in NSW as a whole. Both REMPLAN <sup>(43)</sup> and Table 3.13 highlight the importance of the industry sector of Accommodation and Food Services. Table 3.13 estimates that over half of the sector's employment can be attributed to tourism while REMPLAN <sup>(43)</sup> suggests that employment resulting from tourism is as high as 70 percent for this sector. Other sectors in which tourism is a major contributor according to Table 3.13 are Retail Trade (where it is estimated to contribute to nearly a quarter of the employment) and Transport, Postal and Warehousing (around 17 percent). However, the REMPLAN <sup>(43)</sup> estimates are somewhat lower – although still significant.

In addition to considerations of employment, the REMPLAN <sup>(43)</sup> approach also provides for consideration of wages and salaries and industry value added. For example, REMPLAN <sup>(43)</sup> estimate that the total value of tourism's output is \$1,248.175 million which would place it twelfth of the 20 sectors examined. Within 'Tourism' Accommodation and Food Services are, by far, the biggest sector contributors <sup>(43)</sup> and provide the greatest stimulus to employment.

Table 3.13 Estimate of Tourism Share of Employment by LGA, MNC

	Employment in NSW (1)	Tourism Share of NSW Employment in Industry (2)	Industry Share of Total NSW Employment (3)	Actual LGA Employment (4)	Implied LGA Employment (5)=(3)*Total (4)	Actual LGA less Implied LGA (6)=(4)-(5)	Actual LGA * Tourism Share (7)=(4)*(2)	LGA Tourism Supported Employment (8)#	Tourism Share of LGAs Employment (9)
<b>Manufacturing</b>	201654	0.031	0.055	5148	6939	Negative value#	160	160	0.031
<b>Retail Trade</b>	331486	0.077	0.09	13679	11407	2272	1053	3325	0.243
<b>Accommodation and Food Services</b>	227466	0.26	0.062	11196	7828	3368	2911	6279	0.561
<b>Transport, Postal and Warehousing</b>	169606	0.176	0.046	4141	5837	Negative value#	729	729	0.176
<b>Information Media and Telecommunications</b>	68067	0.06	0.018	863	2342	Negative value#	52	52	0.060
<b>Financial and Insurance Services</b>	193681	0.01	0.053	1940	6665	Negative value#	19	19	0.010
<b>Rental, Hiring and Real Estate Services</b>	62636	0.004	0.017	1780	2155	Negative value#	7	7.1	0.004
<b>Public Administration and Safety</b>	222906	0.003	0.061	6940	7671	Negative value#	21	21	0.003
<b>Education and Training</b>	322230	0.095	0.087	11905	11089	Omitted##	1131	1131	0.095
<b>Health Care and Social Assistance</b>	529174	0.043	0.144	24762	18210	Omitted##	1065	1065	0.043
<b>Arts and Recreation Services</b>	51786	0.08	0.014	1542	1782	Negative value#	123	123	0.080
<b>Other Services</b>	125380	0.019	0.034	4897	4315	582	93	675.4	0.138
<b>Total</b>	3684158				126781			13587	
<b>Tourism Employment as a share of Total Employment</b>		0.048							0.107

Source: Pambuti et al (2009) and ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder. Some cells randomly adjusted by ABS to confidentialise data.  
# In deriving our estimates we assumed, for most industries, that an excess of an actual value over an implied value reflected a higher level of support from tourism for employment in the LGAs but that deficits were due to factors other than the influence of tourism. ## In these two industries, the positive difference is most likely due to the presence of a university in the region and the age profile of the population (requiring health support) and was therefore not included in our estimate of LGA Tourism Supported Employment.

### 3.5.4 Comparison of Regional and State Employment Shares

Without detailed and region-specific vacancy data it is difficult to assess the demand for labour as the demand for labour is the number employed plus the number of vacancies (and the supply of labour is the number employed plus the number of unemployed). However, when comparing employment in regional areas against employment at state level one possible indicator of the demand for labour is the comparison of the share of employment of a particular occupational group in an industry in the region compared with a similar figure at the state level. The assumption being that if demand for skills in the region was as strong as the demand at the state level, the share would be about the same. Table 3.14 records the difference between the percentage share of total employment attributable to given occupations in specific industries for NSW and the LGAs of the MNC region. The data shows that there is a substantial underrepresentation of employed managers and professionals in most industries in the region which is balanced by an overrepresentation in a spread of the remaining categories of occupation for most industries.

The question arises as to whether or not the differences reflect supply side problems or demand side issues. In an attempt to provide some insight into this question we report, for NSW, the employment share by qualification of occupational groups in Table 3.15. From this table it can be calculated that 78 percent of managers and nearly 92 percent of professionals hold a post school qualification, and that 47.2 percent of managers and 79 percent of professionals hold a bachelor's degree or higher in NSW. We have previously seen (Table 3.4) that only 16.9 percent of the working age population in the LGAs of the MNC region hold a degree or better (compared with 31 percent for NSW) and that just 54.4 percent of the working age population in the region hold a post school qualification (compared to 59.3 percent for NSW). Thus, on the supply side, it would be clearly more challenging to source appropriate staff in the region to fill management or professional roles. However, when we consider Table 3.16, we note that in the LGAs of the MNC region that only 51.8 percent of the population of working age with a degree or above are employed full time (compared with 58.2 percent in NSW).

The migration patterns around educational qualifications tell an interesting story about the MNC regional labour market. While we see more qualified workers leaving than arriving in the region overall, this pattern varies among younger age groups across different local government areas. This suggests opportunities to better align regional job opportunities with the skills and aspirations of both current residents and potential newcomers. Understanding these patterns can help us develop strategies to retain skilled workers while attracting new talent to meet emerging industry needs.

Table 3.14 Differences in Share of Occupation in Industry between NSW and MNC

	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers
<b>Agriculture, Forestry and Fishing</b>	-1.8%	-0.5%	-1.9%	0.1%	-1.4%	-0.5%	-1.6%	7.5%
<b>Mining</b>	-1.2%	-4.1%	-2.8%	0.2%	-1.3%	0.7%	5.4%	3.2%
<b>Manufacturing</b>	-4.0%	-7.2%	8.2%	0.3%	-0.7%	2.7%	0.3%	0.6%
<b>Electricity, Gas, Water and Waste Services</b>	-1.4%	1.3%	0.1%	-0.1%	4.6%	-0.6%	-2.5%	-0.8%
<b>Construction</b>	-3.1%	-3.7%	3.7%	-0.1%	-1.4%	-0.4%	2.8%	2.4%
<b>Wholesale Trade</b>	-5.7%	-12.7%	5.3%	0.2%	-3.1%	9.1%	3.3%	3.5%
<b>Retail Trade</b>	-1.8%	-3.8%	1.3%	0.1%	-1.5%	6.9%	-2.4%	1.4%
<b>Accommodation and Food Services</b>	-1.3%	-1.2%	-0.6%	1.5%	1.2%	-1.5%	-0.9%	2.8%
<b>Transport, Postal and Warehousing</b>	-1.0%	-4.0%	0.4%	-0.1%	0.3%	-0.1%	6.8%	-1.8%
<b>Information Media and Telecommunications</b>	-3.9%	-16.1%	5.5%	0.3%	3.9%	9.3%	-0.4%	1.4%
<b>Financial and Insurance Services</b>	-5.8%	-11.7%	0.8%	1.3%	14.7%	0.3%	0.1%	0.2%
<b>Rental, Hiring and Real Estate Services</b>	-5.8%	-8.4%	-0.5%	0.1%	2.5%	10.9%	-0.1%	0.8%
<b>Professional, Scientific and Technical Services</b>	-6.2%	-9.2%	5.6%	0.3%	9.5%	-0.3%	0.0%	0.4%
<b>Administrative and Support Services</b>	-5.7%	-6.8%	1.5%	1.6%	-2.9%	-0.5%	-2.3%	15.1%
<b>Public Administration and Safety</b>	-4.5%	-2.8%	0.4%	1.0%	2.0%	0.1%	1.3%	2.4%
<b>Education and Training</b>	-1.4%	-2.5%	-0.2%	4.6%	-0.7%	-0.1%	-0.1%	0.6%
<b>Health Care and Social Assistance</b>	-1.3%	-4.7%	-0.2%	6.7%	-1.1%	0.0%	-0.1%	1.0%
<b>Arts and Recreation Services</b>	-4.8%	-4.1%	3.6%	1.2%	-0.5%	-0.1%	0.5%	4.6%

Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder. The data reported as inadequately described, not stated, not applicable and total has been excluded from this table. Some cells randomly adjusted by ABS to avoid release of confidential data.

Table 3.15 Post-School Qualifications of Workers by Occupation (persons), NSW 2021

	Postgraduate Degree Level	Graduate Diploma and Graduate Certificate Level	Bachelor Degree Level	Advanced Diploma and Diploma Level	Certificate Level	Level of education inadequately described	Level of education not stated	Not applicable	Total
<b>Managers</b>	14.1%	3.3%	29.8%	13.2%	17.6%	0.7%	1.3%	20.0%	100.0%
<b>Professionals</b>	23.5%	5.8%	49.7%	8.1%	4.8%	0.7%	0.9%	6.5%	100.0%
<b>Technicians and Trades Workers</b>	2.4%	0.5%	9.1%	9.4%	53.7%	0.5%	1.2%	23.2%	100.0%
<b>Community and Personal Service Workers</b>	3.7%	2.6%	16.0%	19.3%	27.5%	0.7%	1.7%	28.5%	100.0%
<b>Clerical and Administrative Workers</b>	6.9%	1.9%	20.7%	14.9%	22.5%	0.9%	1.6%	30.5%	100.0%
<b>Sales Workers</b>	4.2%	0.7%	13.7%	9.7%	17.7%	0.7%	1.5%	51.8%	100.0%
<b>Machinery Operators and Drivers</b>	2.4%	0.4%	7.6%	6.9%	27.3%	0.6%	2.0%	52.7%	100.0%
<b>Labourers</b>	2.1%	0.4%	8.1%	6.7%	22.4%	0.7%	2.1%	57.5%	100.0%
<b>Inadequately described</b>	8.8%	1.8%	21.3%	10.9%	19.8%	1.1%	4.1%	32.1%	100.0%
<b>Not stated</b>	5.2%	0.6%	11.5%	4.9%	14.0%	0.6%	25.2%	38.0%	100.0%
<b>Not applicable</b>	2.3%	0.8%	6.6%	4.8%	9.4%	0.5%	10.7%	64.8%	100.0%

Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder. Some cells randomly adjusted by ABS to avoid release of confidential data.



Table 3.16 Full-time Employed by Post School Qualifications (persons) by age MNC and NSW

		15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	TOTAL WAP
<b>Total RDAMNC LGAs</b>	Certificate	32.1	48.6	47.5	48.7	50.1	49.8	50.6	47.0	39.0	25.7	43.8
	Dip/Advanced Dip	11.5	43.0	41.8	42.3	43.5	50.1	52.6	49.3	39.5	22.1	41.6
	Degree or above	NA	57.8	57.8	51.4	51.8	57.6	62.4	59.8	48.4	27.3	51.8
<b>NSW</b>	Certificate	27.4	43.9	48.6	49.1	49.5	50.1	50.6	48.7	43.9	31.5	45.9
	Dip/Advanced Dip	14.4	25.6	39.8	43.4	46.8	50.1	52.8	51.6	45.0	29.8	44.0
	Degree or above	10.6	49.9	60.4	58.8	59.2	62.4	64.3	62.5	55.1	36.7	58.2

Source: ABS (2021) Census of Population and Housing, 2021, Australian Bureau of Statistics, TableBuilder. Some cells may be randomly adjusted by ABS to avoid release of confidential data.

### 3.6 Conclusion

The analysis of labour market data through a skills ecosystem lens reveals both the challenges and opportunities facing the MNC region. While traditional labour market indicators show significant mismatches between worker availability and business needs, understanding these patterns within an ecosystem framework highlights how various factors interact to shape regional workforce outcomes. Population trends, educational attainment levels, and industry composition all influence how effectively the region can develop and deploy skills. The data shows particular pressure points in tourism and service industries, while also highlighting gaps between regional and state-level demand patterns. Importantly, distinguishing between labour shortages, skill shortages, and skill gaps helps identify where different types of interventions might be most effective. This analysis suggests that while the MNC faces significant workforce challenges, understanding these within the broader context of the regional skills ecosystem can help identify more effective and sustainable solutions.

## 4. Survey of employer skill needs

As of June 2024, there were approximately 26,200 businesses within the MNC Region. The survey instrument was targeted at employers, operators and HR managers of businesses and other employing organisations across the region. After data cleaning there were 142 respondents to the survey.

Respondents were recruited via a range of methods including online, through RDAMNC social media links and via email and newsletters to RDAMNC mailing lists. Details of the survey website were also printed on a 'postcard' that was distributed and a range of RDAMNC events, with the suggestion for participants to share the details more broadly across their networks. The survey details were also shared by the NSW Department of Primary Industries and Regional Development (DPIRD) MNC, via their mailing lists.

The sample may be somewhat biased towards businesses that have had contact with either RDA MNC or DPIRD in recent years, or who follow these organisations on social media. This may have led to the exclusion of some businesses and organisations who have limited online presence. It should also be considered that organisations that are more intensely impacted by skill shortages may have been more likely to participate in the survey than organisations that have experienced little or no skill shortage impact.

Table 4.1 below shows the proportion of respondents by LGA in which they operate. Comparing these response rates to the proportion of businesses in each LGA suggests that Bellingen, Kempsey and Port Macquarie-Hastings may be over-represented within the survey respondents, however many of the participants operated in multiple locations and the participants also represented local government and state government agencies in the education and training and health sectors.

Table 4.1 Survey Respondents by Local Government Area

	Respondents operating in single LGA	Respondents operating in multiple LGAs	ABS Business Count for LGA%
<b>Bellingen</b>	8.6%	13.2%	5%
<b>Coffs Harbour</b>	14.3%	20.8%	25%
<b>Kempsey</b>	24.3%	17.0%	9%
<b>Midcoast</b>	21.4%	15.1%	28%
<b>Nambucca</b>	12.9%	9.4%	27%
<b>Port Macquarie-Hastings</b>	18.6%	22.6%	6%
<b>Lord Howe Island</b>	0.0%	1.9%	N/A

## 4.1 Demographic profile of respondents

### 4.1.1 Role

The highest proportion of respondents were Manager/Directors of businesses (37.9%) with high representations from Owners/Co-owners and HR Managers or representatives. A relatively small proportion were employees. Those selecting 'other' included advisory board members, area managers and volunteers.

Table 4.2 Survey respondents by role

Role	Percentage of respondents
Owner / Co-owner	21.8
Manager / Director	37.9
HR manager / Representative	19.5
Employee	14.9
Other (please specify)	5.7
Total	100.0

### 4.1.2 Town size

Approximately half of all respondents were from large towns within the region, with a further 38% from medium towns. That is almost all respondents were from significant population centres, with only approximately 10% representing the smaller locations within the region.

Table 4.3 Survey respondents by town size

Town size	Percentage of respondents
Large town – greater than 15000 people	50.6
Medium town – 1000 – 15000 people	37.9
Small town – less than 1000 people	4.6
Rural – less than an hour from town	3.4
Other (please specify)	3.4
Total	100.0

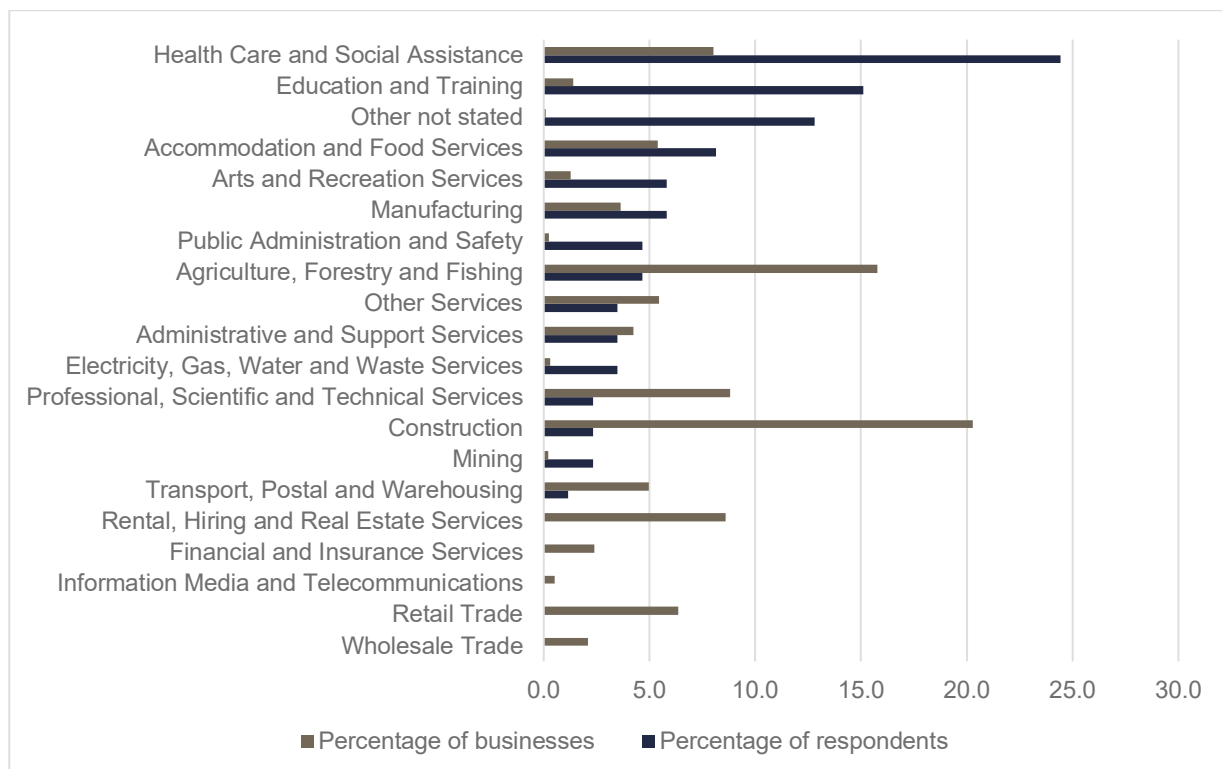
### 4.1.3 Industry

Respondents identified working in a range of industries. By the measure of business counts, it would appear that the Health Care and Social Assistance and Education and Training sectors are over-represented amongst respondents. However, it should be noted that while these industries may have a smaller number of businesses or organisations, they tend to employ large numbers of staff in each organisation. Thus, the respondents provide a strong representation by employment levels, if not by business counts. Manufacturing and Agriculture, Forestry and Fishing appear to be under-representative compared to business counts, however, their representation may be more in line with employment levels.

Acknowledging the difference between employment count and business count, it appears that Wholesale and Retail Trade, Financial Services and Rental, Hiring and Real Estate Services have not been represented despite significant ABS business counts. It is unclear if these organisations are not experiencing skill shortages, or simply did not have the capacity to complete the surveys.

It should also be noted that participants in the focus group were able to provide information about employment needs and recruitment challenges across all the industries that were less well represented in the survey data. The focus groups were also able to discuss the role of tourism more generally across the range of sectors that support the tourism sector.

Figure 4.1 Respondents by Industry and business count of industry



Source: ABS 2024, Counts of Australian Businesses, <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release#data-downloads>

#### 4.1.4 Duration of operation

Approximately half of all participants have been in operation for between 10 and 50 years, suggesting that they have a long-term understanding of the local labour market and its changing needs. Those that had been operating for more than 50 years tended to be larger organisations in the Health Care and Social Assistance and Education and Training sectors. Those who had been operating for 5 years or less tended to be smaller businesses with 59% of all businesses that had been operating for 5 years or less employing less than 20 staff members.

Table 4.4 Respondents by duration of business operation

Duration of business operation	Percentage of respondents
<b>Less than 1 year</b>	1.5
1-5 years	25.4
6-10 years	7.5
11-25 years	20.9
26-50 years	31.3
51-100 years	3.0
greater than 100 years	10.4
<b>Total</b>	<b>100.0</b>

#### 4.1.5 Business size

Over half of all respondents were small to medium enterprises employing 1-19 employees, with over a further third larger employers of 20-199 staff, with only 11.1% as very large employers. Non-employing businesses were not represented, perhaps because they had not experienced any skill shortages or did not have the capacity to participate. Skill shortages may create constraints for growth amongst small to medium enterprises, leading to their significant levels of representation in the survey responses.

Table 4.5 Respondents by business size

Size of business	Percentage of respondents
<b>Non-Employing</b>	0
1-19 employees	54.0
20-199 employees	34.9
200 or more employees	11.1

## 4.2 Seasonal workers

Respondents were asked if there were seasonal variations in their skill needs. Only 17.9% of respondents identified seasonal variability in their skill needs with 82% not reporting seasonal variation. This is somewhat surprising given the regional levels of employment in tourism and agriculture, both of which experience significant seasonality. Amongst those who did identify a level of seasonality 81% identified challenges in recruiting for seasonal needs. Issues raised included difficulties in finding contractors at any time, but especially for peak seasons, finding hospitality workers generally, but especially during school holiday peak periods, and also retaining staff during non-peak seasons. A number of responses highlighted the use of backpackers to fill seasonal roles, however the mobility of this groups means they may not stay for a full season and subsequent recruitment for limited timeframes becomes challenging.

*The nature of the work and finding people that are available to only work for 4-ish months out of the year. We have tried young, old, backpackers etc. Multiple times we have someone not able to return [because] they get full time work, or they move on to the next farm so we have to quickly hire someone else, and it might only be 2 months we require them for (Survey Respondent).*

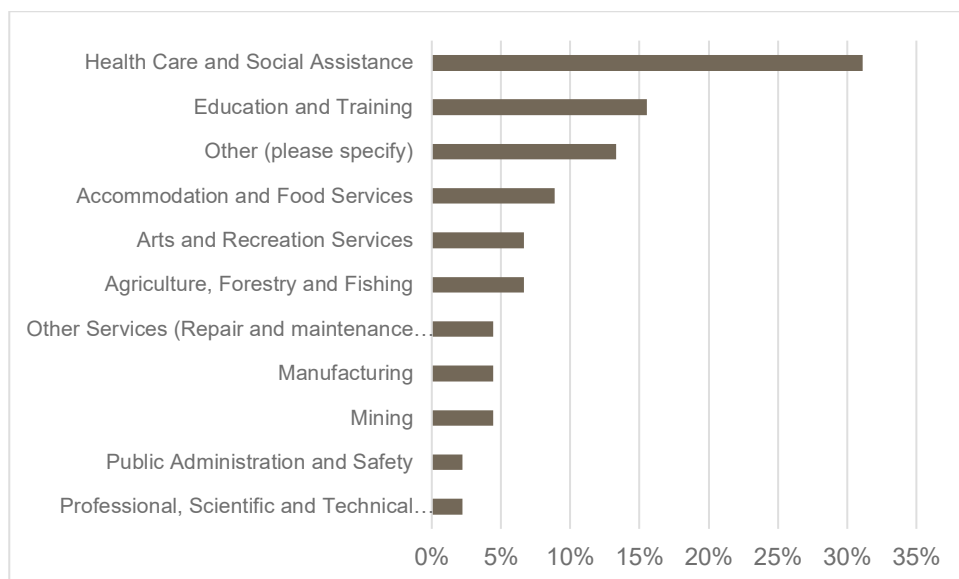
Lack of temporary and more permanent accommodation were also cited as challenges for recruiting both backpackers and other staff.

*There is minimal accommodation in this area and what is here is very expensive. We offer short term accommodation in some of our old units, but this is only a temporary stop gap (Survey Respondent).*

### 4.3 Vacancies

Amongst participants searching for ongoing rather than seasonal staff, 71% identified that they experienced challenges in recruiting staff. Amongst this group, the mean number of current vacancies was 3 positions, with a range from zero to 30 vacancies. Figure 4.2 shows the industries of those respondents who reported difficulties in recruiting staff. Health care and social assistance tops the list at 31%, with Education and Training at 16%. Accommodation and food services was also highly represented at 10%. Those identifying as other included, employment and social services, housing and hairdressing.

Figure 4.2 Most common industries reporting difficulties in filling vacancies



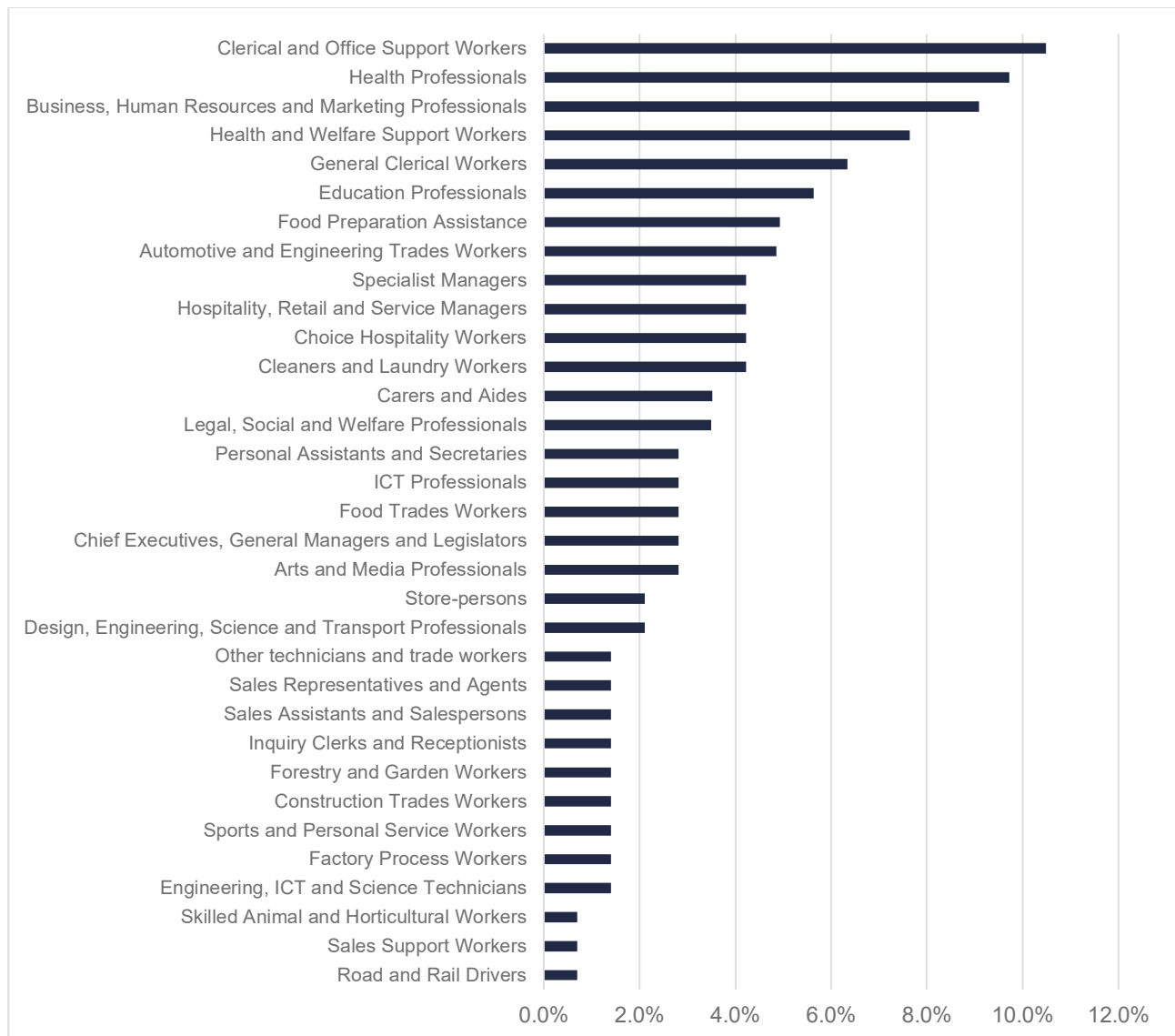
The mean number of vacancies that had not been able to be filled was two positions, with a range between zero and 15. Amongst employers reporting vacancies, 12.5% have been unable to fill any of their vacancies. A further 7.5% had filled up to half their vacancies, 7.5% of respondents had filled half of their vacancies, while 5% had filled less than half of their vacancies.

Table 4.6 Proportion of vacancies filled

Proportion of vacancies filled	Percent
No vacancies filled	12.5
Less than half of all vacancies filled	7.5
Half of all vacancies filled	7.5
More than half of their vacancies filled	5.0
All vacancies filled/no vacancies identified	67.5

Given the industries that reported difficulties in filling vacancies as shown in Figure 4.2, it is unsurprising that health, education and business professionals were highly represented amongst the ‘hard to fill’ occupations. Similarly, other health, education and business workers were listed as difficult to recruit. Hospitality workers were also in high demand, particularly at a managerial and skilled level, but also amongst the lower skilled categories.

Figure 4.3 Occupations most reported as difficult to fill

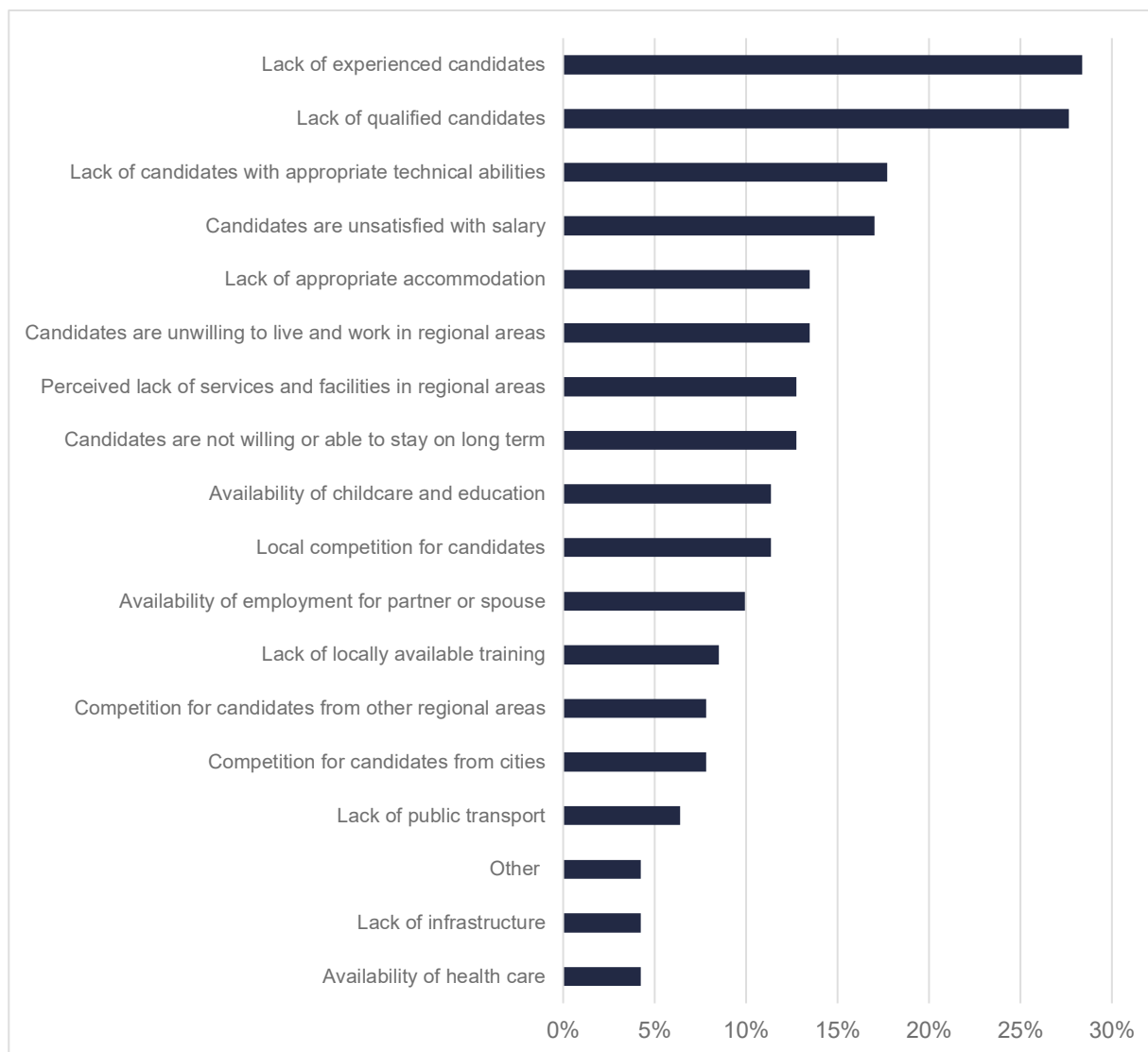


### 4.3.1 Causes of unfilled vacancies

The most common causes reported for being unable to fill vacancies were a lack of qualified candidates, a lack of experienced candidates or candidates with appropriate technical abilities. Given the post-Pandemic tight labour market conditions and the impact of inflation on workers that has led to the ‘cost of living crisis’, it is unsurprising that a significant proportion of respondents reported that candidates were unsatisfied with the salary that they offered. Similarly, the high ranking of categories such as lack of

appropriate accommodation, availability of ECEC and local education and training is unsurprising, and these findings were supported by the qualitative data collected through the focus groups.

Figure 4.4 Perceived causes of unfilled vacancies



### 4.3.2 Impact of unfilled vacancies

The challenges in recruiting staff are having an impact on business productivity and performance as well as managers’ and workers’ wellbeing. The most frequently cited impacts of ongoing unfilled vacancies were an increase in workload on available staff, increased stress amongst owners and managers, decreased productivity and decreased capacity to take on new work. This has serious repercussions for regional growth and economic development which is now constrained by the skill shortages and labour shortages identified by the participants. All of these impacts will have significant flow-on effects for local communities, including increased pressure on the mental and emotional wellbeing of individuals and their families, as well as the financial pressures for small to medium businesses and an ongoing challenge to creating a balance between work and home life.



Table 4.7 Perceived impact of unfilled vacancies

What impacts do unfilled positions have on your business/industry?	Percent
Increased workload on available staff	28.2
Increased stress for owners and managers	25.4
Decreased productivity	24.6
Decreased capacity to take on new work	24.6
Increased stress for available staff	21.8
Decreased health and well-being of available staff	19.7
Decreased health and well-being of owners / managers	19.0
Loss of reputation or credibility	17.6
Decreased quality of goods and services	14.1
Loss of clients or business	14.1

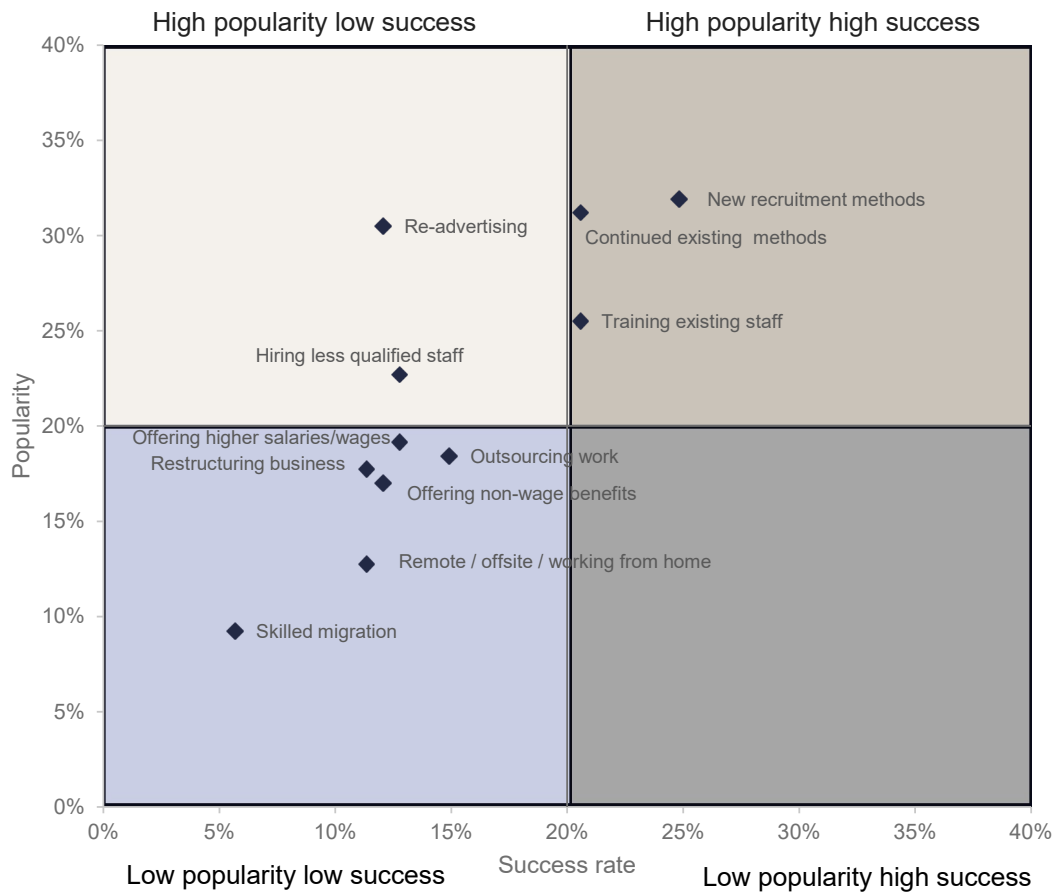
#### 4.4 Strategies to address skill shortages

The participants identified a range of strategies and approaches that they had used to address the challenges of skill shortages within the region. The most commonly identified strategy was to adopt new recruitment methods, such as the use of digital jobs platforms or alternative advertising mechanisms. However continuing to use existing methods and simply re-advertising the position were also commonly adopted strategies, however the success rate of these strategies was limited, with only 21% of respondents having success with continuing existing methods and 12% having success with re-advertising. Upskilling existing staff was less popular, but potentially more successful, while hiring less qualified staff was relatively popular but few participants had considered it a successful approach.

On the whole, most strategies identified were found in the low popularity, low success rate quadrant of Figure 4.5, below. Skilled migration was seen as the least popular and least successful strategy, with only 9% of respondents adopting it, and only 6% reporting a level of success from the strategy.

Other strategies that were identified in the open-ended free-text question included, using artificial intelligence or offshoring tasks where appropriate, attending careers days to attract school leavers, going through personal networks and using word of mouth for recommendations, offering work/life balance and salary sacrifice, drawing on temporary visas through PALM scheme, offering traineeships, promoting the benefits of coastal/regional living, prioritising cultural integrity and cultural knowledge. However, each of these strategies is acknowledged as limited or unsatisfactory. Figure 4.5 captures the positive and negative perspectives identified.

Figure 4.5 Success rate of strategies versus popularity of strategy



#### 4.5 Developing an ecosystems approach to building local skills

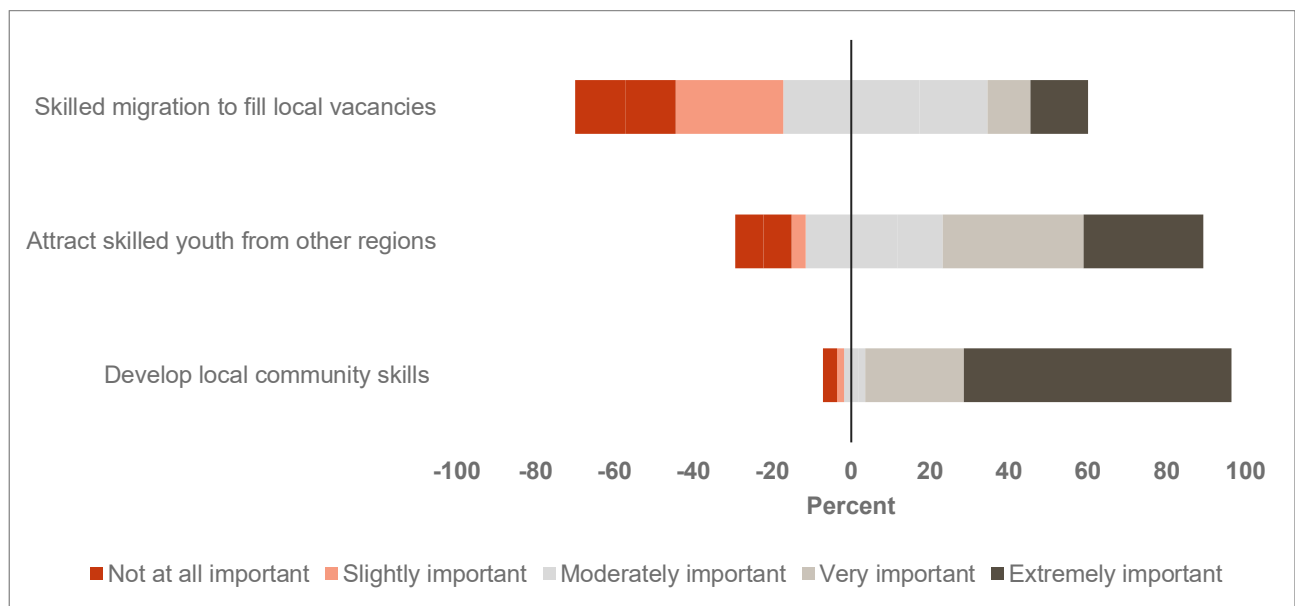
Respondents were asked to rate how important it was to develop skills within their local community to fill vacancies, how important it is to attract people from outside their community, but within Australia, and how important it is to attract people from outside Australia to fill local vacancies. There is a strong desire within the MNC to develop skills locally before recruiting nationally or internationally. The majority of respondent felt it was important to develop skills in people from within their local community as they were more likely to stay in the region given their connections into the community. It was also noted that a local approach is important for building the regional economy and stimulating regional development more broadly. These findings are fundamental to the development of a skills eco-system approach to training and development.

The survey responses strongly reinforce the value of a skills ecosystem approach for the MNC region. Employers consistently emphasised the interconnected nature of local skills development, community wellbeing, and economic sustainability. Their responses highlight how skills formation is deeply embedded in specific regional contexts, with many noting that effective service delivery - particularly in areas like aged

care, early childhood education and care, and community services - requires workers with local knowledge and community connections.

Respondents were also asked if they felt it was important to attract workers from outside the region, but within Australia. Most respondents felt this was very or extremely important, although the proportion stating extremely important was smaller than for developing local skills, and there were more responses for moderately important for national-level recruitment. In terms of using international skilled migration to fill roles in the region, a much larger proportion of respondents felt this was moderately or slightly important, or not at all important than for a local or national approach.

Figure 4.6 Importance of Local, Australian and Overseas Workers to Fill Vacancies



Note: Bars to the right of zero indicate more positive sentiment, while bars to the left of zero indicate more negative sentiment

The open-ended responses to these questions also illuminate the practical constraints shaping the regional skills ecosystem. Housing affordability, prevalence of part-time work, and transport limitations mean that growing local talent is often not just preferred but necessary. This aligns with the skills ecosystem model's emphasis on understanding how local labour markets are shaped by their specific social and economic contexts.

Employers' experiences with training and development highlight both opportunities and challenges within the ecosystem. While many are committed to developing local talent through apprenticeships and on-the-job training, they note the significant investment required and the need for better support structures. This reflects the ecosystem model's recognition that effective skills development requires coordinated effort across multiple stakeholders, including employers, training providers, and policy makers.

Particularly striking is the emphasis on community benefits beyond immediate workforce needs. Respondents frequently linked local skills development to broader community wellbeing, economic circulation, and social resilience. This reinforces the ecosystem approach's understanding of skills

development as part of a larger system of social and economic relationships rather than simply a matter of matching workers to jobs.

The open-ended question on recruiting beyond the region, but within Australia highlights that while developing local talent remains a priority, national recruitment presents distinct challenges and opportunities for the MNC region. Unlike local recruitment, which focuses on building community capacity and overcoming skills gaps, national recruitment faces significant structural barriers - particularly around housing affordability and availability. Despite the region's natural amenity and lifestyle benefits, employers report difficulty competing with metropolitan wages and services to attract workers from outside the region. This suggests that while national recruitment may be necessary to address some skill shortages, particularly for specialised roles, the current housing crisis and infrastructure gaps create substantial barriers to successful attraction and retention of workers from other regions.

While the participant responses on local and national recruitment focus primarily on practical barriers like housing affordability and wage competitiveness, the discourse around international skilled migration reveals more complex social and cultural considerations. Unlike domestic recruitment, international migration raises concerns about cultural integration, language barriers, and community acceptance in regional settings. However, some employers recognise that international workers can bring unique advantages, particularly in serving culturally diverse customers and filling persistent skills gaps in sectors like healthcare. The responses suggest a nuanced approach where international migration is seen as a potential but not preferred solution, with many emphasising the importance of first developing local talent while acknowledging that some critical skill shortages may require international recruitment as part of a broader workforce strategy.

The themes identified from the open-ended response to each of these questions have been used to generate the three word clouds in Figure 4.7, Figure 4.8, and Figure 4.9 below. It is notable that local community and local culture remain strongly represented even in the images relating to national and international recruitment. It is also notable that the word cloud based on the responses to the local issue has a significant focus on challenges, limits and gaps.



## 4.6 Soft skills

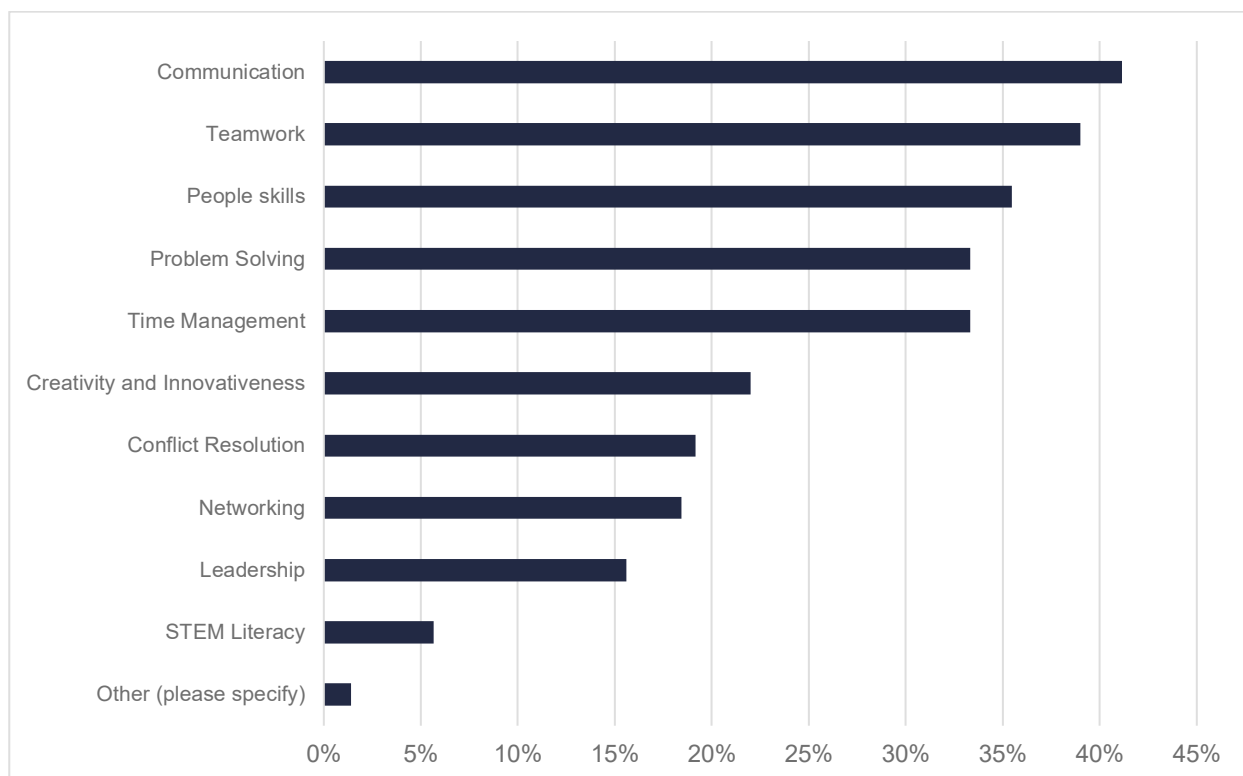
91.5% of respondents identified that soft skills were very to extremely important when recruiting, with the remaining 8.5% suggesting that they were moderately important. Notably none of the participants rated soft skills as slightly important or not at all important

Table 4.8 Importance of soft skills when hiring new staff

When hiring new staff, how important are the soft skills (nontechnical skills)?	
Extremely important	39.0
Very important	52.5
Moderately important	8.5
Slightly important	0
Not at all important	0
<b>Total</b>	<b>100.0</b>

The key soft skills that participants are looking for include communication and teamwork or people skills. Time management and problem solving are also high on the list with creativity and conflict resolution of significant concern. These concerns were reinforced by the findings from the focus group data (see Section 5 Exploring skill needs – Focus groups).

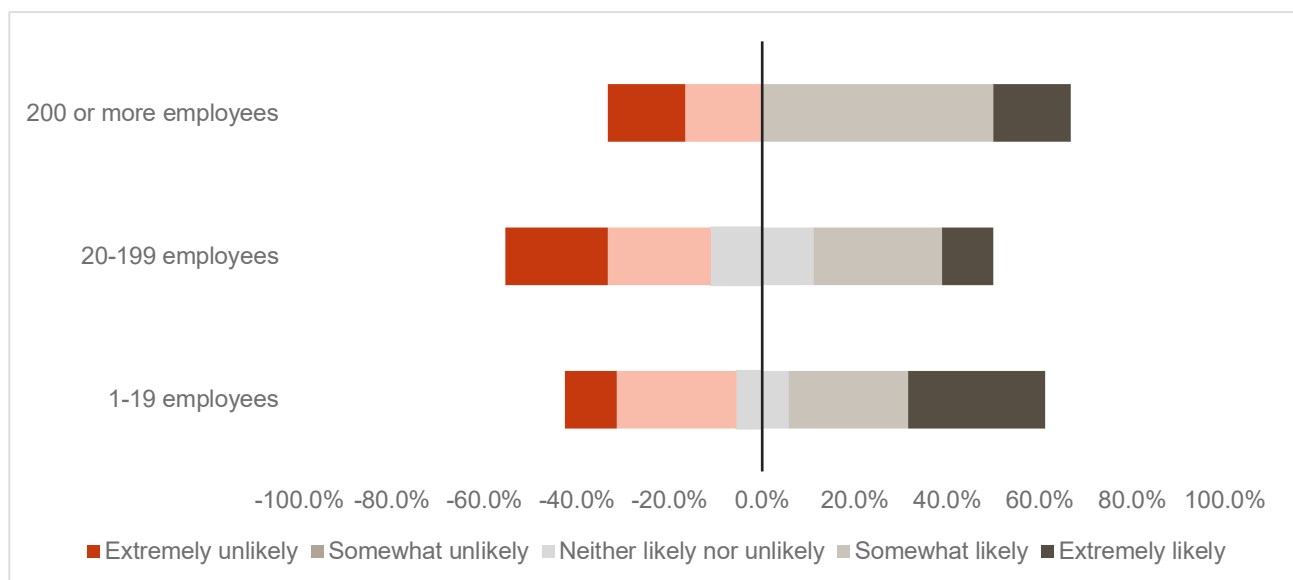
Figure 4.10 Important Soft Skills when Hiring New Staff



## 4.7 Future skill needs

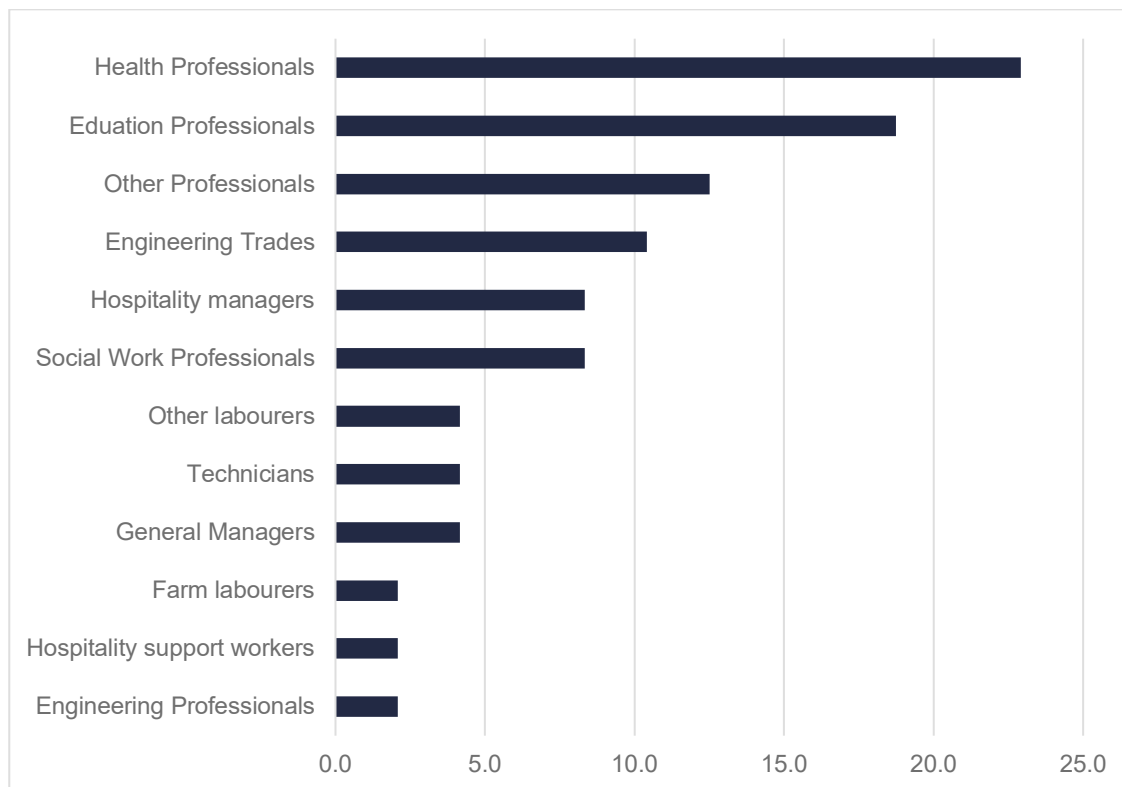
Respondents were asked how likely it was that their organisation's skills requirements would change in the next five years. 23.1% said it was extremely likely, a further 28.8% indicated that it was likely while 11.5% thought it was extremely unlikely, 23% thought it was unlikely and 13.5% were unsure. Larger and smaller businesses were more likely to report that their skill needs were likely to change than medium sized businesses, which were surprisingly confident that there would be minimal change.

Figure 4.11 Likelihood that Skill Needs Would Change in the Next Five Years by Business Size



When asked what jobs were most likely to disappear in the future, there was a consistent identification of administrative roles including receptionists, admin support, accounting and finance support staff. There was a recognition that lower skilled roles were also at risk. Participants were also asked to identify the roles that they would need more of in the future. This question provoked a more diverse response, although health and welfare service workers and hospitality workers dominated the responses. Once again the participants identified higher skilled workers, particularly professionals and managers, would be the most in demand in the future. Figure 4.12 provides a breakdown of the types of roles identified by the participants as needed in the next five years.

Figure 4.12 Occupations required in the next five years



## 4.8 Conclusion

The survey of employer skill needs reveals the complex challenges facing MNC businesses in meeting their workforce requirements. While unfilled vacancies affect businesses **across** all sectors, their impacts and potential solutions vary significantly. Local recruitment remains the preferred strategy for most employers, but housing shortages, transport limitations, and competition for workers create significant barriers. While national and international recruitment offer potential solutions, these approaches face similar infrastructure constraints while requiring additional support mechanisms. Notably, employers consistently emphasise the importance of soft skills alongside technical capabilities, suggesting the need for broader approaches to workforce development. Looking to the future, employers anticipate significant changes in skill requirements, particularly around technology adoption and professional services, while also recognising the need to prepare for broader transitions in areas like decarbonisation. These findings suggest that addressing the region's workforce needs requires coordinated approaches that combine immediate recruitment solutions with longer-term strategies for building regional workforce capability.



## 5. Exploring skill needs – Focus groups

To recap, there were two types of focus groups. The first round was timed to coincide with the Ignite Mini Sessions, which the RDAMNC had organised. Those involved over 100 key stakeholders from a diverse range of industry and community. The workshops were held between 9.00am to 3.00pm and were well attended across the locations of Taree, Kempsey, and Bellingen. These events involved presentations from Essential Energy, Skilled Migration, as well as expert panel discussions. Participants of the Ignite Minis were also informed about the CSU skills audit and invited to stay back after the Minis to take part in a focus group discussion. In Kempsey and Taree, the number of participants resulted in two separate groups of participants in each location. The second round of focus groups, held in June, targeted industry representatives and took place across five locations (Taree, Kempsey, Port Macquarie, Coffs Harbour and Macksville). There was one focus group with up to 20 participants in each location.

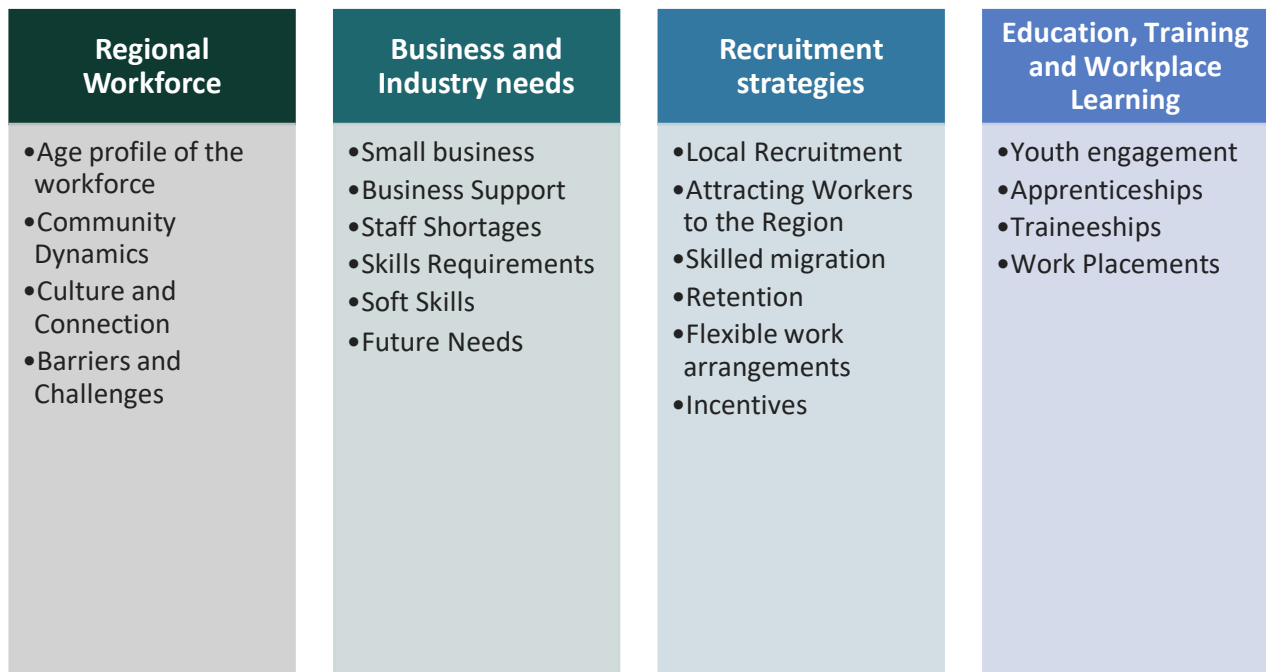
Quotations used in this report are attributed to the type of focus group and location. In some cases, to protect identities of people or organisations, the quotations are not attributed, or the location has been withheld. Five focus groups were held for both rounds.

As noted in Appendix 1, the second round of focus groups were delayed. Another organisation ran a series of focus groups in the MNC region shortly before the originally scheduled date. Their focus groups were very poorly attended. To avoid a similar occurrence for this Audit, the CSU team applied to the CSU Human Research Ethics Committee to vary the approach so that individual interviews with industry representatives could take place, if focus group numbers were too small for a focus group session to be viable. However, the June Industry focus groups were all well attended, and therefore no individual interviews were conducted. Across all 10 focus groups there were 87 participants, 27 male and 60 female, with one or more representatives from the following industries or organisations:

- Arts
- Business
- Business NSW
- Communications
- Community
- Construction
- Consultancy
- Dental
- Disability Employment Service
- Early childhood Education
- Education
- Education and Training
- Employment and Training
- Employment services
- Essential Energy
- Government, Education
- Horticulture
- Hospitality
- Innovation
- Learning the Macleay
- Local Council
- Local Government
- Manufacturing
- Maritime
- Mining
- Mission Australia
- Music
- Owner Bed and Breakfast
- Photography
- Recruitment
- Recruitment Employment Services
- Shoretrack
- Software
- State Government
- TAFE
- Telecoms
- Uni Study Hub
- VET training

The thematic analysis led to the four themes and the categories within them that are shown in Figure 5.1 below. Each of the themes and their categories are described in the sub-sections which follow. Exemplary quotations have been chosen to illustrate categories. In some cases, 2-3 quotations suffice, in other cases more are required to illustrate the nuances and different types of responses from focus group participants. Despite the length of this section, an exhaustive list of quotations is not provided because some of the categories have more than one hundred quotations. Similarly, the majority of quotations have been cut down to make the point, with unnecessary content and identifying details removed.

Figure 5.1 Focus Group Themes and Sub-categories



In this section the themes and categories seen in Figure 5.1 above are described. Each theme is a cluster of the categories within it, with a description of that theme in brief, followed by exemplary quotations for each of the categories within it.

## 5.1 Mid North Coast Regional Workforce

Understanding the MNC's workforce requires examining the complex interplay of demographics, community dynamics, and structural barriers that shape labour market participation and skills development. The region's workforce reflects its unique social fabric - from its aging population and Indigenous heritage to emerging multicultural communities and strong volunteer networks. These characteristics create both opportunities and challenges for workforce development. Social capital and community connections play vital roles in supporting or constraining workforce participation, while cultural factors influence how skills are valued, developed, and deployed. However, significant barriers around transport, housing, ECEC and digital connectivity affect how effectively the region can utilise its human

capital. This section explores these various dimensions of the regional workforce, examining how they interact within the skills ecosystem and their implications for future workforce development strategies.

### 5.1.1 Age Profile and Intergenerational Dynamics in the Regional workforce

The focus group discussions reveal complex intergenerational dynamics within the MNC's workforce, with each age cohort bringing distinct strengths and challenges to the regional skills ecosystem. While much workforce development focus is on young people entering the labour market, there is growing recognition of the need to support mid-career transitions. As one industry participant noted:

*The focus is on young people and apprentices and there's a lot of mature aged career shifters and there's a very little focus on how do we support them in our regions to change their career pathway. (Female, Industry, Kempsey)*

Different age cohorts bring contrasting but potentially complementary capabilities to the workforce:

*Your older ones will answer their phone and they've got that reliability, but they don't have the technology skills. And then you've got the younger ones with the technology skills that won't pick up the phone. (Female, Industry, Taree)*

Age-related tensions can emerge in workplace relationships and hierarchies. One employer shared their experience:

*Younger people are much more respectful, not going to lie and when I, sometimes when I employ older people, the way they treat me I find very disrespectful or the way that they talk to me or the way that they engage with me. And so I'm hesitant to employ older people because of the way that I'm going to get treated or the way that they're going to treat my younger staff, not show them respect. (Female, Industry, Macksville)*

The region's workforce programs demonstrate the potential for broad age inclusion, with one community provider noting:

*Our incubate program starts from 15 to 25. And then of course we work in correctional facility. So the eldest that we've had in our programs has been 74. (Male, Community, Bellingen)*

These findings suggest that effective workforce development in the regional skills ecosystem needs to consider how different age cohorts can best contribute to and learn from each other. Success requires both addressing potential intergenerational tensions and leveraging the complementary strengths of different age groups. This points to the need for age-inclusive workforce strategies that support both new entrants and career transitions while fostering positive intergenerational workplace dynamics.

### 5.1.2 Community Dynamics and Social Capital

The focus group discussions reveal the complex interplay between community connections, economic development, and workforce opportunities in the MNC region. These relationships form a crucial but often overlooked element of the regional skills ecosystem.

Some participants expressed concerns about how government investment patterns affect community development:

*Locally we say that government has invested in the dysfunctionality of our community by putting in a jail, by putting in a new police station, by making a bigger department of community services and justice office as well as the bypass. So when you look at all of those issues too, they all come with our own range of areas and problems. But the fact that at this point in time, they're 31 vacant office spaces in this community that are not being utilised. (Male, Community, Kempsey)*

Strong community connections emerge as particularly important for workforce development, especially for young people:

*It solves so many issues to employ young people from our community in terms of housing and transport. If they've got their support networks, especially with the indigenous kids, for them they're far more successful in their own community than moving away. (Female, Industry, Macksville)*

Regional communities demonstrate distinct approaches to development and problem-solving:

*It's collaborate, don't compete. So it is that thing in the, in regional areas we really look at who else has got skin in the game around our core business and working with them and working out the parts of you know, how do we achieve our strategic intent at the same time ..., so we're all kind of travelling forward together. ... I like to think of it in that flow of we all want the same thing, we want our communities to thrive. (Female, Industry, Taree)*

The region benefits from significant volunteer engagement that contributes to community wellbeing and cultural preservation, as illustrated by one participant who noted their involvement with

*[i]ndigenous education and just a social community life for everybody... I love history and archives and I volunteer at the museum. (Female, Community, Kempsey).*

Given the MNC's significant retiree population and aging demographic profile, volunteers represent a potentially underutilised source of community capital. Their life experience, professional knowledge, and available time could be more systematically integrated into workforce development initiatives, providing mentoring, skills transfer, and community connection for younger workers while maintaining important cultural and social activities across the region.

These findings suggest that community connections and social capital play vital roles in the regional skills ecosystem. Strong community networks can support workforce development by providing social support, enabling collaboration, and maintaining cultural knowledge. However, the success of these community dynamics depends on aligned infrastructure investment and policy decisions that strengthen rather than fragment community capacity. Understanding and leveraging these community dimensions appears crucial for developing effective regional workforce strategies.

### 5.1.3 Culture and Connection in the Regional Skills Ecosystem

The focus group discussions reveal how cultural understanding and respect operate as vital elements within the regional skills ecosystem, encompassing Indigenous cultural heritage, emerging multicultural communities, and organisational cultures.

#### 5.1.3.1 Indigenous Knowledge and Opportunities

The region's First Nations heritage presents significant opportunities for economic development, particularly in tourism. However, as one participant noted:

*I think culture tourism can be a really, is a really good potential here, but we need to have a high and a core attitudinal shift to valuing our First Nations people, our Dunghutti stories and, and there's a whole heap of work can be done in that space. (Male, Industry, Kempsey)*

This suggests that realising these opportunities requires deeper engagement with and recognition of Indigenous knowledge and cultural practices within the regional skills ecosystem.

#### 5.1.3.2 Emerging Multicultural Dynamics

The region's growing cultural diversity creates both opportunities and responsibilities within the skills ecosystem. As one community leader explained:

*We also have the cultural differences within the Valley ... I'm proud Dun person ... but it's the other multicultural areas that are coming into the community too. And how do we cater for their needs like the Thai community, like the Filipino community, like the Indian community cause. They have much right here as anybody else at the moment. They choose to live on Dungar land. So we need to give them the best experience possible. (Male, Community, Kempsey)*

This highlights the importance of developing culturally inclusive approaches to workforce development that recognise and value diverse cultural perspectives and experiences.

#### 5.1.3.3 Organisational Culture in Practice

The importance of cultural understanding extends beyond surface-level engagement. As one participant observed, when you start in a new role it can take time to understand the workplace culture:

*The thing is, you can find out the money advance, right? You only find out culture when you start. (Male, Community, Taree)*

This insight suggests that building cultural capability within the regional skills ecosystem requires ongoing engagement and learning with the broader concepts of workplace culture as well as acknowledgement of the diverse cultures within the region, rather than simply providing formal policies or procedures. These findings indicate that cultural understanding and respect are fundamental to developing an effective regional skills ecosystem. Success requires approaches that value and integrate Indigenous knowledge, support emerging multicultural communities, and foster organisational cultures that embrace diversity. This cultural dimension underpins the ecosystem's ability to develop and deploy skills effectively while building stronger, more inclusive regional communities.

#### 5.1.4 Barriers and Challenges in the Regional Workforce

The focus group data reveals multiple, interconnected barriers that affect workforce participation and development across the MNC region. These barriers operate at both individual and systemic levels within the regional skills ecosystem.

##### 5.1.4.1 Infrastructure and Access

Transportation emerges as a fundamental barrier to workforce participation. As one participant noted:

*Transport is our biggest barrier. TAFE's not even on the bus timetable. We only have school buses... they have to pay \$7 each way and they get off at the school next door. (Male, Community, Kempsey)*

This transport limitation particularly affects access to education and training opportunities.

Digital connectivity presents another infrastructure challenge:

*Connectivity to telecommunications infrastructure use, quite terrible. So that's another reason why it's hard to attract people here. (Female, Industry, Kempsey)*

##### 5.1.4.2 Housing and Essential Services

Access to housing and ECEC emerged as critical barriers to attracting workers into the region as well as increasing the workforce participation of the local labour market:

*Council struggle to get staff because of childcare and housing. (Female, Community, Kempsey)*

*We had to put our kids on the list for childcare before they were even born just to get a spot. (Male, Industry, Taree)*

*I know some councils are now looking at starting up childcare centres again because of that lack of you know, investment from the government. (Male, Industry, Taree)*

These basic infrastructure constraints affect both local workers and efforts to attract workers from elsewhere:

*I think one of the biggest issues with relying on skilled labour from outside the region is there's so many issues. I think one is just housing affordability. Like it would be very hard to get a childcare worker, I'm guessing, from Sydney to come here. (Female, Community, Bellingen)*

*There's a couple businesses port that have brought over some Filipino workers that has been hugely successful for those businesses. The workers are very happy. They come in their little groups. The biggest issue is housing. (Female, Community, Kempsey)*

One participant noted that innovative businesses are attempting to address this shortage by taking accommodation for workers into their own hands:

*I know hoteliers that have actually bought blocks of [at several named locations] to accommodate people so they can bring chefs from metropolitan areas to fill the need. (Female, Industry, Taree)*

#### 5.1.4.3 Training Access and Quality

The region faces particular challenges around access to specialised training:

*Lots of cows in regional and rural New South Wales and the only place you can do butcher at [Training Provider] in Sydney... butcher apprentices from Port Macquarie have gotta like drive to Sydney to go to some [Training Provider] in the city to learn how to cut up a cow. (Male, Community, Taree)*

Opportunities for upskilling and professional development are also limited:

*In early childhood, professional development is a large part and ongoing professional development is extremely important and we're rated on that from the Department of Education. We get funding for that too. So the biggest thing with any training and professional development, you can't beat face to face in person training so much hands on. So much of it is not available to regions. So we have to then pay the staff to travel to attend it. So we get x amount of funding and it's the same amount for maybe a service in the city versus us, but yet for our staff member to access that same training for that additional cost. (Female, Community, Bellingen)*

It was also noted that while there was a perception that larger infrastructure projects would provide opportunities for building skills within the region, the reality has been that the people drawn into the project have tended to be subcontractors with existing workers, and the promise of increased jobs and training for local workers has not necessarily materialised:

*Just on the bypass ... I think it's been a little bit of a myth about the opportunity that was going to come with the bypass in terms of employment and training. It's a huge, obviously a significant project and it's going to be a project that's running across a number of years, but the tier 1 contractor they actually don't come in with a huge workforce themselves and the ones that they do bring in are mostly project managers and engineers at a really high level and at that kind of next level it's all subbies, so doing the on the ground stuff. And so there's a fair few subbies that have got work, but a lot of the subbies have come in from other areas and so there really hasn't been – you know, in the lead up the government was talking about 800 new jobs and there hasn't been 800 new jobs. Talking about the opportunity – you know, TAFE was really embedded in the early conversations about the need for upskilling local people and training and this would all be funded and that just hasn't happened either.*

It is unclear whether those subcontractors who have come into the region to work on the project are likely to stay in the region once the project is completed. As a result, the longer term impacts of such infrastructure projects on either skill development or attraction and retention of skilled workers to the region are yet to be understood.

#### 5.1.4.4 Healthcare Access

Limited specialist healthcare services affect workforce wellbeing:

*My partner... we have to go to Sydney to see a specialist because they just don't have that service here. (Male, Industry, Coffs Harbour)*

These findings highlight how workforce barriers in regional areas often stem from broader ecosystem challenges around infrastructure, services, and access to opportunities. Addressing these barriers requires coordinated responses that consider both immediate workforce needs and longer-term regional development priorities. Success in building regional workforce capability depends on tackling these systemic barriers while also supporting individuals to navigate existing constraints.

## 5.2 Business and Industry needs

The MNC's business and industry landscape comprises complex networks of large employers, small businesses, and not-for-profit organisations that collectively shape regional skills needs and development opportunities. These interconnected relationships form industry clusters that can work together to address workforce challenges more effectively than individual organisations acting alone. When industry clusters function well, they create channels for knowledge sharing, enable resource pooling for training and development, and provide career pathways that benefit both employers and workers. This collaborative approach is particularly important in regional areas where individual organisations may lack the scale to independently develop workforce capabilities. Understanding how these different organisational types can productively work together - sharing costs and risks while building collective capability - is crucial for strengthening the regional skills ecosystem. The following section explores the focus group perspectives on industry, small business and other employer needs to enhance collaboration in addressing regional skills challenges.

### 5.2.1 Small Business: Critical Contributors to the Regional Skills Ecosystem

Small businesses play a vital but often challenging role in the regional skills ecosystem, both as developers of skills and as enterprises requiring support to build their own capabilities. The focus group data reveals multiple dimensions to their participation in regional skills development.

Small businesses face particular challenges in workforce development due to resource limitations. As one community sector participant noted:

*Small businesses are really struggling with that. I mean the staff shortage, not having that person to be able to train, not being able to afford to have that one person off the floor to train that person up to where they need to be. (Male, Community, Taree)*

The viability of small businesses is deeply connected to broader regional economic conditions. One participant described this interconnection:



*Cost of living. It's terrible... someone going, well I don't have the money to go out. So why would I? And that obviously in turn goes to the small businesses they can't, they're not having that influx of customers. So they're, that in turn goes to their suppliers. So it's a flow on effect. (Female, Industry, Kempsey)*

Small businesses can also create pathways for individuals to leverage existing skills into self-employment. One business advisor described supporting these transitions:

*I work with a lot of people who are trying to be financially independent in their own way by creating their own businesses... using skills that they've generated throughout their whole life... I help them mostly with their marketing and setting up their bookkeeping and explaining tax and things like that. (Female, Industry, Taree)*

New business opportunities are emerging in the region, requiring support to develop both business and workforce capabilities:

*I'm getting a lot of calls for a lot of help for people to set up how do I go about agritourism. What do I need to do, where am I going to find the staff. (Female, Industry, Macksville)*

These findings suggest that small businesses require particular attention within the regional skills ecosystem. Their capacity to contribute to skills development depends on access to support services, stable economic conditions, and assistance with workforce development. Strengthening their role in the ecosystem requires targeted approaches that recognise their resource constraints while supporting their potential as developers of regional skills and economic opportunities.

## 5.2.2 Support

The focus group discussions highlight how different scales of business require varying types of support to effectively develop workforce capabilities, particularly when engaging new entrants to the workforce. Larger organisations, while having more resources, still face significant recruitment challenges. As one industry representative explained:

*My main part of my role is to support medium to large organisations across a regional footprint ... and so I'm working with businesses that have usually around 50 employees or more, some of the larger commercial customers I work with are local councils, some of the big food growers ... One of the main challenges for a lot of these organisations, these companies is actually recruitment. (Male, Industry, Coffs Harbour)*

Smaller businesses face particular challenges in managing young workers and trainees:

*We have too many young kids, too many under 21, because it's a lot more work to manage people who are just entering the workforce don't know anything about safety all those sort of things. Same as apprentices, takes a lot more. (Female, Industry, Kempsey)*

The data suggests that successful workforce development requires ongoing support beyond initial placement. As one community sector participant simply but pointedly noted:

*Post placement support. I found that the employer needed more post placement support. (Male, Community, Kempsey)*

These findings indicate that effective support mechanisms need to be tailored to different business scales and workforce development stages. While larger organisations may need assistance with recruitment strategies and processes, smaller businesses often require more intensive support with day-to-day management of new workers. The success of workforce development initiatives, particularly for young workers and trainees, depends on sustained support that helps both employers and employees navigate the challenges of skill development and workplace integration.

### 5.2.3 Staff shortages

The focus group data reveals widespread and diverse workforce shortages across the MNC, affecting both traditional trades and emerging professional roles. These shortages are constraining business growth and service delivery across multiple sectors.

Some businesses report significant unrealised growth potential due to workforce constraints. As one participant explained:

*We're turning tens of millions of dollars worth of contracts away... If we could be confident that we could take the contracts because the future workforce was there you could potentially see maybe a thousand jobs. (Female, Community, Taree)*

Particular shortages exist in specialised technical and professional roles, including cybersecurity, engineering, and health services including medical personnel, allied health, dental, and aged care and disability service staff as indicated in the following emblematic examples:

*We are absorbing a lot of it due to our higher cybersecurity needs. They are really hard to find... cybersecurity is a whole next level... All engineers are in, except environmental engineers... draftsmen and cybersecurity and engineering is probably the hardest. (Female, Community, Taree)*

*The health industry, medical, allied health, practitioners, they can never find staff... (Female, Industry, Coffs Harbour)*

*Dental assistants, pharmacy assistants, aged care/disability work staff, also allied health is a big one. (Male, Industry, Coffs Harbour)*

Teacher shortages are also affecting educational delivery as noted by a participant:

*They just give the kids a workbook, you know... Off you go, there's no teacher today... Go into another class. (Female Industry, Taree)*

Significant staff shortages were also identified as limiting business capacity in the tourism sector:

*All the motels... they can't run at capacity because they don't have staff... And it's really sad because if they can't run at capacity they can't bring people in, which won't bring business into the area. (Male, Coffs Harbour)*

Participants identified staff shortages across a range of industries and occupations, beyond the particular industry needs, one participant listed:

*Hospitality, baristas, Warehousing, so experienced warehousing people, forklift drivers, picker packers and all that sort of thing. (Male, Industry, Taree)*

The focus group participants also identified that employers particularly struggle to find experienced workers:

*I mean you've got employers that are willing to train and willing to teach and we've got supports in place that can help with that, but it's the experienced people... when you see one come through it's you've got about five or six people trying to fight for that one person. (Male, Industry, Taree)*

These findings indicate that staff shortages in the region are both wide-ranging and interconnected. Shortages in one sector can create flow-on effects that impact broader regional economic development. The situation suggests the need for coordinated approaches that address both immediate workforce needs and longer-term capability development across the regional skills ecosystem.

#### **5.2.4 Skills Requirements in a Changing Regional Economy**

The focus group data reveals how skills needs in the MNC region are evolving beyond traditional technical capabilities to encompass broader competencies, while also highlighting the importance of adaptable skill sets within the regional skills ecosystem.

Employers increasingly emphasise the importance of interpersonal and leadership capabilities:

*We need people with strong leadership skills and the ability to engage with stakeholders effectively. We need a team that are really good problem solvers and are really good critical thinkers who are able to develop community partnerships and also have a high level of resilience. (Female, Community, Taree)*

*But if I can't get hold of horticulture skills I'm looking for a set of skills that a lot of the time is absent and probably shouldn't be. So there's a requirement for people to work in a team but often we'll pick people to work independently. So those soft skills, to have not just an understanding of it but be able to do it effectively. Particularly with the team work ... (Female, Industry, Macksville)*

Participants from government and service sectors emphasised that within the range of soft skills there is also a need for broader professional capabilities to make connections with community members:

*It is a lot around that relationship management, stakeholder engagement... written and oral communication skills, relationship development, judgment conceptual skills... you might be talking*

*with a business or a council and having to get your head around particular issues. (Male, Community, Kempsey)*

Digital transformation is creating new skill requirements across traditional industries. Many participants called for greater digital literacy amongst workers of all ages and in all industries. Participants identified that while young people are often considered 'digital natives' there remained issues with their adoption of different forms of technology:

*[Young people need] the capacity to problem solve around technology. So the capacity to be able to feel confident with a phone, but then apply that to a placement... (Female, Community, Bellingen)*

Or that young people may have become too dependent on technology, rather than developing their own problem solving skills:

*And I think that that sometimes brings another complex into it where people have lost the brain power to problem solve and to figure it out. 'Cos we can Google it now. (Male, Community, Bellingen)*

There was a level of concern that with the introduction of artificial intelligence (AI) there could be further undermining of written and oral communication skills:

*One of the skills that I can see people are losing is the ability to read for a start, write reasonably, I don't expect you to be able to write a novel but to put your name, address, and phone number. There's a lot of people who can't do that now. You would think that all those things would be needed in the tourist industry... (Female, Industry, Kempsey)*

Participants also noted that:

*With the older generation, you've got farmers that have only ever worked on a farm before their whole life and then they're coming into 2024 and everything's so digital, but they just can't comprehend. (Male, Community, Taree)*

There was discussion amongst the participants about the distinctive inter-generational responses to technology that employers need to be aware of:

*P1: we still... even if we've got people that are skilled, ready for that job, I agree that people aren't answering their phones. You can send through 10 resumes and that employer will call you and say, "None of them are picking up their phone"...*

*P2: So we've sort of almost got to get to the point of accepting that that's how they're going to communicate is going to be via email and text message.*

*Facilitator: Is there a bit of a disconnect between the Gen X and Gen Y, and Boomers versus the [millennials]?*

*Participants: ... (Talking over each other - general agreement), Yeah.*

*P1: Absolutely, yeah because as I said, your older ones will answer their phone and they've got that reliability, but they don't have the technology skills. And then you've got the younger ones with the technology skills that won't pick up the phone, so. (Male and Female Participants, Industry, Taree)*

The region's changing economic base requires workers with flexible technical capabilities. One innovative approach was described:

*The sugar mill is active and then it closes down. So what do we do with all our fabricators? Basically we put a package together where they got 2 qualifications. When the mill was down they did agriculture... they got dual qualifications after their 4 years. (Female, Industry, Macksville)*

Similarly, as the regional economy experiences significant structural change there will be demand for new combinations of skills:

*Specifically to our region, we've got a really big infrastructure happening... there's a shift here sort of, is it forestry workers, a transition to a new space? Cultural Aboriginal cultural tourism... So there's definitely a shift there of skilled transition happening in our region now. (Male, Community, Bellingen)*

*agriculture, because it is, it is hard work. You're outside in all types of weather. And a lot of people are wanting to get into more admin, work from home, things like that. And there's even a lack of willingness to work in hospitality now after COVID and all those positions going on hold. (Female, Industry, Kempsey)*

Other participants identified that it is challenging to know what the future holds for skills more generally, and this becomes a significant challenge in a regional setting:

*I think it's a whole generation of children growing up today who look at late stage capitalism and go, have we really got our objectives right here for what's going on in the planet? That's a bigger set of issues I think than just focusing on, where we want to, how we want to train people. (Male, Community, Taree).*

These findings suggest that successful workforce development within the regional skills ecosystem requires attention to both technical and soft skills, while also building adaptability and resilience. The challenge lies not just in developing specific capabilities, but in creating learning pathways that enable workers to transition between roles and industries as the regional economy evolves. This requires closer collaboration between training providers, employers, and economic development agencies to ensure skill development aligns with emerging opportunities while building workforce adaptability.

### **5.2.5 Soft skills**

Focus group discussions reveal how soft skills - including interpersonal abilities, work ethic, and professional conduct - are increasingly fundamental to business success across the MNC region. For many employers, these foundational capabilities are more crucial than technical qualifications.

*[We asked employers what they needed] And they came up with 14 and they involved teamwork... problem solving, decision making, planning and organizing initiatives, safety awareness, technology and entrepreneurial mindset. They were the soft skills that they were looking for rather than just.... You're going to turn up in time, but we're going to teach you how to do that. (Female, Community, Bellingen)*

*Give me a kid with the right soft skills and I'll teach them the trade I can teaching the trade or the skills to be mechanical or weld or to whatever it is, cook bake bread, or I can teach them that I can't teach them to turn up on time or I don't want to teach them to turn up the time. All that soft skill stuff, they want them to come with that rather than have to teach them that or accommodate teaching that along with the skill development stuff. (Male, Community, Bellingen)*

*Soft skills like punctuality and timeliness and the application of that to the work and some of that flows into expectations and attitude. But that becomes a real issue. (Female, Industry, Location withheld)*

Other participants identified that soft skills can be crucial for the innovation that is needed in the regional environment:

*Autonomy and the problem-solving skills are really important because we're, and this is probably the case for a lot of regional organisations, we're very resource constrained. (Male, Community, Bellingen)*

In production environments, soft skills directly affect operational efficiency:

*Particularly with the teamwork when you're working in a production system. One person who stops, everybody stops, it becomes very expensive very quickly. (Female, Industry, Location withheld)*

While in the education and health and welfare sectors the focus is on skills in relating to people and demonstrating a level of care, compassion, and social responsibility:

*We are a study hub, so we need people that know how to train and support people, people that have a wellbeing focus and a bit of I guess the ethical social responsibility is what we're really looking for because we want to be building up the future community with us. (Female, Community, Taree)*

This sentiment is also echoed in the hospitality sector:

*It's much easier to train someone on how to pull a beer or pour a coffee than it is in how to be a nice person. (Female, Community, Taree)*

Many employers indicate a willingness to provide technical training if candidates demonstrate strong soft skills:

*I would recruit anyone who had no education as long as they had soft skills. I can train them. (Female, Community, Kempsey)*

Soft skills, such as emotional intelligence are also crucial for business success at the management level.

*Business owners, having people skills and the ability to be a good boss is comes back to a lot of those soft skills I think. (Male, Community, Taree).*

These findings suggest that soft skills development should be a key priority within the regional skills ecosystem. Success requires attention to these foundational capabilities alongside technical skills development, with implications for both education providers and employers. This may require new approaches to identifying, developing, and assessing soft skills as part of broader workforce development strategies.

### 5.2.6 Future needs and skills for business and industry

The focus group discussions reinforce findings from the survey responses and reveal how MNC businesses are anticipating significant shifts in workforce requirements, driven by technological change, demographic transitions, and evolving service delivery models.

The retirement of the baby boomer generation is creating unprecedented workforce pressures that will require technological solutions. As one participant explained:

*We have to have technology because we don't have... the biggest generation in history is retired. There isn't another generation that big to replace them. We can't get the staff to fill the jobs so we have to use technology. We don't have a choice. There has to be a balance of technology and people. (Female, Community, Kempsey)*

While the survey responses highlighted significant anticipated changes in workforce composition, this perspective also emerged in the focus group discussions. The impact of artificial intelligence on administrative and lower-skilled roles was identified as a factor that could lead to their decline.

*AI [will be] providing complex reports, helping businesses, I guess do things better. I don't think we've really been here yet, but I'm sure it will be here soon, is like probably in the area of robotics and how that can help us with our businesses and streamline things as well. (Female, Community, Kempsey)*

Conversely, focus group participants identified growing expectations of demand for health and welfare service workers, hospitality workers, and higher-skilled professionals and managers. There was a perception that training in these fields has been neglected in the past:

*when it comes to the aged care, disability care where I know that there's a skill shortage, but it's particularly in industry where we've exhausted the people on our caseload that would like to work in that industry. So I don't really know how you [recruit for that industry]... We need people to willingly want to work in that... it does come down to that aging workforce of people going out of jobs and there's not that you know, they want the skilled worker immediately there to fill that position but they haven't invested in the future to create that. (Female, Industry, Taree)*

Future workplace models may require more integrated approaches to service delivery. One participant envisioned:

*I would hope that the future model of new schools, they're actually being built where there might be a childcare centre, there might be a doctor or a dentist or something else. It actually normalises it that it's that there are other opportunities apart from going to university as well, but it becomes normal. Whereas now it's just completely isolated from the rest. (Female, Community, Taree)*

The MNC region cannot ignore longer-term transformative challenges. The transition to net-zero emissions will require significant change across key regional industries including agriculture, transport, manufacturing, and construction, while digital transformation continues to reshape work practices and skill requirements across all sectors. Participants suggested a range of potential solutions to such issues, including industry innovation:

*... potential solutions that I see are better, more accessible housing, innovative industries that are going to, that are going to be – because I think young people do care about environment. And I think if they're and that's going to engage them as well. But how that's going to work for you guys, the problems today, there are no easy, easy answers.*

The region also shows capacity for adaptation and innovation in facing these challenges through Indigenous organisations demonstrating how traditional knowledge can combine with contemporary approaches:

*We have young people, we have elders, we have aboriginal, we have non-aboriginal all working together in this space... we are looking at a whole lot of community services training... looking at a whole lot of technology based stuff as well. (Male, Community, Kempsey)*

These examples of innovation and integration of cultural knowledge with technological advancement suggests pathways for the broader region to address future challenges while building on existing strengths and community connections. Success will require coordinated approaches that help businesses and workers navigate these transitions while maintaining regional competitive advantages.

Overall, the findings suggest that businesses in the region are anticipating substantial changes in their workforce needs. Success will require balancing technological adoption with human capability development, while preparing for shifts in occupational patterns and service delivery models. This has significant implications for current workforce development strategies, suggesting the need to focus on higher-skill roles while supporting workers in declining occupations to transition to new opportunities.

### **5.3 Strategies to address skill shortages**

This section examines the strategies employers in the MNC region are using to address workforce and skills needs, and the challenges they face in implementing these strategies. Drawing on focus group discussions and the previously presented survey responses, it explores how employers navigate recruitment across local, national, and international labour markets. The analysis adopts a skills ecosystem framework to understand how recruitment and retention strategies are shaped by regional infrastructure, social networks, and changing workforce expectations. Particular attention is paid to the distinct challenges faced by different industry sectors and business sizes, the role of soft skills in employment decisions, and the complex interplay between general labour shortages and specific skills gaps. Throughout the section, employer experiences highlight how workforce development strategies must address both immediate recruitment needs and longer-term capability building within the regional economy.



### 5.3.1 Local Recruitment

The focus group discussions reveal how local recruitment practices are deeply embedded in the regional skills ecosystem, shaped by social networks, geographic constraints, and changing workforce expectations.

#### 5.3.1.1 Social Networks and Traditional Pathways

Traditional recruitment pathways in the region often rely heavily on social networks, particularly in trades where, as one participant noted, recruitment is primarily through:

*In within the trade-based industries and regional areas, primarily it is the son or daughter of an employee. Word of mouth, like referrals based especially where apprenticeships and the trades are concerned. (Female, Community, Taree)*

While these networks can be effective, they may also limit the diversity of recruitment pools and reinforce existing patterns of advantage and disadvantage within the ecosystem.

#### 5.3.1.2 Geographic and Infrastructure Constraints

The regional skills ecosystem is significantly shaped by transport and infrastructure limitations. Even short distances can become barriers to employment, as illustrated by one educator's experience:

*I had a young girl, I had [Medical Centre] looking for an admin person and I had a young girl who would've been perfect in my class and I said are you interested in medical admin job? She said yes. And I said have you got a resume ready for me? Tidy it up and put the course in it and I'll send it off and she said by the way, where is it? And I said [Medical Centre] and she lived at Korora and she said oh god no, I can't travel out there ... Maybe 10 kilometres max .... (Female, Industry, Coffs Harbour)*

These geographic constraints are exacerbated by ECEC and housing availability as noted in section 5.1.4.2 above where local government representatives identified that the challenges they had experienced with recruiting staff were exacerbated by a lack of ECEC services. These challenges were also highlighted by a participant who noted that she had to complete a round trip of more than an hour and a half each morning to drop her children off at different ECEC services located in two local government areas, before returning to her workplace in a third local government area to start work.

The regional skills ecosystem is experiencing a shift in power dynamics between employers and potential employees. As one participant observed:

*I've found over the last two years in particular people, it's almost, the interviews almost flipped. So the applicant's actually asking the employee questions like, what's your cultural life? What's your flexibility? What's your sheet of leadership like? It's almost like you sell it to me why I want to work here. (Female, Community, Taree)*

There is a perception that, particularly since the COVID-19 pandemic, the power dynamic has shifted significantly to allow even young and inexperienced workers to be able to pick and choose employment opportunities.

*I think the difference is for school leavers now too. If they leave and there'll be like five jobs and they can see when or when I went to school you'd leave school and it was a competitive process. I don't know. It's just a different world out there I think for the kids. Employers have to position themselves pretty appealing to get candidates. (Female, Community, Kempsey)*

Participants acknowledged that in the post-COVID-19 environment the nature of some types of jobs has also changed and become less appealing for workers:

*Hospitality ... People get abused. They work every holidays, they work long hours needs to recreate itself to be attractive again. (Female, Community, Kempsey)*

This experience reflects broader changes in workforce expectations around workplace culture, flexibility, and leadership. However, these changing expectations create particular challenges for smaller communities, exemplified by one manager's experience:

*I'm supposed to have two staff. There's only 260 people in the town. We're supposed to have two staff. We've got one guy there at the moment and we've been recruiting for 12 or 18 months and no one wants to move there. (Male, Community, Taree)*

### 5.3.1.3 Process Complexity and costs

Public sector and larger organisations often face complex recruitment requirements that can limit their ability to tap local talent pools. As one community sector participant explained:

*Through our local connections... people that we've observed that we believe have got not only a base knowledge, but they've got the capability to work with us. We've got some process. We've got to go through talent pool first... they've still got to go through a comparative assessment process within less than 12 months. (Female, Community, Taree)*

While support and subsidies for recruitment and training of staff available, awareness and access vary significantly:

*For larger businesses they don't even know about subsidies and it's like oh, did you know that you can qualify for this and they have no idea. (Male, Industry, Coff's Harbour)*

Recruitment costs and processes form part of a broader set of challenges within the regional skills ecosystem. The experiences shared in the focus groups highlight how effective workforce development strategies need to consider the complex interplay between social networks, infrastructure, changing labour market expectations and costs and complex processes within the regional skills ecosystem. Success requires moving beyond traditional recruitment approaches to address broader systemic barriers to workforce participation and development.

### 5.3.2 Attracting workers to the region

Employers in the MNC face complex challenges in attracting and retaining skilled workers. Focus group discussions revealed several key barriers to recruitment, as well as some potential regional advantages that could be leveraged more effectively.

Public sector employers report particular difficulties with recruitment processes, especially when attempting to attract candidates from outside the sector. As one public service manager in Taree explained:

*It's been really difficult for us to attract good candidates to apply for public sector roles..., we work under a capability framework which is really new to a lot of people who've never worked in the public sector before. It could be around pay, could be, although some public service jobs are remunerated quite well but that's been really challenging to find really good candidates and that's been across to my knowledge all of the other regions as well. (Female, Community, Taree)*

Traditionally there has been a perception that the region faces challenges in terms of wage competition with metropolitan areas, although in this perspective, lower regional wages were somewhat offset by lower costs of living and housing affordability in the region. While housing affordability was cited by some as a key advantage of the region, with one participant noting:

*In the country you can own your own house. You've got very little outlay for a lot of your expenses. (Female, Community, Kempsey)*

Other participants identified that housing and living costs have come to be seen as a barrier to attracting workers to the region, and attracting workers has become increasingly complex.

*Now, you have to offer a huge wage. Local government engineering planning roles that 10 years ago were [seen as] fantastic. You know ... that was enough money to come in, buy a house, start their families. Now you need to find the partner a job... [there are] So many moving parts to coming to the region now (Male, Community, Bellingen)*

Many participants focused on housing costs as the key barrier:

*housing, housing is, housing is really integral and that's affordable housing... Not just coastal development, the development of – we need housing and medium density housing with good green, good access to green spaces. So that improves the liveability. (Male, Industry, Kempsey)*

While others noted that housing costs had been artificially inflated during the pandemic and by workers associated with major infrastructure projects:

*Housing has eased off a little bit [since the pandemic], but probably 12 months ago you couldn't get a house in [Hastings Region] to rent. So people were saying, well I don't want to drive from X every day. I want to live locally. (Male, Industry, Kempsey)*

*[with the] bypass we had the workforce move in, but because they all get paid a lot, all of the investment owners went "yee ha", whacked the rents up and then they never came back down; well, all of the rental stock is left but then when the road workers moved on the rents didn't come back down. (Male, Industry, Macksville)*

The housing barriers present in recent times have added to perceptions of limited cultural and entertainment options within the region. As one industry representative from Port Macquarie observed:

*A lot of people that I know that want to move to a regional area, that are highly skilled people, are worried that they'll miss out on being able to go to Sydney Theatre Company, or Sydney Opera, or you know, to go to a cool bar at the culture, and that's what they'd miss. (Female, Industry, Port Macquarie)*

While another participant from Kempsey noted that it is challenging to attract younger workers who have experience of metropolitan lifestyles.

*Why would I move from Sydney or Newcastle which has better facilities, more nightlife. (Female, Industry, Kempsey)*

This is also a significant issue at the management level, with many managers seeking a more metropolitan lifestyle. This can even have an impact within the region, with larger towns having greater success in attracting managers and senior managers:

*Getting people at management or senior managers' level to want to live in the region, that's really hard because they want to opt for Coffs Harbour. And a lot of the time not even Port Macquarie, they want Newcastle or somewhere. So it's how to, we've got health professionals in the valley that are working on strategies to bring other health professionals in, but when they look at the liveability it's not at the ... So housing, education, sport all that stuff. (Female, Industry, Kempsey)*

There also appears to be a level of competition for staff between industries within the region. Participants noted that certain sectors like disability services can offer attractive wages for entry-level positions:

*There are some industries where you can get paid a fair bit of money and without a whole lot of skill. If you look at the NDIS ... they can recruit people that are unskilled and they're getting weekend work which really pushes the pay rate up. (Male, Industry, Kempsey)*

This issue is particularly acute in trades, where career progression and remuneration structures may not adequately reward technical expertise. One community sector representative highlighted this challenge:

*A trade is a Cert 3. Right. So you become a power line worker or an electrician. It's a four years cert three. Then I know someone that went and got a cert three in bookkeeping in four months at [Training Provider] and under an AQF framework, they get paid the same amount as the trade. That's a big problem for us because people are going, "Okay, so I can get up at seven o'clock, go and work out in the heat all day up, polls sweating," da da da, take four years to get there ... Or now I've got my trade, I can go and sit in air-conditioned office and do something else and I get paid another 10 or \$20,000 a year. That's a big problem. We're trying to work out how we can pay our basic of our tradies to progress further so that then we not upskill it because we're losing them. I mean I'm talking internally as well. We're losing them internally to office roles because they, they're paid because the way the framework works, it values office work more. (Male, Community, Taree)*

This wage parity between roles with significantly different training requirements was identified as a barrier to both attraction and retention of skilled trades workers.

Employers also face risks when investing to attract workers to the region, particularly with skilled and managerial workers who might relocate again, despite the employer investment:

*They will pay for them to relocate down here and there's so much content that's learnt on site... But they've had some bad experiences where the people said well we're just really killing time and we always planned that we were going to move away to another area. (Female, Industry, Macksville)*

These findings suggest that successful workforce attraction strategies need to address both practical considerations like housing affordability and wages, while also focusing on lifestyle benefits and career development opportunities unique to regional settings. They also highlight the need for wage and career progression frameworks that better recognise and reward technical expertise and long-term skills development.

### 5.3.3 Skilled Migration

While a strong theme that emerged in the survey data was the importance of building skills within the region before seeking to recruit nationally or internationally, the focus group discussions revealed that international migration is an increasingly important strategy for addressing critical workforce shortages across the MNC region, particularly in key industries like aged care, meat processing, and construction.

Large employers are increasingly turning to international recruitment to maintain operations. As one industry representative from Coffs Harbour noted:

*But then there's also a really large reliance at the moment on overseas workers to fill those gaps, so the PALM, the Pacific Islander labour mobility scheme, that's been huge; so [large agricultural employer]'s got 280 PALM workers... [Abattoir] has got about the same. So just in our little regional footprint here there's about 1000 Pacific Islander workers that have been employed because they can't find local people. (Male, Industry, Coffs Harbour)*

The aged care sector has found particular success with targeted international recruitment. One Port Macquarie provider described their experience:

*We've brought over 25 ... people from Vanuatu ... the aged care was such a dilemma ... it's \$35 an hour ... it's double for an agency. So, our solution was we ... approved employers through the Seek Australia Mobility program, and bringing over 25, like 25, they call themselves the Parmi-Army, and without them, like we have cut our agency right down to zero, because money is going out the door, because no one will do aged care, like it's just so not a sexy topic at all, like we've tried every strategy under the sun. So, 25 of them. And the same with nursing, we have paid a lot of recruitment fees around the whole of ... nursing, who go on and got Australian nurses because there aren't, there are not. So, we just had 10 come out from Scotland and the UK, and they're on four-year visas, it's a solid, for four years they're locked in. (Female, Industry, Port Macquarie)*

However, visa restrictions can limit the effectiveness of international recruitment in some sectors. As one hospitality employer explained:

*There are a lot more visa applicants than I've ever had before in my 30 years in this industry. The sad thing is a lot of the visas come with you can only work within the industry for three to six months and unfortunately training a team member in our industry takes six to 12 months to even have them working on their own; so a long term investment I guess in any employee we bring on, so being able*

*to bring a visa applicant on even how great they are or what their skillset is it still doesn't, it's not a long lasting employee for us, so that is a bit disappointing. (Female, Industry, Coffs Harbour)*

The success of international recruitment also depends heavily on supporting infrastructure, particularly housing. As noted in the discussion of barriers at section 5.1.4 above, a Kempsey participant noted that the most significant challenge for temporary visa workers relates to accommodation:

*There's a couple businesses in Port that have brought over some Filipino workers that has been hugely successful for those businesses. The workers are very happy. They come in their little groups. The biggest issue is housing. (Female, Community, Kempsey)*

The region has experience with various models of international recruitment. The Pacific Australia Labour Mobility (PALM) scheme was frequently cited as a successful approach, though it is designed as a temporary solution. As one participant explained:

*They work here for 2-4 years. You have to give them full time employment and the idea is that they learn skills while they're here that they take back. It's not a forever and that's been hugely successful. (Female, Community, Kempsey)*

Some sectors are exploring ways to verify overseas qualifications to fill skilled positions, particularly in trades where local workers are being drawn to higher-paying industries:

*Trade qualified vacancies not getting filled in some of the larger ... like [Large Manufacturing Firm] reached out recently and they were inquiring about how do we get some verification of overseas workers with trade qualifications to take those roles. From their experience what was happening is that local tradies were tending to go to the mines. (Male, Industry, Coffs Harbour)*

These experiences indicate that while international recruitment can be an effective strategy for addressing regional skills shortages, its success requires careful consideration of visa conditions, support infrastructure, and integration pathways. The various models being used across the region offer insights into how international recruitment might be better structured to meet both immediate and longer-term workforce needs.

### **5.3.4 Retention**

The focus group data reveals how retention of skilled workers represents a complex challenge within the regional skills ecosystem, shaped by organisational culture, job design, regional infrastructure, and broader economic conditions.

#### **5.3.4.1 Organisational Culture and Development**

Some organisations have achieved strong retention through comprehensive approaches to workplace culture and employee development. One participant described a successful local example:

*There's a business in the Macleay Valley that employs over 300 people... they've got a phenomenal retention rate... They actually build the capability of these people in every element of the organisation. So they're constantly shifting around, there's no time for, they don't get bored... it's*

*around helping the employees understand the values of the business and then demonstrating how they value them. (Female, Industry, Kempsey)*

#### 5.3.4.2 Industry-Specific Challenges

However, retention challenges vary significantly across industries. Some sectors face inherent difficulties:

*I mentioned the abattoir before... their retention is a huge challenge purely because of the job, it's a really difficult job... they have a workforce there on site of around about 1500 people a day... they are recruiting about seven to eight hundred people a year; so they're losing over half of their workforce every year. (Male, Industry, Kempsey)*

#### 5.3.4.3 Structural and Contract Issues

For organisations dependent on government contracts, funding cycles can create retention challenges:

*One of the things that also affects retention is the government contracting periods... They're telling us in December... All of our staff become unsettled without the certainty they then apply for other jobs. We then lose them... We've just invested \$20,000 in ongoing funding for that person to be trained and equipped. (Female, Community, Taree)*

Similarly, short-term contract employment, while providing flexibility for employers creates a situation of precarious employment for many professional workers, undermining the region's capacity to retain skills in the workforce.

*We have a large casualised workforce at [Training Provider] where occasional teacher might have a reasonably full load one literally term, which is 10 weeks, the next term for reasons that are outside of their own control usually that same course might not get students or the right number of students to be able to proceed. (Male, Industry, Coffs Harbour)*

#### 5.3.4.4 Regional Liveability Factors

Retention often depends on broader regional factors beyond individual workplace conditions:

*One of the biggest things... about retention was like someone would be attracted for work. It was about the job for their partner. That was why most people left... their partner couldn't find reasonable work or meaningful work. (Male, Community, Bellingen)*

#### 5.3.4.5 Management Capability

Middle management emerged as a critical factor in retention, particularly for younger workers:

*Management want to employ young people in the workplace but their direct supervisors don't actually engage with them that well and they're not understanding of the cost of that young person leaving if they're not treated well. And I think that middle management training is really important. (Female, Industry, Macksville).*

#### 5.3.4.6 Successful Approaches

Organisations reporting success with retention often emphasise cultural factors and clear expectations:

*We have a really good wellness program for our team, so our culture's really important and the people I bring in it's not about incentives or their qualifications at all, it's about who they are as a person and are you going to fit our work environment. (Female, Industry, Coffs Harbour)*

These findings suggest that effective retention strategies need to consider multiple dimensions of the regional skills ecosystem. Success requires attention not just to workplace conditions and development opportunities, but also to regional infrastructure, partner employment opportunities, and broader quality of life factors. Organisations need to both build strong internal cultures and contribute to making the region an attractive place to build a career and life.

### **5.3.5 Flexible work arrangements**

The focus group discussions reveal how flexible work arrangements, accelerated by COVID-19, are creating new opportunities to attract and retain skilled workers in the MNC region while enabling broader participation in the workforce.

The pandemic has catalysed significant changes in work arrangements, particularly in the public sector:

*One of the great things that came out of covid, particularly for the public sector, was they realised that people in regional offices could actually apply for roles that were traditionally based in Sydney. That's been really good. In terms of opportunities for people in regional New South Wales who are now doing roles that for many, many years we're based in Sydney and we're talking senior roles. Which is fantastic. That's been a really good, a good outcome as well as flexible working arrangements. Everybody has access to it if you are not customer facing. That's been really good in terms of flexibility. (Female, Community, Taree)*

This shift has expanded career opportunities for regional workers while allowing organisations to access broader talent pools. Employers are also finding that flexibility helps retain skilled workers, particularly those with caring responsibilities:

*We have a few staff that work shorter hours or some people only work a few days a week, others choose to work on the weekend when their partners at home; so we kind of accommodate around all of those things and I think we've been very flexible for – our business is predominantly female, so we have three males and the rest of my team are female, so I have a lot of ladies that have to leave to go to a school presentation or whatever and come back two hours later or have to take their kids to appointments and unfortunately that's just the world we live in and everyone has to work, so you have to be flexible in what you do. (Female, Industry, Coffs Harbour)*

Some businesses are structuring work arrangements to complement regional lifestyle patterns:

*With our potting season, because we're a production nursery which means we propagate and grow plants, we don't retail. So it's a farm based activity. And so we can offer some flexibility for working hours and what that means is we're not giving a full time commitment, we just don't have full time positions or if we do they're very rare. So we are realistic that if we can't give a commitment we can't expect it back. So what we offer is some flexibility. So we're looking for people that can start at the same time or even if it is a little staggered start, it'd be routine. And then we finish early so that people can, if for example they had a farm, they can do some stuff on the farm, come, and get some income and then finish off the day at home. And the same with parents, it tends to be women but*



*certainly not biased so get the kids to school, finish at kids pick up time. And so we attract quite a lot of people that are in that scenario and a little bit more mature and do have quite a lot of different skills to offer. (Female, Industry, Location withheld)*

These findings suggest that flexible work arrangements can play a vital role in strengthening the regional skills ecosystem. By enabling broader workforce participation, attracting skilled workers, and accommodating regional lifestyles, flexibility becomes a key strategy for addressing skills needs. Success requires organisations to reimagine traditional work patterns while maintaining operational effectiveness, potentially opening new opportunities for regional economic development.

### 5.3.6 Incentives

While financial incentives and referral bonuses can be effective tools for attracting workers in competitive labour markets, the focus group discussions reveal tensions between short-term recruitment strategies and sustainable employment practices. As one participant noted:

*Even within <organisation name>, which is a large organisation, they just keep dropping like flies. Then you sort of say, well, why is that? They said, because private companies are paying them epic amounts of money and they're just a skillset that's in such demand. They can't keep them for what a not-for-profit can pay. That's another one that's becoming very, very challenging. (Female, Community, Taree)*

This wage competition creates particular challenges for not-for-profit and community service organisations. While some sectors, like mining, have successfully used referral incentives to build their workforce:

*I worked in mining, we would play a game of, we could get the most people into the company 12 months ... So it used to be, can we pay for our holiday with referrals and so you'd go somewhere and you meet someone, you'd be like, Hey, there's a great job. You mentioned my name. It would be hard. (Male, Community, Kempsey)*

This approach may not be sustainable for many regional employers. These experiences suggest the need for more balanced approaches that combine competitive remuneration with other elements of sustainable employment practices, including career development opportunities, workplace culture, and work-life balance. This is particularly important for building long-term workforce capability within the regional skills ecosystem, rather than simply shifting workers between employers.

## 5.4 Education, Training and Workplace Learning: Building Regional Capability

Education and training play a fundamental role in developing and sustaining the MNC's skills ecosystem, serving not just as providers of technical skills but as crucial enablers of regional economic development and social mobility. Their effectiveness depends on how well they integrate with local industry needs while building broader capabilities that support regional resilience and growth.

Focus group participants emphasised several key dimensions of education and training in the regional context. First, the value of diverse learning experiences in building workforce capability:

*There's a real benefit in people having a wider knowledge. So if we just employ a graduate, had them for 18 months in what we do, that's all they know. Whereas if we send them across the department, they might go work in agriculture, they might go work in public works or something entirely different. They've got a broader base when they come back to us if they come back to port perspective of the world. (Male, Community, Kempsey)*

The region's training providers play a crucial role in building foundational skills for diverse learners:

*[Training Provider] does that, we do a lot of foundational skills training through our ... section where they do foundation skills – that teaching section there there's a lot of delivery with aboriginal students, disability students, non-English speaking students, disadvantaged youth; so it's all around foundation skills. So there is a lot of work there that they do for individuals in upskilling to write a resume, presentation, communication skills and those kind of things. (Male, Industry, Coffs Harbour)*

However, the relationship between formal qualifications and workplace needs remains complex:

*Often they don't care if they have a certificate or any qualifications. Like they're not relevant and they're not looking for those because they don't feel like they're bringing a lot of value because they're still doing a lot of the training in house anyway. (Female, Community, Kempsey)*

Importantly, regional approaches to education and training are evolving to better meet local needs:

*What's different about regions and metro is that place-based you know, that we can now do place-based training, you know. And even if they do have to go to metro to do a block release or something, they can still do their theory remotely from the communities they live in and that's critical, really skills infrastructure to have that place-based delivery. Just phenomenal. (Female, Industry, Taree)*

These perspectives suggest that strengthening the regional skills ecosystem requires education and training approaches that balance formal qualifications with workplace needs, while leveraging the advantages of place-based delivery and community connections. The following sections examine specific aspects of this challenge through youth engagement, apprenticeships, traineeships, and work placements.

### **5.4.1 Youth Engagement**

The focus group data reveals complex challenges around youth engagement in education and training across the MNC, while also highlighting innovative approaches that leverage different parts of the skills ecosystem to create meaningful pathways for young people.

#### **5.4.1.1 Understanding Disengagement**

Participants identified multiple factors contributing to youth disengagement, including lack of aspiration, inability to see viable futures, and systemic barriers. As one industry participant explained:

*That cohort of kids that are coming through, they're being forced to be at school, they don't want to be there, they can't see any point of it... they can't see any potential future. So they haven't got any skin in the game and they... feel worthless and helpless and so they rebel. (Female, Industry, Kempsey)*

The COVID-19 pandemic has exacerbated these challenges:

*They are kids that did not transition. They're calling it the COVID effect... Rising rates of anxiety and mental health. So, and at the same time there's an increase in neurological disorders... but they're coming to [Training Provider]. (Female, Industry, Taree)*

#### 5.4.1.2 Innovative Engagement Strategies

Successful engagement approaches often involve creating connections between different parts of the skills ecosystem. Sport-based programs demonstrate how alternative engagement pathways can support education outcomes:

*The [Program] crew pick them up, take them to the beach and go for a beach run, a swim, the tennis courts... They go fishing for engagement activities... Make sure they've got clothes, they're fed breakfast and everything like that and then if they're having any issues at school they've got the [Program] dedicated teachers at school. (Female, Community, Macksville)*

#### 5.4.1.3 Creating Alternative Pathways

The ecosystem approach enables creative solutions to qualification barriers. One example involved creating alternative pathways to nursing:

*We had a group of students that wanted to get into nursing but they weren't going to get the ATARs to get there. So we took them on to do certificate 3 in aged care and that was their back door entry to be able to get in nursing. (Female, Industry, Macksville)*

#### 5.4.1.4 Building Practical Engagement

Hands-on learning opportunities that connect education with real-world outcomes show particular promise:

*We've got two full cohorts... 15 years of age on [town] Campus... we're training them in hospitality, but three days a week they're delivering a service to the campus... these kids, they would come to [Training Provider] seven days a week to run that café. (Female, Industry, Taree)*

#### 5.4.1.5 Cultural and Family Considerations

The ecosystem approach needs to recognise and accommodate different cultural values and family commitments:

*Family commitments override work. In particular communities. Family commitment it takes priority and we had to be flexible with that... those flexible work arrangements are really, really important and understanding people's life, is important. (Male, Industry, Kempsey)*

#### 5.4.1.6 Challenging Perceptions and Building Aspirations

Breaking down gender stereotypes and expanding career horizons forms another important element:

*It's called Girls and Boys Can Too... bringing girls in so they get their hands on tools for the day... same with the boys in the care industry, so nursing, aged care, early childhood, fashion, and design...*

*Giving young learners the opportunity to think differently about a career pathway. (Female, Industry, Taree)*

Successful youth engagement often requires persistence and willingness to work through initial challenges. As one industry participant from Port Macquarie explained:

*It's the education of the employers that these people are worth taking a risk on, and we've had some really, really good outcomes with people, a long term employee... because they took that risk... it might have took us three clients to get to that person, but you know, they've just got to take that risk, and that's where the education is. (Female, Industry, Port Macquarie)*

This experience highlights how effective youth engagement strategies require both employer education and commitment to looking beyond initial setbacks. While some placements may not succeed immediately, the potential for developing loyal, long-term employees makes the investment worthwhile. This approach aligns with the broader skills ecosystem perspective, recognising that building sustainable youth employment pathways requires patience, support, and learning from both successful and unsuccessful experiences.

These findings suggest that successful youth engagement requires coordinated action across the skills ecosystem, connecting education providers, employers, community organisations, and support services. Effective approaches move beyond traditional education and training models to create meaningful pathways that build aspirations, recognise cultural values, and provide practical engagement with future opportunities. The key lies in helping young people see viable futures while providing the support structures and flexibility needed to help them achieve their goals.

## **5.4.2 Apprenticeships**

The focus group data reveals how apprenticeship challenges in the MNC reflect broader dynamics within the regional skills ecosystem, where training pathways, employer capacity, economic conditions, and social factors intersect.

### **5.4.2.1 Recruitment and Initial Engagement**

The recruitment challenges faced by employers highlight how skills development is embedded in specific regional contexts. As one small business owner explained:

*I own two small businesses... but recruitment's been hard to get apprentices coming through... With the locksmith ... we went through five apprentices to get through to someone that actually lasted. So we have one person that started one day, went for lunch, and never come back (Female, Industry, Kempsey).*

On the other hand, participants acknowledged that it could also be challenging for young workers to find an apprenticeship.

*my son it's taken him six months to get a trade because employers just weren't willing to give him a go and like even offering his services and no we don't want you. And he's had to, he's working with a builder down in Port Macquarie now, so but it's taken six months, I know it's a bit tough in the*

*building industry but even [offering his] free labour the people have just [not been willing to take him on] (Male, Industry, Kempsey).*

This reflects not just individual hiring challenges, but broader ecosystem issues around matching of workers to employers, providing sufficient career guidance, ensuring school leavers are work-ready, and recognising the existing social networks that have traditionally supported apprenticeship pathways. One Industry participant from Coffs Harbour, noted that there are schemes that are helping to link schools to employers within the region to address this mismatch:

*The Smith Family are also running a program in schools, which I've been fortunate enough to go to one, where they'll have people come in and speak from different industries to students face to face in small groups and let them know about how they got there and what sort of skills they need to do and if they can do that locally or move away. And then they also have an opportunity where they bring 15-20 students to a business to have a look and see what happens and chat to some of the employees and see what their job roles are... but I think a lot of those students can then access apprenticeships or traineeships and move along through that pathway. (Female, Industry, Coffs Harbour)*

#### 5.4.2.2 Wage and Cost of Living Pressures

The traditional apprenticeship wage structure increasingly conflicts with broader economic pressures within the regional ecosystem. Two participants captured this tension:

*The whole thing needs to change anyway, who wants to go and do an apprenticeship and work all day when you can get paid more at Maccas (Female, Industry, Kempsey).*

*One thing is to take into consideration is the age that we're offering these traineeships and apprenticeships it's not 16 anymore, they want 19 year olds with cars and all these requirements... So I think we need to have a little look, they can afford to be on apprenticeship when they're 16 living at home, but can they afford that when they're a little bit older? (Female, Industry, Kempsey).*

Other participants highlighted that while apprenticeship wages may be a constraint, these barriers can be surmounted by adopting a flexible approach to wages and training.

*Well apprentices can be paid above the award wage as well, it's just an idea, preconceived idea that employers and employees have, potential employees that I don't really want to do that, I don't want to be an apprentice or trainee, I need a job that earns more money. But it's a very little cost to the employer to have someone in that scenario on an apprenticeship or a traineeship and train them; their commitment is three hours a week they have to pay that person to be studying, which is not much really to someone well trained and trained the way you want them. Take someone who doesn't have the skills and start them off at the bottom. (Female, Industry, Coffs Harbour)*

Similarly, an industry participant from Kempsey noted that this approach had been part of their business model:

*with [construction company] we've offered more money for – we've gone above awards to encourage and entice our apprentices, because we've learnt that we've to get our tradesmen qualified we need to build our own (Female, Industry, Kempsey).*

This suggests that businesses may need to reconsider their financial and wage structures in order to adopt an innovative approach to building training across the region.

#### 5.4.2.3 Training Delivery and Infrastructure

Geographic constraints in training delivery demonstrate how physical infrastructure and institutional arrangements within the ecosystem affect skills formation. The limited availability of training locations creates significant barriers for potential apprentices, as one industry participant explained:

*There's only two places in the state where you can do your plant mechanic apprenticeship, Kurri Kurri and Tamworth. Plant mechanics work on all agriculture equipment, mining equipment, earthmoving, civil, biggest industry, only two places you can do it (Male, Industry, Kempsey).*

The challenges of accessing training are compounded by inadequate training delivery models. One participant described how geographic limitations led to compromised learning outcomes:

*The only provider we can get is from Queensland and he comes down once a month and he's way behind, and just sits with him once every month or two. And they just smash out four course books. It's not learning. (Female, Community, Macksville)*

Infrastructure constraints create particular challenges for young apprentices who must balance work, study, and travel requirements. The pressure of managing these competing demands highlights how infrastructure limitations can affect both the quality of training and the wellbeing of apprentices. A list of current training providers and tertiary institutions who are present in or service the region is provided in Appendix 4.

These findings emphasise how the effectiveness of apprenticeship pathways depends not just on the availability of training programs, but on the broader infrastructure that enables access to and engagement with training opportunities across the region. Even relatively short distances can become significant barriers when public transport options are limited, effectively shrinking the geographic reach of training and employment opportunities for young people without independent transport.

#### 5.4.2.4 Ecosystem Innovation and Adaptation

Despite the systemic challenges, employers, and training providers across the MNC are developing innovative responses that leverage different parts of the skills ecosystem. These approaches demonstrate how coordinated action across different stakeholders can create more effective pathways for skills development.

Group training arrangements have shown particular promise in addressing seasonal work patterns and providing comprehensive training experiences. As one participant described:

*There was a programme that I ran... I got hold of what was called a group training organisation, so they become the employer, and I had, I think I had about 4 farms in Coffs. And you're in season now, then you're in season, then you're in season so basically we took that workload from your farm to your farm to your farm... They went to [Training Provider], they did their cert 2. It was a really good programme (Male, Community, Macksville).*

'Wraparound' support models that consider the whole person rather than just technical training have also proved successful. One employer highlighted how this approach builds both skills and work ethic:

*that the methodology they use at [Transport business] again it's that wraparound support, they give them a vision for their future, they equip them. He was already, he was working at 14 so he had a good strong work ethic. (Female, Industry, Kempsey)*

Alternative learning pathways are also demonstrating success in engaging young people who might not thrive in traditional educational settings. One training provider noted:

*Initially we were, sort of thought as a cohort of naughty kids and I must say potentially they would be naughty at school but they're not naughty at [Registered Training Provider] because they're doing the things they like. And industry is starting to realise that we are potentially a source of employable young people. Because they're doing their qualification and they're learning on the job and they're doing work experience (Female, Community, Macksville).*

Flexible arrangements combining school, vocational training and work can also create new pathways, though they require significant commitment from apprentices.

*[Registered Training Provider] does a great program which is 'pathway to work', and so we have one kid in that and he goes to [RTO] one day a week, and at school and then works for us 3 days a week. So all he's doing is school, [training], work. (Female, Industry, Macksville)*

These examples demonstrate how innovation within the skills ecosystem often involves creating new connections between existing elements - schools, employers, training providers, and support services - rather than building entirely new programs. Success appears to come from better coordination and integration of these elements to create more supportive and flexible pathways for skills development.

#### 5.4.2.5 Structural Reform Needs

The data suggests the need for ecosystem-wide reform rather than just program-level changes:

*I've worked – apprentices and apprenticeships for a long time, and the model's completely outdated... it is built around the 15 year old kid who lives at home with mum and dad... anyone who has got apprentices, around the room, will normally attest that that's probably less than half the apprentices they've got nowadays (Male, Industry, Port Macquarie).*

This ecosystem perspective suggests that strengthening apprenticeship pathways requires coordinated interventions across multiple dimensions of the regional skills system, rather than focusing solely on training delivery or employer incentives. Success depends on aligning education and training infrastructure, employment and wage structures, social support systems, transport and housing infrastructure, and industry networks and collaboration.

The retention challenge particularly illustrates this need for ecosystem thinking. As one employer noted:

*It's also with apprentices it's the retention. You'll invest four years in someone and it's four hard years and they've gone to the mines, just gone. In a previous role, we had diesel mechanics, hugely shortage in Australia because they're in the mines (Female, Industry, Kempsey)*

Although it was also acknowledged that providing an apprenticeship can contribute to building skills within the community, if it is possible to identify a worker with connections into the community who is likely to stay rather than follow the higher rates of pay available outside the region. The same employer noted:

*We would always have three [apprentices], and over 18 years we probably [trained] a couple of hundred or at least a hundred. Not one of them worked for us when [they completed their training] except for the mature age, they stay. So, it's... they are [embedded] in the community (Female, Industry, Kempsey).*

The challenge of retaining apprentices highlights a fundamental tension within regional skills ecosystems between individual career development and local workforce needs. While employers invest significant time and resources in training apprentices, hoping to develop their future workforce, the reality of regional career pathways often involves periods of mobility. As one industry leader thoughtfully reflected:

*I mean, I don't think anyone wants their workers to leave, that's obvious, but at the same time, being a father of three, we certainly bred our kids not to stay in town, hoping like hell that they'll come back... If the narrative was more, you know, we'll train you up, when you're ready, if you want to go off and see the world and see Sydney... the more powerful narrative should be not about stopping them going but making sure they want to come back (Male, Industry, Port Macquarie).*

This perspective suggests the need to reframe apprenticeships within a broader understanding of career development and regional workforce flows. Rather than viewing retention as keeping young workers permanently in place, successful regional skills ecosystems might focus on creating the conditions and connections that encourage skilled workers to return, bringing back enhanced capabilities and broader experience. This approach recognises that mobility can strengthen rather than deplete regional skills bases, particularly when combined with strong local identity and opportunity.

The challenges facing apprenticeships in the MNC region reflect broader issues within the regional skills ecosystem - from infrastructure constraints and wage pressures to changing workforce expectations and industry needs. However, the innovative responses emerging across the region demonstrate how apprenticeships, when effectively supported, can play a vital role in building sustainable regional skills pathways. Successful approaches like group training arrangements, wraparound support models, and school-industry partnerships show how apprenticeships can create strong connections between education providers, employers, and communities. These connections are crucial for developing not just technical skills, but the broader capabilities and networks that support regional development. When integrated effectively within the regional skills ecosystem, apprenticeships can help create career pathways that benefit both individual workers and the broader regional economy, contributing to the retention of young people and the development of specialised technical capabilities that support regional competitive advantage. The key to maximising this potential lies in developing more flexible and sustainable approaches



that recognise apprenticeships as part of a broader ecosystem of skills development and regional economic growth.

### 5.4.3 Traineeships in the regional skills ecosystem

While apprenticeships are well understood within traditional trade areas, traineeships offer another important pathway for skills development within the regional ecosystem. However, as one participant noted:

*a lot of businesses don't know about the opportunity for traineeships as opposed to apprenticeships. They know that you can be an apprentice builder or carpenter, butcher whatever, but they don't necessarily know about the traineeships (Female, Industry, Coffs Harbour).*

The value of traineeships varies across different sectors and business contexts. Some employers see them primarily as a subsidy opportunity rather than a skills development pathway:

*We don't see a benefit in doing any other traineeships in the job because we again train the job. So, we did it when there was a training subsidy programme because it was financially beneficial. But for us having a hospitality cert isn't as useful as actually just working in hospitality for 6 months. (Female, Industry, Macksville)*

However, others have found traineeships valuable for building workforce capability and retention, particularly when integrated with broader organisational development:

*I've got staff that are doing traineeships in cert 3, cert 4, we have young people wanting to stay within us and grow and develop and we have a really good wellness program for our team, so our culture's really important... unless they're a dentist or a professional we can teach them the skills they need to know (Female, Industry, Coffs Harbour).*

In sectors facing significant retention challenges, traineeships can help create stronger connections between workers and employers. One example comes from the meat processing industry:

*What we've done... every new worker there gets employed straight into a traineeship. So, they feel committed, a bit more committed to that role, they're also getting time off the job every week where they have to sit with the vocational teachers, so they're getting some other mentors and trainers there and learning a few different skills as well and it's going okay.*

However, traineeships face their own challenges around retention and work readiness. As one ECEC employer explained:

*We've had two of these younger girls have come back, one wants to go to casual because she needs to, she just needs time to herself after finishing her 18-month traineeship. And then we've had another one that's gone part-time four days because she's not cut out for fulltime work (Female, Industry, Kempsey).*

Despite these challenges, traineeships can play an important role in the regional skills ecosystem, particularly when supported by strong industry connections. As one training provider noted:

*Most of them are getting work before they finish their qualification... what's happening is the connection that we're having with industry is actually industry starting to understand the cohort. (Female, Industry, Macksville)*

These experiences suggest that traineeships, when effectively integrated into broader workforce development strategies and supported by strong industry-training provider relationships, can provide valuable pathways for building regional workforce capability. Their success depends on moving beyond viewing them simply as a subsidy opportunity to seeing them as part of a broader ecosystem approach to skills development.

#### **5.4.4 Work Placement**

Work placements emerge as a crucial mechanism within the regional skills ecosystem, creating direct connections between education providers, industry, and future workers. However, the effectiveness of these arrangements varies significantly based on program design, industry capacity, and support structures.

##### **5.4.4.1 Strategic Value of Work Placements**

Work placements can serve multiple functions within the skills ecosystem. They provide practical training opportunities, create pathways to employment, and help students understand industry realities. As one employer noted:

*So, I do a lot of work experience students. That's where I usually pick up my good casual staff if they come for work experience and I really like them, they have the heart to really do what come into my level of how should we do this, then I offer them employment part time. (Female, Industry, Macksville)*

##### **5.4.4.2 Successful Models and Local Solutions**

Some employers have developed effective local placement models that strengthen regional workforce pipelines:

*What's really worked is that collaboration again with [University] for the nurses... they all get their work placements locally at [regional hospitals]... And then when we had them all graduate last year, there was about 18 nurses graduated, there were grad positions available at the hospital and 12 of those positions were filled from the graduates here. (Female, Community, Taree)*

##### **5.4.4.3 Structural Challenges**

However, significant barriers exist around the structure and support of work placements. Financial constraints particularly affect access:

*The degrees that do have work placement in them, often those work placement brackets are like 10 weeks unpaid work placement. It makes it impossible for some people to give up their day job if you like to go and do that work placement at 10 weeks of no pay. (Female, Community, Taree)*

#### 5.4.4.4 Industry Capacity Issues

Business capacity to support quality placements emerged as another key challenge:

*Allied health and there is not, sometimes there's not capacity for businesses to actually support students in placement in terms of providing the necessary supervision and ensuring they have a good experience, meet all of their outcomes. We actually need to support businesses to be able to provide student placements that offer quality. (Female, Community, Taree)*

#### 5.4.4.5 Innovation in Placement Models

Some organisations are developing shorter, more focused placement models to address these challenges:

*We do 'Work it' programs, so they're short two-week programs in terms of on-site training and then they're tailored to industry... So, they'll do the training and then they'll go to the employer... Those skills are transferable because they might not want to work at Kmart, they might want to go to Woollies, and they can use those skills and training from that program to go into somewhere else. (Male, Industry, Coffs Harbour)*

#### 5.4.4.6 Early Engagement

Participants emphasised the importance of early exposure to work opportunities:

*That's what [Training Provider] and we are very much in on getting in at that year eight and year nine level to try to build that and to create more touchpoints with industry so that they've got an idea of what's possible. (Female, Industry, Taree)*

These findings indicate that while work placements are vital for building regional workforce capability, their success requires several system-level changes within the regional skills ecosystem. These include better coordination between education providers and industry, financial support for extended placements, capacity building for businesses hosting placements, earlier integration of industry exposure in education, and more flexible delivery models for professional qualifications. The effectiveness of work placements ultimately depends on how well they are integrated into the broader ecosystem of regional workforce development, with careful attention to design, support structures, and the needs of all stakeholders. Success requires moving beyond individual placement arrangements to build sustainable networks and processes that can support ongoing connections between education and industry.

# 6. Conclusion

The MNC region has faced unprecedented challenges over the past five years, from natural disasters and pandemic impacts to economic restructuring and demographic change. The desktop research reveals how these events have tested regional resilience while accelerating existing trends in workforce participation and skills demands. Statistical analysis demonstrates significant shifts in both labour supply and demand, with particular pressure points in healthcare, aged care, construction, and emerging technical fields.

The skills ecosystem framework helps us understand how workforce challenges emerge from complex interactions between the regional labour force, education and training systems, regional policy structures and the global geopolitical, economic and societal shifts. Survey and focus group data reveal how traditional recruitment approaches through local networks, while still important particularly in trades, are proving insufficient to meet current workforce needs. Employers face multi-layered challenges where skills shortages intersect with broader economic and social constraints - from ECEC and housing availability to transport infrastructure and changing workforce expectations.

## 6.1 Challenges

The effectiveness of different recruitment strategies - whether local, national, or international - is heavily influenced by regional conditions. Housing affordability limits the viability of attracting workers from outside the region, while geographic dispersal and infrastructure gaps constrain local labour mobility. International recruitment, while successful in some sectors like aged care and food processing, requires significant support infrastructure to be sustainable and to comply with international labour imperatives relating to modern slavery laws.

These challenges are particularly acute for smaller communities and businesses, where limited local labour pools intersect with difficulties in attracting workers from elsewhere. The changing nature of worker expectations around flexibility, workplace culture, and career development adds another layer of complexity, especially in sectors struggling to present attractive employment propositions.

This ecosystem perspective suggests that addressing workforce challenges requires moving beyond simple recruitment strategies to consider how regional infrastructure, social conditions, and industry dynamics interact to enable or constrain skill development and deployment. Success depends not just on finding workers, but on building the regional conditions that support sustainable workforce development and retention.

## 6.2 Solutions and strategies

The research identifies multiple pathways for addressing these challenges, including developing local talent pipelines through stronger connections between education providers and employers, using work experience programs to identify and nurture potential employees, and supporting traineeships and

apprenticeships to 'grow your own' skilled workforce. International recruitment strategies show promise across multiple industries, but need to be reviewed in light of changing international labour imperatives. Infrastructure and support solutions must address housing availability, transport solutions, and ECEC access, while workplace innovation through flexible arrangements and improved career progression pathways can help attract and retain staff. Figure 6.1 provides a summary of the solutions and strategies identified by survey and focus group participants within the study.

Figure 6.1 Solutions and Strategies

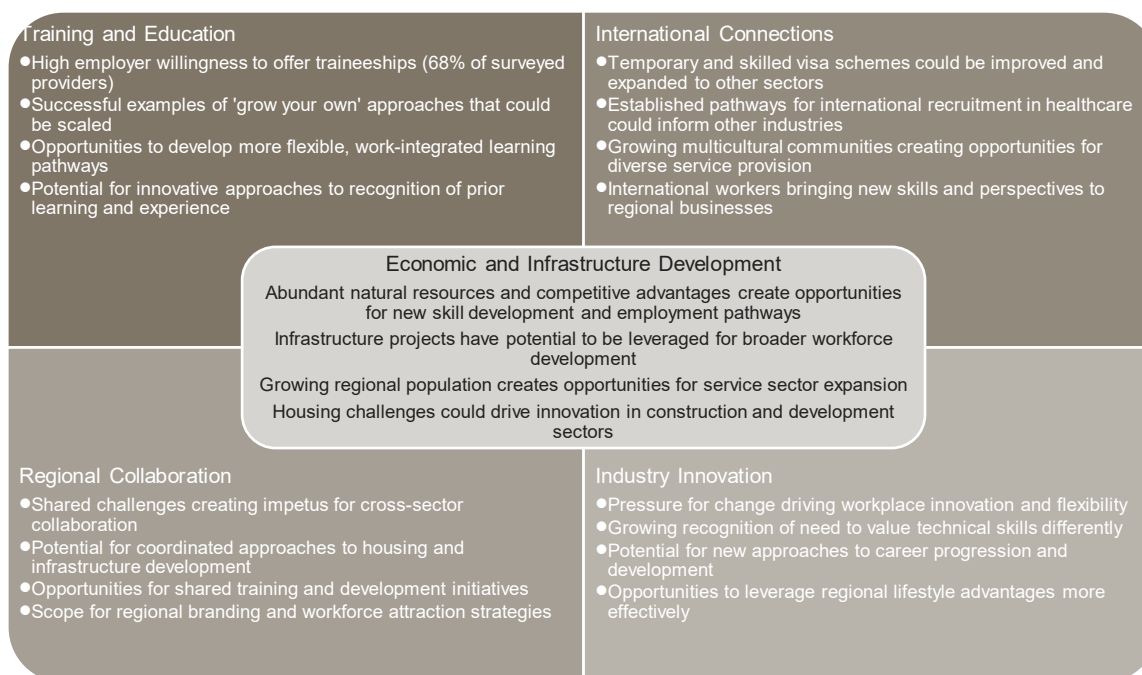
Developing Local Talent Pipelines	International Recruitment Strategies	Infrastructure and Support Solutions	Workplace innovation	Industry Collaboration
<ul style="list-style-type: none"> <li>• Building stronger connections between education providers and employers</li> <li>• Using work experience programs 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>

These solutions emphasise the need for coordinated action across the skills ecosystem, recognising that sustainable workforce development requires alignment between education and training, infrastructure investment, and industry needs. Success depends on building regional capability while also creating the conditions that make the region attractive to workers from elsewhere.

### 6.3 Opportunities

The region has significant opportunities for strengthening its skills ecosystem through economic and infrastructure development. Harnessing the region's natural resources and building on its competitive advantages can create opportunities for new skill development, while major infrastructure projects could be leveraged for broader workforce development. The growing regional population creates opportunities for service sector expansion, while housing challenges could be turned to positive solutions through innovation in construction. High employer willingness to offer traineeships (68% of surveyed providers) and successful 'grow your own' approaches could be scaled up. International connections, temporary and skilled visa schemes may offer models for future success.

Figure 6.2 Potential Opportunities to improve the Skills Ecosystem of the MNC



## 6.4 Recommendations

The Mid North Coast's future economic resilience and growth potential hinges on several interconnected strategic priorities. Foremost among these is the development of a cohesive regional housing strategy that aligns with workforce planning. This fundamental infrastructure priority must address both immediate housing affordability challenges and longer-term population growth needs, recognising that housing availability directly impacts the region's ability to attract and retain skilled workers.

Universal access to ECEC emerges as a critical enabler of regional development and economic productivity. Beyond addressing significant skills shortages in the care sector itself, enhanced ECEC access would enable greater workforce participation, particularly benefiting women and primary carers who face barriers to employment and career advancement.

Building workforce resilience requires strategic investment in skills development and adaptation capabilities. This investment becomes particularly crucial given the uncertain global context and the region's vulnerability to climate-related disruptions. A resilient workforce must be equipped with transferable skills and supported by robust professional development pathways that enable adaptation to emerging industry needs.

The region's approach to migration and workforce mobility requires careful consideration. Developing more inclusive and cohesive approaches to support both temporary visa holders and longer-term migrants will be essential. This includes creating strong community networks, improving settlement services, and ensuring that migration strategies align with regional workforce needs while benefiting local communities.

Central to addressing these challenges is the development of a robust skills ecosystem. This requires reimagining traditional relationships between employers, training providers, and educational institutions. Employers and training organisations must take more proactive roles in collaboratively building and delivering appropriate training resources within the region. Strengthening networks between employers, educators, and community services can enhance group training opportunities, work placements, and apprenticeships as integral components of regional skills development.

The success of this ecosystem approach depends on several key elements: fostering industry clusters to identify and address shared skills needs, supporting experienced employees to become trainers or mentors, and working effectively with government agencies to develop appropriate skilled migration programs. These elements must be underpinned by place-based solutions that recognise the region's unique geographical and socioeconomic characteristics.

Strategic infrastructure development must support these workforce initiatives. This includes coordinated approaches to transport and digital connectivity improvements that enable both skills development and workforce participation. Additionally, expanding local delivery of face-to-face and hybrid vocational training, while improving access to lifelong learning opportunities, will be crucial for building sustainable career pathways within the region.

A particular focus must be placed on retaining and attracting younger workers through programs that address infrastructure and transport challenges. Similarly, supporting flexible work arrangements could encourage greater participation from carers and older workers, helping to maximise the region's existing workforce potential.

The success of these initiatives will ultimately depend on strong regional partnerships and collaborative approaches. This includes developing strategic relationships between employers and settlement services, creating supportive community networks for migrant workers and their families, and ensuring that workforce development strategies align with broader regional development goals.

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# Appendix 1. HREC approved documents

The CSU Human Research Ethics Committee approved the conduct of this Skills Audit; Protocol number H23906. Listed below are the following documents:

- Approved survey instrument



Qualtrics Survey  
RDAMNCpdf.pdf

- Participant information sheet for Community focus groups



PIS Focus Group  
(plus IS).docx

- Consent form sample



Consent form Focus  
Group (plusIS).docx

## Appendix 2. Estimation of Net Internal Migration (NIM) of Persons of Working Age for LGAs

In estimating *NIM* in the 12 months prior to the census for each of our age groups of the working age population for the LGAs of the RDAMNC from the 2021 census data we made the following considerations.

In estimating internal emigration for each age group, we argued that:

Given,

$SR_R$  = the number of persons in a given working age group in the region at the time of the census who were in the region 1 year prior to the census,

and

$SA_R$  = the number of persons in a given working age group in Australia at the time of the census who were in the region 1 year prior to the census,

then

$$(1) RE_R = SA_R - SR_R,$$

where  $RE_R$  = the emigration of persons in a working age group from the region to another region in the year prior to the census date.

We identified three approaches for the estimation of internal migration. The first method argues that, given,

$SR_A$  = the number of persons in a working age group in the region at the time of the census who were in Australia 1 year prior to the census,

then

$$(2) RI_R = SR_A - SR_R,$$

where  $RI_R$  = immigration of persons in a working age group to the region from another region in the year prior to the census date. Estimates based on this method tended to be much lower than for the following two methods.

Internal immigration into the region for each age group could also be assessed as the number of persons indicating that they had lived elsewhere in Australia (rather than at their current address at the time of the census) 12 months prior to the census. However, this figure would include those persons who had lived at another address *in the region* and who are clearly not immigrants. Our calculations suggest that the

number of those who had changed address in the region was not trivial and that this method would certainly provide an overestimate of internal immigration.

The third approach we considered (and adopted), argued that:

$$(3) \text{ RI}_R = \text{WAP}_R - (\text{SR}_R + \text{O}_R)$$

Where  $\text{WAP}_R$  was the population in a given working age group in the region at the time of the census and  $\text{O}_R$  was the number of persons in a given age group arriving from overseas in the 12 months prior to the census.

Given (1) and (3), the net internal immigration for each working age group for a region ( $\text{NIM}_R$ ) can be estimated as

$$(4) \text{ NIM}_R = \text{RI}_R - \text{RE}_R.$$

In making estimates of  $\text{NIM}_R$ , the ABS (2023) warning of inaccuracies – especially in the case of small populations - needs to be kept in mind. In particular, not all respondents to the census will provide accurate or complete responses to the questions on which the estimates are based.

## Appendix 3 Estimating the impact of tourism

In estimating the direct employment impact of tourism, we make use of the findings of Pambudi et al (2009) for NSW. They provide data on the proportion of employment in each industry that could be attributed directly to tourism. They identify twelve industry groups for which tourism contributes to employment. These groups, and the estimated contribution of tourism to employment in NSW, are presented in Table A8 (column 2) for the period 2007-2008. Pambudi et al (2009) note that these estimates for Australia have been relatively stable over time. Applying the same percentages to employment in the LGAs of the MNC regions results in an outcome implying that nearly 6 percent of the region's employment can be attributed to tourism compared with 4.8 percent for NSW as a whole. However, the percentage of employment in each industry in the region defined by the LGAs differs from that of NSW. If we assume that, in those cases where the percentage of employment in an industry is higher than in NSW as a whole, the difference is due to a greater influence of tourism in the region, then the estimate of the percentage of total employment attributed to tourism in the region's LGAs rises to just over 10 percent (see column 9 of Table A8).

Thus, on the basis of these estimates, the impact of tourism on employment in the MNC region is assumed to be approximately double the impact of that in NSW as a whole. In the industry sector of Accommodation and Food Services, we estimate that over half of the sector's employment can be attributed to tourism. Other sectors in which tourism is a major contributor are Retail Trade (where it contributes to nearly a quarter of the employment) and Transport, Postal and Warehousing.

Pambudi, D., Ho, T., Spurr, R., Forsyth, P., Dwyer, L. and Hoque, S. (2009) *The Economic Contribution of Tourism to Australian States and Territories 2007-2008*, Sustainable Tourism Cooperative Research Centre. Accessed 28 November, < <https://sustain.pata.org/wp-content/uploads/2015/02/Economic-Contribution-of-Tourism-Ind-Sum-WEB.pdf>

# Appendix 4 Registered Training Organisations servicing the Mid North Coast Region

Name	Location
Tursa Employment and Training	Bellingen
Mid North Coast First Aid Training	Bellingen
ETC	Coffs Harbour
Verto	Coffs Harbour
Training at Key	Coffs Harbour
Men and Women at work	Coffs Harbour
GBES Training	Coffs Harbour
Tursa Employment and Training	Coffs Harbour
Tafe NSW	Coffs Harbour
Southern Cross University	Coffs Harbour
Univeristy of Newcastle - Dept of Rural Health	Coffs Harbour
U3A	Coffs Harbour
Coffs Coast Community College	Coffs Harbour
NV College	Coffs Harbour
Mid North Coast First Aid Training	Coffs Harbour
International Teacher Training Academy	Coffs Harbour
Novaskill	Coffs Harbour / PMQ
Sarino Russo	Coffs Harbour / Port Macquarie
KSB Heavy Vehicle Training	Coffs Harbour Regions (Sawtell, Urunga, etc.)
Verto	Forster
Power Logic	Gladstone
Tafe NSW	Kempsey
Coffs Coast Community College	Kempsey
Tursa Employment and Training	Kempsey
NV College	Kempsey
Macleay Valley Workplace Training	Kempsey
Learning Express Tuition	Kempsey
Booroongen Djugun Ltd	Kempsey
Verto	Laurieton
TMT Training	Lismore
Tafe NSW	Macksville
NV College	Macksville
Nambucca Valley Care	Macksville

<b>Chris Shilling Transport Training</b>	Mid North Coast
<b>Mid Coast First Aid and Safety Training</b>	MidCoast
<b>ETC</b>	Nambucca Heads
<b>Verto</b>	Nambucca Heads
<b>Training at Key</b>	Nambucca Heads
<b>Tursa Employment and Training</b>	Nambucca Heads
<b>Tafe NSW</b>	Nambucca Heads
<b>Mid North Coast First Aid Training</b>	Nambucca Heads
<b>Newcastle assessing and Training</b>	Newcastle
<b>Tafe NSW</b>	Port Macquarie
<b>Regional Truck Training</b>	Port Macquarie
<b>Wesley Mission/Training</b>	Port Macquarie
<b>Mid Coast Independent Trade Training Centre</b>	Port Macquarie
<b>Mid North Coast Regional Training Hub (MNC RTH)</b>	Port Macquarie
<b>Lifeline Mid Coast</b>	Port Macquarie
<b>Neami National</b>	Port Macquarie
<b>Octec</b>	Port Macquarie
<b>Ostara Australia</b>	Port Macquarie
<b>Port Macquarie Community College</b>	Port Macquarie
<b>Trainer Group</b>	Port Macquarie
<b>Charles Sturt University</b>	Port Macquarie
<b>John Henry Institute</b>	Port Macquarie
<b>Skill Links Training</b>	Port Macquarie
<b>Learning Insight</b>	Port Macquarie
<b>Construction Training Institute</b>	Port Macquarie
<b>The Roving Trainer</b>	Port Macquarie
<b>Australian Cosmetic Tattoo College</b>	Port Macquarie
<b>Port Mac First Aid</b>	Port Macquarie
<b>Australian International Aviation College</b>	Port Macquarie
<b>Dronestar</b>	Port Macquarie
<b>Lighthouse Beach Driving School</b>	Port Macquarie
<b>Drive Right Driver Training</b>	Port Macquarie
<b>Scuba Haven</b>	Port Macquarie
<b>Trendz Beauty and Training</b>	Port Macquarie
<b>Tursa Employment and Training</b>	Port Macquarie
<b>Verto</b>	Port Macquarie
<b>Nautilus Senior College</b>	Port Macquarie
<b>VA Institute</b>	Port Macquarie
<b>The Social Coach</b>	Port Macquarie



<b>Treck Industries</b>	Port Macquarie / Mid North Coast
<b>Mid North Coast Community College</b>	Port Macquarie / Taree
<b>Coastal First Aid</b>	Port Macquarie / Taree
<b>Keen to Drive Driving School</b>	Port Macquarie / Taree / Foster / Kempsey
<b>MidCoast Training</b>	South Kempsey
<b>Mid Coast Connect</b>	Taree
<b>Raise Training</b>	Taree
<b>Simply Careers</b>	Taree
<b>Valley Industries</b>	Taree
<b>Tursa Employment and Training</b>	Taree
<b>Verto</b>	Taree
<b>Learning Live</b>	Taree / Port Macquarie / Taree
<b>Home Improvement Trainer</b>	Thrumster
<b>GREAT LAKES COMMUNITY RESOURCES INC</b>	Tuncurry
<b>Homebase Youth Services</b>	Tuncurry
<b>APM</b>	Wauchope
<b>Verto</b>	Wauchope
<b>Tursa Employment and Training</b>	Woolgoolga
<b>Mid North Coast First Aid Training</b>	Woolgoolga