SPECIAL REPORT FOR DTWD AND STB

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NORTH EASTERN WHEATBELT INDUSTRY ACTIVITY REPORT

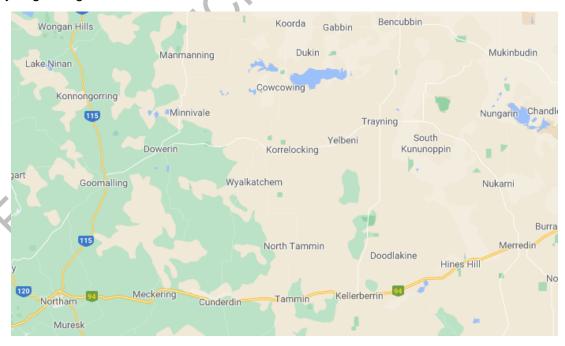
Wheatbelt Region Overview 1,2

The Wheatbelt spans across more than 154,000 km² and is made up of 42 local government authorities, majority of which represent community sizes between 500 and 1,000 residents. Public administration and safety, healthcare and social assistance, and education and training are amongst the region's highest employment sectors.

Across the entire Wheatbelt area, the region contains 56% of all farm businesses in Western Australia. Broadacre agriculture is the primary industry in the Wheatbelt region, dominated by the production of wheat (\$2.1 billion), barley (\$1.3 billion) and wool (\$801 million). 2018-19 ABS data indicates these contributed 65% of the total value of agricultural production in the region. Other commodities include canola, hay, oats, pulses, olives, vegetables, wine grapes, honey, citrus fruits and livestock. The economy is also supported by mining, commerce, retail, manufacturing, fishing and tourism.

North Eastern Wheatbelt Visit

FAPSTC visited 11 towns in the North Eastern Wheatbelt to understand the current workings of local government and gain insights into the challenges facing community and businesses in the region. We listened to views of representatives from local businesses, peak bodies, government and the education sectors. Discussions explored the changes impacting industry, the influences on workforce development, and the skilling and training of staff and broader community. This report is a synthesis of discussions and provides an overview of industry activity across Shires of Goomalling, Dowerin, Wyalkatchem, Koorda, Mount Marshall, Trayning, Nungarin, Merredin, Kellerberrin, Tammin and Cunderdin.



Reference: Google Maps

¹ Government of Western Australia, Department of Primary Industries and Regional Development, Wheatbelt Development Commission, *Economy, Jobs and Business Insights*.

² Australian Government, Department of Agriculture, Water and the Environment, <u>About my region – Western Australia – Wheatbelt</u>, 21 October 2020.



Population Size and Area Covered

Seven of the Shires have a population ranging from around 300 to 500 residents. The residents of the larger four Shires range between 1,100 and 3,365 people. The proportion of Aboriginal and/or Torres Strait Islander people living in each area differs significantly. The largest number are located within the Shires of Merredin, Kellerberrin and Goomalling, while the largest proportion of Aboriginal and/or Torres Strait Islander people (relative to the population size) reside in the Shires of Trayning (13.6%), Nungarin (12.4%) and Tammin (10.1%). The area covered by each Shire varies, the largest belonging to the Shire of Mount Marshall at 10,134 km².

Shire	Population *approximate numbers	Aboriginal/ Torres Strait Proportion of the Population ³	Area km²
Merredin	3,365 (2,000* live in town)	7.8%	3,296
Cunderdin	1,250 (primarily live in the town area)	1.9%	1,872
Kellerberrin	1,200*	6.9%	1,917
Goomalling	1,100 (600* live in town, 500* on rural properties)	6%	1,800
Mount Marshall	527	1%	10,134
Wyalkatchem	498	2%	1,595
Koorda	414	4.1%	2,662
Tammin	407	10.1%	1,087
Dowerin	400*	1.2%	1,867
Trayning	350	13.6%	1,632
Nungarin	< 300	12.4%	1,145

Primary Industries

The prosperity of towns and surrounding districts is highly dependent on farm production which can be impacted by factors such as the industrialisation of agriculture, environmental and weather conditions, global markets and terms of trade. These dictate the economic fabric of local businesses, rural service industries and employment opportunities for local communities.

The chief source of income in the North-East Wheatbelt region across the visited Shires comes from agriculture. While the type of broad farming can vary between Shires, the land is primarily used for grain growing (predominantly wheat) and livestock production (some cattle but mainly sheep for meat and wool). Many of the local businesses are aligned to these and other peripheral agricultural activities: machinery, fabrication, haulage, crop spraying, chemicals, stock feed, seed cleaning, earthworks. Some have abattoirs, others limited access to shearing services.

The level of services, infrastructure and economic activity varies between towns. Typically, smaller Shires don't have large employers within their municipality. Majority of businesses are either non-employing (sole proprietorships and partnerships without employees) or microsized businesses which employ between one and four people. Smaller towns struggle to have a diverse retail and business service environment. They tend to have a smattering of base goods and services which, collectively, provide limited access to a wider range of offerings across the region. Availability of stock can vary. Gaps of service and under-servicing are

³ Australian Bureau of Statistics, Western Australia, Local Government Areas, 2016 Census QuickStats.



common even in established townsites which affect how the needs of the residential population are serviced.

Larger regional towns provide greater breadth of opportunity for employment in service industries especially those that support healthcare, education, community development, recreational facilities and public administration. Larger municipalities are better able to support business diversification and buoyancy, extending their reach to neighbouring towns, particularly those in close proximity. This includes the provision of services as well as employment in the region.

Shire of Merredin 4,5

The largest of towns visited, Merredin is a major commercial and retail centre for the Eastern Wheatbelt and a regional base for a range of government agencies. The region is known for its grain production and sheep farming. Around 40% of Western Australia's wheat production comes from a 100 km radius around Merredin. It is an area with high employment, carried by a strong local economy, extensive infrastructure and breadth of services, including health and education. A range of facilities benefit the whole community and diversified industries and attractions support tourism opportunities.

Shire of Cunderdin 6,7

The Shire's prime industry is broad farming, mainly wheat and wool production but also include other crops and livestock. Many local businesses have an agricultural focus: supply of machinery, equipment and stock feed; transport/heavy haulage; steel fabrication and supplies; pest control. However, an increase in rural service industries has diversified employment opportunities for the local community. Towing, welding, panel beating, motor mechanical work and car dealership support economic activity. Insurance brokers and an electrician are also based locally. Other services include health (medical centre and chiropractor), education (District High School to Year 10 and Cunderdin College of Agriculture) and a day care centre. The town has a farmers' co-op, a caravan park, a bank (NAB), a hardware store, an IGA, a newsagent and coach/bus service. It also has a gliding club and a museum.

Shire of Kellerberrin 8,9

Majority of the population are engaged by the agriculture, forestry and fishing industry, and with slightly less people employed in education and training, health care and social assistance, manufacturing and retail trade. The primary economic activity are sheep farming and wheat production. Logistics, fabrication work, the manufacture of agricultural equipment and hardware businesses also support the economy. Fencing and drilling, seed cleaning, spraying and shearing services are available locally. There is a quarry supplying blue metal and granite products, and the town has access to earthmoving, concreting, liquid waste disposal, and mechanical, electrical and building services. An abattoir provides further employment. Kellerberrin has services to assist the disabled and aged, a medical centre and a pharmacy. It has a caravan park, a post office, a hotel and a handful of shops in town.

⁴ Shire of Merredin website.

⁵ Shire of Merredin, Strategic Community Plan 2018-2028.

⁶ Shire of Cunderdin, Strategic Community Plan.

⁷ Shire of Cunderdin website.

⁸ Shire of Kellerberrin website.

⁹ Shire of Kellerberrin, *Integrated Planning* 2019-2029.



Shire of Goomalling 10,11

Goomalling's main industry is agriculture: sheep, cattle, wheat, barley, oats, canola, lupins, peas. As with other similar size towns in the region, the broad farming economy is well supported with peripheral businesses: machinery and parts, fabrication and mechanical service/repairs, welding and engineering, earthworks, heavy machinery hire and haulage. These also include transport and water carting services, crop spraying and weed control, chemicals hardware and ag requirements, tree services and stock feeders. The size of the community supports other local services such as a car dealer, plus electrical, property maintenance, plumbing, gardening and cleaning. Other services include banking (Bendigo Bank), accommodation, roadhouses and grocer, hairdresser and a café. Health services include a chemist, dental clinic and counselling, and there is a childcare centre. School busses run to Northam and Dowerin (Year 10 only). Education facilities include CY O'Connor College of TAFE and the nearby Muresk Institute and Cunderdin College of Agriculture. The town also has a gym and sports and community centre.

Shire of Mount Marshall 12,13

Unique to this municipality is the area covered by the Shire of Mount Marshall (10,134 km²). The area is primarily a wheat, coarse grain, cattle and sheep farming district. The services offered between the two neighbouring towns of Beacon and Bencubbin are dominated by businesses typically associated with such agricultural activity: farm supplies, stock feed and equipment, chemicals and services, general hardware, manufacturing, bulk commodity cartage and spraying, seed cleaning, and shearing. There is also a stud farm. Other businesses include concreting and fencing, welding and fabrication, mechanical repairs, air con and hydraulics and bulldozing. Although a small population, the residents of the Shire can also access building, plumbing, electrical and gardening services. Bencubbin has a café, a hairdresser and printing supplies. Beacon has a caravan park, a coop, a country club and a Silver Chain nursing post. The nearest hospital is in Kununoppin (close to 1.5 hours away).

Shire of Wyalkatchem 14,15

Agriculture accounts for 60% of businesses in Wyalkatchem, which is reflected in the employment profile of the Shire, with 35% of all employed persons in the Shire working in this industry. Other local businesses supporting this industry are heavy haulage, stock agents, farm supplies and equipment, pest control and general insurance. There is a limited range of services in the town: banking (NAB), hotel, hairdressing, food and general stores. Reflective of an ageing population, Wyalkatchem has a hospital, a retirement village and a chemist.

Shire of Koorda 16,17

The dominant economic activity in the community is agriculture, with agriculture related business accounting for most of local businesses. These are mostly aligned to the farming of wheat, coarse grains and sheep. Similar to other smaller Shires in the region, these include concrete services, welding and fabrication, a bulk handling co-op, stock agents, wool buyers, farm parts and farm/fertilizer supplies and haulage. Other services: waste disposal, electrician, freight, garden centre, tyre service, vehicle inspections, insurance, real estate, bus hire and

¹⁰ Shire of Goomalling website.

¹¹ Shire of Goomalling, *Community Strategic Plan 2019*.

¹² Shire of Mount Marshall, <u>Strategic Community Plan 2017/18 to 2026/27</u>.

¹³ Shire of Mount Marshall website.

¹⁴ Shire of Wyalkatchem, *Draft Strategic Community Plan 2020 – 2030*.

¹⁵ Shire of Wyalkatchem website.

¹⁶ Shire of Koorda, Strategic Community Plan 2018.

¹⁷ Shire of Koorda website.



courier services. The town has some two banks (Bendigo Bank and CBA), a butcher, an IGA and newsagency and some accommodation. It also has a museum and a swimming pool. The nearest options for hospitals are Wyalkatchem (45 minutes), Kununoppin (1 hour away) or Wongan Hills (1:15 hours away). Koorda has a pharmacy, a physiotherapist, a doctor (every Wednesday) and there is a dentist in Goomalling (more than one hour away).

Shire of Tammin 18,19

Likewise, the Shire of Tammin is predominately an agricultural area and supports a growing town-based community. The town has an abattoir, a post office, a hotel and a gas station and supermarket. Other than farming businesses include tuck and plant hire, haulage (Coodernuppin), cattle feedlot, an engineering workshop, glass and auto, an electrician and tree nursery.

Shire of Dowerin ^{20,21}

Dowerin is situated on the Northam-Wyalkatchem-Merredin railway loop line. Primary production includes farming livestock, wool, and cereal crops which employs 41.7% of the labour force. Affiliated businesses include: ag supplies; chemical and farming goods; local stock, fertiliser and grain carrier; live and bulk transporting of crops, cattle and sheep; hay baling services and bulk seed cleaners. Other services: fencing, earthmoving, engineering, steel or welding needs, machinery dealership, tyre exhaust and battery needs, mechanical repairs, refrigeration and air conditioning. Locals are also employed in education (District High School to Year 10), public administration and retail. The town has a caravan park, a Post Office, banks (Bendigo Bank and NAB), a hotel, bakery, roadhouse, butcher, grocery store and nursery. Locals have access to a chiropractor, painter, electrician, builder, plumber, accountant and vet, as well as insurance, real estate and landscaping services.

Shire of Trayning ^{22,23}

The Shire of Trayning covers an area of 1,632 km consisting of agricultural land, nature reserves and national parks in the north eastern Wheatbelt region of Western Australia. Services include cartage contractors, agricultural repairs and welding, haulage, stock feed and electrical services. The town has a hotel, Post Office, diner, hairdresser and a primary school. The nearest hospital is located in the nearby town of Kununoppin. Trayning has an aquatic centre and a number of sporting clubs: tennis, swimming, basketball, bowling, tractor pull and golf.

Shire of Nungarin ^{24,25}

Nungarin's agricultural base is predominantly wheat and sheep farming. There is a small number of businesses in Nungarin providing services in excavation and earthmoving, fertiliser and insecticide services and pest control. Residents can access the services of a financial planner, cabinet maker and counsellor. Nungarin has a hotel, a caravan park and swimming pool, bowling and golf club.

¹⁸ Shire of Tammin, Strategic Community Plan 2017-2027.

¹⁹ Shire of Tammin website.

²⁰ Australia's Golden Outback, <u>Dowerin</u>.

²¹ Shire of Dowerin, <u>Dowerin Strategic Community Plan 2018-2028</u>.

²² Shire of Trayining, Strategic Community Plan 2019-2029.

²³ Shire of Trayining website.

²⁴ Shire of Nungarin, <u>Strategic Community Plan 2013-2023</u>.

²⁵ Shire of Nungarin website.



FAPSTC Industry Representation

There is little consistency in the type of businesses operating across the region outside those affiliated with agriculture, heavy machinery, transport and logistics. Many of the industry sectors within our Training Council's Service Agreement remit are not particularly well represented in the region, especially across the smaller townships.

Banking Services

A suite of banking services is available in towns where banks are present. A small number of staff are employed to operate each branch. Opening hours can vary with some outlets shortening their operating day. It is difficult to keep branches open and progressive bank closures are likely in the coming years. The level of staffing is minimal with branches relying on all-rounder capabilities to maintain all client services. Clerical roles are typically filled by surrounding locals and the turnover is low. High managerial roles require a minimum of tertiary qualifications and it is not uncommon for banks to include benefits such as accommodation packages to attract good staff from Perth to fill these roles. Corporate head offices develop and roll out industry specific training.

Many of the towns have Australia Post outlets. These act as an agent on behalf of over 70 financial institutions with transactions mainly limited to deposits, withdrawals and credit card bills. Online training and induction processes cover a wide range of topics and include job shadowing in the workplace. Similarly, some Community Resource Centres are affiliated with Bendigo Bank and approved to provide similar base-level services, much of which is paper based. Training is Bendigo Bank specific and supported through online modules which include: regulations, governance and compliance; banking procedures; customer engagement and dealing with customers; and culture.

Accounting and Bookkeeping

Majority of accounting firms in the region are strategically located in larger towns. They range from global firms with a state-wide presence to large firms with offices situated across a number of central towns in the broader Wheatbelt area, through to locally owned and operated businesses which can also be found in some smaller towns such as Dowerin. They provide professional accounting and advisory services to a geographically large and diverse client base, dominated by small to medium enterprises. Many firms are long established businesses in the area and rely on long-standing relationships with business owners and individuals.

Given the primary industry in the region, accounting firms have a strong specialisation in the agricultural sector and related industries. Services include: business, tax and compliance; business advisory services; online accounting; and specialist services such as self-managed superannuation funds, succession/estate and retirement planning. These vary depending on business capacity/capability and it is not unusual for smaller firms to form business alliances in order to provide breadth of service.

The provision of bookkeeping services is a commonplace source of income for accounting firms. These are tailored to client needs. Other than general assistance with bookkeeping, payroll processing and payment, and activity statement preparation and lodgement, accounting firms also support their clients with accounting software setup and training on accounting software. As an extension of service, some firms run regular in-house sessions on the use of cloud technology and even support their clients with IT related needs around hardware/software purchase and upgrades, maintenance, remote helpdesk and security audits.

Firms with an international or national presence have the advantage of scale and reach. By design, larger firms can deliver a greater range of specialist services that attract larger corporate clients. Their access to things such as resources, technology and systems, streamlined business processes, online presence, administrative support and internal training solutions bolster their capabilities, efficiency and cost advantages due to economies of scale. One of the challenges for smaller organisations is their ability to adapt to a rapidly changing, tech-driven environment: keeping up with software developments and accounting programs, integrating these into the business, moving to a cloud environment and ensuring technical capability. They are experiencing a growing dependence on external software providers and find themselves needing to trouble shoot computer problems. Internet access and speed continue to be problematic in some areas. Single touch payroll and the need to support clients with JobKeeper have had a significant bearing on businesses.

While larger scale businesses can fast track their response to new needs, develop centralised training modules and deploy bite-sized skill development, small regional businesses rely on existing staff to carry the additional workload. Locals employed in clerical and administrative support roles within small firms have a breadth of capability. Typically, their skill acquisition usually develops through on-the-job learning, coaching and informal training.

Smaller players can spend as much as 50% of their time offsite, visiting clients and travelling distances which can span up to 250 kilometres. This is particularly so for accounting businesses based in small regional towns where the size and makeup of the local community and commercial activity is unable to support business activity. The biggest threat to small accounting firms in such towns, is loss of business as farming clients sell their properties to larger family-owned operations and exit the area. This trend of farm consolidation, population decline, growing ageing demographic, lack of services and business closures place considerable pressure on business sustainability.

Cleaning

Population trends point to an ageing population and a continued increase in the number of older people living across the region. This is placing a greater demand for a range of services which include those which support the ability for people to keep living independently at home and in their community. Access to such services is inconsistent and tends to be more readily available in areas which house larger communities. Smaller towns may still benefit but this is often determined by their proximity to larger centres and the willingness of service providers to travel.

Cleaning is one of the services elderly people (and people with a disability) can access in some parts of the region through organisations such as AVIVO and the National Disability Insurance Scheme. Dowerin Home Care offer a range of entry level aged care services for older people needing assistance. Help with daily tasks is funded through the Commonwealth Home Support Programme (CHSP) and includes cleaning. Mable is another organisation which links NDIS funded services such as cleaning to support the elderly.

Some towns in the region also have access to cleaning services provided through micro-sized, typically non-employing businesses. Online platforms such as *hipages*²⁶ support the process of sourcing specific trade-based services (including residential and commercial cleaning) by connecting customers to businesses in surrounding areas. Similarly, Mable's online platform enables clients to post job requests and find vetted, independent support workers by locality.

²⁶ Hipages website.



Local Government Administration

Unique Needs and Challenges

Recent findings into local economic development²⁷ point to significant economic and social infrastructure constraints across areas such as transport, logistics, communications, water, health, education, facilities and retail. The report by the WA Local Government Association explores the current approach to regional planning, funding and program delivery and the unique needs and challenges for individual areas and regions across Western Australia. They profile this in the context of local government and its strong focus on building local economies to deliver better outcomes around local job creation, access to products and services and the creation of vibrant, liveable communities. The report explores a range of barriers which prevent local governments from undertaking economic development activities, including funding constraints and revenue generating limitations, and the impact these have on the ability of local governments to reinvest back into community services and infrastructure. The issue of roadwork maintenance provides a good example of this and demonstrates how external factors can place untenable pressure on finite resources, particularly across concentrated secondary freight routes across the Wheatbelt.

The road network across the region carries significant volumes of heavy vehicles hauling commodities such as grain, livestock, fuel and fertiliser, as well as farm and mining machinery, basic raw materials and minerals. Closing of railway lines has significantly increased traffic of larger and longer heavy vehicles carrying freight. Business decisions rationalising/streamlining activity such as CBH's consolidation of bins has also had a huge impact on the logistics of grain haulage from farms to local receival points by farmers and trucks from bins to rail and beyond. These changes have accelerated deterioration of road infrastructure and placed huge financial pressure on impacted local governments tasked with maintaining the roadwork network. In towns such as Kellerberrin and Trayning demand for transport infrastructure and servicing is closely integrated with grain handling/receival and storage facilities within or immediately adjacent to the Shires. Discussions with affected Shires points to a growing need for a review of secondary freight route funding to ensure that designated roads are upgraded and maintained sustainably. The capacity of local governments to supplement under resourced arrangements can vary greatly and any reallocation of funds impacts other services, infrastructure and projects.

Strength of Collaboration

A key focus across the region is diversifying and strengthening economic activity which in turn broadens local employment opportunities, supports the ability to service the needs of the residential population and contributes to the longevity and vibrancy of communities, making them more attractive places to live. Many of the local governments have banded together to drive these outcomes and maximise their ability to adhere to compliance requirements and deliver on strategic and operational plans.

The North Eastern Wheatbelt Regional Organisation of Councils (NEWROC) is a regional leadership group formed by six member Councils (Shires of Koorda, Mount Marshall, Mukinbudin, Nungarin, Trayning and Wyalkatchem) to foster collective economic prosperity and industry diversification. They are positioning their moderate distance from Perth/other regional centres and the abundance of affordable land to attract new businesses and infrastructure investment into the area. These make it ideal to drive business growth in areas such as alternative sources of renewable energy and call centre activity.

²⁷ WA Local Government Association, <u>Local Economic Development, Research findings and future directions</u>, May 2019.

Tourism is another major area of focus for local governments across the region. Effort is being directed at coordinating tourism activities and marketing events and attractions across parts of the region to deliver outcomes at a local level. Alongside NEWROC, another local government-led initiative is the Wheatbelt Way: an online trip planner which highlights regional offerings and drives tourism to Dowerin, Koorda, Beacon, Westonia, Nungarin, Wyalkatchem, Bencubbin, Mukinbudin and Trayning. Merredin's visitor centre numbers point to a return to pre-COVID visitor figures. However, the tourist make-up is quite different with an upsurge of intrastate visitors, particularly the grey nomads and people researching family histories (based on information received from CRCs and museums). The biggest drop in tourism has come from overseas visitors but there has also been a drop in the number of families travelling to the region. Together, this pattern has meant a drop in tourism spend, particularly due to a more frugal nature of older caravanning tourists as they travel across the State.

Similarly, Shires and local businesses collaborate with associations such as the Wheatbelt Business Network to grow businesses and communities while creating a positive atmosphere through professional development, one-on-one business support, networking events, and economic development initiatives. Likewise, local governments play an important role in training and skills development, particularly through their responsibilities and close alignment with institutions such as public libraries and Community Resource Centres (CRC).²⁸ While the range of services offered by the various CRC's varies, CRCs provide support with and access to administrative services and short targeted training depending on the needs of the community.

There is also a critical reliance on volunteers, particularly around the provision of emergency services (such as ambulance drivers and fire fighters), in place through local government emergency management arrangements. Clubs and community events also rely on volunteers.

Regional Local Government Workforce

Local government spans a wide spectrum of sector specific job roles and functions. Many of these require a working understanding of governance and compliance within a local government context. Shires located in the regions often lack access to suitably skilled and experienced locals to fill positions (particularly at management and executive levels) and find it challenging to attract the right candidates into the area. Location, people demographics, availability of services/facilities and lack of suitable accommodation play a part. An inability to match salaries to those of competing industries is another. The smaller and more remote the Shire, the greater the challenges.

Finance managers need specialised, intricate knowledge and must comply with Australian accounting standards, the Local Government Act and regulations governing the sector. Similarly, CEOs and deputies also need the right balance of skills and knowledge which takes years to develop. It is not uncommon for semi-retired CEOs to take up post in the role as a gap measure while a more permanent solution is found. Succession planning needs to be addressed with many CEOs nearing retirement age. Depending on distance from Perth and other large towns, while not the preferred option, it is not uncommon for people to take up drive-in-drive-out executive level roles. Some people advance their careers and fast-track a shift into senior management roles by moving to the area out of metro local governments. A number of the Shires were recruiting for CEO roles, one was in the process of selecting an Executive Assistant and about to advertise for a new appointment of an Economic Development Officer (to grow economic growth and business diversification), all of which required an extensive search beyond the region and included metropolitan WA. Other areas

²⁸ WA Local Government Association, *Local Economic Development, Research findings and future directions*, May 2019.



of need include HR compliance/governance and project management. There is also a strong focus on increasing community engagement and connectedness driving a need for Community Development Officers.

Regional Shires are also experiencing difficulties in attracting people to fill engineering roles. Other roles include health professionals (funded by various local governments to ensure services exist to support community needs) and childcare workers (for local governments which run day care centres to enable employment for local parents with young children). Plant operators are hard to replace as they require a certain level of skill to work independently. Increasingly, they are harder to source as mining continues to rebound. Work supervisors (engineering/works services) are another role which can be hard to fill. However, for some local governments it is also hard to recruit into less technical roles. One Shire has been unable to employ a person into a customer service role. Another reported lack of interest in a traineeship which had been advertised some time ago.

For smaller Shires lack of staff resourcing affects their capacity to champion work and the extent to which corporate and strategic plans are executed. Changes imposed by federal and state governments, and the continued increase in workloads and compliance are also affecting resource allocation to maintaining services/facilities and servicing the community. Smaller and bigger local governments have the same compliance requirements but a vastly different capacity for staffing, funding/revenue/reserves. As such, they have a greater reliance on grants but can lack the skills needed to source and write grant applications to maximise success of submissions.

For those with a handful of FTE office staff, it also causes issues in terms of separation of duties. This is not an uncommon challenge particularly as many Shires rely on blended roles of core responsibilities to meet their needs. While certain functions need to be carried out, they may not have a need (or funding capacity) to employ people into discreet full-time or even part-time roles. Wherever possible, many employ locals. Rather than hiring for skill, they look for the right fit with a view to learn and upskill on the job.

Increasingly, local governments across the region are reliant on collaboration and economies of scale to address growing operational pressures and limitations such as resource allocation, employment/skill gaps and funding restrictions. Many fund shared services, collectively employ rotating staff, outsource work to contractors and seek cost advantages through group training to build internal capability. These have been formalised through regional groupings such as the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC), relationships with local bodies such as the Small Business Development Corporation, agreements and memorandum of understandings on shared services. Some Shires share plant operators, rangers and environmental health officers. Others divide some of the costs associated with the provision of services such as health and childcare. Shires also share the costs of community emergency managers with the Department of Fire and Emergency Services. A series of fire management plans are typically outsourced and, if they haven't done so already, Shires are looking at waste management being a shared service between Shires.

A few Shires have also entered into agreements with local Community Resource Centres for the provision of some functions such as library services and community development work. Swimming pool managers for outdoor pools managed by a Shire can either be employed directly by the Shire or through a contract with an external company who have carriage of the employment contract across the 6-month period from November to March. Housing is subsidised or free to incentivise people into the area, provided by the Shires.

It is common practice for local governments to rely on consultants for specialist expertise and/or compliance requirements (engineering, finance, environmental health, building planning and plumbing). If not available locally, depending on location, these are sourced from



Merredin, Northam or Perth. There is some consideration being given to outsourcing some levels of HR, while others access support and guidance for such functions through WA Local Government Association (WALGA) either through their membership or fee-for-service depending on level of need. Contractors are also used for major works and roadwork, including truck drivers, grader and plant operators.

Training and Development

Shires look for cost effective solutions and on-the-job training to train and develop staff. They are highly reliant on people's ability to multi-skill. WALGA and Local Government Professionals WA are engaged for much of the local government specific training through development programs, workshops, seminars, professional networking opportunities and fee-for-service specialist support. Exposure to and type of training is dependent on factors such as specific job role needs, knowledge/skills gaps, risk and compliance.

Online training is an affordable option as it does not incur travel or accommodation costs. It makes it viable for businesses to support the training as they don't have to release staff for an extended period of time. Smaller Shires do not have the resources to back fill these roles. Similarly, online learning makes it viable for people with young families to access training without the need to be away from family which can be challenging, particularly if they need to access childcare facilities. Even if those exist, operating hours may not be able to accommodate someone's ability to be away from home.

Local government specific software such as SynergySoft and, to a lesser extent, Reckon support business processes and learning modules/platforms/recordings to support use of the technology and products. Whereas Reckon is limited to accounting, bookkeeping and payroll functions, SynergySoft is more widely implemented as it is a fully integrated enterprise product suite that encompasses all business areas of an organisation within a single user interface. Business areas include finance, personnel, productivity, rates and property, records and technical. Learning is broken into chunks and focuses on discrete job functions. These are pre-recorded and can range between 5 to 40 minutes in length. There is a preference for this type of informal training where learning can be implemented on the go.

If training can only be accessed in Perth, where possible, Shires will opt for collective regional training through bulk purchasing and bringing the trainer to the region. Discussions about the pending Local Government Training Package and the level of appetite to access new training package products, point to a preference for targeted, skill set training rather than full qualifications. In terms of elected member training, it would appear this was exclusively sourced through WALGA as the recognised body for such delivery of training despite the fact that South and North Metropolitan TAFEs were also set up for the mandated training.

Traineeships and Apprenticeships

Of the traineeships available across our Training Package portfolio, discussions with local businesses point to a lack of traineeship uptake. Many local governments tend not to employ people under a traineeship contract. A few have expressed a willingness to consider how a traineeship or an apprenticeship could be supported within the organisation and the types of job opportunities this could open for local young people, including those from Indigenous communities. Budgets, access to grants and incentive schemes are all factors impacting decision making. Other considerations include issues around training, geographic distance, internal capability, trainee suitable entry level work, access to support and resourcing.

One local government has supported apprenticeships/traineeships over the past 10 years and currently employs a heavy machinery apprentice mechanic. Others which had tried, found it to be a lot of hard work due to the level of supervision, mentoring and time required to provide adequate workplace support. It meant a juggle of resources and thinning of time for



supervisory staff who still needed to meet the requirements of their standard work functions. The view is that this challenge of capacity is exacerbated in smaller local governments with fewer staff.

Some Community Resource Centres (CRC) across the region offer traineeships based on staffing needs to meet delivery of services and support business outcomes. These are dependent on funding application outcomes submitted to the Department of Primary Industries and Regional Development. Anecdotally, over time, these have included traineeships across business, business administration and finance. Information technology, tourism and events are other areas of focus across the region and will determine types of traineeships offered by various CRCs.

Schools

Key concerns for majority of towns across the North Eastern Wheatbelt are their declining populations, particularly the proportion of young people leaving the area and the impact this is having on the local economy, the sustainability and range of available services/facilities/sporting clubs, and the vibrancy and social wellbeing of each residential community.

Access to education is one factor which has a strong influence on the changing demographic. A handful of schools is scattered across the region. Many of the secondary schools do not offer Year 11 and 12 curricula and existing classroom delivery supports blended year levels. As a result, the transition from primary to secondary school marks a departure of students leaving for schooling and early career opportunities for slightly older students. While those living in proximity to well established towns such as Northam and Merredin can commute to nearby schools, many students go to boarding schools. Other families weigh up the costs of boarding multiple siblings and move from the area either as a family or divided (where the men stay behind on their family farms, placing strain on relationships and risking detrimental fallout).

Merredin College

This year's cohort of year 11 and 12 students consisted of 44 and 43 students, respectively. Few study general subjects and about 98% of the combined year 11 and 12 students undertake VET qualifications from Certificates I through to IV across a range of disciplines. Certificate IV qualifications are seen as a backup for ATAR students as it gives them entrance to a number of universities.

Across the two years, the students tend to do a spread of certificates to keep them engaged and help make informed decisions about future career aspirations. In conjunction with Central Regional TAFE, students undertake Certificate IV in Preparation for Health and Nursing Studies. Students have also been studying Certificate II in Dance, Certificate II in Business, Certificate II in Building and Construction (Pathway - Trades) and Certificate II in Engineering Pathways and Certificate II in Automotive Manufacturing Production.

The school has a purpose-built trade training centre but despite many students wanting to study courses in automotive, building and construction, there are not enough students to viably fill a minimum class size which means that the centre is not being used as intended. The school is forced to cease delivery of automotive qualifications for 12-months as they are losing their automotive teacher at the end of this year and are unable to find a suitable replacement who meets trainer TAE and Certificate requirements. Reportedly, TAFE has been approached but they too are having challenges in recruiting for this role. Hence, at this stage, there will be 12 students undertaking studies across engineering or building and construction in 2021. This is also the case with students wanting to study dance in 2021. Delivery of the Certificate II will cease for 12 months until the current teacher comes back from maternity leave.



In 2021, there are 26 year 11 students set to study Certificate IV in Preparation for Health and Nursing Studies. Students will also be able to undertake the new Certificate III in Information Technology and they are also looking at on-line delivery of the Certificate II in Workplace Skills through the Merredin TAFE campus.

Residual Impact of COVID-19

Business Closures

Businesses adapted their operations to meet COVID-19 mandates and shifted the way they did business to continue servicing clients. People became flexible in where and how they worked to accommodate restrictions and safety measures. In most part, businesses adversely affected by the pandemic were able to withstand its impact thanks to JobKeeper and various financial support mechanisms made available to businesses. While a few have not reopened, most of the cafes and shopfronts that temporarily closed their doors are back in operation. Various businesses have adjusted operating hours and are not operating at full capacity.

However, exits of businesses in small towns tend to have a bigger impact, particularly in areas where access to services is already stretched thin. Dowerin's imminent closure of Mitre 10 is already being felt by the remaining businesses in the town. The well-stocked shop supplied goods across hardware, gardening and electrical equipment. It drew broader regional communities into the town, benefiting other businesses. Since its decision to close, the town has seen decreased visitation and traffic.

On a larger scale, Merredin has an increased number of retail vacancies and is set to lose its Kmart due to Wesfarmer's business rationalisation and restructure of Kmart and Target stores. Reportedly, the market is deemed too small under their new structure. Another casualty of COVID-19 is the local sport shop. Having purchased and not sold a lot of winter stock, the business lacks the reserves and cashflow to carry it into 2021. The impact was magnified by the temporary closures of sporting and recreational clubs.

In line with this, one of the remaining impacts of the pandemic is a significant reduction in organised sport both at participant and volunteer levels. The Shire of Merredin is looking at investing in club and sport development to turn that around. However, for many smaller local governments sport participation and choice of sporting clubs is largely affected by the exodus of young people from the area and an increasingly ageing demographic.

Travel Restrictions and Border Closures

State-wide travel restrictions contained much of consumer spending to locally purchased products. Regional business owners (such as IGAs) saw a significant increase in demand for locally sourced mainstream goods. While it was hoped this trend would continue, once restrictions lifted people reverted to pre-COVID habits of travelling to larger towns and/or Perth for bulk purchases. Some supply chains were affected where some stock was difficult to get. Access to capital was another reported barrier for businesses to meet increased local needs.

Businesses which rely on backpackers found it impossible to attract staff. Currently, this is having a huge impact on agricultural service providers, farmers and the region's ability to harvest. The shortage in harvesting manpower can affect grain supply. Boarder closures and travel restrictions are seeing an increased reliance on locals to try and fill gaps. Some locals working in other roles/industry sectors make themselves available to take on harvesting work, while others are taking time off to cover some of the busy harvest period. The community is pitching in: families, friends and neighbours.

One of the challenges in sourcing staff is a growing reliance on skill and experience. As farming continues to become more mechanised, the skills needed to operate the machinery become

more specialised. Interestingly, the complex nature of being an airline pilot and the skills they possess has meant that, with some fast-track training, some have secured work in driving such machinery.

Shearing is also highly dependent on an influx of experienced overseas labour (particularly access to New Zealand workers). Sheep farming businesses across the Wheatbelt have been unable to meet their shearing needs. Being able to shear between 250 and 300 sheep a day is reliant on years of experience and cannot be taught quickly.

Digital Skills for Small Business

The restrictions of COVID-19 accelerated the need for businesses to have an online presence. Organisations specialising in the development of websites and eCommerce solutions have experienced an increased demand for their services.

FAPSTC's discussions with regional stakeholders in Moora and across the North Eastern Wheatbelt point to an appetite for digital skills, particularly from small businesses looking to enhance capability and reach. Anecdotally, the provision of such services is scarce across the region. Even when available, the cost is prohibitive and lacks adequate ongoing support mechanisms post implementation.

The recently released <u>Digital Skills for Small Business Skill Set</u> comprises four units of competency which target the identified digital business needs. The skill set focuses on four main areas of skill development: using social media to engage customers, providing of online customer service, securely managing personally identifiable/workplace information, and building simple web pages.

An opportunity exists for affordable training delivery of such a skill set to business owners and staff. This would require adequate support to ensure people who have completed the training can continue to use, maintain and troubleshoot implemented systems on an ongoing basis.