Employment Dynamics in Agricultural Regions

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Overview

• Recent Employment Dynamics

• The Anatomy of Labour Shortages

• Regional, Local and Enterprise Responses
Regional Workforce Futures
An Analysis of the Great Southern, South West and Wheatbelt Regions

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GMPM 656
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Recent Employment Dynamics

• The current economic upheaval does not mean that labour shortages are no longer a problem for agricultural regions

• There is considerable spatial variation in employment dynamics, and agricultural regions are still facing recruitment and retention challenges

• Many of the drivers of these challenges are not a simple function of the business cycle but have deeper structural and social origins

Wheatbelt Subdivision Unemployment Rates, 1997-2007
Labour Force Participation in the Great Southern, 2006

Labour Force Participation in the Wheatbelt, 2006
The Inter-regional dynamic

• There is considerable flow of labour between places, meaning the regional workforces are interlinked

• While there is a degree of inertia, there are number of age cohorts and industry sectors that demonstrate considerable mobility
Global nickel price and employment in Goldfields nickel operations, 1997-2007

Global gold price and employment in gold operations, 1997-2007
Mean individual incomes, 1996-2005

(Source: Australian Taxation Office, 2007)
Labour shortages at the enterprise level

• National survey of 600 rural enterprises
  • Business structure/sector
  • Performance
  • Employment structure change
  • Recruitment and retention
• Analysis of impacts, characteristics etc.

• Sectors most affected:
  – Agriculture
  – Manufacturing (inc. ag repairs, engineering etc.)
  – Construction
  – Health and Education
  – Local government
Determinants of Labour Shortages

• Wage structures
• Structure of the labour force (high levels of dependence)
• Location (agricultural heartlands and mining regions)
• Skills and education base of workforce
• Small potential local labour pool (pitting rural places in direct competition for potential migrants)
• Lack of workplace flexibility in terms of conditions etc.
• Demographic change
% of the Labour Force within Avon aged 55 or over by industry sector

(Source: ABS, 2007)
More on determinants...

• Wages not necessarily the whole story
• Other factors continually arose Australia wide:
  – Housing (availability, diversity and quality)
  – Land (availability)
  – Availability of work for partners/spouses
  – Availability of child care places
  – Negative *perceptions* about services
  – Negative *perceptions* about place
  – Knowledge/exposure to location
Responses

• Regional workforce planning (identifying and tackling some of the structural issues)
  – Example of the Goldfields report
  – See discussion in RIRDC report about tackling the determinants
  – Regional perceptions

• Industry level responses
  – State Training Board’s *Beyond the Boom* report etc.

• Enterprise level responses
  – Successful enterprises did not try and complete on salaries alone
  – Workplace conditions and flexibility