

SUPPORTING REGIONS DISCUSSION PAPER August 2007

1. PURPOSE

To satisfy Clause 18.1 of the South Australian Government Wages Parity (Salaried) Enterprise Agreement 2006 (the Agreement) stating:

“The Commissioner for Public Employment will, by 30 June 2007, develop a “Supporting Regions Discussion Paper” about targeted and general options to improve attraction, retention and support of employees in regional areas (including access to additional leave particularly for family medical appointments; discretion for chief executives to approve additional financial payments to retain employees; and professional development opportunities) together with any issues arising out of the implementation of the new Attachment F “Remote/Very Remote Attraction/Retention” to Commissioner’s Standard No.2, and will enable implementation of agreed matters during the life of this Enterprise Agreement.”

Clause 20.1 of the Natural Resources Management Boards Enterprise Agreement 2006-2009 contains the same requirement.

2. BACKGROUND

At the Commissioner’s request, Public Sector Workforce Division (PSWD) of the Department of Premier and Cabinet sought input from all Portfolio Chief Executives (CEs) and the unions respondent to the above Agreements, which cover approximately 34,500 public sector employees.

Responses were received from a number of portfolios, the Public Service Association (PSA), Regional Facilitation Groups (RFGs) as well as collated input from NRM Boards.

3. AGENCY/EMPLOYER RESPONSES

Responses received covered a wide range of issues and potential options to improve attraction, retention, support and development of SA public sector employees in regional areas. Additionally, a number of comments were received regarding the implementation of Attachment F “Remote and Very Remote Locations” of Commissioner’s Standard 2 (“the Standard”), at (http://www.cpe.sa.gov.au/ref_docs/Standard_2_Quality_Staffing.pdf).

The agency/employer responses are summarised below.

3.1 Defining remoteness

A number of responses identified different locations currently excluded from the Standard’s definition of Remote, including the Iron Triangle, Crystal Brook, and Morgan, as locations where attraction, retention, support and development of SA public sector employees is an issue. Another suggestion was for the Standard to include all regions defined as outside the Adelaide metropolitan area.

The Standard does include the option for RFGs and agency CEs to request the Commissioner for Public Employment to include (or exclude) specific locations.

3.2 Funding

Funding to pay for initiatives was identified as a major issue. Agencies identified payment of additional allowances as a significant imposition on allocated budgets.

There was also concern expressed as to the consistency and flow-on effect of paid regional incentives across occupations covered by other enterprise agreements.

3.3 Relocation costs

Notwithstanding the extended provisions regarding reimbursement of relocation expenses in the Standard, one response identified additional relocation services support as an option for inclusion in the Standard. Similarly, other responses called for further subsidies related to incidental relocation costs.

3.4 Support and employment for partners

Agencies sought further assistance with employment for partners, including creating strategic employment networks.

3.5 Family travel assistance

In addition to the family travel assistance specified in relation to employee training/development in the Standard, responses sought further options regarding travel reimbursement for medical services not provided in the region and also for family travel costs in conjunction with employees' annual leave.

3.6 Additional incentives/allowances/reimbursements/subsidies/bonuses/leave

A number of responses canvassed the idea of additional financial incentives, recognising the potential impact on agency/region budgets as discussed above. Among the incentives suggested were –

- Financial assistance with schooling costs, air/bus fares, housing/accommodation, health care costs, communication costs (internet, mobile phone, fixed phone), car (private use of Govt car, registration), child care (availability & costs), return travel
- Increased zone/region/locality allowances – some agencies do not believe current location allowances reflect true expenses
- Increased pay rates (base & performance while remaining in region)
- Additional leave
- Additional salary sacrifice provisions
- Salary packaging incentives (govt/personal cars, accommodation)
- Flexible work arrangements to more easily allow employee travel outside region

3.7 Professional development

Respondents proposed a number of options to address issues related to professional development in regions –

- Study support schemes
- Systems for professional/collegiate support
- Mentoring through paid internships
- Enhanced/structured opportunities
- Access to sufficient personal/family travel and cost reimbursement

3.8 Career opportunities

Responses emphasised the need to establish meaningful career structures and opportunities in regional areas to overcome the perception that metropolitan classifications/opportunities rated higher than regional. Options suggested included decentralisation of management, promotion of breadth of regional jobs, combining of regional public sector jobs/resources and right of return to metropolitan jobs/careers.

3.9 Recruitment to and participation in regional communities

There were a number of suggestions regarding external recruitment to regional communities/jobs, including –

- National advertising particularly for hard to recruit senior & specialist staff
- Promotion of regional benefits
- Offering bonded cadetships
- Promotion of regional SA Government as a preferred employer
- Additional financial incentives as outlined above

These suggestions also referred to the need for social support & mentoring for external recruits, dealing with the local community perception of non-participation in the community and fly (drive) in & out appointments.

The additional recruitment of local trainees and apprentices was also a suggested initiative.

Management of the different incentives and employment conditions for local vs external employees is a significant issue.

3.10 Public employee housing

The perceived shortage, location and cost of quality subsidised housing for potential recruits and their families was identified as a major barrier to external recruiting. Additional subsidies for both long and short-term accommodation were suggested as a possible remedy in the absence of wider choice of housing.

4. **UNION RESPONSE**

The PSA provided the following response:

“The Chief Executives of agencies already have delegations to pay additional allowances to attract people to regional areas. The option is very rarely utilised as Agencies do not receive budgetary increases to compensate. PSA members report overwhelmingly that there is not sufficient compensation for living in regional areas, particularly where cost of living expenses are greater than in metropolitan Adelaide.

The following list of proposed incentives was developed in consultation with PSA members:

1. *Cash bonus per annum for a period of 3-5 years (similar to incentives for country teachers).*
2. *Assistance with gaining employment for a spouse or partner.*
3. *Assistance with school fees for children to attend schooling in Adelaide, the closest major school facility or school of the air tuition.*
4. *Subsidised return air or bus fares to Adelaide each year.*
5. *Increased Subsidies for housing.*
6. *Subsidised Health Care costs.*
7. *Subsidised phone/electricity/car registration.*
8. *Additional salary sacrifice provisions.*
9. *Right of return to work in Adelaide.*
10. *Cash bonus after 2/5/10 years country service.*

The following matters should also be taken into account when considering attraction and retention strategies.

(a) **PUBLIC EMPLOYEE HOUSING**

The public employee housing stock is very old. Many of the houses are now below the community standard for housing. The houses were built in the 1960s and were the standard; lounge, kitchen and three bedrooms. Public standards in relation to housing are now much higher, particularly for families, professionals and other groups of workers. In some centres there is also a shortage of housing generally.

(b) **PARTICIPATION IN THE COMMUNITY**

In the Iron Triangle local councils have complained that public sector professionals tend to fly in and out for work. That is they do not participate in the local community and do not build community networks. The councils believe that this diminishes the local community and should be a factor that the State Government considers when developing proposals for incentives for regional employees.

(c) **LOCAL RECRUITMENT**

Employees recruited locally are not entitled to the range of current initiatives available for employees recruited from Adelaide. Local recruits feel disadvantaged as they face exactly the same environment as those moving to the area. Consideration should be given to providing incentives for those recruited locally to encourage them to continue with public sector employment, particularly given they often work in isolation and have high expectations from their local community, and the increased cost of living.

(d) **PROFESSIONAL DEVELOPMENT**

Regional employers should have access to regular professional development. Many of these employees work in isolation and therefore, their professional development is even more important to their on-going role than for those based in Adelaide with support and assistance more readily available.

Employees should be given access to sufficient travel time to attend development activities, and their family responsibilities need to be carefully considered on a case by case basis.

The issues identified are not exhaustive by any means, however provide a starting point for discussion on some of the critical issues which are already impacting on regional public sector employment. Unfortunately, these are only going to worsen which is why it is important to address them now if services to the state's regional communities are to be maintained.

The PSA believes that data should be analysed on regional employment shortages to get a clearer picture of the problems which exist and where agencies have paid allowances to address this situation."

5. OTHER ISSUES

5.1 Implementation of the Standard

A number of the issues raised above are clearly within the delegated authority of CEs as specified in the Standard.

Attachment F of the Standard does not appear to have been widely utilised to date. A lack of widespread awareness, on the part of agencies and/or employees, could be a factor. It is also the case that the Standard is apparently not currently in use within the agencies whose representatives developed it, within the remote and very remote regions for which it was developed. This would tend to suggest that, to the extent that vacancies are (still) being filled and staff retained, this is being achieved without the necessity to have recourse to the features of the Standard, although this is not to say that other attraction and retention strategies are not being utilised.

There appears to be a perception that the Standard, in its current form, is prescriptive and exhaustive and following from that, the definitions of remoteness that are utilised have to be expanded to enable application of the features to (other) hard to fill regional vacancies. And further, that additional features need to be incorporated into the Standard before they can be utilised.

In 2003, the Standard was developed by the Spencer Regional Facilitation Group as a “prompt” for regional managers, HR staff, and employees, as to (some of) the possibilities available to them, which at that time was via application to the Commissioner for Public Employment.

Whilst some responses indicated agencies were not aware of the Standard and therefore the range of opportunities it provides for CEs of affected locations, others are currently drafting operational policies and guidelines to implement the Standard. One agency indicated it was “...very supportive of all the elements in ...the Standard.”.

The range of responses indicates that the further implementation of the Standard across eligible agencies could well address a number of the issues raised in the responses, albeit at a cost.

5.2 Further research

One response suggested “...a structured analysis occur that identifies whether attraction/retention in regional areas is isolated to specific types of work/roles and whether it is appropriate to limit any incentives to those roles and what impact, if any, financial incentives may create in relation to employees who are recruited from local communities.”.

6. CONCLUSIONS

There are a number of issues arising from the feedback provided by both agencies and the PSA, including:

- Defining remoteness
- Funding
- Relocation costs
- Support and employment for partners
- Family travel assistance
- Additional incentives etc
- Professional development
- Career opportunities
- Recruitment to and participation in regional communities
- Public employee housing

Chief executives now have the delegation within their budgets to approve and implement attraction and retention strategies, as and where they see the need, to provide continuity of service delivery and this could include incentives and initiatives as proposed by the PSA.

The Commissioner will update the Standard to reflect the current delegations environment, to incorporate elements of the feedback where appropriate and to further emphasise the opportunities for flexibility and diversity of approach, with the Standard and its features as just one example.

A consistent issue of concern is the standard and availability of public sector employee housing, in particular in the context of people's reasonable expectations in the current day. In this regard, public sector unions are represented on the Public Employee Housing Advisory Committee.

The feedback received for the paper has been issues rather than data based and it is acknowledged that this is critical to commencing the dialogue. However, agencies may wish to consider a process of review, which quantifies and analyses the nature, location and extent of deficiencies in attraction and retention in regional areas and also records the positive effect over time of the further take up by agencies of the Standard and other initiatives.

The Commissioner will distribute this paper to Portfolio Chief Executives, the chairs of Regional Facilitation Groups, the Office of Regional Affairs and to those unions respondent to the Enterprise Agreements.

With the exception of the issue of public employee housing, the issues raised and the operation of the updated Standard will continue to be monitored as part of the annual review of Commissioner's Standards.