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Parliament of Victoria
Standing Committee on Employment and Workplace
Relations

INQUIRY INTO REGIONAL SKILLS RELOCATION

Submission from
Greater Shepparton City Council



**GREATER
SHEPPARTON**

Submission to Inquiry into regional skills relocation
Greater Shepparton City Council

EXECUTIVE SUMMARY

The Victorian Government Regional Skills Shortage Survey identifies significant skills shortages across the Greater Shepparton region in a range of areas including health, engineering, trades and transport.

This should continue to be addressed through existing programs such as the Skilled Migration Program, Live, Work and Invest in Provincial Victoria campaigns and further investment in training and education.

The Federal Inquiry Terms of Reference proposal to relocate unemployed workers from areas of high unemployment to areas experiencing skills shortages will do little to address the skills shortage and raises key areas of concern.

Most employers facing skills shortages are seeking qualified skilled employees with a minimum of five years experience within their skilled occupation.

It's important to distinguish the difference between labour shortage and skills shortages. A minimum of a diploma qualification or trade certificate is required for skilled workers. It's also noted that whilst there is a need for graduates, there is significantly less demand than that for skilled professionals.

Australia's Skilled Migration Scheme exists to address skills shortages by identifying the current needs of industry.

Moving unskilled workers into regional area would be problematic as it's essential there is adequate support services in place for workers and their families. This support should be delivered by existing agencies. However it is noted that existing agencies are not equipped to provide for the relocation of a disadvantaged sector of the community. This would require a comprehensive fully funded settlement strategy and significant infrastructure investment.

A key component of this relocation concept is the availability of public housing. Across regional cities public housing requirements are already stretched with consistently high waiting list numbers.

Relocating a workforce of unemployed workers with little or no qualifications may address the labour force issues to some extent however will not serve to address the significant skills shortage that exists.

BACKGROUND

Overview of Shepparton

In presenting this submission the Greater Shepparton City Council initially wishes to provide a brief overview of Greater Shepparton for the benefit of the Committee.

Greater Shepparton is one of the State's strongest growing regional centres. The Council attributes this growth to the strength of the regional economy, the liveability of the city and its region and the recognition of these factors by those who live here and those who continue to be attracted to relocate to Greater Shepparton.

Greater Shepparton contains a local population of 60,000 and services a regional catchment of 160,000 persons. Located just two hours from Melbourne, it offers a range of lifestyle options from contemporary urban living to charming rural communities.

Greater Shepparton is the hub of the Goulburn Valley, justly regarded as the Food Bowl of Australia. While the current drought is impacting on the region's dairying and horticultural industries, commercial development in the region continues to thrive and the manufacturing and retail sectors are strong. Meanwhile, emerging 'non water' reliant industries such as tourism and equine racing breeding and training, are also contributing to the economy.

Shepparton has many attributes that will continue to contribute it to being a regional centre of the future. Specifically, Shepparton:

- Possesses a strong economy - it is the centre of Australia's fruit growing and processing industry
- Has a booming investment in public and private infrastructure which is continuing to strengthen the economy
- Comprises more than a single urban area, with surrounding towns and rural areas which are conveniently linked to the main centre. This diversity provides considerable choice in housing, community setting and lifestyle - a level of choice not readily available to most Melbourne residents
- Is renowned for its diversity, culture and cohesiveness – Greater Shepparton has a large indigenous population (about 6,000 persons) and it has one of the strongest and most diverse overseas born population of any regional centre in Australia. It has developed a strong social and cultural program with refugees and skilled migrants from a number of backgrounds.

All these factors have enlivened the community and made Greater Shepparton a much more liveable and vibrant place. However while these factors can be readily identified as assets it should be noted that regional centres can be vulnerable to changes in many of these factors. Generally regional centres are more vulnerable to change because of lower levels of population, smaller and narrower economies and a limited range of specialist services and facilities.

Greater Shepparton has a growing population with an average growth rate of 1.2 per cent per annum in the period 1996 – 2006. Greater Shepparton has an ageing profile, in common with the Australian population in general. Over the decade to 2006 growth in the 44-64 year age group is evident indicating that people are shifting to Shepparton for employment, to raise families and in turn to look for retirement opportunities.

Greater Shepparton is proving to be attractive to the baby boom generation – the tree change phenomenon is a strong driver of population growth. The capacity for Greater Shepparton to attract and retain middle aged and older populations is evident, this in turn places considerable demands upon the city to provide and expand facilities and services to support this population and ensure high levels of liveability. However there is a loss of younger persons who are forced to seek education and training away from Shepparton.

One of the significant measures of the capacity of a regional centre of the future region is the capacity to attract new residents. This reflects people making choices to deliberately relocate to a place. It is highly likely that a strong movement to a centre reflects a positive perception of a place as a regional centre of the future. Population movement into Greater Shepparton has mostly been between Melbourne and Shepparton, interstate movements and local movements within the surrounding rural area. Between 2001 and 2006, 22 per cent of all people moving into urban Shepparton were aged between 20 and 30 years.

Clearly Shepparton has reached a critical mass in terms of population, employment and economic activity. The future of the city is assured based on its strong regional economy, its liveability and the regional role it plays. Continued population growth and investment can be expected to occur at a steady and sustainable rate. This should be recognised as a key feature of a regional centre of the future. While this can reasonably be assumed by the rate at which this occurs, the level of services and facilities available to the local and regional communities and the capacity to deliver a high quality of life are strongly dependent on the future support and partnerships with the Federal and State Governments. Both levels of Government need to continue to recognise and support the role and significance of regional centres and local government in delivering that.

Response to the Terms of Reference

To inquire into and report on the applicability of government employment policies to address the skills shortages in regional Australia focusing on opportunities to support the relocation of unemployed workers from areas of high unemployment to areas experiencing skills shortages.

This submission wishes to highlight the following elements:

Workforce Capacity and Skills Shortages

Australia being impacted by a skills shortage and the effects of this are more concentrated in regional centres such as Greater Shepparton. Critical skills shortages exist across all regional centres particularly in the health sector where demand is of the highest level. For example, 40 per cent of current nursing and midwifery staff will retire within the next decade, further placing greater demand on the already stretched health sector.

Whilst the health sector has a high demand for all allied health professionals, as evidenced in the State Government's Regional Skills Shortage Survey, other skills shortage occupations include civil engineers and trade occupations such as mechanics and boiler maker/welders.

Greater Shepparton City Council is heavily reliant on the continuation of its Skilled Migration Program to redress much of the skills shortage. Greater Shepparton City Council is a strong advocate of further skilled migration and the Skilled Migration Program has added to the cultural diversity and liveability of the region.

It is important there is an understanding that the critical skill shortages cannot be filled by unqualified and inexperienced job seekers. As evidenced in the critical skills statistics from the Global Skills for Provincial Victoria program, the occupations in demand are at the tertiary education or trade level.

Attracting graduates to regional cities is important for the long term solution into the skills shortage problem however recruitment of skilled, experienced professional is paramount to providing a balanced workforce.

In the North East Victoria area, funded under the Make Your Career Happen as part of Moving Forward, the Rural Skills Connect program has been effective in addressing the skills shortage. It has placed 106 people in full time employment and enrolled 280 people in training courses throughout 2009.

The Rural Skills Cadetship Program is another excellent initiative in addressing the skills shortage as young people who are studying in locations away from home are more likely to return to Provincial Victoria if they remain connected during their studies.

It is important to recognise the difficulty that the change in conditions to the gap year for tertiary students has imposed on regional Victoria. It is significantly more difficult for young people from regional areas to access university education in metropolitan areas. This reinforces the need for improved tertiary education in regional cities.

Affordable Housing and Support Services

The relocation of unemployed workers to Greater Shepparton would place great pressure on the already limited availability of housing. There is a widespread perception that housing is considerably more affordable in regional centres such as Greater Shepparton in comparison to metropolitan areas. Housing may be, on the whole, at lower price levels but Greater Shepparton has limited capacity to offer housing choice for purchase or rental because of the limited availability.

As per the December 2009 data provided by the Department of Human Services, Shepparton is experiencing accommodation waiting list of 370 applications. Of the 370 applications, 114 are considered to be required for people who are experiencing or at risk of recurring homelessness, people with a disability who have significant support needs and people with special housing needs. The relocation of workers that may require access public housing will exacerbate the long waiting lists.

An influx of unemployed workers would create an increased burden on the availability of housing in the region. Like any disadvantaged sector, it would be imperative that a comprehensive and fully funded settlement strategy is put in place.

Some of the most important factors that are needed to be taken into consideration when deciding when addressing the relocation of workers are:

- Access to transport
- Access to health services
- Access to community programs
- Access to employment and training institutions
- Access to healthy food- food security
- Public amenities- parks
- Surrounding community and environment

Government investment in education and training is needed in order to accommodate an influx of relocated unemployed workers to Greater Shepparton.

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Social Issues Associated with Long Term Unemployment Areas

Unemployment clearly has a potentially catastrophic impact on the individual and can contribute or increase mental health issues, but when high levels of long-term unemployed people are congregated in particular towns, suburbs, regions or groups within the society the adverse impact has an even more damaging effect on the community.

The solution is not just to relocate or 'export' these people to another region, but to provide suitable counselling, mentoring, social networking opportunities and links to training, volunteer and or paid employment, thus further highlighting the need for a fully funded and comprehensive settlement strategy.

CONCLUSION

In identifying the skill shortages in Greater Shepparton, it must be recognised that such occupations cannot be filled by unqualified and inexperienced job seekers. As evidenced in the critical skills statistics from the Global Skills for Provincial Victoria program, the occupations in demand are at the tertiary education or trade level.

As identified in the Victorian Government's Regional Skills Shortage survey, the most difficult occupations to fill are human resource professionals, accountants, specialist medical practitioners, metal fitters, machinists and fabrication engineers.

Relocating a workforce of unemployed workers with little or no qualifications may address the labour force issues to some extent however will not serve to address the significant skills shortage that exists.

To proceed with a significant relocation of a disadvantaged sector of the community would require a comprehensive fully funded settlement strategy and significant infrastructure investment.