



Australian Government

# **Submission to the Senate Select Inquiry into Jobs for the Future in Regional Areas**

September 2019

A joint submission from

Department of Employment, Skills, Small and Family Business

Department of Infrastructure, Transport, Cities and Regional Development

Department of Industry, Innovation and Science

Department of Agriculture



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# 1. Introduction

The Department of Employment, Skills, Small and Family Business (DESSFB), the Department of Infrastructure, Transport, Cities and Regional Development (Infrastructure Portfolio), the Department of Industry, Innovation and Science (DIIS), and the Department of Agriculture (the Departments) welcome the opportunity to provide a joint submission to the Select Committee inquiry into Jobs for the Future in Regional Areas.

The Departments are committed to contributing to the ongoing prosperity and well-being of all Australians, including those who live outside our capital cities. Undeniably, regional Australia's greatest asset has always been, and will remain, the over 8 million people who live, work and invest in the industries and jobs located in our diverse regions. Collectively, in 2016-17, these regions contributed \$537.2 billion to the nation's Gross Domestic Product and drove the majority of the country's exports earnings.

Yet the economy of regional Australia, like that of the whole nation, continues to experience change. Issues such as an ageing population, technological advancements, globalisation and a shift to the services sector, are contributing to both emerging job opportunities and ongoing challenges. While the transition of the Australian economy into growth sectors, such as the healthcare and social assistance industry, or new job opportunities such as those reliant on knowledge-based skills, has been largely beneficial, Australia's regional areas often face unique challenges in adapting to this change.

One of the greatest challenges in responding to economic change is that its impact is often unevenly distributed. This is reflected throughout regional Australia today, with some areas performing strongly, while others continue to experience significant disadvantage. The differences can largely be attributed to a range of factors, including a region's industry base, the population's access to and participation in higher education, transport networks and infrastructure, its degree of natural amenity, population size and growth, accessibility to more dynamic labour markets and the skill level of its labour force.

It is clear that regions which have the ability to create new jobs, using local innovative and entrepreneurial skills, have proven to be best placed to capture the benefits of change and enhance the prosperity of the Australians who live there. Regional business, in particular, plays a crucial role in proactively managing this transition by continually scanning their workforce requirements, and skilling their employees to meet the requirements for the jobs of the future.

However, for those regions that have lost major industries and employers, or struggle to attract more or better jobs, the experience has been less positive, with the impacts often felt by the entire community, through the closure of broader local services and loss of public amenity. Many regions' experience with the current drought reflect that its impact is often felt far beyond the farm gate, with family and small businesses, and those in supply chain, often struggling. It is important to build the resilience of both communities and businesses alongside the creation of sustainable future job opportunities.

It is therefore clear that the opportunities and challenges for regions span many different policy areas at a national, state, regional and local level. It remains important that a strategic regional approach is adopted to support an environment conducive to businesses improving their competitiveness as well as assisting those who are looking for employment. It will also be important to involve and draw on the knowledge of those living in the regional communities who are best placed to contribute to strategies and responses concerning their own local economic and social development.

The Departments represented in this submission are committed to building better regions and playing an active role in developing the ongoing prosperity in regional Australia, especially through encouraging job creation and economic growth. This will allow all Australians to have the opportunity to contribute to their full potential and experience the benefits from future jobs.



## 2. Regional Australia

By the numbers



Over **8 million** people  
now live outside our capital cities.

Over **3.9 million** Australians  
work in regional Australia.

Over **40 per cent** of regional Australians  
hold a vocational or higher education  
qualification.

In 2016-17, the **Gross Regional Product (GRP)**  
of areas outside our capital cities was  
**\$537.2 billion**.

Agriculture, fisheries and forestry contributes  
over **\$65 billion** of production to the  
Australian economy (2017-18).

The **mining industry** employs almost  
**250 000** Australians, and the  
agriculture, forestry and fisheries industry  
approximately **330 000**.

As at June 2019, the agriculture, fisheries,  
forestry and mining industries made up  
**64 per cent** of the value of  
Australia's merchandise exports.

There are over **700 000**  
actively trading businesses in regional  
Australia.

In regional Australia the **number of  
businesses producing non-market services**  
has grown by **19.4 per cent**,  
and **market services** by **7.1 per cent**  
between June 2013 and June 2018.

The **top employing industry** in regional  
Australia is **health care and  
social assistance**.

Between 1 July 2015 and 31 July 2019,  
jobactive providers achieved over  
**490 000** jobs placements  
throughout regional Australia.

The number of monthly **job advertisements**  
in regional Australia has risen over the last  
five years from approximately  
**30 100** to **37 400** (July 2019).

**Sources:** Compiled from multiple sources including data from the ABS, ABARES, DESSFB, DIIS, and the Infrastructure Portfolio

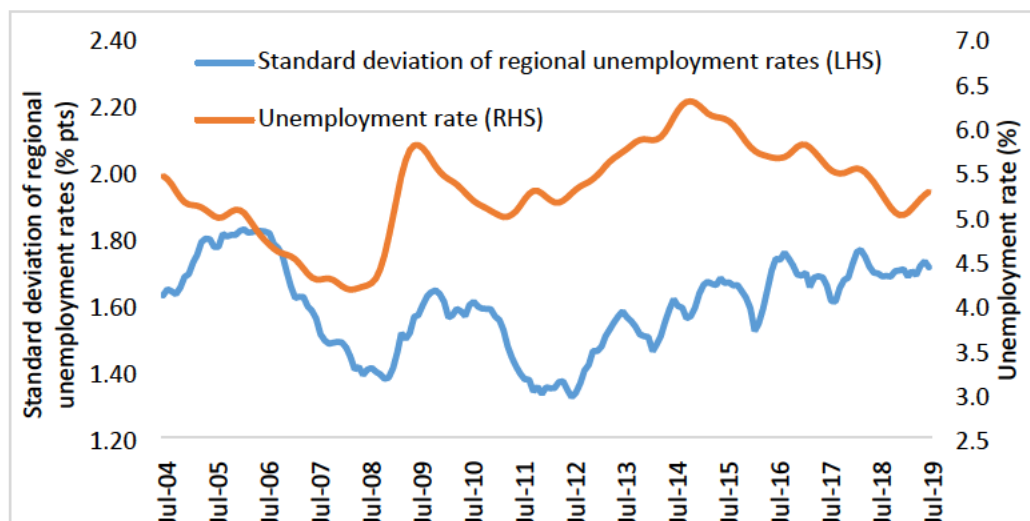
## 3. Information, data and analysis on regional labour markets

### 3.1 Regional Labour Market Conditions

Capital Cities in Australia tend to exhibit stronger labour market conditions than their non-metropolitan counterparts. For instance, employment in the Capital Cities rose strongly, by 240,300 (or 2.8 per cent) over the year to July 2019, compared with an increase of 62,500 (or 1.6 per cent) for the Rest of State areas. In addition, while the unemployment rate declined over the year in both the Capital Cities and Rest of State areas, the Capital Cities unemployment rate (5.1 per cent in July 2019) remains below, albeit marginally, the unemployment rate in the Rest of State areas (5.2 per cent in July 2019). Further, the participation rate in the Capital Cities stood at 67.4 per cent, 5.0 percentage points above the 62.4 per cent recorded in the Rest of State areas.<sup>1</sup>

- Historically, Capital City areas have recorded a lower unemployment rate (and a higher participation rate) than the Rest of State areas. Over the last 20 years, the only period during which the unemployment rate in the Rest of State areas was lower than the Capital City rate was between July 2017 and November 2017.

**Chart 3.1: The unemployment rate and standard deviation in the regional unemployment rate, July 2004 to July 2019**



Source: ABS *Labour Force, Australia*, July 2019 (Cat. No. 6202), trend data and ABS *Labour Force, Detailed – Electronic Delivery*, July 2019, (Cat. No. 6291.0.55.001) data are 12-month averages of original estimates.

<sup>1</sup> **Regional data** ABS, *Labour Force, Australia, Detailed – Electronic Delivery*, cat. no. 6291.0.55.001, 12 month averages of original estimates

Chart 3.1 presents regional disparity (as measured by the standard deviation of regional unemployment rates<sup>2</sup>) and the trend unemployment rate, between July 2004 and July 2019. As illustrated, regional disparity tends to widen during periods of labour market softness and narrows with strengthening conditions. For instance, following the Global Financial Crisis, regional disparity increased steadily, from 1.40 percentage points in September 2008, to 1.64 percentage points in November 2009. The extent of regional disparity then declined during the recovery in, 2010-2011 falling to a low of 1.32 percentage points in July 2012. However, despite the generally strong labour market conditions recorded since mid-2014, regional disparity, while increasing in volatility, has broadly trended upwards, to stand at 1.71 percentage points in July 2019.

It is important to note that economic performance varies within, as well as between, States and Territories. Even in States with relatively strong labour markets, there can still be significant pockets of disadvantage, while in States with softer labour markets, there are areas performing relatively well. Indeed, there has always been some degree of regional labour market disparity, irrespective of the overall strength of the labour market at the national level.

March quarter 2019 data (latest available estimates at the small area level) indicate that 56.1 per cent of ABS Statistical Area Level 2 (SA2s)<sup>3</sup> recorded a decrease in their unemployment rate over the year to the March quarter 2019 (up from 54.0 per cent over the year to the March quarter 2018).<sup>4</sup>

SA2s recording the highest unemployment rates in the March quarter 2019 for regional Australia include:

- Torres Strait Islands in Rest of Queensland at 46.4 per cent;
- Carpentaria in Rest of Queensland at 35.4 per cent; and
- Halls Creek in Rest of Western Australia at 33.7 per cent.

SA2s recording the lowest unemployment rates in the March quarter 2019 for regional Australia include:

- Mount Johns in Rest of Northern Territory at 0.6 per cent;
- Roxby Downs in Rest of South Australia at 0.7 per cent; and
- Dubbo Region in Rest of New South Wales at 0.7 per cent.

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<sup>2</sup> The standard deviation of regional unemployment rates is a measure that is used to quantify the amount of variation in regional unemployment rates at the SA4 level. A standard deviation close to zero indicates that the data points tend to be very close to the mean (so less regional disparity), while a high standard deviation indicates that the data points are spread out over a wider range of values (widening regional disparity).

<sup>3</sup> Please note that labour market data at the SA2 and SA4 level can be volatile, particularly when disaggregated by age, and should be viewed with caution.

<sup>4</sup> Source: Department of Employment, Skills, Small and Family Business, *Small Area Labour Markets*, March quarter 2019.

There are no up-to-date estimates of the youth (15-24 years) unemployment rate at the SA2 level and the latest available estimates, from the 2016 Census, are now quite dated. More up-to-date youth data are only available at the ABS Statistical Areal Level 4 (SA4) level.<sup>5</sup>

- It is worth bearing in mind, however, that the youth unemployment rate (at the national level) tends to be around double the overall rate and youth labour market conditions tend to reflect those more broadly for the rest of the population. For instance, if the overall unemployment rate in a region is high due to underlying labour market conditions being soft, it is more than likely that the rate of youth unemployment in that region will also be high.

SA4 regions recording the highest youth unemployment rates in July 2019 for regional Australia include:

- Queensland – Outback at 25.3 per cent;
- Barossa – Yorke and Mid-North in South Australia at 23.4 per cent; and
- Southern Highlands and Shoalhaven in New South Wales at 18.7 per cent.

SA4 regions recording the lowest youth unemployment rates in July 2019 for regional Australia include:

- Warrnambool and South West in Victoria at 6.5 per cent; and
- Far West and Orana in Rest of New South Wales at 6.9 per cent; and
- New England and North West in Rest of New South Wales at 7.2 per cent.

## 3.2 Infrastructure in Regional Australia

The Infrastructure Portfolio contributes to the prosperity of the economy and the wellbeing of all Australians through the design and implementation of the Australian Government's regional development, infrastructure and transport policies and programs. The portfolio promotes new jobs, productivity improvements, economic growth and sustainability through significant social and infrastructure investment in all areas of Australia, including to communities in regional Australia.

Through the Australian Government's \$100 billion investment in transport infrastructure, Australians living in regional and remote areas are continuing to benefit from safer roads and better connections to essential services and employment. This investment is also providing local employment in regional areas by facilitating the safe and efficient movement of millions of tonnes of freight from farm gates and factories to markets across Australia, and connecting our producers with opportunities in the global economy.

Since 2013-14, the Australian Government has committed around \$32.8 billion to programs administered by the Infrastructure portfolio that specifically benefit regional areas, supporting

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<sup>5</sup> See previous warning about volatility of SA4 data.

social, economic and productivity growth, as well as improving transport safety for regional areas. This includes the Government's commitment to:

- Over \$2.8 billion to regional grant programs<sup>6</sup>, helping regions unlock local competitive advantages and access new markets
- Around \$30 billion to deliver roads and rail projects to better connect regional communities.<sup>7</sup>

The Australian Government is delivering for regional areas by continuing to grow regional economies, creating new and better paying jobs and giving families the opportunity to keep living and working in regional communities. It is also increasing investment in rural and regional Australia to help level the playing field between regions and cities. The 2019-20 Budget includes over \$223 million for new projects focused on creating jobs, supporting economic growth and improving access to essential health, education and communications services.

The Australian Government supports local governments through the Financial Assistance Grant program, helping councils deliver infrastructure, health, recreation, environmental and employment projects.

Regional communities and local governments benefit from:

- \$5.2 billion through the Roads to Recovery Program from 2013-14 to 2022-23 for local roads, with the annual commitment being lifted to \$500 million a year from 2019-20.
- \$804.5 million through the Black Spot Program from 2013-14 to 2022-23, with the annual commitment increased to \$110 million per year from 2021-21 to deliver improvements such as safety barriers and street lighting to sections of dangerous roads.
- \$2.6 billion through the Community Development Grants Programme from 2013-14 to 2025-26.
- \$206.2 million for a further round of the Building Better Regions Fund.
- \$22.7 million for a fifth round of the Stronger Communities Program from 2019-20.

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<sup>6</sup> Does not include the Financial Assistance Grant Program, which is distributed between 546 local councils across Australia. Community Development Grants program (election commitments) is not restricted to regional areas and has not been included in these figures. CDG accounts for a further \$2.6 billion, but covers both cities and regions. Includes the Building Better Regions Fund, Regional Jobs and Investment Packages and other regional grants.

<sup>7</sup> Only includes projects that are defined as regional. Some projects span both urban and regional areas and have not been included in this analysis. For 2022-23 onwards are for major projects in the Infrastructure Investment Program only. Sub programs and other funding are yet to be allocated to states and territories or projects. Does not include Financial Assistance Grants. Does not include maintenance funding provided to the States and Territories for the upkeep of the National Land Transport Network. Funding under the Roads of Strategic Importance Initiative and Outback Way, which are yet to be allocated to projects, are included in the figures.

The Australian Government regional programs are also helping communities affected by drought by investing in local infrastructure projects and other drought relief activities in drought affected communities. This includes an additional \$96 million for the Drought Communities Program

With about 64 per cent of road crash deaths occurring in regional and remote areas, the Government is continuing its focus on improving road safety on regional road networks, and is investing in a number of road safety measures, in order to reduce deaths and serious injuries.

Through the Government's \$100 billion investment in transport infrastructure, Australians living in regional and remote areas benefit from safer roads and better connections to essential services and employment. This investment is also providing local employment in regional areas by facilitating the safe and efficient movement of millions of tonnes of freight from farm gates and factories to markets across Australia, and connecting our producers with opportunities in the global economy.

### 3.3 The Agriculture Industry in Regional Australia

The Agriculture, Fisheries and Forestry industry employs 332,900 people, the majority in regional areas (ABS, 2019). The Australian agriculture industry is changing, with the adoption of technologically advanced equipment and techniques, amalgamation of farms and a trend towards supplying premium food and fibre products over low-cost commodities. These changes have consequences for the agriculture industry's workforce needs. It is expected that agriculture will require more diverse and higher level skills to grow, including robotics, engineering and data analytics. These will be more skilled and higher paying jobs than those traditionally associated with agriculture and it is expected that agriculture will continue to be an important employer in regional Australia.

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES ) farm survey results (forthcoming) showed the majority of the agricultural workforce are family or Australian workers from the same or a neighbouring district. It also shows that farms located further from large population centres had more difficulty recruiting. This highlights the importance of a pool of local workers to agriculture industries and the potentially limited mobility of the Australian workforce.

### 3.4 The Mining Industry in Regional Australia

The mining industry's contribution to regional Australia is significant, with regional economies such as Mount Isa, Kalgoorlie, Broken Hill, Gympie, Ballarat, Pilbara and many others established as a result of investment, infrastructure and employment generated from mining activities.

The Australian minerals industry is a major contributor to investment, high-wage jobs, exports and government revenues in Australia. Resource commodities make up seven of Australia's top ten

exports.<sup>8</sup> Resource exports were worth \$228 billion in 2017-18 and are forecast to be approximately \$285 billion in 2019-20.<sup>9</sup> Australia produces 19 minerals in significant amounts from nearly 400 operating mines.<sup>10</sup>

Mining employs approximately 247,400 persons (ABS trend data), which accounts for 1.9 per cent of the total workforce.<sup>11</sup> The direct mining workforce includes 3.7 percent Indigenous employees and 4 per cent apprentice and trainee employees – which is double the national average. The resources sector has the highest proportion of Aboriginal and Torres Strait Islander people working for it than any other industry.<sup>12</sup>

## 3.5 The Health Care and Social Assistance Industry in Regional Australia

In May 2019, the Health Care and Social Assistance industry employed around 1,689,000 workers nationally, accounting for 13.1 per cent of total employment. Over the past 10 years, the industry recorded the largest growth in employment of all broad industries (up by 507,300 or 42.9 per cent), compared with growth of 19.6 per cent across all industries.<sup>13</sup>

Over the past 10 years, the Health Care and Social Assistance industry has been the largest contributor to employment growth in 'Rest of State' areas of Australia (up by 181,600 or 48.5 per cent). Over this period, the industry accounted for almost half of the total employment growth in Rest of State areas.<sup>14</sup>

Looking forward, strong growth in the industry in Rest of State areas is projected to continue over the five years to May 2023 (up by 82,600 or 14.9 per cent), supported by the implementation of the National Disability Insurance Scheme, demand for childcare and home-based care services and an ageing population. As such, it is expected that many opportunities will be created in Regional Australia in health and care related jobs.<sup>15</sup>

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<sup>8</sup> Department of Foreign Affairs and Trade (2019) <https://dfat.gov.au/about-us/publications/trade-investment/trade-at-a-glance/trade-investment-at-a-glance-2019/Documents/trade-and-investment-at-a-glance-2019.pdf>

<sup>9</sup> Department of Industry, Innovation and Science, Resources and Energy Quarterly, June 2019, p. 13

<sup>10</sup> Minerals Council of Australia (2019), accessed 20 August 2019, [<https://minerals.org.au>]

<sup>11</sup> Australian Bureau of Statistics (2019), Labour Market Information Portal, accessed 19 August 2019, [<http://www.lmip.gov.au>]

<sup>12</sup> Department of the Prime Minister and Cabinet (2018), *Closing the Gap*, p.78, <https://www.closingthegap.pmc.gov.au>

<sup>13</sup> Australian Bureau of Statistics (2019), Labour Force Survey, trend data.

<sup>14</sup> Australian Bureau of Statistics (2019), Labour Force Survey, four quarter average of original data. Rest of State areas are all areas other than capital cities and includes Northern Territory - Outback.

<sup>15</sup> Department of Employment, Skills, Small and Family Business, 2018 projections of employment, five years to May 2023.

At an occupational level, nationally, over the five years to May 2023, the strongest growth in employment of all detailed occupations is projected for Aged and Disabled Carers (up by 69,200 or 39.3 per cent). This growth is much stronger than the 7.1 per cent projected across all occupations. Projections data for occupations are not available at the regional level.

## 3.6 Programs and policies

The Departments deliver a range of Australian Government programs and policies that are relevant to those who live and work in Regional Australia. These are outlined below.

### 3.6.1 New Employment Services Model and Trial

In March 2019, the Australian Government announced a new employment services model will be introduced from July 2022 to deliver better outcomes for job seekers and employers as part of the Australian Government's plan for a stronger economy. The new model will transform the way employment services are delivered.

For job seekers, the new model will provide service options to support them to find a job, a better digital platform and more flexibility to meet mutual obligation requirements:

- **Digital First** - job seekers who are job-ready and digitally literate will enter Digital First and be serviced online. These job seekers will be able to access online tools to help them make informed choices about their job search, as well as a contact centre to help answer questions and provide advice via phone or email. Job seekers will have the opportunity to opt out if they prefer face to face servicing.
- **Digital Plus** - job seekers who need extra support will be able to access digital services and receive face-to-face support from an employment services or training provider as needed. This may include training to help use the digital service, work skills training, or funding to pay for a wage subsidy, tools or a licence. Support from the contact centre will also be available.
- **Enhanced Services** - the most disadvantaged job seekers will receive Enhanced Services delivered through employment services providers. Providers will help address a job seeker's barriers to work through services such as career guidance, mentoring, vocational training, assistance in accessing non-vocational services such as counselling, work experience, job placements and post-placement support. Taking into account the findings of the Employment Services Expert Advisory Panel, payments for providers delivering Enhanced Services will support greater targeted and tailored servicing of disadvantaged job seekers.

#### Improved assessment

- Improved assessment and ongoing monitoring will ensure job seekers are getting the support they need and will identify if job seekers need additional help. Job seekers will be regularly reassessed to ensure they are getting the right service offer.



### **Licensing and Performance**

- Employment services providers will deliver Enhanced Services through a contractual licence. Specialist licences will be available for providers to focus on particular cohorts of job seekers or employer industries.
- Providers that are issued a licence will face regular evaluations of performance incorporating feedback from employers and local stakeholders. Poor performers will not have their licences renewed and will exit the market, providing strong incentives to achieve outcomes.

### **Mutual Obligations**

- In return for receiving payments, most unemployed people receiving income support have mutual obligation requirements. This will continue under the New Employment Services Model. All job seekers with mutual obligation requirements will be provided with clear information on what they need to do in return for receiving income support.
- The new model will maintain the principles of mutual obligations by introducing a points-based system, providing more flexibility and diversity around the activities job seekers are expected to do. To encourage personal responsibility, job seekers will be able to meet points through a combination of activities such as job search and training, with more points for those activities that are more likely to lead to employment. Most job seekers will have ongoing requirements to engage in some job search activities and demonstrate they are applying for jobs.

The Model has been informed by extensive consultation with stakeholders and incorporates recommendations from an independent Employment Services Expert Advisory Panel. Given the scale of reform, the Model is being trialled in two regions - Adelaide South and the Mid North Coast of New South Wales before being rolled out nationally from July 2022. The Trial will test key elements of the Model, including:

- a new job seeker assessment framework
- new digital service offerings for job-ready job seekers
- intensive support for more disadvantaged job seekers who need vocational and non-vocational assistance to prepare for and get a job
- a flexible, points-based mutual obligations system
- employer engagement, including both online and face-to-face.

Trial implementation will be phased with new features progressively added and enhancements made through an ongoing co-design process with providers, peak organisations, and job seekers.

## **3.6.2 jobactive**

The Australian Government's mainstream employment service, jobactive, has been meeting the needs of job seekers and employers and promoting stronger workforce participation since its introduction in July 2015. jobactive is delivered from over 1,700 sites across Australia with

providers having the flexibility to deliver services that are tailored to local labour market conditions and the needs of job seekers and employers.

jobactive is achieving results for job seekers in regional Australia, who make up 36 per cent of the caseload, as at 31 July 2019. Over the period 1 July 2015 to 31 July 2019, jobactive providers achieved over 490,000 job placements in regional Australia. Industries strongly represented among jobactive placements in regional Australia include agriculture, forestry and fishing (with three-quarters of placements being in regional areas), mining, and accommodation and food services (with around half of all placements in these industries occurring in regional areas).

A significant portion of Northern Australia is considered remote, this means job seekers in these locations are serviced through the Community Development Program (CDP) as opposed to jobactive. The CDP is the Australian Government's remote employment and community development service. For more information about CDP, the CDP webpage is available on the National Indigenous Australians Agency website.<sup>16</sup> This is not administered by DESSFB.

### 3.6.3 Supporting Indigenous Australians

For Indigenous Australians, employment outcomes vary markedly across regions. In 2016, the Indigenous employment rate ranged from 54 per cent in Major Cities to 31 per cent in Very Remote areas. Over the decade to 2016, the share of Indigenous Australians employed in both Major Cities and Inner Regional areas increased slightly (by 2.3 and 1.2 percentage points respectively). However, over the same period, employment rates for Indigenous Australians living in Outer Regional, Remote and Very Remote areas (when adjusted for the impact of the cessation of the Community Development Employment Projects program) varied significantly (ranging from a 2.0 percentage points decrease in Outer Regional areas to a 11 percentage point increase in Very Remote areas).<sup>17</sup> Making progress towards achieving the revised employment targets under the refreshed Closing the Gap framework will be underpinned by an improvement in employment outcomes for Indigenous Australians in regional Australia.

The Australian Government has sought to ensure that investment in regional Australia generates new employment opportunities for Indigenous Australians. For example, from 1 July 2019 any National Partnership Agreement on Land Transport Infrastructure Projects with an Australian Government funding contribution of \$7.5 million or greater are required to have specific Indigenous employment and supplier use targets. The aim of these arrangements is to increase Indigenous employment opportunities and support Indigenous businesses. Mainstream employment services delivered by DESSFB play an important role, especially in regional Australia, in connecting Indigenous job seekers with new job opportunities created through Australian Government infrastructure investment.

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<sup>16</sup> <https://www.niaa.gov.au/indigenous-affairs/employment/cdp>

<sup>17</sup> ABS Census of Population and Housing 2006, 2011 and 2016

As at 31 July 2019, there were 215,881 jobactive job seekers serviced at provider sites in regional Australia (that is, all Employment Regions outside of the capital cities). Of these job seekers, around 19 per cent of jobactive job seekers in regional areas were Indigenous (compared to 8 per cent in metropolitan areas) and 2 per cent were refugees (compared to 7 per cent in metropolitan areas). Further information on Humanitarian entrants and newly arrived refugees is in section 3.6.4.

jobactive providers work in collaboration with Vocational Training and Employment Centre (VTEC) providers to support Indigenous job seekers into sustainable employment across Australia including in regional areas. VTEC is an opt-in program that connects Indigenous job seekers with guaranteed jobs and brings together the support services necessary to prepare job seekers for long-term employment. jobactive providers refer eligible Indigenous job seekers to VTEC providers and support them to access these opportunities.

### **3.6.4 Supporting humanitarian entrants and newly arrived refugees**

Supporting humanitarian entrants and refugees to settle in regional Australia can have positive benefits both for the refugee and the broader community. However this needs to be supported by measures that help refugees find and retain employment.

DESSFB is working to facilitate the relocation of refugee and migrant job seekers who are interested in moving to regional Australia to take up employment opportunities. The key to these efforts has been linking all of the various Commonwealth and State government agencies, and non-government stakeholders to create fully supported pathways for the relocation of refugee and migrant job seekers.

During 2018 and 2019, DESSFB supported the development of a number of place-based projects in Queensland, Victoria and New South Wales focused on relocation and/or employment of refugees and migrants in regional areas, including some projects assisted through the Regional Employment Trials program. Further information on DESSFB's work with refugees is at section 4.8.2.

### **3.6.5 Yarrabah Employment Services Pilot**

DESSFB established the Yarrabah Employment Services Pilot in Far North Queensland in July 2018 to deliver a place-based approach to employment services in Yarrabah.

DESSFB worked with the Yarrabah Aboriginal Shire Council to co-design and build a model for the delivery of employment services in Yarrabah. The co-design process included face-to-face meetings with Yarrabah representatives. The department then worked with the council to plan and implement the transfer of employment services to Yarrabah.

The new model aims to respond to the needs of the Yarrabah Indigenous community by building its capacity to deliver community-driven employment services that provide better outcomes for Yarrabah and its people.

The new employment service provider, Wugu Nyambil Limited ('Holding onto work') opened its doors to Yarrabah job seekers on 2 July 2018. The service receives mentoring and leadership assistance from an existing jobactive provider, My Pathway. The staff of Wugu Nyambil are Yarrabah residents or have a close connection to Yarrabah, on the assumption that local people will know the challenges of local job seekers better than anyone else.

### 3.6.6 Seasonal work

For many regional communities, seasonal horticultural work is a key component of the local labour market. The Australian Government currently supports matching seasonal work demand and supply through a number of harvest programs and policies including Harvest Labour Services (HLS). HLS was introduced in 1998 to respond to horticulture industry concerns that crops were not being picked and were going to waste due to labour shortages. The service currently operates in 15 sites across 11 Harvest Areas and is delivered by five different providers. These locations include Adelaide Hills (SA), Riverland (SA), Goulburn Valley (VIC), Mid Murray (VIC), Sunraysia (VIC & NSW), Riverina (NSW), North Burnett (QLD), Southern Queensland, Tablelands (QLD), Kununurra (WA), and Top End (NT).

The program links workers (i.e. both working holiday makers and Australian job seekers) with seasonal harvest jobs to meet seasonal peaks in employer demand in locations across Australia that do not have adequate local labour supply to meet this demand. Supporting the HLS is the National Harvest Labour Information Service (NHLIS), which provides comprehensive, up-to-date information about harvest work opportunities, working conditions, transport and accommodation around Australia through the Harvest Trail website and Harvest Guide.

In the 2019–20 Budget the Australian Government announced significant changes to HLS as part of the \$24.1 million Encouraging Australian job seekers to take up Seasonal Work measure. As part of this measure, the existing HLS will be expanded to cover up to five additional horticulture regions with both significant demand for labour and labour supply difficulties, making it easier for growers to find workers when they need it most. HLS providers will also receive new financial incentives when they place and keep Australian job seekers in seasonal work, which will help job seekers gain experience and move off welfare.

In addition, between 1 July 2020 to 30 June 2022, peak bodies will be invited to put forward co-funded industry based proposals aimed at promoting seasonal work opportunities to Australian job seekers and promoting the benefits of hiring Australian job seekers to growers. This measure will have the greatest impact on those regions in which the horticulture sector is a major element of the local economy. The measure will help the sector respond to labour supply difficulties and help to maintain a strong local labour force for regional employers.

DESSFB also runs the Seasonal Worker Programme (SWP). The SWP contributes to the economic development of Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu by providing access to seasonal work opportunities in Australia. The SWP offers employers in the agriculture sector, and employers in selected locations in the

accommodation sector<sup>18</sup>, access to a reliable, returning workforce when there is not enough local Australian labour to meet seasonal demand. The Australian Government introduced changes to the SWP as part of the solution to address workforce challenges in the horticulture sector. However, employers under the SWP are required to test the labour market to give Australian job seekers the first opportunity for the jobs.

### **3.6.7 Transition to Work**

Transition to Work is an employment service that provides intensive pre-employment support to young people aged 15 to 21, including Indigenous Australians and early school leavers, to improve their work readiness and transition into work (including apprenticeships or traineeships) or education. Transition to Work has 43 providers delivering services from more than 300 sites across the country.

Regional participants account for 42 per cent of the Transition to Work caseload as at 31 July 2019. From the start of the service in February 2016 to 31 July 2019, Transition to Work providers have achieved over 16,000 job placements in regional Australia.

### **3.6.8 Employment Facilitators**

DESSFB has 15 Employment Facilitators across 13 regions in Australia to provide a local presence for the department. Working directly with job seekers and workers impacted by redundancy to connect them with employment services, job opportunities, training and a range of other support services, they also play an important role in tailoring responses to transition events. The Employment Facilitators broker critical connections between key stakeholders, helping connect people to opportunities in the local labour market, including promoting jobs in growth sectors. The Employment Facilitators activities complement jobactive services and provide important on the ground intelligence back to the DESSFB.

Employment Facilitators are located in Far South Coast (NSW), Northern Inland (NSW), the Hunter Region (NSW), Geelong (VIC), Gippsland (VIC), Western Melbourne/North Western Melbourne (VIC), Mandurah (WA), Adelaide (SA), Murraylands and Riverland (SA), Yorke and Mid North (SA), North Queensland (located in Cairns and Townsville), Wide Bay Burnett (QLD), and North and North Western Tasmania.

### **3.6.9 Regional Employment Trials**

In recognition that some regions face challenges in terms of employment opportunities and growth, the \$18.4m Regional Employment Trials (RET) program is currently operating in 10

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<sup>18</sup> Employers in the accommodation sector in Western Australia, the Northern Territory, Tropical North Queensland and Kangaroo Island can access the Seasonal Worker Programme.

disadvantaged regions. This includes the Regional Development Australia regions of Northern Inland (NSW), Far South Coast (NSW), Wide Bay Burnett (QLD), Murraylands and Riverland (SA), Yorke and Mid North (SA), Gippsland (VIC), Peel (WA) and DESSFB Employment Regions Western Melbourne/North Western Melbourne (VIC), North and North Western Tasmania (TAS) and Townsville (QLD).

Between 1 October 2018 and 30 June 2020, Employment Facilitators are working with Regional Development Australia (RDA) committees in the trial regions to enable local stakeholders to implement projects that address their region's local employment challenges. Projects in the trial regions are supported through a \$10 million Local Employment Initiative Fund (LEIF). Grant applicants under the LEIF are required to partner with at least one jobactive, ParentsNext or Transition to Work provider in each trial region. This program is designed to bring local stakeholders together to develop tailored projects that help job seekers prepare for and find work.

The underpinning concept of the RET program is the devolution of decision making and planning functions to support regions to respond to local needs. The RET program has local decision making built into its program design and uses the existing regional governance infrastructure of the RDA committees. The RDA Committees operate under a Charter that focuses on facilitating economic development by creating local jobs, attracting investment and driving innovation. They enable government investment to leverage off local community knowledge to help job seekers find employment and implement projects that have a regional benefit. Early evaluation findings have been supportive of this local place based approach.

As at 23 August 2019, 38 projects have had contracts executed. These projects total around \$4.0 million in RET grant funding. Around 3,500 unemployed people are expected to participate in these projects.

### **3.6.10 Support for all retrenched workers**

The Australian Government is always concerned for workers and their families when employers are left with no option but to retrench staff. The Government supports retrenched workers and their partners through jobactive. As part of this program, job seekers have access to tailored help, based on their assessed needs.

From 1 July 2019, all retrenched workers and their partners can immediately access job search support through jobactive, prior to becoming eligible for income support. In addition to this support, the Government also has a number of tailored support programs to assist retrenched workers in regions undergoing significant transitions.

### **3.6.11 Stronger Transitions**

The \$10.3 million Stronger Transitions package provides additional assistance for retrenched workers in regions impacted by structural change. The Stronger Transitions package is available in

five regions: Adelaide (SA), Mandurah (WA), North/North-West Tasmania, Western Melbourne/North Western Melbourne (VIC) and North Queensland.

Businesses can partner with government to collaboratively develop a package of support for their retrenched workers before they exit. A Transition Services Panel of providers work closely with participating employers and Employment Facilitators to deliver tailored transition services, which can include comprehensive skills assessments, advice on preparing, planning and applying for jobs, resilience training and support, language, literacy and numeracy support, digital literacy training, financial management information, as well as health and wellbeing awareness.

Once retrenched, workers are eligible for intensive job search support through jobactive. Support can include a comprehensive skills assessment and training, assistance to relocate for employment and help with starting a new business.

In each region, Employment Facilitators work closely with employers, jobactive providers and training organisations to assist retrenched workers to connect with and prepare for new job opportunities.

### **3.6.12 Structural Adjustment Programmes**

In exceptional circumstances, a Structural Adjustment Programme (SAP) may be put in place to assist workers impacted by a large-scale retrenchment activity in a particular firm or industry.

SAPs provide intensive assistance through jobactive. The jobactive providers have access to extra funds for licenses, tickets, training and other costs to help participants find a new job. SAPs can also include tailored pre-retrenchment outplacement services provided through a Transition Services Panel provider. These programmes often include support for affected supply chain workers and partners.

Employment Facilitators (see section 3.6.8) and Jobs Fairs (see section 3.6.13) complement jobactive services by identifying local opportunities and brokering connections for workers and employers to available government support.

### **3.6.13 Jobs Fairs**

Jobs Fairs give people the chance to explore employment opportunities in their local community. They provide job seekers with an opportunity to talk directly to a range of employers about the skills they are looking for and available job opportunities in their region. DESSFB has held 10 Jobs Fairs since July 2018 with over 16,000 participants, exploring more than 7,800 employment opportunities provided by around 400 exhibitors. These have been held in Davenport (TAS), Melbourne - South East (VIC), Melbourne West (VIC), Melbourne North (VIC), Mandurah (WA), Port Pirie (SA), Mareeba (QLD), Cairns (QLD), Townsville (QLD) and Wide Bay (QLD).

### **3.6.14 Transition support network**

In addition to jobactive employment services, DESSFB supports workers in regions facing structural adjustment pressures to move into employment as quickly as possible.

DESSFB delivers transition support through a network of employees from its national, state and territory offices and Employment Facilitators. This network works closely with the Department of Human Services (DHS) as well as State and Territory Governments.

Employers are required under the *Fair Work Act 2009* to provide written notification to the government prior to retrenching 15 or more people. The network uses the information provided to work with employers to support their retrenched workers.

**Stage 1:** This network contacts the affected employer to discuss their needs and provide information on existing government resources to support their workers. These resources can include information on the DESSFB's What's Next? website, such as the Redundancy Information Statement, the Job Outlook website, the Australian Jobs publication and factsheets to workers to update their résumé, prepare for interviews, advice on how to find work and mental health and wellbeing support.

**Stage 2:** The transition support network, alongside State and Territory Governments, DHS and local stakeholders (including jobactive providers) provide on-site information sessions where requested. These sessions provide information on support available including assistance to find a new job, labour market information, financial support, eligibility for income support payments and eligibility for training support.

**Stage 3:** If the impact of a company's retrenchment on the local economy or community is very significant, the Australian Government may implement a tailored support program to help workers gain new employment as quickly as possible.

A number of resources are utilised in providing support to retrenched workers, as well as resources to help employers engaging in socially responsible restructuring. These resources include:

- [The What's Next? website](http://www.whatsnext.employment.gov.au)<sup>19</sup>: a self-help resource for recently retrenched workers that offers information about finding work, help with finances and looking after yourself during this transition. The website also offers advice to employers on their obligations during retrenchment and information on socially responsible restructuring.
- Since 1 July 2019, a new [Skills Match Tool](http://www.joboutlook.gov.au/skills-match)<sup>20</sup> is available on the Job Outlook website to help workers understand their current, transferable skills and to link them with information on training, reskilling opportunities, wages, jobs in demand and local vacancies.
- [The Redundancy Information Statement](#): provides a guide for retrenched workers of their rights, entitlements and available support services. This includes understanding their redundancy rights and entitlements and where to find government assistance and resources.

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<sup>19</sup> [www.whatsnext.employment.gov.au](http://www.whatsnext.employment.gov.au)

<sup>20</sup> [www.joboutlook.gov.au/skills-match](http://www.joboutlook.gov.au/skills-match)



- [The Good Practice in Socially Responsible Restructuring guide<sup>21</sup>](#): provides advice for employers who may be considering restructuring to make the best decisions for their staff and their business. The guide highlights how socially responsible restructuring can transform a stressful experience into a positive career transition for workers.

### 3.6.15 Entrepreneurship Facilitators

Entrepreneurship Facilitators provide practical assistance to support and encourage individuals to start a business as a way to create their own job. They provide free mentoring and assistance to help people start and run their own business, including connecting individuals to other support services in the local area.

Entrepreneurship Facilitators deliver services in 23 locations across the country. Anyone interested in starting or running their own business in these locations can access help from their local Entrepreneurship Facilitator. These locations are:

<p><b>New South Wales</b></p> <ul style="list-style-type: none"> <li>• Coffs Harbour – Grafton</li> <li>• Sydney – South West (Campbelltown)</li> <li>• Sydney – South West (Liverpool)</li> <li>• Richmond – Tweed (Tweed Heads)</li> <li>• Richmond – Tweed (Ballina)</li> <li>• Southern Highlands and Shoalhaven</li> <li>• Hunter, including Newcastle</li> </ul> <p><b>Victoria</b></p> <ul style="list-style-type: none"> <li>• Ballarat</li> <li>• Melbourne – South East (Dandenong)</li> <li>• Melbourne – South East (Pakenham)</li> <li>• Latrobe – Gippsland</li> </ul> <p><b>Tasmania</b></p> <ul style="list-style-type: none"> <li>• Greater Hobart and South East Tasmania</li> <li>• Launceston and North-East</li> </ul>	<p><b>Queensland</b></p> <ul style="list-style-type: none"> <li>• Fitzroy</li> <li>• Wide Bay (Gympie)</li> <li>• Wide Bay (Bundaberg)</li> <li>• Ipswich</li> <li>• Cairns</li> </ul> <p><b>South Australia</b></p> <ul style="list-style-type: none"> <li>• Adelaide – West</li> <li>• Barossa – Yorke – Mid North</li> </ul> <p><b>Western Australia</b></p> <ul style="list-style-type: none"> <li>• Mandurah</li> <li>• Perth – North East</li> </ul> <p><b>Northern Territory</b></p> <ul style="list-style-type: none"> <li>• Darwin</li> </ul>
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### 3.6.16 New Business Assistance with NEIS

New Business Assistance with NEIS provides accredited small business training, assistance in developing a business plan and 12 months of business mentoring and support. Individuals participating in NEIS may also be eligible for NEIS Allowance for up to 39 weeks and NEIS Rental

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<sup>21</sup> [www.employment.gov.au/documents/good-practice-socially-responsible-restructuring-guide](http://www.employment.gov.au/documents/good-practice-socially-responsible-restructuring-guide)

Assistance for up to 26 weeks. New Business Assistance with NEIS has helped over 175,000 people start their own business.

New Business Assistance is delivered by a national network of 20 NEIS providers.

### **3.6.17 The Survey of Employers' Recruitment Experiences**

To gain an understanding of what is occurring in the jobs market in regional Australia, it is important to obtain information at a local level. DESSFB monitors recruitment conditions using the Survey of Employers' Recruitment Experiences (SERE). The survey is run throughout the year, covering all 51 Employment Regions in Australia annually.

Each year, more than 14,000 employers provide information about their local jobs market, including:

- whether they are recruiting
- what recruitment methods they are using
- whether they are experiencing recruitment and retention difficulty
- the level of competition for vacancies and
- any business concerns for the coming twelve months.

The survey results also identify practical information about what employers are looking for in applicants and how job seekers can better connect with employment opportunities, including for retrenched workers and job seekers with barriers.

Additional labour market information can be found on the Labour Market Information Portal, along with information on employers' recruitment insights.

### **3.6.18 Industry Training Hubs**

The Australian Government is investing \$50.6 million to trial Industry Training Hubs in 10 locations across Australia. The Industry Training Hubs aim to improve opportunities for young people in regions with high youth unemployment, and will target year 11 and 12 students and provide career advice and mentoring. As part of the Industry Training Hubs initiative, a Career Facilitator will be appointed in each region as an on-ground presence to deliver Training Hub services. The Career Facilitator will form partnerships between industries in sectors of local skills shortages and those providing advice and education to students.

The Hubs will:

- encourage young people to build skills and choose occupations in demand in their region.
- create better linkages between schools and local industry and reposition vocational education and training as a first choice option.
- help eliminate persistent high youth unemployment in regional areas.

The Hubs will be located in:

- New South Wales (Grafton, Gosford)
- Victoria (Shepparton)
- Queensland (Maryborough, Townsville)
- Western Australia (Wanneroo, Armadale)
- South Australia (Port Pirie)
- Tasmania (Burnie)
- Northern Territory (Alice Springs)

Two Training Hubs will be established from January 2020, with the remaining eight from January 2021.

### **3.6.19 National Agricultural Workforce Strategy**

To ensure agriculture is equipped for the future, the Department of Agriculture has been funded to develop a National Agricultural Workforce Strategy to assess current and expected future agriculture industry workforce and skill needs, the effectiveness of existing arrangements at meeting these needs and further actions that might be required. Consultation to inform the Strategy will commence in the third quarter of 2019. The Strategy will be informed by the ABARES farm labour surveys. These surveys improve understanding of the agriculture industry's workforce focussing on labour demand, recruitment difficulties and future challenges farmers face. ABARES has also commissioned a foresighting study examining factors affecting likely future supply and demand for agricultural labour. First results are expected in late 2019.

### **3.6.20 Freight routes and national networks**

Improved transport connectivity for regional communities provides jobs in regional areas through major infrastructure projects and by better linking industries to domestic and international markets. The Government's investment in Inland Rail is an example of this (Section 3.6.23).

The Australian Government is increasing investment in key freight routes and national networks including \$1 billion for the Princes Highway, and \$400 million for Newell Highway Upgrades to ensure a safer and more efficient road network for all Australians. Significant upgrades will also continue to be made to the Pacific Highway in New South Wales, the Bruce Highway in Queensland, the North-South Corridor in South Australia and the Midland Highway in Tasmania.

The Australian Government will invest \$4.5 billion in the Roads of Strategic Importance (ROSI) initiative to help connect regional businesses to local and international markets, and better connect regional communities. ROSI is supporting important regional freight corridors including \$510 million towards the Toowoomba to Seymour corridor between New South Wales, Queensland and Victoria, and \$235 million to the Alice Springs to Halls Creek corridor in Western Australia and the Northern Territory.

In addition, the 2019-20 Budget allocated \$8.0 million over two years to the National Heavy Vehicle Regulator to fund engineering assessments for local government owned road network infrastructure, and to build an asset collection database. This will provide local governments,

including in regional and remote areas, technical information to understand and assess their existing road assets. This will increase network productivity and improve the maintenance and safety of our roads.

To further assist connectivity with regional centres, the Australian Government is providing \$100 million in grant funding over four years from 2019-20 for a new Regional Airports Program as a key enabler of regional communities transport, supporting employment in regions. The Program provides assistance to the owners of regional airports to undertake essential works, promoting aviation safety and access for communities.

The Australian Government is also supporting employment in by investing in upgrades to remote airstrips in isolated outback communities through the Remote Airstrip Upgrade – part of the Government's Regional Aviation Access Programme. The Remote Airstrip Upgrade program enhances the safety and accessibility of aerodromes in remote areas of Australia and facilitates improved delivery of essential goods and services including health care.

### **3.6.21 Regional Deals and City Deals**

The Australian Government is committed to delivering City and Regional Deals. The Deals are helping to shape the future growth of our cities and regional centres by cementing long-term partnerships across governments, the community and businesses. Australian Government commitments and initiatives under Regional and City Deals are helping to create regional jobs for the future in regional cities, towns and rural and remote areas, among other benefits.

City Deals, including those in regional urban centres such as Townsville, Geelong and Launceston, focus on leveraging the city's unique strengths and responding to their specific needs to secure the future prosperity and liveability of our cities. City Deals work to align the planning, investment and governance necessary to accelerate growth and job creation, stimulate urban renewal and drive economic reforms.

The Government has committed to deliver three pilot Regional Deals to drive local economic growth and create jobs in Australia's regions. Regional Deals are a place-based approach based on the Australian Government's successful City Deals, and bring together all levels of government around a clear set of objectives. Deals are tailored to each region's comparative advantages, assets and challenges. Each deal reflects the unique needs of regional Australia.

Regional Deals represent a new way to work with local communities. These deals bring all the key players to the table – state, local and Commonwealth governments alongside community leaders – to decide on priorities and a long term plan with local strategies to support local employment, regional planning, governance and investment. The Australian Government is progressing the three pilot Regional Deals – in the Barkly Region in the Northern Territory, Hinkler in Queensland and Albury Wodonga on the New South Wales and Victorian border. Each Deal is unique and will be designed to meet the specific needs of local communities.

The Regional Deals incorporate measures to facilitate the growth of new industries and employment opportunities where these are identified as key community priorities, and support

long-term planning in local economies. Under the Barkly Regional Deal, a regional workforce strategy will identify current employment opportunities and ensure training options are aligned with job opportunities to deliver better employment outcomes in Tennant Creek and across the Barkly region in the Northern Territory. Key Townsville City Deal commitments, such as the North Queensland Stadium, are having a positive impact on the economy with improvements in jobs and youth unemployment rates. The Launceston Apprenticeship Pipeline Project is a success story under the Launceston City Deal that has grown through collaboration between all levels of government and the business community, and resulted in the establishment of a local Jobs Pathway Framework.

### **3.6.22 Regional Development Programs**

The Australian Government's regional development grants programs are providing employment and economic and social benefits to regional and remote areas. The Infrastructure portfolio delivers the Australian Government's regional development programs that provide funding for initiatives that boost employment in regional areas. The Government is providing an additional \$200 million over four years from 2019-20 for another round of the Building Better Regions Fund that will open in late 2019, and a further \$22.7 million is being provided over two years for another round of the Stronger Communities Programme. These programs provide funding support for a range of projects that aim to strengthen regions, their economies and the communities that live in them.

The Building Better Regions Fund program supports projects that involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure. The Fund also supports community activities, events, regional plans, leadership and capacity building. These projects create jobs, drive economic growth and build regional communities for the long term. The Stronger Communities Programme has been in place since 2015-16 and provides funding to small capital projects that create employment and deliver important social benefits to communities across Australia.

The Australian Government has provided \$211.4 million over three years from 2017-18 to the Regional Jobs and Investment Packages (RJIP). This program is helping to diversify regional economies, stimulate economic growth and deliver sustainable employment in 10 pilot regions through funding of more than 220 projects. The Regional Growth Fund (RGF) is providing grants of \$10 million or more for a range of major transformational projects that support long-term economic growth and create jobs in regions, including those undergoing structural adjustment. The RGF is also stimulating significant investment in our regions from the private sector, not-for-profit organisations and other levels of government through the requirement of a co-contribution of at least 50 per cent of the cost of the project.

Targeted funding for drought-affected communities that is helping to keep people in jobs and creating new employment, is being provided through the Drought Communities Programme (DCP) Extension. The Australian Government is providing funding of \$110 million over two years from 2018-19 to 110 eligible Councils, delivering immediate economic stimulus to support local

infrastructure and other projects for communities and businesses that have been impacted by drought.

The Infrastructure Portfolio also leads the Australian Government's decentralisation agenda, which is one of the initiatives supporting the Government's plan for Australia's future population and regional development more broadly. Since 2013, over 1,700 positions have been established or relocated outside of Canberra, inner Sydney and inner Melbourne, including over 1,000 positions relocated to regional Australia to support local employment and economic diversification in communities. Approximately 14 per cent of the Australian Public Service (APS) staff are now located in regional Australia, up from 12 per cent in 2012.

### **3.6.23 Inland Rail Construction and Operation Opportunities**

The Australian Government is investing up to \$9.3 billion to construct Inland Rail, a national-standalone freight rail line between Melbourne and Brisbane. Inland Rail presents a unique opportunity for regions to realise direct benefits from the improved rail infrastructure and further indirect benefits through complementary market driven investments.

Inland Rail is expected to boost Australia's GDP by \$16 billion over the next 50 years and support around 16,000 jobs at the peak of construction. The construction of Inland Rail will also deliver significant outcomes for regional business and individuals by providing employment and procurement opportunities to participate in the build, provision of logistics, supply, and other services.

Inland Rail construction will create employment opportunities for a range of workers in regional communities. To maximise these opportunities, the responsible Australian Government Ministers issued a Statement of Expectations to the Australian Rail Track Corporation (ARTC), the Government Business Enterprise building Inland Rail, compelling them to work collaboratively with the Department of Prime Minister and Cabinet and the Infrastructure Portfolio in establishing and implementing local and Indigenous procurement and employment outcomes.

The Infrastructure Portfolio has worked with ARTC to develop ARTC's Inland Rail Social Performance Framework that includes, among other things, a commitment to the development of skilled local and Indigenous workers and to supporting opportunities for local and Indigenous business participation in Inland Rail.

Maximising long-term benefits from Inland Rail requires private sector investments that leverage off the availability of lower cost Inland Rail transport, together with lower cost inputs like raw materials, labour and land. For example Inland Rail has been a catalyst for the New South Wales Government-led Parkes and Wagga Wagga Special Activation Precincts. These precincts will target private sector investment in freight and logistics, manufacturing, and recycling and renewable energy, among others.

In 2019, the Infrastructure Portfolio engaged Ernst & Young (EY) to identify and analyse the potential long-term regional economic benefits of Inland Rail. Initial analysis of potential value chain responses to Inland Rail suggests food processing and freight clusters may establish in

regions in the vicinity of Inland Rail, creating new opportunities across a range of industries and areas of employment. The EY report will be completed by the end of 2019.

### **3.6.24 Major Projects Facilitation Agency and Northern Australia Infrastructure Facility**

Approximately 13,000 construction jobs and 10,000 ongoing jobs are projected to be created by the major projects being supported by the Major Projects Facilitation Agency (the Agency).

The Agency has also established a Commonwealth regulator working group and a state and territory working group to facilitate information sharing and discussion on specific regulatory issues and major projects.

The \$5 billion Northern Australia Infrastructure Facility (NAIF) provides concessional loans to eligible infrastructure projects in Northern Australia, including in the resources sector. As at 31 July 2019, there are three projects which have reached financial close and are accessing drawdowns:

- **Onslow Marine Support Base (WA).** Finance of approximately \$16.8 million for a multi-user infrastructure port and marine supply project. Employment is estimated at over 60 jobs during construction and more than 150 during operation.
- **Voyages Indigenous Tourism Australia (NT).** Finance approximately \$27.5 million to develop an Airport and runway, taxiway and apron upgrade at Yulara Northern Territory. Forecast 80 new direct construction jobs. This will also result in supporting 320 full time equivalent (FTE) jobs.
- **Humpty Doo Barramundi (NT).** Finance of approximately \$7.2 million to develop a solar farm, medium fish nursery, processing equipment and adult fish feeding systems. Employment is estimated at 13 construction jobs and seven ongoing jobs in state 1. The project will create 50 local jobs over three stages which will double Humpty Doo Barramundi farm employees.

### **3.6.25 The Industry Growth Centres Initiative**

The Industry Growth Centres Initiative is an ongoing program driving innovation, productivity and competitiveness by supporting industry sectors of competitive strength or strategic priority. The existing Growth Centres in advanced manufacturing, cyber security, food and agribusiness, medical technologies and pharmaceuticals, mining equipment, technology and services, and oil, gas and energy resources, are funded for six years.

The Australian Government has established these Industry Growth Centres in a long-term partnership with key industry leaders. Their aim is to improve the productivity and competitiveness of the sectors, help firms grow and prosper, and generate economic growth and employment. All Growth Centres focus on four key areas: increasing collaboration and commercialisation;

improving access to global supply chains and international opportunities; enhancing management and workforce skills; and optimising the regulatory environment.

Three of these Growth Centres in particular — FIAL (food and agribusiness); METS Ignited (mining equipment, technology and services); and NERA (oil, gas and energy resources) — have significant operations in regional areas. Other Growth Centres including, MTPConnect (medical technologies and pharmaceuticals), AMGC (advanced manufacturing) and AustCyber (cyber security) have impacts for both urban and regional areas.

For example, specific advice on accessing opportunities and gaining accreditation to work in the mining sector is available for METS firms. In addition, METS Ignited and NERA, the resources sector related Industry Growth Centres, provide tailored support to SMEs, many of which are located in regional areas. Through a range of initiatives, METS Ignited and NERA promote opportunities for SMEs to provide innovative solutions, support SME connections with major resources companies and assist SMEs to better define their company value proposition and point of differentiation.

**Box 3.6.25: Case Studies and examples of how the Growth Centres are building capability and enabling the creation of jobs in regional areas**

**METS Ignited**, in partnership with the Entrepreneurs' Programme, developed a series of Masterclasses providing attendees an opportunity to understand and benefit from the rapidly changing landscape ushered in by Industry 4.0. They also focused on other topics including how to better leverage capital investment, the future of industry and workforce, and how to better pitch firm offerings. Seven masterclasses were held in regional centres and 11 masterclasses in capital cities.

The 2019 masterclass program will complement face-to-face delivery with customised web-based content. This approach will increase the reach of masterclasses to businesses, particularly those in regional areas.

**METS Ignited** partnered with the Queensland Government to deliver the Igniting METS Accelerator Program, helping technology startups to implement pathways to commercialisation. Eight SMEs participated in the twelve week intensive program which provided participants access to deep-dive workshops, mentoring and support from industry leaders and subject matter experts. The total value of capital investment and new sales contracts secured by participating SMEs is in excess of \$12M (as at August 2018).

Following the success of the Igniting METS Accelerator, METS Ignited collaborated with NERA, KPMG Energise and the Western Australian and Queensland State Governments to develop the RISE Accelerator. RISE is designed to equip late-stage technology start-ups with skills they need to commercialise their technology solutions. 17 businesses from regional and metropolitan Queensland and Western Australia graduated as part of the program in 2019.

**MTPConnect** is investing in ClinTrial Refer, a digital platform linking doctors and patients from around Australia with open clinical trials. The new mobile platform has combined 19 apps into one, simplifying administration, improving useability and enabling nation-wide scalability. The



platform currently has delivered collaboration between 840 clinical trial sites around Australia and a 64 per cent increase in trials recruitment which includes rural and regional Australia.

**METS Ignited** has partnered with the Queensland Government with funding of up to \$6 million to pilot initiatives including the Bowen Basin Cluster Program, Queensland Clustering Initiative, regional and national accelerator programs, and the Digital Business Workshops.

**FIAL's** suite of online tools, workshops and international trade missions to China, the United Arab Emirates, Singapore and Thailand are collectively building capability around product innovation, export and business. For example, FIAL helped Fresh Fodder, a regional firm based in Orange, with its innovation strategy through its 'Fast 'n' Furious' Innovation Course. FIAL's guidance contributed to a 30 per cent increase in revenue for its core product range. One Fresh Fodder line is Costco's second-best dip seller.

### 3.6.26 Entrepreneurs' Programme

The Entrepreneurs' Programme (EP) delivers advice, networking and grants to help Australian businesses grow, innovate and commercialise nationally and globally. This helps to drive economic growth and jobs, improving broader community outcomes.

EP provides businesses with flexible access to tailored advice from a national network of over 140 industry experts, connections and networking opportunities, and matched grant funding. This support is provided through:

**Business Management** – helps businesses grow by improving management capabilities, extending supply networks and taking advantage of growth and trade opportunities. Businesses may access supporting matched grants of up to \$20,000 to help implement recommendations from expert advisers.

**Innovation Connections** – helps businesses innovate by providing advice, connections and supporting matched grants of up to \$50,000 to collaborate with the research sector to develop new ideas with commercial potential.

**Accelerating Commercialisation** – helps businesses, entrepreneurs and researchers commercialise novel products, processes and services by providing expert advice and connections. Businesses may also apply for a competitive matched grant of up to \$1 million to support commercialisation.

**Incubator Support** – helps innovative start-ups to develop business capabilities and achieve commercial success in international markets by providing funding of up to \$500,000 to new and existing incubators and up to \$100,000 to second experts in residence to give advice to startups.

The EP national network of expert advisers and facilitators are business people with a wealth of experience, including in regional areas. In particular, EP has advisers and facilitators based in Albury-Wodonga, Ballarat, Ballina, Bathurst, Broome, Burnie, Bunbury, Cairns, Geelong, Gippsland, Gosford, Launceston, Mackay, Newcastle, Port Pirie, Rockhampton, Tamworth, Townsville and

Wollongong. They offer free and tailored advice aligned to the needs of a business, no matter where that business is located.

Businesses in northern Australia and remote areas have a reduced turnover threshold of \$750,000 to access services under the Business Management or Innovation Connections elements of EP. This helps businesses in northern Australia and remote areas to access advice, networks and matched funding to help them grow and innovate.

Under the Incubator Support element of EP, regional applicants must provide a minimum matched funding requirement of 35 per cent of total funding, as opposed to 50 per cent of total funding required for metropolitan applicants. Dedicated Regional Incubator Facilitators are also engaged to support applicants from regional areas to develop their applications.

### **3.6.27 Small and Medium Enterprises (SME) Export Hubs Initiative**

The Australian Government's \$20 million SME Export Hubs Initiative will help Australian businesses to grow, export and increase local and regional jobs.

Export hubs are collaborative business networks that help small businesses harness opportunities in global marketplaces. The hubs boost the export capability of local and regional businesses, through supporting activities such as developing collective brands, leveraging local infrastructure to scale business operations, and positioning regional businesses to participate in global supply chains.

Competitive matched grants of between \$150,000 and \$1.5 million supported the establishment and/or operation of export hubs in the Growth Centre sectors: advanced manufacturing; cyber security; food and agribusiness; medical technologies and pharmaceuticals; mining equipment, technology and services; and oil, gas and energy resources.

To account for the challenges faced in outer regional and remote areas, loadings are applied during the assessment process based on the Australian Statistical Geography Standard (ASGS) remoteness structure. Projects located in the very remote areas receive the highest loading (six points) and projects located in major cities receive the lowest loading (0 points).

To encourage participation from Indigenous organisations, a loading of four points is applied during the assessment process for Indigenous organisations. Indigenous organisation status is determined by Indigenous Corporation Number (ICN) or a statutory declaration stating that the organisation is at least 51 per cent owned or controlled by Indigenous persons.

In the first round of the Initiative, nine hubs across Australia were supported. More information on the Initiative, including successful hubs, is available from <http://www.business.gov.au/SMEEH>.

## 4. Matters of Interest to the Inquiry

### 4.1 New industries and employment opportunities that can be created in the regions

Over the 30 years to May 2019 (latest available industry employment data), employment grew in 16 of the 19 broad industries, with the majority of growth concentrated in service industries. The largest increase in employment was recorded in the Health Care and Social Assistance industry (up by 1,047,300 or 163.2 per cent), supported in the longer term by ongoing population growth and an ageing population, as well as more recently with the roll out of the National Disability Insurance Scheme (NDIS).

Other labour intensive service industries that recorded large growth in employment include Professional, Scientific and Technical Services (up by 791,800 or 226.2 per cent), Construction (571,600 or 95.6 per cent), Education and Training (553,500 or 109.8 per cent) and Accommodation and Food Services (500,300 or 119.8 per cent).

By contrast, employment has decreased over the past 30 years in Manufacturing (down by 316,600 or 27.2 per cent), Agriculture, Fisheries and Forestry (91,400 or 21.5 per cent) and Wholesale Trade (12,300 or 3.0 per cent) although the decline in Agriculture, Fisheries and Forestry employment has stabilised over the last six years.<sup>22</sup>

The Explore Australia page on the Australian Government's Job Outlook website shows the size and diversity of the Australian labour market. It shows the fastest growing jobs and skills in demand in each Australian region. For example, the Riverina (NSW) has seen the most occupational growth in farmers and farm managers, sales assistants, registered nurses and aged or disabled carers; in the Queensland Outback region, beef cattle farmers and miner were among the fastest growing jobs.

Alongside a shift towards service industries, there has been stronger employment growth in occupations usually requiring higher levels of educational attainment. Occupations usually requiring a Bachelor degree or higher accounted for 45.1 per cent of total employment growth over the past three decades. By contrast, occupations usually requiring only Certificate I or secondary education accounted for only 9.4 per cent of total employment growth.

With these shifts in the labour market, vocational education and training (VET) is becoming increasingly important as a form of work-based learning, helping Australians to skill, reskill or upskill no matter what their age or phase of working life. The growing importance of the VET sector in helping people adjust to a changing labour market can be seen in the employment

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<sup>22</sup> **Industry data** ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, trend; and **Skill level data** ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, Department of Employment, Skills, Small and Family Business trend.

outcomes of VET graduates. For example, 85.4 per cent of 2017 VET graduates (surveyed in 2018) were employed or in further study after training.<sup>23</sup> Student outcomes data also show that workers who hold a VET qualification at the certificate III or higher level earn more than those who have not studied after leaving school.<sup>24</sup>

The shift to higher skilled occupations and service-based industries has meant that education and training has become increasingly important, with unemployment rates much lower and participation rates much higher for those who have completed higher levels of education.

Other developments in the workforce over the past 30 years include an increased share of the workforce employed part-time, increased female participation and employment, an increase in the share of workers in the older age cohorts, and a rise in demand for transferable employability skills, particularly the ability to engage and interact with others.

- DESSFB research shows that around three-quarters of employers place at least as much emphasis, if not more, on employability skills than they do on technical skills.

The long-term shift in employment towards the services industries is projected to continue—Health Care and Social Assistance is projected to make the largest contribution to employment growth (up by 250,300), followed by Construction (118,800), Education and Training (113,000) and Professional, Scientific and Technical Services (106,600). Together, these four industries will provide 66.4 per cent of total projected employment growth over the five years to May 2023.

It is projected that just over 90 per cent of employment growth will be in occupations usually requiring more than a Certificate I or secondary education, highlighting the importance of education beyond school. Occupations that are considered to require university education are projected to increase by 400,600 over the five years to May 2023, providing almost half of total projected employment growth, and occupations that are considered to require VET education are projected to increase by 324,200, providing over a third of total projected employment growth.

Three quarters (or 75.3 per cent) of total projected growth is concentrated in the metropolitan areas<sup>25</sup>. This reflects the higher overall concentration of employment in fast growing service industries in the capital cities than in regional areas.

- Employment across these areas is projected to increase by 7.8 per cent over the period, compared with the 5.7 per cent rate projected for the whole of regional Australia.

Service industries are projected to make the largest contribution to projected employment growth in regional Australia over the five years to May 2023. The Health Care and Social Assistance (up by 82,600), Construction (27,700), Education and Training (26,800) and Accommodation and Food Services (21,100) industries are projected to make up 72.2 per cent of employment growth in regional areas.

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<sup>23</sup> National Centre for Vocational Education Research *VET Student Outcomes 2018*, page 13.

<sup>24</sup> Department of Employment, Skills, Small and Family Business *Australian Jobs 2019*, page 38

<sup>25</sup> Metropolitan areas is defined as capital cities

### **4.1.1 Emerging Agriculture Industries and Employment Opportunities**

The Australian Government's investment in new and emerging agriculture industries is managed by AgriFutures Australia (AgriFutures) one of Australia's fifteen rural research and development corporations. AgriFutures is dedicated to identifying and supporting the development of new rural industries that can meet changing demand and make an economic contribution to Australia. AgriFutures focuses on identifying new industries with high potential.

Through AgriFutures, the Department of Agriculture invested almost \$4 million in 2019-20 in developing new rural industries that may generate new employment opportunities in the regions. Plant and animal products being investigated under this program include essential oils, teff, hazelnuts, wattleseed, leptospermum (for manuka honey) and plantago. As new and emerging industries become established, they are able to make their own levy contributions to research and development, freeing up funds for investment in the next cohort of new and emerging industries.

Under its National Challenges and Opportunities arena, AgriFutures identifies and supports research and innovation opportunities across rural sectors in areas such as climate change, natural resource management, and safety and welfare. Through AgriFutures, the Department of Agriculture invested over \$8 million in this cross cutting research in 2019-20. Projects being investigated under this program include biomass for bioenergy, pollination and weed biocontrol (AgriFutures Australia 2019, AgriFutures Australia Annual Operational Plan 2019-20, Wagga Wagga<sup>26</sup>).

The Department of Agriculture recognises the opportunities for rural and regional development provided by the forest industries. The Department of Agriculture is funding the establishment of Regional Forestry Hubs as centres where the forest industries can expand. Five hubs are currently being established, with a further four to be rolled out in 2020. This initiative is being complemented through investment in research, including in the National Institute for Forest Products Innovation, which is exploring and facilitating innovation in the forest products sector in areas such as forest management, timber processing, wood fibre recovery, value adding, advanced manufacturing and the bio-economy.

### **4.1.2 Emerging Mining Industries**

The resources sector delivers economic wealth, jobs, high wages, investment and tax revenues to Australians and growth in the global demand for resources presents an opportunity to open new mineral and petroleum regions around Australia. Australia has a proud record of establishing new regions and resources when all stakeholders work together on a common goal. This growth and changing global demand for resources presents opportunities to support the development of new extractive industries, such as lithium and other critical minerals.

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<sup>26</sup> <https://www.agrifutures.com.au/about/corporate-documents>

On 28 March 2019, the Minister for Resources and Northern Australia and the Minister for Trade, Tourism and Investment jointly released Australia's Critical Minerals Strategy 2019. The strategy sets a vision for Australia to become a world leader in exploration, extraction, production and processing of critical minerals. It details Australian Government initiatives to support infrastructure development, drive innovation and promote investment in our critical minerals sector, such as:

- **UNCOVER** - The UNCOVER initiative builds geoscience knowledge to enable new discoveries of buried mineral deposits.
- **Cooperative Research Centre Projects** - The Government has prioritised \$20 million of funding in Round 7 of the Cooperative Research Centre Projects program for projects with a specific focus on critical minerals.

### 4.1.3 Future Hydrogen Industry

Hydrogen, is a prospective new industry that could provide significant benefits for Australians in regional areas. Australia has vast regions where its extensive fossil fuel and renewable energy resources could be used for hydrogen production. The International Energy Agency and the World Energy Council have identified Australia as having the potential to be a major hydrogen producer.<sup>27</sup>

ACIL Allen estimates in a medium hydrogen demand scenario that Australia's share of global trade in hydrogen could be worth up to \$5.7 billion in 2040, while the total economic contribution to the Australian economy could be up to \$473 million in 2025 and up to \$4.3 billion in 2040. Under the same scenario, ACIL Allen forecast that by 2040, up to 7,000 jobs could be created in the hydrogen supply chain for exports alone. Greater domestic adoption of hydrogen may improve the competitiveness of other Australian export industries (particularly where there is increasing global and domestic demand for lower emissions products).

Interest in hydrogen technology in Australia continues to grow, with an increasing number of pilots, trials and demonstrations either underway or being considered. As the industry scales up, it is anticipated there will be a variety of suitable locations for production and use across Australia including in regional and remote areas.

To support the development of an Australian hydrogen industry, the Council of Australian Governments (COAG) Energy Council commissioned senior officials and the Chief Scientist of Australia to deliver a National Hydrogen Strategy by the end of 2019. The Strategy will help to build a clean, innovative and competitive hydrogen industry and position Australia's hydrogen industry as a major global player by 2030.

The Hydrogen Working Group of officials working under the Chief Scientist to deliver the strategy has conducted comprehensive stakeholder consultation since the start of 2019. Stakeholders agree that establishing an Australian hydrogen industry within 10 years will require considerable planning and engagement across multiple sectors.

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<sup>27</sup> International Energy Agency (2018) *World Energy Outlook* p. 411

The Australian Government has already invested over \$130 million in supporting hydrogen projects with many state and territory jurisdictions having already developed their own hydrogen strategies and/or investing in hydrogen projects. This includes committing \$9.41 million in funding to support hydrogen production from biomethane in Western Australia<sup>28</sup>, and \$950,000 towards a pilot project in Brisbane to support renewable hydrogen production<sup>29</sup>.

#### 4.1.4 Emerging Transport Industry Opportunities

The convergence of a range of related transport technology trends—including automation, connectivity, sharing and electrification—has the potential to transform transport over the coming decade. Transport is an important ‘enabling service’ for the Australian economy, as well as being a direct contributor. Improvements in transport efficiency drive broader economic growth, and may deliver new business and job opportunities across Australia. The nature of some jobs may change too, which could see ongoing training being even more part of jobs into the future.

Evidence indicates that developments in connected and automated vehicle technology have the potential to increase productivity and safety, introduce new employment roles and increase workforce and higher education participation. These could create net positive employment benefits, including in regional Australia.<sup>30</sup> There could be new roles in supplying and operating connected and automated vehicles for commercial transport and freight operations, or other roles that use connected and automated vehicles as a platform to deliver new kinds of services.<sup>31</sup> The profile of existing regional transport hubs may change, depending on the rate and type of technology that is adopted.

It should be noted that while trials of connected and automated vehicle technology are now occurring around Australia, including in some inner-regional areas<sup>32</sup>, there are a range of engineering, regulatory and social challenges to overcome before there is wider adoption of these technologies.

The Australian Government is working in partnership with states and territories to address these challenges through the Transport and Infrastructure Council’s National Policy Framework for Land Transport Technology.

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<sup>28</sup> <https://minister.environment.gov.au/taylor/news/2019/support-hydrogen-production-biomethane-western-australia>

<sup>29</sup> <https://minister.environment.gov.au/taylor/news/2019/support-renewable-hydrogen-production-brisbane>

<sup>30</sup> Deloitte. *Automated and zero emissions vehicle infrastructure advice: socio-economic impact analysis*. Report prepared for Infrastructure Victoria. 2018.

<sup>31</sup> ‘Autonomous Vehicles Employment Impact Study’ Australia & New Zealand Driverless Vehicle Initiative (2018)

<sup>32</sup> A map of planned and ongoing connected and automated vehicle trials is available at: <https://austroads.com.au/drivers-and-vehicles/connected-and-automated-vehicles/trials>

### 4.1.5 Emerging Health Care and Social Assistance job opportunities

The care sector in Australia is experiencing significant workforce growth, driven by the implementation of the National Disability Insurance Scheme, Australia's ageing population and increasing demand for home-based care services. Given the geographical dispersal of this sector, this strong growth presents valuable employment opportunities for regional Australia.

Data from the Australian Institute of Health and Welfare indicate that older Australians are less likely than the general population to live in major cities. In addition, some areas of regional Australia are attractive 'retirement destinations' for older Australians, and the significant ageing of the population in these areas is expected to fuel further growth in demand for aged care services. For example, in the Eurobodalla Local Government Area in New South Wales, the percentage of the population aged 65 and over increased from 25.8 per cent in the 2011 Census to 30.6 per cent in the 2016 Census.

The National Disability Insurance Agency estimates that growth in total worker demand, as the NDIS moves through transition to full implementation, is likely to be higher in regional and remote areas than in urban areas. Areas with a more rapidly ageing population are anticipated to experience greater growth in demand as the availability of informal care from ageing carers decreases more rapidly over time.

DESSFB's Personal Care Workforce research<sup>33</sup> supports the view that the care sector is a growth industry for regional Australia, showing a high level of recruitment activity for personal care workers in regional areas. The vast majority of regional employers (80 per cent) undertook some form of recruitment in the six months prior to the survey, usually for multiple vacancies. Compared with metropolitan operators, a higher share of regional operators recruited personal care workers to fill new positions (85 per cent compared with 78 per cent). Conversely, fewer regional operators were recruiting due to turnover (88 per cent, compared with 100 per cent in metropolitan areas).

In regional areas, employers filled 90 per cent of their vacancies in the previous six months (76 per cent in metropolitan areas), however the picture is more nuanced.

- The labour market was tighter in regional areas, with an average of 3.3 applicants per vacancy, of where 1.5 were found to be suitable. In metropolitan areas, there was an average of 4.5 applicants per vacancy of where 1.4 were found to be suitable.
- The main reasons employers stated for not filling vacancies were not receiving suitable applicants, the availability of applicants, or no applicants applying.
- Despite filling the majority of their vacancies, it took regional employers longer, 3.9 weeks compared with 3.2 weeks for employers in metropolitan regions

More regional employers were willing to take on personal care workers who were not qualified but had some experience in the industry (44 per cent compared with 39 per cent in metropolitan

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<sup>33</sup> Department of Jobs and Small Business (2018) The labour market for personal care workers – in aged and disability care - Australia



areas). Regardless, 59 per cent of regional operators still required a Certificate III as a minimum qualification (70 per cent in metropolitan regions) for new personal care staff. DESSFB research found that 17 per cent of employers were willing to employ personal care workers who were still undertaking training (also 17 per cent for metropolitan). The results also showed that 32 per cent of successful personal care applicants in regional areas required further training (44 per cent for metropolitan regions). This additional training also included refreshing, or modernising staff's existing training.

Retention issues are evident and in regional areas, 44 per cent of employers were experiencing difficulty, highlighting that there is still a problem that needs to be addressed in the sector.

Regional employers reported that they had staff leave their employment for:

- Better pay and conditions (55 per cent compared with 59 per cent of metropolitan employers).
- Retirement (30 per cent compared with 22 per cent of metropolitan employers).
- Positions outside of the industry altogether (43 per cent compared with 41 per cent of metropolitan employers).

## 4.2 The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance

The Australian Government is investing and entering into partnerships to deliver Snowy 2.0, the Battery of the Nation, and the Marinus link. These projects will create thousands of direct and indirect jobs in the Snowy Mountains, La Trobe Valley and Northern Tasmania.

The ABS produces experimental estimates of the level of employment, in Full Time Equivalent (FTE) terms, in the renewable energy sector<sup>34</sup> by state and territory, and by types of renewable energy activities, in the Employment in Renewable Energy Activities, Australia<sup>35</sup> collection (catalogue number 4631.0). The data are available for the years 2009-10 to 2017-18, nationally and by state/territory.

Key points:

- Employment in renewable energy activities stood at 17,740 in 2017-18 (in FTE terms), an increase of 3,890 (or 28 per cent) from the previous year (2016-17).
  - This is the highest level of employment in renewable energy activities since 2011-12.

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<sup>34</sup> Note this includes the design, construction and/or operation and maintenance of renewable energy infrastructure.

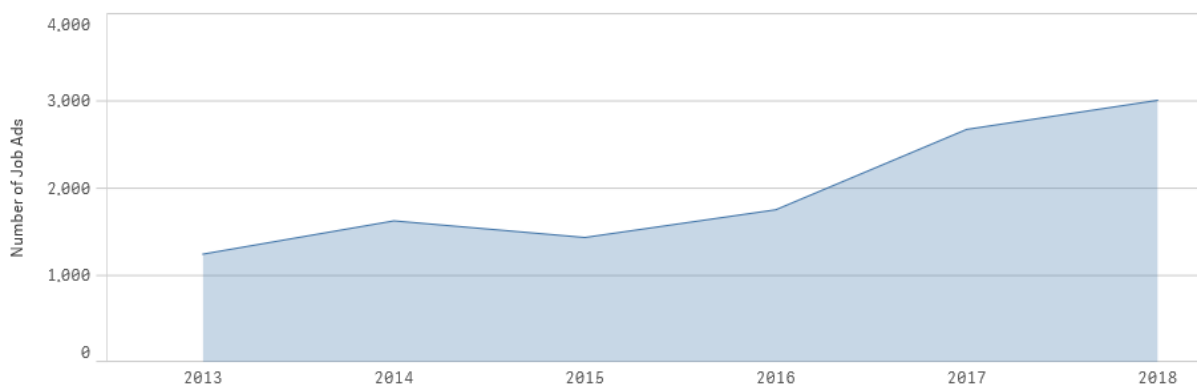
<sup>35</sup> <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4631.0Main+Features12017-18?OpenDocument>

- Rooftop solar was the largest contributor to FTE employment in the sector, accounting for 8,240 (or 46 per cent) of employment in 2017-18.
  - However, large-scale photovoltaic solar employment increased by 210 per cent in 2017-18 to account for 16 per cent of employment in the sector in 2017-18, replacing hydroelectric power as the second largest share.
- Queensland continued to have the largest renewable energy workforce, with FTE employment of 5,080 in 2017-18.
  - This represents an increase of 1,550 (or 44 per cent) in the year to 2017-18.
  - The strongest growth rate in renewable energy jobs was recorded in Victoria, where employment increased by 47 per cent (or 1,020 ) to stand at 3,180 in 2017-18.
  - Together, New South Wales, Victoria and Queensland accounted for 72 per cent of employment in renewable energy activities in 2017-18.

According to the ABS, the increase in employment in the renewable energy sector between 2016-17 and 2017-18 was driven by an increase in construction activity for large scale solar photovoltaic systems (1,950 new jobs) and roof top solar photovoltaic (1,720 new jobs). Together, these two renewable energy types accounted for 94 per cent of the increase in employment in renewable energy.

An analysis of online jobs advertisements using Burning Glass Technology shows an increase in the number of clean energy and ecological job advertisements over the period 2013 – 18 (see Chart 4.2.1)

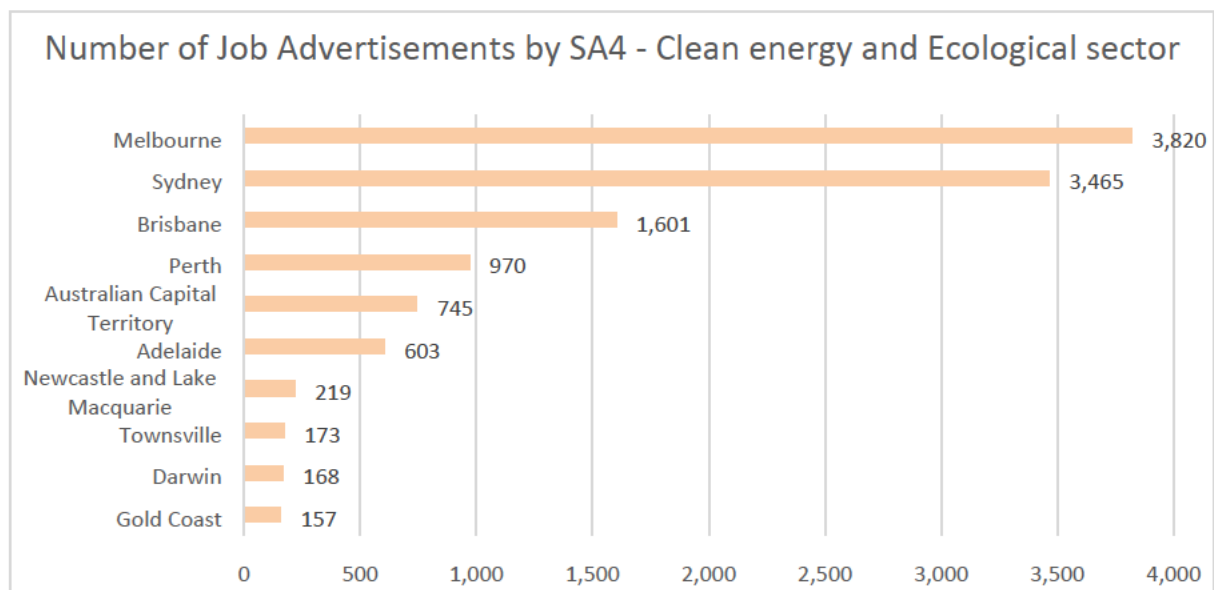
**Chart 4.2.1: Number of job advertisements in the clean energy and ecological sectors 2013 – 18**



Source: Burning Glass Technology

The distribution of job advertisements in the clean energy and ecological sector by location are shown in Chart 4.2.2. These data show that the largest share of the demand is in Melbourne, Sydney and Brisbane.

**Chart 4.2.2: Distribution of job advertisements in the clean energy and ecological sector by location (2013-18)**



Source: Burning Glass Technology

The skills required by employers for the jobs in the clean energy and ecological sector are shown in Table 4.2. This data show demand for renewable energy (39.4 per cent of the total job advertisements in the sectors), solar energy (10.6 per cent of the total job advertisements in the sectors) and wind power (10.3 per cent of the total job advertisements in the sectors).

**Table 4.2. Skills required for the clean energy and ecological sector**

Skill Name	Job Advertisement Percentage
Renewable Energy	39.4%
Solar Energy	10.6%
Wind Power	10.3%
Clean Energy	6.8%
Solar Panels	5.9%
Plant Identification	5.7%
Wind Turbines	4.4%
Green Energy	3.7%
Photovoltaic (PV) Systems	3.5%
Geothermal	3.5%
Solar Systems	3.3%
Wildlife Management	3.0%
Solar Installation	2.7%
Range Management	2.5%

Aquatic Ecology	2.1%
Solar Products	2.0%
Biomass	1.7%
Hydropower	1.5%
Alternative Energy	1.1%

*Source: Burning Glass Technology*

Energy generation, supply and efficiency is an area with potential for new and expanded industries and employment opportunities in regional areas. For many agricultural industries, energy is a significant input cost, estimated at over \$5 billion per annum, and farmers are increasingly seeking to improve their energy efficiency, install on-farm renewables and investigate alternative uses for agricultural waste such as biofuel and bioenergy.

The agriculture industry is focused on supporting these new opportunities as demonstrated by the National Farmers' Federation 2030 roadmap goal to have Australia's farm energy sources reach 50 per cent renewable by 2030. The Department of Agriculture is currently conducting research and meeting with stakeholders to identify and explore energy-related opportunities for Australia's agriculture sector and regional communities and to ensure government funding in this space is well-targeted.

## 4.3 Lessons learned from structural adjustment in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies

In the year to February 2019, the ABS reports that 263,300 people were retrenched from their last job. Retrenched workers vary in their profile. With a variety of skill sets and occupational backgrounds, many are able to secure another job without accessing employment services. Re-employment rates are relatively high in Australia, both in the first and second year of displacement, reflecting Australia's good labour market situation and the relatively flexible nature of the labour market.<sup>36</sup>

The Australian Government has a long history of working with employers and job seekers to manage structural change. Structural Adjustment Programmes (SAPs) have traditionally been used by the Government as a response to large scale retrenchments in vulnerable sectors and regions. Recent SAPs provided assistance for workers who have lost their job from Queensland Nickel in North Queensland, the Forestry sector in Tasmania, BlueScope Steel in the Illawarra, NSW,

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<sup>36</sup> Back to Work Australia, OECD, 2016, p36

Caterpillar Underground mining in North-West Tasmania and Arrium in Whyalla, SA. In addition, there was a long running SAP for workers affected by the closure of the car manufacturing industry across Australia.

Lessons learned from these experiences resulted in support being extended to partners of retrenched workers, in recognition of the broader household impacts of retrenchment. Assistance for workers at Alinta Energy Power Station in Port Augusta, Hazelwood mine and power station in the Latrobe Valley and ASC Shipbuilding in Adelaide, included transition support for partners.

Currently ASC Shipbuilding Pty Ltd workers in South Australia are being supported through a SAP. This program differs from earlier support in that it provides additional assistance for outplacement support prior to workers being retrenched. This reflects lessons from support provided to workers exiting the car manufacturing industry about the importance of early access to tailored career advice to provide workers with clear direction. Access to training funds is available to supplement any skills gaps or barriers to labour market participation.

The Commonwealth response to managing transition also draws on resources from across government. This is particularly important where significant transition events have broader regional and sectoral impacts and diversification funds have a role to help pivot industries and regions towards new local opportunities.

Examples of additional support beyond Structural Adjustment Programmes include:

- The closure of the Hazelwood Power Station and Mine was aligned with the Latrobe Valley, VIC receiving \$20 million under the Regional Jobs and Investment Package and an additional \$20 million Jobs and Infrastructure Package to deliver local community priorities.
- The voluntary administration of Queensland Nickel in Townsville was supported by the Commonwealth, Queensland Government and Townsville City Council enacting Australia's first City Deal. The City Deal is a 15-year commitment to deliver transformative outcomes for Townsville, including a \$100 million Commonwealth commitment to the construction of the North Queensland Stadium.
- The transition of the car manufacturing industry in Victoria and South Australia was supported by the \$90 million Next Generation Manufacturing Investment Programme (element of the Australian Government's Growth Fund) to help local businesses to establish or expand high value manufacturing operations.

### 4.3.1 Forestry Transition

While Australia's forest industries are currently performing well, employing approximately 52,000 people nationally in 2016 (*Australia's State of the Forests Report 2018*), the Tasmanian forest industries have undergone significant structural adjustment. The *Australia's State of the Forests Report 2013* recorded that forest-related employment in Tasmania fell by almost half (46.0 per cent) between 2006 and 2011, from 6,409 to 3,460 employees. The estimated number of forest-related businesses reduced from 510 to 372. All sectors of the industry were affected,

including forest growing, wood processing and contractors. The decline was attributed to business closures driven by the global financial crisis, appreciation of the Australian dollar, policy decisions affecting the size of the sector and other factors.

Between 2011 and 2016, there was a further reduction of 28 per cent in Tasmania's forest industries employment, from 3,414 people to 2,440 (Australia's State of the Forests Report, 2018). However, this is consistent with the national average reduction of 24 per cent, from 68,604 to 51,968 over the same period. During this period, all states except South Australia recorded reductions of in excess of 22 per cent in forest industries employment. In South Australia, the decline was 16.5 per cent.

The Department of Agriculture was involved in a number of structural adjustment programs for the forest industries. The most recent programs were focused on Tasmania, and arose from the Tasmanian Community Forest Agreement of May 2005 and the Tasmanian Forests Intergovernmental Agreement of August 2011.

The first program included components to assist the industry to upgrade technology, add value to the resource, improve efficiency and competitiveness, and introduce new products and markets. The second program aimed to revitalise the forest industries, protect existing jobs and create new ones through investing to maintain timber supplies, making better use of plantations and regrowth forests, increased downstream processing, modernising and retooling timber mills, increased value adding and developing new markets for high quality products.

Key lessons learnt from the implementation of these programs are the need for them to be well-designed and have clear aims. Programs need to be developed with clear procedures for their implementation and ensure that appropriate documentation of all decisions occurs. Following delivery of the programs, monitoring and compliance checks need to be integral parts of program delivery. The development of baseline information prior to the delivery of programs can also assist in determining how effective program delivery has been.

DESSFB provided support to the impacted workers through the Forestry Industry in Tasmania Structural Adjustment Program (FITSAP). This package provided support to workers made redundant from eligible companies in the forestry industry in Tasmania and ensured they receive intensive employment support through the Commonwealth's then employment services program, Job Services Australia.

A team of project officers were employed through the relevant Industry Skills Council to provide personalised job search support to retrenched workers. The officers themselves were impacted workers, and proved a useful resource in helping their former colleagues navigate the range of resources available to them.

### **4.3.2 Automotive Transition**

The closure of the automotive manufacturing industry in Australia demonstrated that engaging in socially responsible restructuring can deliver benefits for employers such as increased productivity, reduced absenteeism, high worker morale among their employees and loyalty to their employer. The Australian Government promotes best practice learned from previous transition activities, through resources such as the Good Practice in Socially Responsible Restructuring Guide and the Redundancy Information Statement.

A broad range of policy tools allows the Commonwealth to develop responses to support regions to develop resilient economies, while also helping impacted workers transition into new jobs.

The successful transition of the car manufacturing workers (see Box 4.3.2) demonstrates the importance of (1) early notification with a long lead time for engagement, (2) a tailored case management model with career advice, (3) strong collaboration, (4) tailored, clear and timely information, (5) training and foundation skills and (6) specific health and wellbeing support.

The Stronger Transitions package of assistance was designed based on best practice from the automotive manufacturing industry response. The package assists workers facing retrenchment to transition to new jobs and prepare for the jobs of the future, particularly in emerging and growing sectors. The package uses early intervention methods to support workers to transition into new employment, avoiding prolonged reliance on income support.

When a firm or employer closes or downsizes significantly, there can be broader impacts on regional communities, with flow on effects to regional supply chains as well as downstream service sectors. The regional focus of the Stronger Transitions program recognises these broader impacts on regions and communities, ensuring a more holistic package of support is provided to regions.

Building on the lessons from the automotive transition, since 1 July 2019 all retrenched workers and their partners, across Australia are able to access job search assistance immediately, prior to becoming eligible for income support.

Due to income maintenance and liquid asset waiting periods, retrenched workers with redundancy payouts are often not eligible for immediate government income support. As a result, retrenched workers could previously only access limited assistance through employment services for a short period as a volunteer. For job seekers who do access income support, the average lifetime cost to the Government of a working age payment recipient reached \$316,000 in 2017 (exclusive of employment support).<sup>37</sup> The automotive manufacturing industry response highlighted the importance of early intervention in assisting retrenched workers to quickly re-engage with the workforce.

**Box 4.3.2: Lessons from the transition of the car manufacturing industry**

In early 2013 and 2014, the car manufacturers Ford, Holden and Toyota announced they would

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<sup>37</sup> Australian Government Department of Social Services, *30 June 2017 Valuation Report*, 2018, p.43.

cease car production in Australia by the end of 2017. Estimates of direct job losses varied, with between 27,500 and 40,000 workers expected to face redundancy over several years.

The three car manufacturers each gave a three year transition window to enable the orderly wind down of operations. This time enabled firms in the automotive supply chain to diversify and transition to new opportunities in export markets and for workers to reskill and find new jobs.

The Australian Government worked closely with state governments and the car manufacturers to design and rollout comprehensive, complementary and timely initiatives to support this transition.

In 2014, the Australian Government announced a \$155 million Growth Fund to support workers, businesses and regions affected by the changes to Australia's car manufacturing industry. The Growth Fund focused support on affected supply chain businesses to diversify and reduce their dependence on the car manufacturers; stimulate business activity in adjacent manufacturing sectors; and assist affected workers to quickly gain new jobs through targeted support. These programs were complimented at state level by the South Australian and Victorian Governments, who also financially contributed to elements of the Growth Fund. Also see Box 4.4.

The Skills and Training Initiative and Automotive Industry Structural Adjustment Programme (AISAP) were key elements of the Australian Government's Growth Fund support for these workers. These elements centred on the provision of labour market information, career and financial advice, assistance with skills and training, employment and health and wellbeing support. Holden and Toyota each contributed \$15 million to the Skills and Training Initiative and delivered the majority of services directly to their workers, with close collaboration between industry and government to design transition services. Holden and Toyota also supported their direct supply chain business by providing the supply chain workers access to the transition centres, or by funding the supply chain businesses directly to assist their workers.

The Australian Government supported the Skills and Training Initiative through Act of Grace payments to Holden and Toyota to reimburse actual Fringe Benefit Tax costs associated with training their workers for jobs not linked with their current employment.

AISAP supported all displaced workers, particularly those within the supply chain, through the provision of résumé preparation, job applications and job search support, interview skills and funding for training to obtain tickets or licenses.

Established in 2014, a National Governance Committee (NGC) provided leadership and facilitated collaboration between stakeholders for the design and delivery of seamless support to impacted workers. The appointment of an Automotive National Facilitator to support the industry closure, along with Adelaide and Geelong Employment Facilitators, supported collaboration by working closely with the NGC and other stakeholders such as unions, community services providers and employers.

#### **Lessons learnt**



The success of the transition support has resulted in the following best practice being identified in supporting workers and businesses:

- Early notification for workers and long lead times to support engagement of stakeholders.
- A tailored, case management model to deliver information and career advice to workers.
- Strong collaboration between employers, government and workers.
- Clear, concise and timely information for workers and families through multiple channels.
- Support and funding for training and foundation skills to support job transitions.
- Available health and wellbeing support and support for financial literacy.

#### **Outcomes for workers and industry**

The long lead times for targeted government support for supply chain diversification, staggered job losses over several years, and tailored assistance prior to workers exiting contributed to lessening the impact on workers and companies within affected regions. The relatively strong labour market and economic conditions were a contributing factor in lifting the likelihood of supply chain companies and workers making successful transitions.

It is estimated that less than 25 per cent of affected supply chain firms closed, the remaining firms had diversified their business and some had downsized their workforce. This is credited for the lower than expected level of direct job losses within the supply chain, with estimates placing the total job losses at 14,000 jobs lost over the four years since 2014; around half of the original direct job losses forecasted.

The vast majority of affected workers have transitioned to new employment, with 85 per cent of surveyed workers actively engaged in the jobs market 12 months following the closures. Of these workers, 82 per cent were working and 18 per cent were looking for work. The majority of workers who had left the jobs market had retired or were studying. Many workers regained employment within the manufacturing sector, with some workers regaining employment in new industries such as the construction, logistics and health care sector. The provision of case management support helped workers identify their career goals, transferable skills and supported relevant training options for future career transitions. The strong collaboration between industry and government helped to coordinate services and increase the flexibility of programs to respond to worker needs.

### **4.3.3 The Automotive National and Employment Facilitators' role in supporting the automotive industry transition**

The Australian Government supported the Automotive National and Employment Facilitators as a direct point of contact for affected workers, firms and other stakeholders during the transition of the car manufacturing industry. Ongoing meetings and information sharing was continuous between the Automotive National Facilitator, the Adelaide Employment Facilitator and the Geelong Employment Facilitator. The Automotive National Facilitator reported directly to the National Governance Committee, communicating on the ground feedback to industry and government decision makers.

By working with affected automotive firms, the Facilitators raised awareness of available support for businesses including government funding for diversification. The Facilitators ensured a coordinated approach to service delivery by working across all levels of government to provide workers and businesses with a single point of contact. The Adelaide Employment Facilitator was regularly at the Holden Transition Centre to support the workers, delivering information sessions, providing job search and interview support and promoting volunteering opportunities. The on-site Transition Centre was a successful initiative by Holden which reported that over 80 per cent of their former employees transitioned into new work, further study or retirement.

## 4.4 The importance of long-term planning to support the diversification of supply chain industries and local economies

While factors like automation, trade, and demographic shifts are driving change in regional areas, long-term planning can position communities to harness these trends to create growth and prosperity.

The Department of Agriculture is supporting the agriculture industry's goal of becoming a \$100 billion industry by 2030. Achieving this goal will benefit producers and the industries that support them, while creating jobs along the supply chain.

While early studies (Edmonds & Bradley, 2015) predicted up to 44 per cent of Australian jobs could be at risk of automation, subsequent research found these estimates were too high and their methodologies too simplistic.

More reliable estimates suggest that between 9 to 14 per cent of jobs may be technically automatable (OECD, Working Paper Automation skill use and training, 2018), but even these take no account of new jobs that will be created or the likely level of technology adoption by Australian businesses.

The biggest change will be how existing jobs are done. Over the last five years change has been slow with jobs experiencing 9.3 per cent change (AlphaBeta, Future Skills Report, 2018). However, reports indicate that up to 32 per cent of jobs may change substantially in the way the work is done in the long term (OECD, Automation, skills use and training, 2018).

The implications of these reports are relevant at a regional and national level. As well as supporting continual job growth and regional employment strategies, it is important to promote technological adoption, support new growth industries and help businesses expand, invest and employ people.

DESSFB is developing better data, information and practical tools to empower Australians to shape the future of jobs in their communities. These tools will give regional communities a practical basis to support long-term planning and develop diverse and resilient economies.

DESSFB's Explore Australia tool on the Job Outlook website provides user-friendly information on projected job growth in regions and the key skills employers are looking for in filling these roles. This tool is being used by labour market intermediaries, such as the Employment Facilitators, to support planning and discussion sessions with local communities.

This will work with the Jobs and Data Infrastructure (JEDI) project, which will provide Australians with better information to understand and adapt to labour market change. This project brings together traditional and real-time data on skills demand and supply. By delivering better data, this work will help create a more agile response to skill shortages, including at the regional level.

The JEDI project contributed to the development of the Skills Match tool on the Job Outlook website, which analyses a worker's existing skills and work experience and provides a catalogue of alternative careers, including information about median weekly earnings and required qualifications. Skills Match enables users to identify the key skills they have developed throughout their career, ideas for careers they can transfer their skills to, and the new skills needed to step into an alternative career.

In the longer term, better access to data and insights will also help education and training providers, employers and workers develop collaborative approaches to ensure a strong pipeline of jobs, workers and skills.

Businesses, in particular, have a crucial role to play in proactively planning and managing their own workforce requirements. This includes adopting automation strategies with a view to augmenting and supplementing labour to enhance and expand their capabilities, rather than merely replacing workers with new technology. This requires businesses to consider not only the types of skills they will need to exploit and complement these new technologies, but also to assess what opportunities might feasibly exist to retrain their current workforce to meet these emerging skill requirements.

**Box 4.4 The Government supporting automotive manufacturing supply-chain diversification**

The car manufacturing industry transition also saw the Government moving quickly to deliver assistance to affected businesses and to put in place a long-term, national plan for change and growth.

The \$155 million Growth Fund included initiatives to drive the development of new industries in high growth sectors in South Australia and Victoria, by supporting capital investments through the DIIS's Automotive Diversification Programme (ADP) and the Next Generation Manufacturing Investment Programme.

The ADP helped supply chain companies such as Maxiplus Injection Moulding makes plastic components for commercial transport vehicles, and Dolphin Products to make detonator parts for the global mining industry.

The Next Generation Manufacturing Investment Programme is assisting manufacturers such as Sealite to make specialist marine navigation aids and aviation ground lighting systems, and MiniFab to produce medical diagnostic consumables.

Additionally, the Automotive Transformation Scheme (ATS), which commenced in 2011, will continue to provide considerable assistance to automotive businesses until 2020-21. It aims to encourage competitive investment, innovation and economic sustainability in the Australian automotive industry. The ATS has a legislated cap with expenditure based on claims for eligible activity.

The Government's \$100 million Advanced Manufacturing Fund is driving innovation in Australia's manufacturing sector to create jobs, grow businesses, improve productivity and be globally competitive.

As part of this Fund, the \$47.5 million Advanced Manufacturing Growth Fund is helping businesses in South Australia and Victoria be more competitive through innovative processes and equipment.

The Advanced Manufacturing Fund's \$10 million Automotive Innovation Labs program has helped our thriving automotive components sector by improving its access to product testing and design facilities; and the \$5 million Automotive Engineering Graduate Program is providing the sector with more job-ready engineers.

ABS data shows industry value added increased across the motor vehicle and motor vehicle part manufacturing segment over the period 2014-15 to 2017-18.

This was driven by increases in value added across the segments of aftermarket sales, heavy-industry manufacturing including trucks, buses, trailers and 'other' motor vehicle parts manufacturing.

Automotive manufacturing, and indeed manufacturing in Australia remains a resilient and growth focused sector at a transitional stage.

Looking to the next stage, the Government is developing a National Electric Vehicle Strategy to ensure that the transition to new vehicle technology, infrastructure and industry development is planned and managed, with opportunities fully exploited. It is expected to be released in mid-2020.

#### **4.4.1 National Resources Statement & COAG Resources Agenda**

Australia's resources sector is highly successful and a major contributor to our nation's wealth and living standards accounting for more than half of our national exports. The sector supports many regional communities with 56 per cent of its workforce located outside of major cities.

The National Resources Statement (the Statement) was released by the Minister for Resources and Northern Australia in early 2019 and is Australia's first long term plan and reform agenda for the Australian resources sector in over 20 years. The Statement provides a reform agenda which supports the Australian Government's vision for the sector: 'To have the world's most advanced, innovative and successful resources sector which delivers sustained prosperity and social development for all Australians.'

The Statement sets out national policy goals to:

- Deliver the most globally attractive and competitive investment destination for resources projects.
- Develop new resources, industries and markets.
- Invest in new technologies and approaches, especially to deliver better environmental outcomes.
- Create well-paid, secure jobs.
- Support communities to ensure they received the benefits from the development of Australian resources.

The Statement recommends several actions that focus on encouraging regional employment particularly :

- Opening up new industries and resource regions.
- Developing the required skills and workforce.
- Delivering better outcomes for stronger and more engaged communities.

Implementation of the Statement is already underway including through commitments agreed by COAG Energy Council Resources Ministers to identify regulatory barriers, tackle future skills challenges and develop a critical minerals work plan.

#### **4.4.2 National Freight and Supply Chain Strategy**

The National Freight and Supply Chain Strategy and National Action Plan was released in August 2019. For the first time, a national approach has been agreed to position Australia's multimodal freight supply chains to face the challenges of the next 20 years and beyond. Developed by all Australian governments with extensive input from industry, the National Freight and Supply Chain Strategy commits to action in four critical areas:

- smarter and targeted infrastructure
- enable improved supply chain efficiency
- better planning, coordination and regulation
- better freight location and performance data

The Strategy, and its associated National Action Plan shows, in a joined up way, the actions that all governments are taking on freight and provides a mechanism to ratchet up action and ambition

from governments and industry to lift freight system performance. For more information, including what the strategy means for regional Australia, visit [www.freightaustralia.gov.au](http://www.freightaustralia.gov.au).

## 4.5 Measures to guide the transition into new industries and employment

The National Resources Statement identifies for ongoing success the sector must continue to support Australia's regions, workforce and deliver better outcomes for stronger and more engaged communities. As per the Statement, COAG Energy Council Ministers agreed to, 'improve community trust in the sector starting with a comprehensive evaluation of current community engagement and benefit sharing practices by industry, government and other bodies to identify best-practice and information gaps. This will inform and guide future actions to secure stronger Australian communities'.

In April 2019, the Barkly Regional Deal was launched—a 10 year Deal to improve the productivity and liveability of the Barkly region by stimulating economic growth, improving social outcomes and supporting local Aboriginal leadership. This is a joint collaborative partnership across all levels of Government (Barkly Regional Council, NT State Government and the Commonwealth).

The Statement recommends using this Barkly Regional Deal as a pilot model and to trial Regional Deals for Australia and ensure that lessons from the Barkly are applied to help build supportive communities receiving the benefits of a strong sector in other resource rich regions.

The COAG Energy Council agreed to convene a roundtable with industry and academia to identify opportunities to boost tertiary and VET outcomes for the sector. The Council will work closely with COAG Skills Ministers to take forward proposed actions.

## 4.6 Community infrastructure to attract investment and job creation

### 4.6.1 Regional Grant Programs

The Government's total commitment to regional grant programs is over \$3.6 billion, helping regions realise local competitive advantages and access new markets, including:

- \$841.6 million for three rounds of the Building Better Regions Fund which supports infrastructure and community investment projects either located in or benefiting regional and remote Australia.
- Over \$1 billion in Community Development Grants providing infrastructure that provides long term improvement in the social and economic viability of local communities.
- \$272 million for the Regional Growth Fund to support transformational investments in regions.

- \$75.3 million over four years for 52 Regional Development Australia Committees across the country which will facilitate a continual to boost regional economies.

#### **4.6.2 Murray–Darling Basin Economic Development**

The Murray–Darling Basin Economic Development Program provides funding for economic development projects in eligible communities impacted by water recovery activities under the Basin Plan. The objectives of the program are to increase the capacity of communities to diversify and strengthen local economies, enhance communities’ resilience to manage economic challenges and changes and increase opportunities for employment within communities. The outputs of the program are the number of jobs created because of the economic development projects and the number of projects supporting activities that continue after the end of the projects.

A total of 42 projects have been approved for approximately \$24.4 million under Round 1 of the program. The nature of these projects varies according to the local economic development needs of the eligible communities and aligns with other strategic economic development priorities of the region. Proposals covered projects in healthcare, tourism, construction, capacity building and leadership, and Indigenous cultural preservation.

The Department of Agriculture is currently working on implementing a \$15 million commitment to a second round of the program announced during the 2019 election period. Round 2 will operate with the same objectives as Round 1 with the nature of projects again reflecting the particular economic development needs of eligible communities.

### **4.7 The need for a public authority to manage the transition**

The Australian Government has long-standing processes and relationships to support workers through transition.

This includes support provided through DESSFB’s transition support network and long-term relationships and support drawing on resources from across the Commonwealth. DESSFB’s transition support network works with all levels of government in providing information and support to retrenched workers, helping them to transition into new employment opportunities as soon as possible. This on-the-ground support network coordinates services across government, promotes existing services to workers, informing them of job opportunities in their local labour market.

In addition to this immediate support provided to retrenched workers, the Australian Government offers to work closely with employers undertaking restructuring, particularly those that result in large-scale retrenchment exercises. DESSFB offers to work with employers at an early stage to share best practice learnings and highlight the importance of providing a measured and well planned transition for their workers.

### 4.7.1 Governance structures for the automotive manufacturing transition

A National Governance Committee (NGC) was established to provide strong leadership and collaboration during the closure of the car manufacturing sector in Australia. The committee was chaired by the Commonwealth with membership including the private sector employers of Toyota and Holden, the Australian government departments representing Employment, Industry and Education, and the Victorian and South Australian State Governments. The NGC met quarterly over four years. The commitment by all stakeholders was instrumental in ensuring a successful transition of the workers to new jobs and the promotion of business diversification opportunities.

The NGC's goal of implementing best practice in transition support was based on previous domestic and international experience. Key principles included establishing relationships to deliver results; continual improvement informed by ongoing feedback; coordinated communication and service delivery across all stakeholders; setting common objectives; measuring success; and documenting best practice.

The NGC agreed to best practice principles, for example, that training and re-skilling support was informed by tailored career advice; but allowed each stakeholder the flexibility to tailor and implement initiatives to their workers' needs.

The NGC was particularly successful in coordinating communication messages. The stakeholders produced communication materials such as fact sheets, which incorporated all information in a clear, concise format. Collaboration between parties ensured that workers were able to access and be referred to the most appropriate service irrespective of which 'door' they came through. Agreed data collection priorities enabled the stakeholders to report key measures of success in a comprehensive, coordinated way.

Following the closure of manufacturing operations at Holden and Toyota in October 2017, the NGC continued to meet and provide updates for a further 13 months. The focus at this time was the coordination of post closure support. The NGC worked together to ensure a seamless transition for workers from the ending of support provided by their employer to ongoing government assistance.

The NGC contributed to a government commissioned research project which documented the employment and other outcomes of the workers up to 12 months post retrenchment. The research report highlights the best practice learnings from the car manufacturing transition. It serves as a guide for other employers and governments on how to support workers through transition. The report is informing DESSFB's ongoing engagement with employers around best practice in supporting workers through transition. A copy of *The Transition of the Australian Car Manufacturing Sector – Outcomes and Best Practice Summary Report* is available on the Australian government What's Next?<sup>38</sup> website.

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<sup>38</sup> [www.whatsnext.employment.gov.au](http://www.whatsnext.employment.gov.au)



## 4.8 Meaningful community consultation to guide the transition

It is important to support businesses and industries to meet their workforce needs as regional areas transition into new industries and develop areas of labour demand. Developed in consultation with local business, recruitment solutions could include Launch into Work projects to support bulk recruitment, other pre-employment models and job seeker connection or industry awareness events. Recent examples of these place based approaches have stemmed from the roll-out of the National Disability Insurance Scheme and construction of the inland rail in NSW.

### 4.8.1 On-the-ground networks allow for meaningful community consultation

Effective community consultation is key to successful transitions. DESSFB's transition support network across the country provides an on-the-ground presence to support communities through transition.

Employment Facilitators, in particular, provide a local presence, working with employers and job seekers, to connect them with existing resources. They also play a critical role in providing feedback to DESSFB. Their local understanding and knowledge of community needs also help guide future policy direction and Government responses to transitions.

For example, in light of the expected closure of the Liddell power station in 2023, the Commonwealth put in place a Hunter Region Employment Facilitator. The Hunter Employment Facilitator supports the local community, working with local jobactive providers, employers and training organisations to ensure local workers have the skills they need to re-enter the workforce.

The facilitator will play an important role in working with the local community as the region undergoes a significant economic transition. By having an on-the-ground presence, the Commonwealth government is able to work with key employers, local and state government, affected workers and other stakeholders to support the region to achieve a successful transition.

### 4.8.2 Relocation of refugees to regional Australia

DESSFB partnered with Regional Development Riverina, Multicultural NSW, Training Services NSW, as well as the local councils of Temora, Leeton and Greater Hume Shire to create pathways for refugee and migrant job seekers to relocate from Western Sydney to those communities.

Communities were selected on the basis that they demonstrated:

- very low unemployment;
- available ongoing employment opportunities, with committed employers;
- local government, business and community groups united in the attraction effort; and
- available entry level housing.

The collaboration enabled the three communities to showcase their opportunities to refugee and migrant job seekers at the 'Pathways to Employment Expo' in Western Sydney in May 2019. This successful collaboration has supported two families to relocate so far, with more exploring this option. The partners and other interested agencies, including Home Affairs, are continuing to explore additional supports and services to include in future relocation efforts.

## 4.9 The role of vocational education providers, including TAFE, in enabling reskilling and retraining

The Australian Government's \$525 million Skills Package *Delivering Skills for Today and Tomorrow* provides an initial response to the Expert Review of Australia's Vocational Education and Training System (the Joyce Review). The Joyce Review highlighted a number of key challenges in the sector, outlining a number of short-term and immediate measures, as well as providing the platform for longer-term reform.

The Skills Package is designed to ensure Australians have the right skills to get a job, build a career, and to re-skill and re-train over the course of their lifetime. It takes immediate action to support Australians everywhere including in regional Australia to make the best choices for their careers and equip themselves with the right skills for the future.

Key measures being delivered as part of the Skills Package include:

- Establishing ten pilot Industry Training Hubs in ten regions with high youth unemployment across Australia. The Hubs are designed to improve opportunities for young people by creating better links between local industry, employers and schools.
- The Commonwealth Scholarships for Young Australians program, which will provide 400 VET scholarships to young people in the same ten regions as the Industry Training Hubs.
- Improve career advice and raise the status of VET by establishing a National Careers Institute and a National Careers Ambassador, to provide evidence-based leadership and national cohesion for Australia's career development system. The Institute will work with industry, employers, governments, schools and tertiary providers to ensure Australians of all ages have access to high-quality career guidance. This initiative fosters a culture of life-long learning and empowering individuals to make more informed career and training decisions that lead to rewarding careers.
- A new incentive payment for apprentices and their employers in occupations experiencing skills shortages.
- New streamlined and simplified incentives for employers of apprentices and trainees. The Government will also undertake a comprehensive review of the National Skills Needs List that underpins these incentives.
- Establishing a National Skills Commission (NSC) to provide renewed national stewardship of the VET system and pilot Skills Organisations to test innovative, industry-led arrangements for qualification development.

- Increased support for the foundational education needs of Australians in literacy, numeracy and digital literacy and fill gaps in current foundation skills training arrangements. This comprises two initiatives to help Australians with low level language, literacy, numeracy and digital (LLND) skills to acquire the necessary skills to improve participation in community, further training and employment:
  - support employed or recently unemployed individuals to identify and address LLND skills deficits through appropriate accredited and non-accredited training including training delivered in the workplace; and
  - pilot the delivery of LLND skills projects in four remote communities providing alternative LLND skills pathways, co-designed with local Indigenous leaders and community members.

In addition, the Australian Apprentice Wage Subsidy trials – which commenced on 1 January 2019 and 1 July 2019 - are supporting employers of up to 3260 Australian Apprentices to undertake apprenticeships (full time at certificate III and IV) in areas of skills shortage in rural and regional areas.

These measures will help people across Australia to gain the skills they need to participate in the labour market, boost the ability of employers in the to recruit and retain apprentices, improve youth employment opportunities in regions with high youth unemployment, and increase the availability of quality careers information for job seekers.

The Australian Government also delivers the Skills for Education and Employment (SEE) program that offers language, literacy and numeracy skills to eligible job seekers. The program caters for job seeker groups with literacy and/or numeracy training needs including Aboriginal and Torres Strait Islanders, youth, people with disabilities, mature aged people, and job seekers from culturally and linguistically diverse backgrounds.

Registered training providers are selected through a tender process to deliver the program. There are currently 21 service delivery providers, of which 13 deliver in regional areas, and one quality assurance provider.

Between 2019 and 2022, funding for the SEE program is around \$90 million per year. In 2018-19, nearly 9,000 regional job seekers were referred to the program, with 5,000 commencing in the program in that period.

## 4.10 The use of renewable resources in Northern Australia to build a clean energy export industry to export into Asia

The Australian Government has supported RD&D of hydrogen, hydrogen-based carriers and related technologies focused on creating a clean energy export industry.

In November 2017, CSIRO launched the \$11 million Hydrogen Energy Systems Future Science Platform. CSIRO's RD&D innovations in this area include developing a vanadium-based metal membrane to extract pure hydrogen from ammonia, paving the way for easier ammonia-based export of hydrogen.<sup>39</sup>

In September 2018, the Australian Renewable Energy Agency (ARENA) announced \$22.1 million in RD&D grants for 16 hydrogen projects. These grants stemmed from an ARENA funding round announced in December 2017 to accelerate the development of a potential renewable energy export supply chain, focused on hydrogen and hydrogen-based carriers.<sup>40</sup>

There are significant developments underway in Northern Australia to establish clean energy supply chains with Asia:

- the Asian Renewable Energy Hub is a project planned for the Pilbara region of Western Australia. The project will have 15 gigawatt (GW) of wind and solar energy capacity built on over 6500 km<sup>2</sup> of land, approximately half the size of greater Sydney. The project is expected to create 3,000 construction and 400 operational jobs. The electricity produced will be used in local industries and to produce hydrogen for export.<sup>41</sup>
- the Sun Cable project proposes to build 3 GW of solar energy capacity on 15,000 hectares of land near Tennant Creek in the Northern Territory. The electricity produced will be exported to Singapore via a 3800 km undersea high voltage direct current (HVDC) cable, and provide Singapore with one fifth of its total electricity supply.<sup>42</sup>

Australian Government support for large-scale renewable energy export industries could potentially be provided by:

- the Clean Energy Finance Corporation (CEFC). The CEFC has been allocated \$10 billion of debt and equity to invest in the clean energy sector to help lower Australia's emissions and to deliver a positive return.
- the Northern Australia Infrastructure Facility (NAIF). The \$5 billion NAIF can provide loans to help fund the development of infrastructure in northern Australia. Refer to section 3.6.24.

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<sup>39</sup> [www.research.csiro.au/hydrogenfsp/](http://www.research.csiro.au/hydrogenfsp/)

<sup>40</sup> [www.arena.gov.au/blog/22-million-to-unlock-hydrogen-potential/](http://www.arena.gov.au/blog/22-million-to-unlock-hydrogen-potential/)

<sup>41</sup> [www.asianrehub.com/](http://www.asianrehub.com/)

<sup>42</sup> [www.suncable.sg/](http://www.suncable.sg/)