



The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
PO Box 6021
Parliament House
Canberra ACT 2600

The House of Representatives Standing Committee on Employment and Workplace Relations – Inquiry into Regional Skills Relocation

Jobs Australia welcomes the opportunity to contribute to the discussion about the application of government policies to address skill shortages in regional Australia and the relocation of job seekers.

Jobs Australia is the peak body for over 270 nonprofit providers of employment and related services. Our members have delivered a wide range of employment-related services to the most disadvantaged people in communities around Australia since the mid to late-1970s. Today, our members deliver Job Services Australia (JSA) and related employment and training services to job seekers in metropolitan, rural and remote Australia. Many of our members have in the past been involved in the relocation of job seekers both within their own state and interstate. Those experiences and subsequent discussions with members inform our comments on the terms of reference.

The concept of a more mobile workforce to address skill shortages, particularly to supply the boom regions of Western Australia, needs to be seen in the context of overall skill shortages projected by Skills Australia in their *Australian Workforce Futures: A National Workforce Development Strategy* (2010).

The experience of our members shows that it is unlikely that significant numbers of job seekers with existing skills will be prepared to relocate and seek work 3,000 km away. This group is unlikely to be unemployed long enough to engage in relocation projects. The likelihood of this group relocating will be further reduced in the emerging climate of greater skills shortages in most states and territories.

A model that is more likely to achieve sustainable outcomes is one that targets eligible jobs seekers with a package of support that includes accommodation, training (often industry specific) and employment placement, and which is coordinated in a fashion that connects the various elements and players in a strategic manner.

The following comments draw on the direct experience of one of our members with considerable background in relocating job seekers under the former Job Network. One of the common themes throughout this discussion is the payment of costs by JSA providers. It is our view that the costs associated with relocations are such as to be

prohibitive for most providers. This is particularly so in the case for interstate relocations.

Our key recommendation is the establishment of a relocation labour service or fund. Under this proposal JSA providers would be funded on a per-placement basis for the successful relocation of job seekers, and for the coordination of other critical service components such as accommodation and training.

We would be happy to discuss any of these issues further.

Yours sincerely

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Relocating job seekers from areas of high unemployment to areas experiencing skills shortages

To encourage and increase interstate/intrastate labour mobility from areas of high unemployment to areas experiencing skills shortages, particularly in the resources sector, there needs to be appropriate infrastructure in place. This must include affordable accommodation.

JSA providers can supply a significant volume of the recruitment needs of the resources sector but this will require a consistent effort over an extended time to significantly enhance the supply of suitable labour to resources projects.

Background

The following observations are made on the basis of 20 years of experience relocating job seekers from areas of high unemployment, beginning in 1988 delivering a pilot program funded by DEEWR's equivalent. This project involved relocating young job seekers from Kempsey to northern Sydney to satisfy a skills shortage. Since 1988 I have delivered 11 group relocation programs plus numerous individual relocations. This has resulted in the successful relocation into employment of over 250 job seekers.

From 1988 to 1996 I delivered nine relocation programs to groups of 10-12 job seekers at a time taking them from Kempsey on the mid-north coast of NSW into Sydney and Brisbane. The program operated from 4-6 weeks. It included some pre-employment training, job interviews, the sourcing of permanent accommodation and removalist services.

In 1997 DEEWR's equivalent funded a larger relocation program for 120 job seekers residing in the region bounded by Coffs Harbour in the north to Taree in the south to supply a skill shortage at the new Star City Casino in Sydney. This relocation program successfully relocated 119 job seekers: 81 job seekers into the casino positions and a further 38 into other jobs in the Northern Sydney region over a 16-week period.

In 2007 I coordinated another DEEWR pilot relocation program. This relocated 33 job seekers from NSW to Perth and involved five Job Network providers in the two ESA's of Coffs Harbour (Cowper) and Nowra/Shoalhaven (Gilmore) in Northern and Southern NSW respectively.

More recently, I have had experience assisting an individual relocation of an Indigenous job seeker under the current JSA contract. This experience gives me insight into the issues surrounding the successful relocation of job seekers and enables me to identify problems that repeatedly recur wherever skill shortages exist in Australia.

A relevant example

In November 2006 as part of a job seeker relocation project to Western Australia under the Employer Innovation Fund DEWR State Office provided an extensive list of employers. Following requests to them a number of employers identified their need for a range of unskilled workers. These included trainees and apprentices in the construction industry and ancillary staff (cleaners, kitchen hands etc) in the mining industry.

The applicants for the construction industry traineeship and apprenticeship positions were unskilled young males (18-24), including an Indigenous applicant. Applicants for the ancillary staff positions in the mining sector were all older, with the majority over 40. This group included a number of women.

In the case of skilled recruitment the lead time for successful applicants to be notified was generally quite lengthy - 6 weeks and longer. Some skilled workers could not wait that long and secured employment elsewhere.

A proportion of the Australian workforce who work in resource operations do this on a fly-in-fly-out (FIFO) basis. Some job seekers are able to relocate to these positions without assistance. However, periods of unemployment often deplete a job seeker's funds, making relocation financially difficult. As a result, many job seekers who would be suitable and willing to undertake employment in resource operations find it very difficult to relocate without support.

Requirements for successful relocation

It is important to:

1. *Screen the job seeker to ensure a fit with the employer's expectations*

In order for a JSA provider to effectively assess the applicant's skills, personal attributes and motivation to determine an effective match for relocation it is important to have employer input to identify all the skills and attributes required for a particular role. Ideally, face-to-face employer interviews will be held and job offers made before relocation.

2. *Human Resource Departments in resource sector companies*

There have been some notable collaborations between the resources sector and the former Job Network. In one case the HR representatives of a large mining company collaborated with a Job Network provider thousands of kilometres away in regional New South Wales in order to deliver information sessions and recruit new staff.

This resulted in the successful recruitment of skilled and semi-skilled employees for the mining company, and long term employment for the job seekers.

3. *Manage the job seeker's expectations in the relocation process*

Expectations are shaped by the information provided. This will include face-to-face information sessions run by the employer. Question and answer style sessions are the preferred option. On the other hand information sessions which use DVDs and are conducted by a third party, (e.g. a training provider or employment agency) need to be carefully managed to ensure these are not presented as a sales pitch which raise false and unrealistic expectations for the job seeker.

4. *Successfully upgrading the job seeker's skills to match employer requirements*

The resources sector often has industry-specific training requirements that are mandatory, costly and often only available in the state that the resource industry employer is operating. Without this training, commencement in employment may not be possible.

However, JSA providers may not be readily persuaded to approve this level of expenditure from the Employment Pathway Fund (EPF) to fund such training because it would be well in excess of the amount allocated in the EPF, or be considered too great a risk for the cost involved (i.e. of not achieving an employment outcome under the JSA contract).

5. Provide the workers with a support network in the area to which they are relocating

Group relocations where several people relocate at the same time and share accommodation and those where families relocate together facilitate high retention rates because both approaches provide a social support network.

Adequate and affordable accommodation

Typically, in areas where there are skill shortages there will also be an accommodation shortage. This demand increases rents and it often takes a long time to secure permanent accommodation. These factors make accommodation in these areas very costly and on top of rents relocated job seekers will have to provide a bond and a rental deposit. Job seekers who have been unemployed for some time do not have the money to cover these costs.

Initially, job seekers will often need to stay in temporary accommodation, such as boarding houses, backpacker lodging or even in camping grounds but securing more permanent housing is important because it encourages the job seeker to stay in the area. It is vital to ensuring high retention rates. Clearly, if there is no affordable accommodation available then relocation to an area is not feasible. Even before a new worker starts a job he or she may be required to attend pre-employment training. This is often held on-site or near the job location.

Agreement needs to be gained in advance from the job seeker's JSA provider to pay for any short term accommodation and to provide financial assistance for rent and bond when securing permanent accommodation. The provider may also need to provide support with storage and removal costs. These costs may be recoverable through the EPF. However, it is likely that they will be in excess of the amount generally spent by providers. This increases the likelihood that the provider will not be prepared to approve the expenditure.

After a job seeker has relocated and changed his or her address with Centrelink the electronic record is often automatically transferred to a new JSA provider. To ensure EPF relocation costs are easily recovered by the provider in the job seeker's original location, it may be necessary to enable the job seeker's electronic record to be kept attached to the sending JSA for longer than would usually occur.

Transport

Lack of transport is a major barrier. If the job seeker does not have transport then accommodation must be close to public or employer transport. As transport to the worksite is a critical issue it must be resolved before the job seeker is relocated. The unemployed worker may be able to drive their own vehicle for which the JSA provides fuel assistance through the EPF. Alternatively, for long distance relocations the job seeker's vehicle may be shipped on road transport. Once again costs can be recovered by the provider through the EPF.

Social Networks

Support networks of friends, family and community are important to ensure the success of the relocation. Relocating a number of job seekers at the same time from the same area can develop a support network. For group relocations, a support person onsite for

the first week to ten days is effective in assisting to secure accommodation and helping job seekers to establish themselves and their families.

Motivation

Why does the worker want to relocate? The motivation of the job seeker is as vital to the success of the relocation as the infrastructure issues. It is important to provide accurate information to applicants. This should include employer information sessions so that applicants have the information to make an informed decision which is based on the facts. If the job seeker's personal attributes and motivation fits with the remuneration and conditions offered by the employer then success is more likely.

Training

The question of who owns an outcome for a relocated job seeker needs more attention and clarification. It will be a disincentive for providers to support relocating job seekers if they get no outcome payment. Consideration needs to be given to providing incentives to both the sending and receiving provider to ensure effective utilisation of the JSA network.

This will ensure the staff in the sending and receiving JSA providers work cooperatively and maximise the chances of a successful relocation.

Key success factors:

- *Affordable accessible accommodation*
- *Active employer engagement*
- *Available transport*
- *Accessible training*
- *A support network*
- *Job Services Australia provider engagement*
- *DEEWR flexibility*
- *Centrelink involvement*

Specific Recommendations

- *For fly-in-fly-out (FIFO) to work, resource industry employers will need to provide onsite temporary accommodation for FIFO workers with most FIFO flights provided out of the closest capital city.*
- *It is worth considering extending the number of locations from which FIFO operates as this will increase the number of skilled job seekers who can access the resource industry work sites.*
- *Employers in resource industries facing skill shortages should be encouraged to undertake recruitment road shows and to visit areas of high unemployment around Australia to actively recruit job seekers. The local JSA providers should be engaged to collect job applications from the local community. The road shows can provide employers with opportunities to interview suitable applicants, including apprentices.*
- *Increase the number of group relocations into particular geographic areas where there is a skills shortage for semi-skilled job seekers and apprentices and trainees.*

- *Provide incentives by way of bonus payments to both the JSA provider in the location the job seeker comes from and the JSA provider in the location to which the job seeker is relocating.*
- *Enable the JSA provider in the location where the labour shortage exists to facilitate accommodation and provide local support to the relocating job seekers and deal with the HR Departments in resource companies, thereby limiting the number of JSA providers contacting the HR staff.*
- *That the provider relocating the unemployed worker pay EPF relocation costs such as accommodation and transport costs.*
- *Wherever possible conduct mandatory industry-specific training in the area of high unemployment. If mandatory training can be completed before successful applicants leave the area of high unemployment this will avoid additional accommodation costs to relocation.*
- *Increase the number of individual relocations through JSA into resource industry positions.*
- *Investigate the feasibility of a relocation labour service similar to the Harvest Labour Service to operate for the benefit of employers in the resources sector who are projected to experience skills shortages.*