



Rural Workforce Development Plan

June 2018

Executive Summary

Jobs growth in rural Victoria

In the period from the 2011 ABS Census to the 2016 ABS Census:

- rural Victoria experienced a growth in employment of 15% or 35,422 jobs with the number of jobs growing from 234,300 in 2011 to 269,722 in 2016
- employment growth was widespread across rural Victoria with all but one of the 38 rural LGAs experiencing a growth in employment
- the peri-urban rural LGAs accounted for the largest growth in employment with 37% of the increase of employment in rural Victoria

The total number of jobs in rural Victoria has grown by 22%, or 48,676 jobs, in the 15-year period from the 2001 ABS Census to the 2016 ABS Census. During this time frame the majority of jobs growth has occurred in the period 2011 to 2016 with an increase of 73% (i.e. 35,422 jobs).

The significant uplift in the growth in employment experienced in rural Victoria in the period 2011 to 2016 has strained the ability of the existing rural labour force to service this demand. A number of rural councils have noted that there are businesses in a range of sectors that are presently unable to meet their requirements for workers.

There is a need to increase the supply of workers with the skills needed for rural based businesses.

Jobs growth in Victoria

- Rural Victoria accounts for 10% of all jobs in Victoria, regional Victoria 12% and Greater Melbourne 78%.
- Victoria's 10 regional cities experienced a growth in employment of 25% or 66,958 jobs with the number of jobs growing from 272,919 in 2011 to 339,877 in 2016.
- Greater Melbourne experienced a growth in employment of 27% or 456,329 jobs with the number of jobs growing from 1,664,264 in 2011 to 2,120,593 in 2016

Rural Victoria is competing with the rest of Victoria for the workers its businesses require. The industry sectors in which rural Victoria has experienced significant employment growth have also experienced significant growth in the regional cities and Greater Melbourne.

Employment growth by industry sector in rural Victoria

Much of the employment growth in terms of overall jobs in the period from the 2011 ABS Census to the 2016 ABS Census was concentrated in the following sectors:

- Construction -
- Health Care & Social Assistance,
- Agriculture, Forestry & Fishing,
- Accommodation & Food Services and
- Education & Training
- Administrative & Support Services

The manufacturing sector experienced an overall contraction in employment. However, there was employment growth in the Food Processing and within the Meat and Meat Product and Bakery Product manufacturing sectors in particular.

Agribusiness, which includes agricultural production, food processing, transport and logistics, and professional services is a mainstay of employment in rural Victoria. Growth in Agribusiness employment is highly geared to a growth private sector investment

The visitor economy is estimated to generate more than 8% of all jobs in rural Victoria. Visit Victoria has identified that there is an upward trend in visitation to regional Victoria, which includes rural Victoria. Growth in employment in the visitor economy is highly geared to a growth private sector investment as well as public sector investment in strategic assets

The Public Administration and Safety sector experienced significant employment growth – particularly with respect to Public Order and Safety sector (i.e. police, emergency and correctional and detention services). Growth in this sector and the health care and social assistance, education and training sectors is highly geared to public sector expenditure.

Strategic Implications for workforce development planning in rural Victoria

Businesses across rural Victoria are seeking to fill employment requirements. The rates of employment growth across Victoria have created competition for workers.

This has significant implications for the employment attraction and recruitment practices and processes of rural based businesses and their capacity to attract workers

There are changing skills/knowledge demands in a number of industry sectors with digital technology and the use of more sophisticated processing equipment becoming increasingly prevalent in agriculture and manufacturing.

The significant growth in Construction related employment requires a greater number of trainees and/or apprentices.

This has significant implications for the processes and resources available to rural communities, workers and businesses with respect to the development of skills/knowledge required for employment in various industry sectors and the support for businesses to develop their existing workforce.

Place of residence of people working in rural Victoria

The 2016 ABS Census estimates that of the almost 300,000 people in employment who reside in rural Victoria almost 73% work in a rural LGA.

There are more than 67,000 people who reside in a rural LGA and work in a regional city or Greater Melbourne. Given that they already reside in rural Victoria these people are a ready potential source of additional workers for rural businesses.

The age of the rural workforce

The 2016 ABS Census identified that 18.7% of Victoria's workers are aged 55 years plus in Victoria.

The rural workforce is older with 26.8% or 72,226 workers being aged 55 years plus – this percentage varies widely across the 38 rural LGAs.

This higher percentage suggests that that rural workforce will experience a greater proportion of workers leaving the workforce through age. This further compounded by the forecast that 31 of the 38 rural LGAs will experience a contraction of "working age" people - i.e. people aged 20 to 64 years

If 20% of workers aged 56 to 64 and 90% of workers aged 64 plus leave the rural workforce in the next five years the rural workforce could lose up to 24,300 workers in this period

The following industry sectors have a percentage of workers aged 55 plus that is higher than for all of the rural workforce and experienced a growth in employment higher than for all of rural Victoria. This suggest that sectors are highly exposed to a loss of workers

	<i>Employment growth rate</i>	<i>% of workers 55+</i>
Agriculture, Forestry & Fishing	17.13%	42.01%
Transport, Postal & Warehousing	17.77%	36.76%
Professional, Scientific & Technical Services	21.32%	30.60%
Administrative & Support Services	61.80%	30.31%
Health Care & Social Assistance	21.36%	31.12%

Strategic Implications for workforce development planning in rural Victoria

There is an immediate need to engage young people residing in rural Victoria and workers, who reside in rural Victoria, and work outside of rural Victoria, in the rural Victoria's economy to backfill the workers lost through 'retirement'.

Young people in rural Victoria

The 2016 ABS Census identified that 50% of the 78,000 people aged 15 to 24 years old who reside in rural Victoria are not in employment. Many of the young people are studying, either at secondary school or in a tertiary institution.

Strategic Implications for workforce development planning in rural Victoria

There is a need engage these young people with information about the employment and career opportunities available in rural Victoria

Recent work by the OVSC that there is a need to “specify, provide and support a model for providing career advice to students in schools”.

Migrants and refugees as a potential sources of workers for rural Victoria

A number of rural towns have attracted people who have immigrated to Australia to live and work in the town. Much of this attraction has been driven by local business owners.

Victoria will receive more 6,000 refugees with residential status in 2018. Foundation House, a refugee advocacy and support service, is willing to work with RCV to bring together the service providers required to support the relocation of refugees to rural Victoria.

Unemployment and underemployment in rural Victoria

The average unemployment rate for rural Victoria was 4.4% as at December 2017 – this equates to some 18,000 people. This rate varied between rural LGAs. A rate of 4.4% can be considered as full employment.

Feedback from rural based Job Services Australia (JSA) providers suggests that between 50% to 70% of unemployed people may be unavailable for employment due to a combination of illness/personal issues, significant employability issues and/or disabilities. Unemployed people living outside of larger rural towns in which jobs service providers are based have difficulty in accessing services due to transport issues in the main.

The 2016 ABS Census notes that of the workers residing in rural Victoria 182,143 people or some 61% reported that they worked full time and that 115,328 people or some 39% reported that they worked part time.

The ABS estimated that, in May 2018, the quarterly trend underemployment rate in Victoria fell to 7.9% (there is no differentiation between rural, regional and/or metropolitan Victoria).

Assuming that the underemployment is largely experienced by people who work part-time then 7.9% of the 115,328 people in rural Victoria who reported that they worked part time may be seeking additional employment. This equates to more than 9,100 workers who may be seeking additional employment.

Many of these people may need access to vocational training in order to have the skills required by employers.

The ratio of *Employment Placement & Recruitment Services* sector workers to unemployed people in rural Victoria is 33:1 – this is double the ratio for all Victoria.

Strategic Implications for workforce development planning in rural Victoria

There is a need to improve the access to employment services resources for people and businesses in rural Victoria.

The availability of relevant and timely advice with respect to the full extent of workforce opportunities in rural Victoria is critical to engaging more unemployed/underemployed people

Current workforce demand

The feedback from a survey of RCV members councils and the outcomes of the Victorian Employer Skills and Training Survey 2017 point to business in a range of sectors being unable to secure the workforce they require.

The clarity regarding the number of jobs that are available in rural Victoria is opaque – evidence suggests that many available jobs are not advertised. There widely varying estimates of the jobs that are currently, or soon will be, available.

The majority of businesses are small in scale and lack the resources and/or capability or undertake an effective recruitment process.

Businesses, and people, are particularly interested in the workforce/employment opportunities in the rural LGA in which they operate/reside.

Strategic implications for workforce development

There is a need to be able to more clearly identify the jobs that are available in each of the rural LGAs. There is also a need to support the workforce recruitment capability of local small businesses.

Future workforce demand

The available forecasts of workforce demand vary in the timeframe of the forecast, and the forecast of size of the workforce demand. There is no specific forecast for future workforce demand in rural Victoria; this report has extrapolated such an understanding from the:

- Department of Jobs and Small Business - Regional Employment Forecast 2022 – an extrapolation of the specific rural Victoria needs within this forecast suggests an additional 18,500 jobs by 2022
- NCVET Australian Employment Forecast to 2024 - – an extrapolation of the specific rural Victoria needs within this forecast suggests an additional 42,000 jobs by 2024
- Office of the Victorian Skills Commissioner (OVSC) Regional Skills Taskforce outcomes for the Mallee region have been extrapolated to other regions (and discounted employment in the regional cities) – this suggest a demand for an additional 37,000 jobs by 2020.

Strategic implications for workforce development in rural Victoria

The lack of specificity and variance in available forecasts for rural Victoria is a key gap.

The work being undertaken by OVSC's Regional Skills Taskforces is capturing an actual industry perspective on immediate and future needs (as opposed to a statistical forecast). There is a need to encourage the Regional Skills Taskforces to identify the particular workforce needs of the rural LGAs through the Regional Skills Taskforce process.

Current workforce strategies

There is a particular need to support workforce development in key growth in key sectors in rural Victoria including health, construction, the visitor economy and agribusiness.

Access to training has been flagged as an issue for workforce development in rural Victoria. The *Technical, Vocational & Tertiary Education* (TVTE) sector includes enterprises that deliver vocational training services to industry. Employment in this sector in rural Victoria has contracted. The ratio of TVTE workers to all workers in rural Victoria is 1:272, this compares to 1:43 for all of Victoria.

Strategic implications for workforce development in rural Victoria

This variance in the above ratio suggests that workers in rural Victoria have less access to training than workers in the rest of the State.

Workforce sources in Greater Melbourne

An RDV study has suggested that 2 million people in Melbourne would consider a move to regional Victoria. This report has considered a scenario where this may translate into more than 5,600 workers relocating to rural Victoria.

Strategic implications for workforce development

Attracting workers from Great Melbourne to rural Victoria is problematic. There is a need to support this attraction with:

- A comprehensive understanding of employment opportunities in rural Victoria
- Support for the recruitment capability of rural based businesses and SME in particular
- An effective vehicle for promoting the employment opportunities in rural Victoria
- Improved access to rental housing for people seeking to relocate to rural Victoria

Workforce sources in rural Victoria

Accessing workers already based in rural Victoria does not require people to relocate; this is less problematic than attracting workers from Greater Melbourne. The following is a summary of the potential size of a workforce for rural Victoria that does not need to relocate from Melbourne

Source	Possible workforce
(Re)engage 20% of unemployed people who reside in RV who are available to work	1,400
Engaging 20% of young persons who reside in RV who are not engaged in the workforce	6,400
Engaging 20% of young persons who reside in RV who work outside of the LGA in which they reside	2,000
Further engaging 20% of part-time workers who reside in a rural LGA (who may be underemployed)	1,800
Engaging 20% of the rural residents who work elsewhere into the rural workforce	13,200
Growing the number of the workers who reside in regional cities who work in rural Victoria by 20%*	5,400
Attracting 20% of the number of the workers who reside in peri-urban rural LGAs who work in Greater Melbourne	800
Growing the number of the workers who reside in Greater Melbourne who work in rural Victoria by 20%*	2,000
Relocation/settlement of refugees (who have not settled in any location)	200
*Note – assumes that these people will not need to relocate their residency	Total 33,200

Fostering start-ups in rural Victoria

Fostering start-ups in rural Victoria can generate employment opportunities for rural residents and further investment in rural economies.

The experience in the application of start-up methodology in a regional context, coupled with global research on other high-performing ecosystems clearly identifies that a successful start-up ecosystem needs strong support and collaboration from across three key areas: (1) Business, (2) Government, and (3) Education. Within this triple helix many critical components must exist:

1. *Business facilities* with a multitude of technologies that house the start-ups in the accelerator program as well as local start-ups that are looking to scale up. The benefit occurs with the start-ups working with likeminded entrepreneurs
2. Early stage seed/venture *capital* to support start-ups during the validation stage and then with growth.
3. *Proven start-up training* encompassing the lean start-up methodology as well as business knowledge
4. *Options to gain further support* beyond the accelerator program for further nurturing innovation with high potential towards becoming businesses and creating meaningful regional impact
5. *Mentors* and industry experts from local business, Government and education
6. *Business support services* including legal, financial, insurance, accounting, branding, HR and technology services to provide advice and business support
7. Facilitated access to a deep *network of contacts* to support start-ups achieve traction and growth
8. A complete pathway for budding entrepreneurs to turn their interest in to a career.

However, the challenge for rural Victoria is around density, scarcity, and the cost of fixed assets for many other regions.

Rural Centres need some of the architecture that is central to start-up success including training in start-up methodology and techniques, access to networks and access to capital (a starting point may just be around awareness, accessibility, and introductions to venture, angels, crowd and cloud, private equity and others). However, it is also clear that the challenge is around building out the fixed assets and covering the operational costs of those fixed assets in centres with lower density (both of people but also businesses and existing innovation activity).

Accordingly, a firm recommendation from this report is to virtualise as many of the ecosystem building steps as possible and identify a “hub and spoke” model to the creation of more expensive and intensive fixed assets (e.g.: incubators, maker spaces, accelerators, etc.). Much of the infrastructure could be relatively easily virtualised either directly or in collaboration with delivery partners – i.e.:

Component	Delivery	Example
<i>Business facilities</i>	Mobile	Mobile accelerator
<i>Access to capital networks</i>	Virtualised	GUST, Angel List, Funding Post, G6S,
<i>Training and education</i>	Virtualised	Digital Business Academy, Open Learning, Udemy
<i>Access to networks</i>	Virtualised	TechConnect, Tech City, G6S, Runway
<i>Mentors</i>	Virtualised	MentorLink,
<i>Business support services</i>	Mobile and Virtualised	Mobile accelerator
<i>Awareness and culture</i>	Mobile	Pivot, Upstart
<i>University, TAFE and education partners</i>	Mobile and Virtualised	

it is important that the above is unified and consolidated and has a regional nuance. Whilst there may be a variety of resources and delivery partners, it is important that the infrastructure is consistent, relevant, focused, and integrated with rural context.

It is also recommended that the gap in physical presence that is presented through virtualisation is addressed through mobilisation combined with the hub and spoke model.

Strategic implications for workforce development

The recommendations for fostering start-ups in rural Victoria are as follows:

- 1) *An accelerator in the cloud*: Develop a virtual and mobile ecosystem infrastructure (a Regional Accelerator in the Cloud)
- 2) *Hub and spoke*: Adopt a hub and spoke model for fixed assets, augmented by the “Accelerator in the cloud”
- 3) *Start-up equipped scale-ups*: Develop a specific program for applying start-up methodology to scale-ups with early stage evaluation of suitability followed by focused support aimed at jobs growth through digitisation and globalisation of regional SMEs (focusing on food and fibre, agtech, edtech, health/medtech and rec(reaction)tech).

Given the above recommendation there is a need to pilot this approach in a Victorian rural location.

Strategic Framework for Workforce Development

Context

Strategic responses

A range of agencies have an influence on workforce development in rural Victoria.

There is a need to collaborate with the agencies that have a direct impact on workforce development and leverage their programs and/or services.



Rural Workforce Development Summit

This summit would bring together RCV, OVSC and Jobs Victoria to identify how services and programs can best be coordinated and foster the collaboration needed to address rural workforce issues. This process would be brokered by RDV.

Rural Victoria has experienced significant jobs growth. However, many job opportunities are not overtly advertised.



Improve the identification of employment opportunities in rural LGAs

Develop a comprehensive understanding of existing/emerging employment opportunities in rural LGAs through engagement with local businesses to achieve a comprehensive identification and documentation of current employment opportunities.

Many small to medium business don't have the resources/skills to undertake effective recruitment.



Support the development of improved recruitment capability of businesses in rural Victoria

Foster the recruitment capability of rural businesses:

- 1) Advocate for resources to support the improvement of the recruitment processes of rural based businesses
- 2) Establish pilot programs that enable small businesses to collaborate in the recruitment of employees and better promote opportunities and/or reduce recruitment costs.

The jobs growth needs to be serviced. There are opportunities to engage more workers from rural (and Regional) Victoria



Pursue a greater engagement of rural residents into the rural workforce

- 1) Promote employment opportunities to rural residents - target
 - Young persons
 - Residents who work outside of the rural LGA in which they reside
 - Residents who work part time and are seeking greater engagement in the local workforce
- 2) Promote identified employment opportunities to workers in regional cities/Greater Melbourne
- 3) Advocate for resources and support to engage rural unemployed in the identified employment opportunities
- 4) Provide increased incentives for job services providers to place unemployed rural residents into employment.

Young people, and their families, need a contemporary understanding of what actual opportunities exist and the requirements for entry.



Advocate for improved career advice resources

Improve the understanding of young persons of the employment opportunities and career pathways available in locally and/or in nearby rural LGAs through improved access to relevant career advice.

There is a need to foster collaboration between industry, schools and communities to foster greater understanding actual needs.

There is a need to work through the challenges of delivering mobile ecosystem infrastructure to support start-ups in rural locations.



Establish a start-up pilot

Advocate to LaunchVic to establish the recommendations for a start-up pilot that involves the collaboration of a regional city with neighboring rural LGAs.

Victoria is receiving more than 6,000 refugees and asylum seekers – many are from rural backgrounds.



Foster the relocation/settlement of refugee communities to rural Victoria

Grow the number of refugees in the rural workforce:

- 1) Undertake a round-table with Foundation House to identify opportunities and needs for the relocation of refugee communities to rural Victoria
- 2) Establish and evaluate pilot programs.

There is a need to develop a better understanding of short to medium term workforce demands that reflects actual business needs and underpins investment opportunities.

There has been considerable employment growth in the Health, Agribusiness, Construction sectors, and the Visitor Economy. These sectors need support with securing the workers needed by businesses and to underpin investment opportunities.



Collaborate with the Office of the Victorian Skills Commissioner

Collaborate with the processes operated by the OVSC:

- 1) Leverage the outcomes of the Regional Skills Taskforces
- 2) Establish rural based pilots for revised delivery of apprenticeships/traineeships
- 3) Advocate for the OVSC to establish an Industry Development Taskforce for:
 - Agribusiness – Production/Processing
 - Construction
 - The Visitor Economy
 - Health Sector
- 4) Collaborate with the Rural Workforce Agency Victoria to foster employment in the health workforce.

Rural communities, workers and businesses need ready access to relevant training and employment services
The ratio of people working in the relevant sectors to jobs is significantly lower than in regional cities/Greater Melbourne.



Advocate for equitable access to vocational training resources

Advocate to the State Government to improve the access of the rural workforce and businesses to relevant training.

Advocate for equitable access to employment services

Advocate to the State Government to improve the rural workforce's and rural businesses' access to employment services.

Advocate for rural based merit criteria in Government-funded 'skills development' programs

Advocate for rural specific criteria and funding streams within existing State Government 'skills development' funding programs – i.e.

- *Regional Skills Fund*
- *Skills First for Regions*
- *Workforce Training Innovation Fund.*

The availability of rental housing in rural Victoria has fallen.



Advocate for greater availability of rental housing

Foster improved access to rental housing for people relocating to rural LGAs for employment.

Improved transport is needed to grow the engagement of unemployed rural residents and workers that reside in regional cities/Greater Melbourne into the rural workforce



Advocate for improved transport services for rural workers

Foster improved access to employment opportunities in rural LGAs for workers residing in regional cities:

- 1) Advocate for transport services that enable workers residing in regional cities to access employment opportunities in rural LGAs
- 2) Advocate for subsidies for businesses that provide transport services for their workforce.

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1. Introduction

Rural Councils Victoria (RCV) has identified a need for effective workforce development across rural Victoria to:

- Foster improved employment opportunities for rural residents and underpin the efforts to attract more people to relocate to rural Victoria
- Support the rural businesses to secure the workforce they require to operate and grow
- Attract and underpin further investment in the rural economy.

To this end RCV has commissioned the preparation of a Rural Workforce Development Plan for rural Victoria. Rural Victoria is defined in this report as the 38 Local Government Areas (LGAs) that are outside of Greater Melbourne and are not one of Victoria's 10 regional cities.

1.1. The Rural Workforce Development Plan

The Rural Workforce Development Plan identifies and quantifies the jobs required in rural Victoria, provides information about the scale and range of employment requirements and potential sources of workers including immigration.

The Plan also identifies what support can be given to fostering start-ups in rural Victoria.

1.2. Inputs to the Rural Workforce Development Plan

The Plan provides a range of recommendations with respect to support workforce development in rural Victoria that are drawn from an analysis of workforce and employment characteristics. This analysis has involved:

- Consultation with RCV member councils
- Consultation with a range of entities relevant to workforce development in rural Victoria including:
 - Office of the Victorian Skills Commissioner (OVSC)
 - Regional Development Victoria (RDV)
 - Visit Victoria (VVA)
 - Job Service Agencies (JSA)
 - Rural Workforce Agency Victoria (RWAV)
 - Master Builders Association (MBA)
- Analysis of Australian Bureau of Statistics (ABS) Census data for each of the rural 38 LGAs and, in particular, labour force data and workforce demographics
- Unemployment data from the Federal Government's Department of Jobs and Small Business
- Analysis of employment opportunities on the State Government's Regional Living website
- Analysis of employment projections from the:
 - Federal Government Department of Jobs and Small Business
 - State Government Department of Education and Training
 - National Centre for Vocational Education Research (NCVER)
- Rental housing data from the State Government Department of Health and Human Services Rental Report
- An analysis of regional agribusiness development strategies – including the G21 Sustainable Agribusiness Strategy, the Great South Coast Food and Fibre Plan, the Gippsland Food Plan and the Northern Victoria Food Plan.

The Plan also has input from Runway who are operating a start-up hub in Geelong and working with Federation University to establish a hub in Ballarat.

Finally, the Plan has drawn from the findings and recommendations of RCV's Population growth in rural Victoria: Opportunities and actions.

2 Jobs growth in rural Victoria

Summary of key findings

In the period from the 2011 ABS Census to the 2016 ABS Census:

- Rural Victoria experienced a growth in employment of 15% or 35,422 jobs with the number of jobs growing from 234,300 in 2011 to 269,722 in 2016
- Employment growth was widespread across rural Victoria with all but one of the 38 rural LGAs experiencing a growth in employment
- Jobs growth was experienced in the nine rural LGAs that experienced a contraction in population.

The percentage change in jobs growth varied significantly across rural Victoria with the:

- largest percentage change in any particular rural LGA was experienced in the Moorabool and Surf Coast LGAs which experienced a 30% plus growth in jobs
- smallest percentage change was experienced in the Buloke LGA with a 0.3% growth; and the
- Bass Coast LGA experiencing an overall contraction in the number of jobs – this was post the completion of the Wonthaggi Desalination plant and a major contraction in dairy processing
- majority of employment growth being experienced in the peri-urban rural LGAs – these LGAs accounted for 37% of the total growth in jobs in rural Victoria
- Rural LGAs in the Wimmera Southern sub-region accounting for 1% of the total growth in jobs in rural Victoria.

Rural Victoria accounts for 10% of all jobs in Victoria, regional Victoria 12% and Greater Melbourne 78%.

The 10 regional cities experienced a growth in employment of 25% or 66,958 jobs with the number of jobs growing from 272,919 in 2011 to 339,877 in 2016.

Greater Melbourne experienced a growth in employment of 27% or 456,329 jobs with the number of jobs growing from 1,664,264 in 2011 to 2,120,593 in 2016.

Strategic implications for workforce development planning in rural Victoria

Businesses across rural Victoria are seeking to fill employment requirements.

The rates of employment growth across Victoria have created competition for workers.

The demand for workers is highest in most of the peri-urban LGAs – where there is also the greatest rate of population growth in rural Victoria.

2.1. Population and employment in rural Victoria by LGA - 2011 to 2016

The 2016 ABS Census identified 269,722 jobs in the rural Victorian economy as noted in the table below. This represents a growth of 15% from the 2011 ABS Census.

Population and employment in rural Victoria by LGA - 2011 to 2016

Sub-Regions & LGAs		Population				Jobs			
		2011	2016	diff	% diff	2011	2016	diff	% diff
OM	Alpine	12,241	12,781	540	4.4%	5,422	6,041	619	11.4%
CH	Ararat	11,184	11,599	415	3.7%	4,556	5,101	545	12.0%
PU	Bass Coast	29,616	32,806	3,190	10.8%	11,303	10,839	-464	-4.1%
PU	Baw Baw	42,863	48,477	5,614	13.1%	14,127	16,642	2,515	17.8%
OM	Benalla	13,648	13,863	215	1.6%	5,045	5,212	167	3.3%
MA	Buloke	6,383	6,202	-181	-2.8%	2,486	2,493	7	0.3%
LC	Campaspe	36,364	37,054	690	1.9%	13,430	16,070	2,640	19.7%
LC	Central Goldfields	12,496	12,993	497	4.0%	3,781	4,223	442	11.7%
BA	Colac Otway	20,347	20,971	624	3.1%	8,279	9,857	1,578	19.1%
GS	Corangamite	16,377	16,053	-324	-2.0%	6,729	7,293	564	8.4%
GI	East Gippsland	42,193	45,041	2,848	6.7%	14,147	16,539	2,392	16.9%
MA	Gannawarra	10,366	10,548	182	1.8%	3,666	4,051	385	10.5%
GS	Glenelg	19,575	19,556	-19	-0.1%	7,437	8,135	698	9.4%
PU	Golden Plains	18,772	21,687	2,915	15.5%	2,747	3,494	747	27.2%
CH	Hepburn	14,368	15,327	959	6.7%	4,071	4,825	754	18.5%
WS	Hindmarsh	5,797	5,725	-72	-1.2%	2,132	2,223	91	4.3%
OM	Indigo	15,179	15,953	774	5.1%	4,563	4,957	394	8.6%
LC	Loddon	7,460	7,512	52	0.7%	2,475	2,734	259	10.5%
PU	Macedon Ranges	41,860	46,103	4,243	10.1%	10,492	13,348	2,856	27.2%
OM	Mansfield	8,153	8,843	690	8.5%	3,743	4,272	529	14.1%
PU	Mitchell	34,637	40,916	6,279	18.1%	9,483	11,359	1,876	19.8%
GO	Moirra	28,124	29,108	984	3.5%	9,164	10,913	1,749	19.1%
PU	Moorabool	28,125	31,820	3,695	13.1%	6,012	7,882	1,870	31.1%
LC	Mount Alexander	17,592	18,762	1,170	6.7%	6,084	7,099	1,015	16.7%
GS	Moyne	15,956	16,499	543	3.4%	5,845	6,380	535	9.2%
PU	Murrindindi	13,057	13,730	673	5.2%	4,069	4,247	178	4.4%
WS	Northern Grampians	11,844	11,436	-408	-3.4%	4,757	4,940	183	3.8%
CH	Pyrenees	6,668	7,240	572	8.6%	1,667	2,001	334	20.0%
BA	Queenscliffe	2,998	2,854	-144	-4.8%	1,305	1,335	30	2.3%
PU	South Gippsland	27,210	28,700	1,490	5.5%	9,997	11,157	1,160	11.6%
GS	Southern Grampians	16,361	15,941	-420	-2.6%	6,876	7,570	694	10.1%
GO	Strathbogie	9,485	10,272	787	8.3%	3,066	3,593	527	17.2%
PU	Surf Coast	25,868	29,402	3,534	13.7%	7,100	9,293	2,193	30.9%
MA	Swan Hill	20,449	20,587	138	0.7%	7,927	9,126	1,199	15.1%
OM	Towong	5,889	5,986	97	1.6%	1,921	2,024	103	5.4%
GI	Wellington	41,441	42,986	1,545	3.7%	14,192	18,111	3,919	27.6%
WS	West Wimmera	4,251	3,905	-346	-8.1%	1,676	1,741	65	3.9%
WS	Yarriambiack	7,090	6,675	-415	-5.9%	2,528	2,602	74	2.9%
Totals		702,287	745,913	43,626	6.2%	234,300	269,722	35,422	15.1%

PU Peri-Urban	BA Barwon	CH Central Highlands	GI Gippsland	GO Goulburn Murray	GS Great South Coast	LC Loddon Campaspe	MA Mallee	OM Ovens Murray	WS Wimmera Southern
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UE Population Policy “Regions” Diagram

The Wellington LGA experienced the largest difference in the number of jobs with a growth of more than 3,900 jobs. The Moorabool LGA experienced the largest percentage growth in jobs with a 31.1% difference closely followed by the Surf Coast LGA at 30.9%.

All but one rural LGA experienced a growth on jobs in the period from the 2011 ABS Census to the 2016 ABS Census; including those LGAs that experienced a loss of population in the same period.

The exception was the Bass Coast LGA which experienced a significant contraction in construction-related employment post the completion of the Desalination Plant outside of Wonthaggi.

2.2 Distribution of employment growth in rural Victoria

The growth in employment from 2011 to 2016 varied across rural Victoria with the peri-urban LGAs accounting for an increase of 12,931 jobs or 37% of the increase in employment as noted in the following table. The peri-urban LGAs also account for:

- 73% of the population in rural Victoria
- 32% of all jobs in rural Victoria.

The largest percentage growth in employment across the regions was the Gippsland region with a 22.3% growth in employment – this was despite a net loss of jobs in the Bass Coast LGA.

Distribution of population and employment across sub-regions in rural Victoria

Sub - Regions		Population				Jobs			
		Census		Growth		Census		Growth	
		2011	2016	People	% change	2011	2016	Jobs	% change
PERI-URBAN	Sub total	262,008	293,641	31,633	12.1%	75,330	88,261	12,931	17.2%
	% of total	37%	39%	73%		32%	32%	37%	
GIPPSLAND	Sub total	83,634	88,027	4,393	5.3%	28,339	34,650	6,311	22.3%
	% of total	12%	12%	10%		12%	13%	18%	
LODDON CAMPASPE	Sub total	73,912	76,321	2,409	3.3%	25,770	30,126	4,356	16.9%
	% of total	11%	10%	6%		11%	11%	12%	
GREAT SOUTH COAST	Sub total	68,269	68,049	-220	-0.3%	26,887	29,378	2,491	9.3%
	% of total	10%	9%	-1%		11%	11%	7%	
BARWON	Sub total	23,345	23,825	480	2.1%	9,584	11,192	1,608	16.8%
	% of total	3%	3%	1%		4%	4%	5%	
GOULBURN	Sub total	37,609	39,380	1,771	4.7%	12,230	14,506	2,276	18.6%
	% of total	5%	5%	4%		5%	5%	6%	
CENTRAL HIGHLANDS	Sub total	32,220	34,166	1,946	6.0%	10,294	11,927	1,633	15.9%
	% of total	5%	5%	4%		4%	4%	5%	
OVENS MURRAY	Sub total	55,110	57,426	2,316	4.2%	20,694	22,506	1,812	8.8%
	% of total	8%	8%	5%		9%	8%	5%	
MALLEE	Sub total	37,198	37,337	139	0.4%	14,079	15,670	1,591	11.3%
	% of total	5%	5%	0%		6%	6%	4%	
WIMMERA SOUTHERN	Sub total	28,982	27,741	-1,241	-4.3%	11,093	11,506	413	3.7%
	% of total	4%	4%	-3%		5%	4%	1%	
Totals		702,287	745,913	43,626	6.2%	236,311	271,738	35,422	15.1%

2.3 Jobs growth in Victoria 2011 to 2016

Victoria experienced an overall growth in jobs in the period from the 2011 ABS Census and the 2016 ABS Census as noted in the following table:

	Jobs 2011	Jobs 2016	Change	% change	% of all jobs in Victoria - 2016
Rural Victoria	234,300	269,722	35,422	15%	10%
Regional Victoria	272,919	339,877	66,958	25%	12%
Greater Melbourne	1,664,264	2,120,593	456,329	27%	78%
Victoria	2,171,758	2,761,244	589,486	27%	100%

The regional cities experienced a 25% growth in employment in this period and Greater Melbourne grew at 27%.

Note

For the purposes of this report:

- Rural Victoria is defined as the 38 rural LGAs
- Regional Victoria is defined as the 10 regional city LGAs (and does not include any of the rural LGAs)
- Greater Melbourne is the urban area of Melbourne not including any of the rural/regional LGAs

2.3.1. Competition for workers

The employment growth experienced in the regional cities and Greater Melbourne has intensified the competition for available workers and adds to the challenges faced by rural Victorian businesses with respect to meeting their employment requirements.

Consequently, there are businesses across rural Victoria that are struggling to secure the workforce they require.

2.3.2 Ratio of jobs in rural Victoria to jobs in regional cities

Rural Victoria accounts for 44% of the jobs in rural and regional Victoria.

	Jobs 2016	% of total
Rural Victoria	269,722	44%
Regional Victoria	339,877	56%
Total	609,599	100%

This ratio will be employed in this report when attempting to differentiate employment demand and/or opportunities in rural Victoria versus that in the regional cities.

3. Employment growth by industry sector in rural Victoria

Summary of key findings

In the period from the 2011 ABS Census to the 2016 ABS Census:

- There was a significant growth of jobs in terms of overall jobs numbers in the following sectors: Construction, Health Care & Social Assistance, Agriculture, Forestry & Fishing, Accommodation & Food Services and Education & Training
- There was employment growth in all industry sectors other than the following sectors: Information Media & Telecommunications, Manufacturing, Financial & Insurance Services with Wholesale Trade experiencing the largest contraction in jobs numbers
- The range of rural LGAs that experienced growth in sectors varied across the 38 rural LGAs. The following sectors featured as at least one of the top five jobs growth sectors in 20 or more of the 38 rural LGAs: Construction, Health Care & Social Assistance, Agriculture, Forestry & Fishing, Accommodation & Food Services, Education & Training, Administrative & Support Services
- The Administrative & Support Services sector experienced the greatest growth in percentage terms at 62% - much of this growth was in Building and Other Industrial Cleaning Services and Gardening Services
- The Agriculture sector experienced a significant growth in jobs growth after experiencing a significant contraction in employment in the previous two census periods (i.e. 2001 to 2006 and 2006 to 2011). Agriculture accounts for the largest percentage of all jobs in rural Victoria at 15%
- While the Manufacturing sector experienced an overall contraction in employment there was employment growth in Food Processing and Meat & Meat Product Manufacturing in particular. The contraction in Manufacturing employment in rural Victoria has been a much lower rate than in the regional cities and in Greater Melbourne
- Agribusiness, which includes agricultural production, food processing, transport and logistics and professional services is a mainstay of employment in rural Victoria. Growth in Agribusiness employment is highly geared to a growth private sector investment
- The Visitor Economy is estimated to generate more than 8% of all jobs in rural Victoria. Visit Victoria has identified that there is an upward trend in visitation to regional Victoria, which includes rural Victoria.
- Growth in employment in the “services” sectors is highly geared to population growth
- The growth in the Health Care & Social Assistance, Education & Training and Public Administration & Safety sectors is highly geared to public sector expenditure
- 73% of the employment growth that rural Victoria has experienced between 2001 and 2016 occurred in the period 2011 to 2016.

Strategic implications for workforce development planning in rural Victoria

The employment demand in a wide range of industry sectors has meant that many businesses in many industry sectors across rural Victoria are struggling to secure the workforce they require. This is compounded by the jobs growth across the majority of industry sectors in the regional cities and in Greater Melbourne. There are significant implications for:

- Processes and resources available to rural communities, workers and businesses with respect to the development of skills/knowledge required for employment in various industry sectors and the support for businesses to develop their existing workforce
- Employment attraction and recruitment practices and processes of rural-based businesses and their capacity to attract workers
- Liveability provided by rural locations and how this compares that offered in the regional cities and Greater Melbourne.

3.1. Changes in industry sector employment

The overall growth of employment 35,422 jobs in rural Victoria was distributed across a wide range of industry sectors.

There was significant jobs growth in several industry sectors including the Construction, Health Care & Social Assistance, Agriculture, Forestry & Fishing sectors.

The Administrative & Support Services sector experienced the most significant growth in percentage terms at 62%. Much of this growth was in sub-sector Building and Other Industrial Cleaning Services and Gardening Services.

The Wholesale Trade sector experienced the largest contraction of employment with a loss of more than 20% of jobs. This is consistent with employment contraction in Manufacturing as there is an inextricable link between these sectors – as well as the introduction of business models that feature the development of larger, centralised distribution centres.

There was a marginal contraction of employment in the Manufacturing sector, however, there was job growth within this sector in Food Manufacturing. The contraction of employment in the Manufacturing sector in rural Victoria was far less in percentage terms than in the regional cities and Greater Melbourne.

The relative distribution of jobs across all industry sectors changed marginally from the 2011 ABS Census to the 2016 ABS Census. The Agriculture, Forestry & Fishing sector is largest sector with respect to employment in rural Victoria accounting for 15% of all jobs. The Health Care & Social Assistance sector grew by 1% to 13% of employment in rural Victoria.

Employment in rural Victoria by industry sector - 2011 to 2016

Industry sectors	2011		2016		Change 2011 to 16	
	Jobs	% of all jobs	Jobs	% of all jobs	Jobs	% diff
Construction	17,702	8%	24,006	9%	6,304	36%
Health Care & Social Assistance	28,729	12%	34,866	13%	6,137	21%
Agriculture, Forestry & Fishing	34,516	15%	40,427	15%	5,911	17%
Accommodation & Food Services	18,637	8%	22,277	8%	3,640	20%
Education & Training	19,646	8%	23,135	9%	3,489	18%
Administrative & Support Services	4,532	2%	7,333	3%	2,801	62%
Public Administration & Safety	13,962	6%	16,046	6%	2,084	15%
Other Services	8,072	3%	9,832	4%	1,760	22%
Professional, Scientific & Tech' Services	7,829	3%	9,498	4%	1,669	21%
Transport, Postal & Warehousing	8,522	4%	10,036	4%	1,514	18%
Arts & Recreation Services	3,168	1%	4,078	2%	910	29%
Retail Trade	26,816	11%	27,232	10%	416	2%
Rental, Hiring & Real Estate Services	2,545	1%	2,749	1%	204	8%
Mining	1,670	1%	1,859	1%	189	11%
Electricity, Gas, Water & Waste Services	2,304	1%	2,416	1%	112	5%
Information Media & Telecommunications	1,505	1%	1,487	1%	-18	-1%
Manufacturing	23,860	10%	23,744	9%	-116	0%
Financial & Insurance Services	3,424	1%	3,293	1%	-131	-4%
Wholesale Trade	6,861	3%	5,408	2%	-1,453	-21%
<i>Totals</i>	234,300	100%	269,722	100%	35,422	15%

3.2. High jobs growth (500 plus) sectors in rural Victoria

A more detailed analysis of industry sectors reveals where much of the employment growth has been generated.

The following table notes the sub-sectors that experienced a growth of 500 or more jobs from the 2011 ABS Census to the 2016 ABS Census. The growth in these sectors represents 93% of all jobs growth in rural Victoria from the 2011 ABS Census to the 2016 ABS Census.

Sectors that experienced a growth of 500 plus jobs – 2011 to 2016

		2011	2016	Diff	% Diff
Public Admin & Safety	Public Order & Safety* includes police, emergency and correctional and detention services	2,673	3,779	1,106	41.4%
	Public Administration & Regulatory Services includes state government administration, local government administration and regulatory services	9,548	10,153	605	6.3%
Other Services	Personal Services Main growth has been in hairdressing and beauty services – some growth in a range of other personal services	2,644	3,451	807	30.5%
	Automotive Repair & Maintenance	3,031	3,662	631	20.8%
M/fact	Meat & Meat Product Manufacturing*	2,695	4,297	1,602	59.4%
	Bakery Product Manufacturing	2,374	2,905	531	22%
Health	Residential Care & Social Assistance Services*	10,677	13,777	3,100	29.0%
	Health Care Services*	18,052	21,089	3,037	16.8%
Construction	Construction Services* includes a wide range of trade related services including bricklaying, plumbing, electrical and carpentry services	10,149	15,876	5,727	56.4%
	Residential Building Construction	3,977	4,789	812	20.4%
Agriculture	Sheep, Grains, Beef & Dairy Cattle*	27,077	29,421	2,344	8.7%
	Other Agriculture* includes a wide range horticultural production including nursery production, vegetable growing, grape growing, fruit and tree nut growing	3,812	5,233	1,421	37.3%
	Agriculture, Forestry & Fishing Support Services includes forestry support, and shearing services	1,257	2,031	774	61.6%
	Poultry & Other Livestock	1,723	2,317	594	34%
	Pre-School, Primary, Secondary & Special Education*	16,217	19,936	3,719	22.9%
	Food & Beverage Services*	12,808	16,236	3,428	26.8%
	Building Cleaning, Pest Control & Other Support Services* Largely Building and Other Industrial Cleaning Services and Gardening services	2,590	4,940	2,350	90.7%
	Professional, Scientific & Technical Services*	7,180	8,642	1,462	20.4%
		140,495	174,550	34,050	

***Note** - 29,296 jobs or 86% of the growth in jobs are concentrated in these sectors

3.3. Sectors in rural Victoria that experienced a growth of 50 – to 499 Jobs – 2011 to 2016

Many sectors also experienced a growth of less than 500 jobs as noted in the following table.

Collectively, these sub sectors experienced a growth of 6,860 jobs.

Of note is that jobs in the retail sector – which accounts for 10% of all jobs in rural Victoria – grew by just on 2%.

Sectors in rural Victoria that experienced a growth of 50 to 499 jobs – 2011 to 2016

		2011	2016	Change	% change
Transport	Postal, Courier Pick-up & Delivery Service	1,365	1,860	495	36%
	Transport Support Services & Storage	649	1,046	397	61%
	Water, Pipeline & Other Transport	435	744	309	71%
	Road Transport	5,729	5,872	143	2%
	Rail Transport	246	355	109	44%
	Air & Space Transport	94	159	65	69%
	Sub-total	8,518	10,036	1,518	
M/facturing	Sawmill Product Manufacturing	830	1,067	237	28%
	Wine, Spirits & Tobacco	1,029	1,237	208	20%
	Beer Manufacturing	64	142	78	122%
	Sugar & Confectionery Manufacturing	242	304	62	26%
	Dairy Product Manufacturing	4,264	4,322	58	1%
	Sub-total	6,429	7,072	643	
Agri	Forestry & Logging	406	881	475	117%
	Fishing, Hunting & Trapping	157	408	251	160%
	Aquaculture	80	136	56	70%
	Sub-total	643	1425	782	
Employment, Travel Agency & Other Administrative Services		1,942	2,393	451	23%
Sports & Recreation		1,931	2,381	450	23%
Heritage, Creative & Performing Arts		1,144	1,588	444	39%
Retail Trade		26,816	27,232	416	2%
Defence		1,741	2,114	373	21%
Non-Residential Property Operators & Real Estate Serv.		1,806	2,101	295	16%
Other Services		1,113	1,362	249	22%
Non-Metallic Mineral Mining		467	707	240	51%
Accommodation		5,829	6,041	212	4%
Computer Systems Design & Related Services		649	856	207	32%
Oil & Gas Extraction		431	597	166	39%
Waste Collection, Treatment & Disposal Services		573	686	113	20%
Heavy & Civil Engineering Construction		2,473	2,569	96	4%
Other Repair & Maintenance		1,284	1,357	73	6%
Insurance & Superannuation Funds		562	630	68	12%
Auxiliary Finance & Insurance Services		643	707	64	10%
Sub Total		49,404	53,321	3,917	
		64,994	71,854	6,860	

3.4. Top 5 employment growth sectors for rural LGAs

The following table identifies the sectors that are most frequently represented with respect to being in the top 5 sectors for employment growth in rural LGAs.

The construction sector was most widely represented with 32 (of 38) rural LGAs experiencing this sector construction as one of the top 5 jobs growth sectors. The analysis highlights the widespread impact that employment growth in Construction, Health, Agriculture, Accommodation & Food, Education and the Administrative & Support Services sectors have had on the overall jobs growth in rural Victoria.

<i>Industry sectors</i>	Number of rural LGAs in which the sector was in the top 5 sectors for employment growth
Construction	32
Health Care & Social Assistance	29
Agriculture, Forestry & Fishing	28
Accommodation & Food Services	21
Education & Training	20
Administrative & Support Services	20
Manufacturing	10
Public Administration & Safety	9
Transport, Postal & Warehousing	6
Professional, Scientific & Tech' Services	5
Other Services	5
Arts & Recreation Services	3
Electricity, Gas, Water & Waste Services	1
Retail	1

A more detailed version of the above table is available in Appendix II

3.5. ABN registrations 2011 to 2016

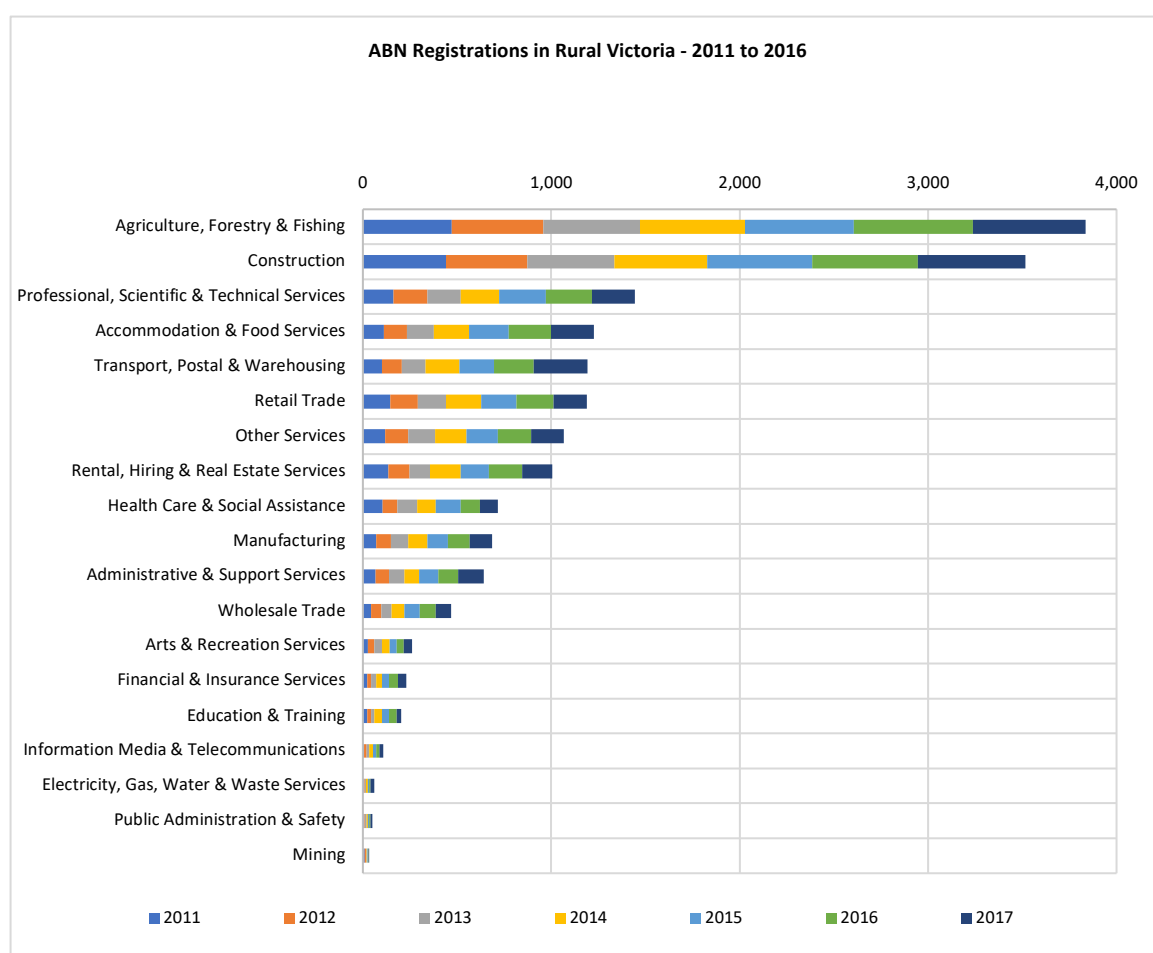
To further the understanding of employment growth this report includes an analysis of changes to the number of businesses within industry sectors that have been registered in rural Victoria. This analysis is provided in the graph below.

The Agriculture and Construction sectors have experienced the largest growth in the number of business registrations. The increase of registrations in the:

- Agriculture sector may reflect the trend to agricultural workers registering a business and sub-contracting to labour hire firms
- Construction sector is consistent with the significant growth in employment in construction services.

The growth in the number of businesses also indicates that there are more businesses that need access to services that support their operations. This would underpin the growth of the number of businesses in the Professional Services sector (which includes accounting and legal services).

The growth also indicates that there are more businesses that may need access to training and other development services.



3.6. The impact of agribusiness on employment in rural Victoria

Agribusiness in rural Victoria is built on a wide diversity of local agricultural production, including grain, beef, lamb, wool, dairy, chicken, pork, viticulture, floriculture and other horticultural products, transport and logistics, food processing, farm inputs, agritourism, and research, education and service sectors.

The employment growth in Agriculture that rural Victoria has experienced has had flow on impact on other sectors. Accordingly, rural Victoria has experienced a growth of employment in:

- Agriculture – this has been across a wide range of sub sectors including:
 - Livestock, Grains & Other Agriculture
 - Aquaculture
 - Forestry, Fishing & Hunting
 - Agriculture, Forestry & Fishing Support Services
- Food Manufacturing
- Transport; and
- Professional Services.

Agribusiness is not dependent on a demand for goods and services associated with an increase in a local population. Consequently, the rural LGAs that experienced a contraction of population in the period from the 2011 ABS Census and the 2016 ABS Census experienced employment growth in at least one agricultural sub-sector.

However, a growth in agricultural production – and related employment - in rural Victoria does not guarantee proportional employment growth in the other parts of the agribusiness value chain that may also be located in rural Victoria.

These post farm-gate sectors not only service the rural agricultural production sector, but also the agricultural production sector of a large part of south eastern Australia. Many of the providers in the post farm-gate sectors are based in the regional cities or in Greater Melbourne. The relative growth of these sectors in the regional cities or in Greater Melbourne has exceeded the growth experienced in rural Victoria.

3.7. The impact of the visitor economy on employment in rural Victoria

The visitor economy is a key element of rural Victoria's overall economy with many of Victoria's major tourism assets located in rural Victoria including the Twelve Apostles, the Grampians, the Great Ocean Road, Phillip Island and the Gippsland Lakes.

Visitation to rural Victoria from Melbourne, interstate, and/or overseas brings with it expenditure on goods and services that impact a wide range of industry sectors with the Accommodation & Food Services sector being the major beneficiary. An estimate of the employment generated by visitor expenditure is tabled below:

Sectors	2011	2016	Diff	% diff	% of visitor economy employment
Accommodation & Food Services	12,609	14,105	1,496	11.9%	63%
Manufacturing	578	684	106	18.3%	3%
Administrative & Support Services	242	318	76	31.4%	4%
Arts & Recreation Services	631	681	50	7.9%	17%
Retail Trade	2,692	2,708	16	0.6%	10%
Other Services	99	113	14	14.1%	1%
Wholesale Trade	122	134	12	9.8%	2%
Transport, Postal & Warehousing	1,386	1,391	5	0.4%	14%
Construction	0	0	0	-	0%
Electricity, Gas, Water & Waste Services	0	0	0	-	0%
Financial & Insurance Services	0	0	0	-	0%
Information Media & Telecommunications	22	22	0	0.0%	1%
Mining	0	0	0	-	0%
Professional, Scientific & Technical Services	0	0	0	-	0%
Public Administration & Safety	0	0	0	-	0%
Agriculture, Forestry & Fishing	167	162	-5	-3.0%	0%
Rental, Hiring & Real Estate Services	89	79	-10	-11.2%	3%
Health Care & Social Assistance	193	178	-15	-7.8%	1%
Education & Training	516	429	-87	-16.9%	2%
Total	19,346	21,004	1,658	8.6%	8%

The impact of the visitor economy varies across the rural LGAs with it generating some 20% of jobs in the Alpine LGA and 2% in the Golden Plains LGA.

As tabled below, Visit Victoria notes that visitation, and visitor expenditure, in regional Victoria has grown since 2011 which has generated an increase in employment.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Visitors (000's)	40,589	38,454	40,365	42,045	44,708	48,392
Visitor nights (000's)	40,386	40,912	42,777	43,203	46,084	50,833
Expenditure (\$m)	7,295	7,301	7,503	7,702	8,073	9,001
Direct Employment (jobs 000s)	51.1	51.0	49.6	49.8	51.9	52.2
Indirect Employment (jobs 000s)	14.1	14.9	14.6	15.6	15.9	16.7

3.8. Overall jobs growth

The net change in employment from the 2011 ABS Census to the 2016 ABS Census was 35,422 jobs. However, the overall growth in jobs across all sub-sectors was more than 43,300.

3.8.1. Overall jobs loss

This growth in jobs was offset of an overall job loss of some 5,890 jobs. 2,900 of the jobs lost were in a range of Manufacturing sub-sectors. The Wholesale sector contracted by more than 1,400 jobs in this period. A detailed breakdown of the employment loss is provided in Appendix III.

3.9. Job growth trends in rural Victoria by sector 2001 to 2016

The total number of jobs in rural Victoria has grown by 22%, or 48,676 jobs, in the 15-year period from the 2001 ABS Census to the 2016 ABS Census. During this time frame the majority of jobs growth has occurred in the period 2011 to 2016 with an increase of 73% (i.e. 35,422 jobs).

Period	Jobs growth	% of 2001 – 2016 growth
2001 - 2006	6,305	13%
2006 - 2011	6,949	14%
2011 - 2016	35,422	73%
2001 - 2016	48,676	100%

The analysis of the trends in employment from 2001 to 2016 highlights the:

- significant growth in jobs in the Construction and Health sectors
- the importance of government as an investor with many of the jobs in the Health, Public Administration & Safety and Education & Training being in the public sector
- the importance of the visitor economy to rural Victoria as highlighted in the growth in the Accommodation & Food Services sector
- an overall contraction in employment in the Agriculture sector from 2001 to 2011 with a contraction of more than 10,200 jobs – but a significant uplift in employment in the period 2011 to 2016 with an increase of more than 5,900 jobs
- a significant arrest in the contraction in employment in Manufacturing in the period 2011 to 2016 – employment growth in this sector has largely been in Food Processing.

Change in Employment by Industry Sector – 2001 to 2016

Sectors	2001 – to 2006 (jobs)			2006 to 2011 (jobs)		2011 to 2016 (jobs)		2001 to 2016	
	2001	2006	Diff	2011	Diff	2016	Diff	Diff	% Diff
Construction	11,476	14,352	2,876	17,702	3,350	24,006	6,304	12,530	109%
Health Care & Social Assistance	22,337	24,607	2,270	28,729	4,122	34,866	6,137	12,529	56%
Public Administration & Safety	8,904	12,803	3,899	13,962	1,159	16,046	2,084	7,142	80%
Education & Training	16,795	18,287	1,492	19,646	1,359	23,135	3,489	6,340	38%
Accommodation & Food Services	16,789	15,938	-851	18,637	2,699	22,277	3,640	5,488	33%
Prof, Scientific & Tec Services	6,134	6,637	503	7,829	1,192	9,498	1,669	3,364	55%
Admin' & Support Services	4,734	4,288	-446	4,532	244	7,333	2,801	2,599	55%
Other Services	7,443	7,724	281	8,072	348	9,832	1,760	2,389	32%
Transport, Postal & Warehousing	8,335	8,435	100	8,522	87	10,036	1,514	1,701	20%
Retail Trade	25,636	27,622	1,986	26,816	-806	27,232	416	1,596	6%
Rental, Hiring & RE Services	1,729	2,524	795	2,545	21	2,749	204	1,020	59%
Mining	934	1,671	737	1,670	-1	1,859	189	925	99%
Elec', Gas, Water & Waste Serv's	1,531	1,983	452	2,304	321	2,416	112	885	58%
Arts & Recreation Services	3,442	2,760	-682	3,168	408	4,078	910	636	18%
Info Media & Telecomm's	1,056	1,630	574	1,505	-125	1,487	-18	431	41%
Financial & Insurance Services	3,017	3,143	126	3,424	281	3,293	-131	276	9%
Manufacturing	26,948	25,656	-1,292	23,860	-1,796	23,744	-116	-3,204	-12%
Wholesale Trade	9,032	7,316	-1,716	6,861	-455	5,408	-1,453	-3,624	-40%
Agriculture, Forestry & Fishing	44,774	39,975	-4,799	34,516	-5,459	40,427	5,911	-4,347	-10%
Totals	221,046	229,357	6,305	236,311	6,949	271,738	35,422	48,676	22%

3.10. Implications for workforce development in rural Victoria

The significant uplift in the growth in employment experienced in rural Victoria in the period 2011 to 2016 has strained the ability of the existing rural labour force to service this demand. A number of rural councils have noted that there are businesses in a range of sectors that are presently unable to meet their requirements for workers.

There is a need to increase the supply of workers with the skills needed for rural based businesses.

Rural Victoria is competing with the rest of Victoria for the workers its businesses require. The industry sectors in which rural Victoria has experienced significant employment growth have also experienced significant growth in the regional cities and Greater Melbourne.

There are changing skills/knowledge demands in a number of industry sectors with digital technology and the use of more sophisticated processing equipment becoming increasingly prevalent in agriculture and manufacturing.

The significant growth in construction related employment requires a greater number of trainees and/or apprentices.

This has significant implications for the:

- processes and resources available to rural communities, workers and businesses with respect to the development of skills/knowledge required for employment in various industry sectors and the support for businesses to develop their existing workforce
- employment attraction and recruitment practices and processes of rural based businesses and their capacity to attract workers
- liveability provided by rural locations and how this compares to that offered in the regional cities and Greater Melbourne.

4. Place of residence of people working in rural Victoria

Summary of key findings

The significant majority of workers who reside in rural Victoria work in the LGA in which they reside or in another rural LGA.

Almost 35,000 workers who reside in a rural LGA work in a regional city – 85% of these workers reside in a rural LGA that adjoins a regional city.

Almost 32,000 workers who reside in a rural LGA work in Greater Melbourne – 93% of these workers reside in a peri-urban rural LGA.

Workers who reside in a regional city account for 10% - or 27,052 of the jobs in rural Victoria.

The projected population growth rate for the regional cities is far greater than that for rural Victoria

Workers who reside in Greater Melbourne account for 4% - or 9,928 of the jobs in rural Victoria. The peri-urban LGAs account for 82% of the people who reside in Greater Melbourne and work in rural Victoria.

The projected population growth rate for Greater Melbourne is far greater than that for rural Victoria which provides a growing labour force for businesses in Greater Melbourne

Strategic implications for workforce development planning in rural Victoria

The 67,000 workers who reside in a rural LGA and work in a regional city or Greater Melbourne are a potential source of additional workers for rural businesses

The regional cities can be seen a potential source of workers for rural businesses – particularly for those businesses that are in a rural LGA that adjoins a regional city. It can be reasonably assumed that many of the regional cities can backfill these workers through the rate of population growth they are experiencing.

Greater Melbourne can be seen a potential source of workers for rural businesses – particularly for those businesses that are in a peri-urban rural LGA that adjoins a regional city. It can be reasonably assumed that Greater Melbourne can backfill these workers through the rate of population growth it is experiencing.

4.1. Number of working residents in rural Victoria

The 2016 ABS Census estimates that, for rural Victoria, there was:

- a population of 747,929 of which 614,545 were aged 15 and over
- 299,676 rural Victorian residents in employment.

This translates to 48.8% of rural residents aged 15 and over being in employment.

4.2. Place of work for rural residents

With 299,676 rural Victorian residents in employment and some 269,720 jobs in the rural Victoria it follows that a number of people residing in rural Victoria work outside of rural Victoria.

The 2016 ABS Census estimates that the place of work of people who are employed and reside in rural Victoria is as follows:

<i>Place of work</i>	<i>No of workers</i>	<i>% of workers</i>
Live and work locally	203,974	68.0%
Work in another rural LGA	14,450	4.8%
Work in a Regional City	34,825	11.6%
Work in Greater Melbourne	31,809	10.6%
Place of work has no Fixed Address	14,798	4.9%
<i>Totals</i>	299,856	100%

As noted in the above table, the vast majority of workers in rural Victoria work in the rural LGA in which they reside.

Almost 5% of workers have no fixed address for their place of work. This would include people working in the:

- construction sector – where they may be working at one or more different building sites at any given time
- agriculture sector – where they may provide services to a wide range of different agricultural businesses across a wide range of locations – e.g. shearers, saw doctors.

4.2.1. Work in Greater Melbourne

The peri-urban LGAs have the highest percentage of residents who work in Greater Melbourne - as noted in the following table – these LGAs account for 93% of the total number of rural residents who work in Greater Melbourne.

LGAs	<i>Working residents</i>	<i>Work in GM</i>	<i>No of workers</i>	LGAs	<i>Working residents</i>	<i>Work in GM</i>	<i>No of workers</i>
Macedon Ranges	20,654	45.1%	9,315	Moorabool	13,809	43.4%	5,993
Mitchell	17,279	42.8%	7,395	Murrindindi	5,448	30.0%	1,634
Baw Baw	20,183	15.6%	3,149	Bass Coast	11,738	9.0%	1,056
Surf Coast	13,406	8.2%	1,099				
<i>Sub-total</i>			20,958	<i>Sub-total</i>			8,683
				<i>Rotal</i>			29,642
				Total rural residents who work in Greater Melbourne			31,809

4.2.2. Work in a regional city

The following rural LGAs have more than 12% of working residents who work in a regional city. These LGAs adjoin a regional city and account for more than 85% of rural residents who work in a regional city.

LGAs	Working residents	Work in a RC	No of workers	LGAs	Working residents	Work in a RC	No of workers
Golden Plains	9,551	65.4%	6,246	Queenscliffe	830	50.6%	420
Indigo	6,981	41.3%	2,883	Surf Coast	13,406	40.3%	5,403
Moyne	7,187	32.4%	2,329	Pyrenees	2,391	29.3%	701
Hepburn	5,834	28.3%	1,651	Towong	2,307	24.8%	572
Mount Alexander	7,038	17.9%	1,260	Hindmarsh	2,109	16.9%	356
Loddon	2,518	15.0%	378	Benalla	5,215	14.9%	777
Strathbogie	3,980	14.6%	581	Baw Baw	20,183	14.6%	2,947
Moira	11,030	12.8%	1,412	Moorabool	13,809	12.7%	1,754
<i>Sub-total</i>			16,740	<i>Sub-total</i>			12,930
				<i>Total</i>			29,670
				Total rural residents who work in a regional city			34,825

4.3. Regional city residents working in rural Victoria

Residents of regional cities account for 10%, or 27,052, of the jobs in rural Victoria as noted in the following table:

<i>Regional cities</i>		<i>Number of regional city residents working in rural Victoria</i>
Victoria	Geelong	5,238
	Bendigo	4,960
	LaTrobe	4,012
	Ballarat	3,536
	Warrnambool	2,726
	Shepparton	2,273
	Wangaratta	1,754
	Horsham	966
	Wodonga	759
	Mildura	302
<i>Sub-total</i>		26,526
Interstate	Albury	377
	Mt Gambier	149
<i>Sub-total</i>		526
<i>Total</i>		27,052
<i>Total jobs in rural Victoria</i>		269,722
<i>% of jobs held by RC residents</i>		10%

4.3.1. Regional city population growth

The projected growth in the population of the regional cities indicates that they can continue to provide a population of workers that could be available to work in rural LGAs.

Forecast population growth in regional cities

	2016	2021	Diff	% diff
Geelong	233,349	253,247	19,898	9%
Bendigo	110,446	121,687	11,241	10%
Ballarat	103,249	113,800	10,551	10%
Wodonga	39,358	43,400	4,042	10%
Shepparton	63,828	66,964	3,136	5%
Mildura	53,356	55,257	1,901	4%
LaTrobe	73,646	75,038	1,392	2%
Warrnambool	33,948	35,712	1,764	5%
Horsham	19,887	20,492	605	3%
Wangaratta	27,040	27,162	122	0%
	758,107	812,759	54,652	7%

4.4. Greater Melbourne residents working in rural Victoria

Residents of Greater Melbourne account for 4% - or 9,928 of the jobs in rural Victoria. The peri-urban LGAs account for 82% of the people who reside in Greater Melbourne and work in rural Victoria.

4.5 Overseas Immigrants

A number of regional and rural cities across Australia are undertaking programs that target people who have immigrated to Australia and are living in the capital Cities.

The Regional Australia Institute (RAI) has highlighted the experience of a number of these towns – see <http://www.regionalaustralia.org.au/home/the-missing-workers/> - including the following Victorian rural locations:

Location	Comments from RAI Narratives
Hamilton	To date, three families have moved to Hamilton, with the adults gaining employment in disability support services, aged care, child care and at a local joinery. The 19 new residents all lived in Melbourne for five to 10 years before relocating.
Nhill	Through a staged recruitment and resettlement process over nearly a decade, Luv-a-Duck (a significant local business) has come to employ more than 50 Karen in Nhill. A total of 17 additional businesses in town now have Karen workers, including the local school, hospital, aged care facility, mechanics, steel manufacturer, grain handling facility and grocery store
Pyramid Hill	Around 10 years ago, piggery owner Tom Smith headed to the Philippines to secure reliable staff. His business now employs 24 Filipinos. More than 100 Filipino family members also live in town, with some filling roles at other local businesses.
Rupanyup	Local business owners/farmers, the Matthews, have been able to sponsor a mechanic from India, and two Columbian vets. The Indian worker now lives with his family in Echuca, where they have a restaurant and a taxi. One of the works as the Matthews' farm manager, and the other at the aged care facility in town. The Columbians have purchased their second house in Rupanyup, which they're renting out to another migrant family who is also working locally.

A telling observation from the Rupanyup narrative was the observation by the local business owner that the newly arrived workers “did not realize that there were employment opportunities outside of Melbourne.”

4.5.1. Common themes

The common themes arising from the above narratives are:

- There were existing employment opportunities
- Local businesses needing workers provided the initiative to bring immigrants living elsewhere to the rural location
- The resettled immigrants have contacted other from within their “community” to resettle

The experience of the towns featured by the RAI was a combination of:

- Recruiting workers directly from an overseas location (e.g. Pyramid Hill)
- Targeting immigrants already living in Melbourne

4.5.2. RAI Migration Policy Paper

The RAI has prepared a policy paper to support the migration of workers to regional Australia – *The missing workers Locally-led migration strategies to better meet rural labour needs* - see http://www.regionalaustralia.org.au/home/wp-content/uploads/2018/06/180510-The-Regional-Australia-Institute-2018-The-missing-workers_policy-paper_FINAL.pdf

The following is a summary of the policy approach recommended in the paper.

<i>Policy Approach</i>	<i>Key Focus Areas</i>
Policy approach 1 Support the establishment of more locally-led migration and settlement initiatives	a) Facilitate the identification of local labour need and community support: b) Provide resources for local capacity-building: c) Connect migrants and rural employers: d) Create and promote information resources:
GOAL A group of motivated rural communities achieve status as priority settlement areas (demonstrating workforce need, housing availability, social integration capacity, and local service capability).	
Policy approach 2 Facilitate migration to, and settlement in, priority rural areas	a) Recognise local labour needs in immigration policy: b) Incentivise rural settlement: c) Promote flexibility in service delivery and funding:
GOALS <ol style="list-style-type: none"> 1) First mover’ settlement occurs shortly after priority area status is achieved. 2) Over three to five years, an additional 2,000-3,000 migrants per year are moving to priority rural areas to take up employment and long-term residence. 3) Migrants stay in rural communities and employment for at least five years. 	

4.5.3 Implications of the RAI Migration Policy for rural Victoria

The goals in the RAI policy promote an additional 2,000-3,000 migrants per year moving to “priority rural areas”.

In rural Victoria such priorities could be given to those regions that have, and are forecast to experience further contractions in the “working age” population -i.e. such as some of the LGAs in the Great South Coast, Mallee and Wimmera Southern regions.

The distribution of the 2,000 to 3,000 migrants per year suggested in the RAI policy is not specified. Rural Victoria forecast to lose more than 20,000 people aged 20 to 64 through to 2031; replacing 10% of this population through migration would require at least around 150 working age migrants per year.

4.6. Temporary work (skilled) visa (subclass 457) related employment

As at 31 December 2017 the Department of Home Affairs website advises that 914 people were working in Victoria on a 457 work-related visa. Of these visa holders, it is estimated that 870 were working in regional/rural Victoria with some:

- 172 working in Agriculture
- 107 working in Accommodation Services
- 58 working in Health
- 36 working in Other Services.

4.6.1. Introduction of the Temporary Skill Shortage (TSS) visa

In March 2018, the Federal Government introduced the Temporary Skill Shortage (TSS) visa which replaces the Temporary Work (Skilled) visa (subclass 457). There are two main streams available under this new TSS visa program:

- Short-term stream – this is for employers to source genuine temporary overseas skilled workers in occupations included on the Short-term Skilled Occupation List (STSOL)¹ for a maximum of two years (or up to four years if an international trade obligation applies)
- Medium-term stream – this is for employers to source highly skilled overseas workers to fill medium-term critical skills in occupations included on the Medium and Long-term Strategic Skills List (MLTSSL)¹ for up to four years, with eligibility to apply for permanent residence after three years

There is also a Labour Agreement stream for exceptional cases where standard visa programs are not available and there is a demonstrated need that cannot be met in the Australian labour market.

4.6.2. Opportunities for permanent residency

There has been suggestion by industry that people who have demonstrated their value as an employee be given consideration for an opportunity to seek permanent residency – particularly if they commit to settle in a regional/rural location.

4.7. Refugees and asylum seekers

Victoria will receive more than 6,500 refugees/asylum seekers who have residential status during 2018. Advice from Foundation House – see <http://www.foundationhouse.org.au/> - is that:

- Many refugees come from a rural background and are seeking to live in a rural location
- Any successful resettlement of refugees to a rural town would involve some 150 people from a cultural/ethnic background to relocate so that they have confidence in having access to people from their immediate community/culture
- Refugees need/want ready access to employment opportunities
- Refugees require workplace support with respect to issues relating to ESL - many rural-based businesses would need to engage additional resources to provide such support
- A number of regional centres have worked with the Federal Government to relocate/settle a refugee community into a regional/rural location.

4.7.1. Refugee resettlement pilot

Foundation House is willing to facilitate a coming together of government representatives and service providers who would be key to supporting a refugee relocation/settlement program.

The number of people from a resettlement of 150 refugees that would participate in the workforce would vary. It is dependent on the size and make-up of the “families” that would resettle and how many in the family that would be seeking to join the workforce.

Based on the experience of the towns that have targeted immigrants to Australia the ratio of people working to is about 1:3/4 – see Section 4.5

This report has assumed that 50 people from a community of 150 refugees would participate in the workforce (i.e. 150 = 50 families of 3, each family has one person working = 50 workers)

4.8. Potential source of workers

The analysis of where the rural workforce resides offers an insight into potential sources of workers to meet the demands of rural based businesses as noted in the following table

<i>Category</i>	<i>Workers</i>	<i>Question</i>
Reside in a rural LGA - work in a regional city	34,825	Can more of these people be attracted to work “locally”?
Reside in a rural LGA - work in Greater Melbourne	31,809	
Reside in a regional city – work in a rural LGA	27,052	Can more workers be attracted from these locations?
Reside in Greater Melbourne – work in a rural LGA	9,928	
Refugee resettlement	200	Can resources be engaged to support such resettlement?
<i>Total</i>	103,814	

A more detailed analysis of these potential sources is provided in Section 10.

5 Age of the rural workforce

Summary of key findings

The 2016 ABS Census identified that 18.7% of Victoria's workers are aged 55 years plus in Victoria.

The rural workforce is older with 26.8% or 72,226 workers being aged 55 years plus.

The age of the workforce varies across the rural LGAs with 39.2% of workers in the Towong LGA being aged 55 plus and 21.1% of workers in the Mitchell LGA being aged 55 years plus.

The following sectors have a percentage of workers aged 55 plus that is higher than the average for all of rural Victoria:

Agriculture, Forestry & Fishing	42.0%
Transport, Postal & Warehousing	36.8%
Health Care & Social Assistance	31.1%
Professional, Scientific & Technical Services	30.6%
Administrative & Support Services	30.3%

The following sectors have experienced a growth in employment higher than that for all of rural Victoria (15%) and have a percentage of workers aged 55 plus that is higher than the average of all of rural Victoria:

	<i>Employment growth rate</i>	<i>% of workers 55+</i>
Agriculture, Forestry & Fishing	17.13%	42.01%
Transport, Postal & Warehousing	17.77%	36.76%
Professional, Scientific & Technical Services	21.32%	30.60%
Administrative & Support Services	61.80%	30.31%
Health Care & Social Assistance	21.36%	31.12%

It can be assumed that these sectors are most exposed to losing workers who are leaving the workforce due to their age.

If 20% of workers aged 56 to 64 and 90% of workers aged 64 plus leave the workforce in the next five years the rural workforce could lose up to 24,300 workers.

29 of the 38 rural LGA are forecast to lose, collectively, more than 26,000 people from the working age population aged 20 to 64 by 2031.

Rural Victoria has a population of 78,000 people aged 15 to 24 of which 50%, or some 39,000, are not engaged in the workforce.

Strategic implications for workforce development planning in rural Victoria

The greater engagement of young people into the rural workforce will require the availability of relevant and timely advice with respect to workforce opportunities in rural Victoria – this has implications for increased career advice resources.

There is a need for greater collaboration with industry and businesses in rural Victoria to identify the full extent existing, and emerging, employment opportunities.

5.1. Number of rural workers aged 55 years plus

The 2016 ABS Census identified that 18.7% of Victoria's workers are aged 55 years plus in Victoria.

The rural workforce is older 26.8% or 72,226 workers being aged 55 years plus.

5.2. Rural workforce age by LGA

The percentage of workers aged 55 years plus in rural Victoria's LGAs varies – as noted in the table below - from 39.2% in the Towong LGA to 21.2% in the Mitchell LGA.

Percentage of workers aged 55 years plus in rural LGAs			
Towong	39.2%	Northern Grampians	27.6%
Loddon	38.4%	Glenelg	27.5%
Yarriambiack	35.8%	Mansfield	27.5%
Strathbogie	35.6%	Central Goldfields	27.0%
Buloke	35.1%	Rural Victoria	26.8%
West Wimmera	33.3%	Bass Coast	26.4%
Queenscliffe	33.0%	Golden Plains	26.2%
Pyrenees	31.8%	Ararat	26.2%
Hepburn	31.6%	Alpine	25.2%
Southern Grampians	30.6%	Colac Otway	25.1%
Benalla	30.6%	Wellington	25.1%
Gannawarra	30.3%	Campaspe	24.9%
Indigo	30.0%	Moirra	24.6%
Murrindindi	29.8%	Baw Baw	23.8%
East Gippsland	29.6%	Swan Hill	23.7%
South Gippsland	29.4%	Macedon Ranges	23.0%
Hindmarsh	29.0%	Moorabool	21.7%
Moyne	28.7%	Surf Coast	21.6%
Mount Alexander	28.2%	Mitchell	21.2%
Corangamite	27.9%	Victoria	18.7%

5.3. Rural workforce age by sector

The percentage of workers aged 55 years plus in each of the industry sectors in rural Victoria varies – as noted in the table below - from 42.0% in the Agriculture, Forestry & Fishing sector to 16.4% in the Accommodation & Food Services sector.

<i>Sectors</i>	<i>Jobs in rural Victoria</i>	<i>No of 55+ workers</i>	<i>% of 55+ workers</i>	<i>% of 55+ workers in Victoria</i>
Agriculture, Forestry & Fishing	40,427	16,984	42.0%	17.6%
Transport, Postal & Warehousing	10,036	3,689	36.8%	23.5%
Health Care & Social Assistance	34,866	10,849	31.1%	22.7%
Professional, Scientific & Tech' Services	9,498	2,907	30.6%	16.8%
Administrative & Support Services	7,333	2,223	30.3%	20.5%
Education & Training	23,135	6,037	26.1%	22.4%
Rental, Hiring & Real Estate Services	2,749	700	25.5%	18.9%
Public Administration & Safety	16,046	4,066	25.3%	21.4%
Information Media & Telecomms	1,487	373	25.1%	12.9%
Wholesale Trade	5,408	1,341	24.8%	19.3%
Electricity, Gas, Water & Waste Services	2,416	583	24.1%	17.8%
Arts & Recreation Services	4,078	930	22.8%	14.2%
Other Services	9,832	2,205	22.4%	20.0%
Mining	1,859	414	22.3%	20.1%
Manufacturing	23,744	5,003	21.1%	20.6%
Retail Trade	27,232	5,194	19.1%	14.4%
Construction	24,006	4,534	18.9%	15.3%
Financial & Insurance Services	3,293	548	16.6%	13.2%
Accommodation & Food Services	22,277	3,646	16.4%	9.1%
Totals	269,722	72,226	26.8%	18.7%

5.4. National Centre for Vocational Education Research (NCVER)

The NCVER has released its research report *Future job openings for new entrants by industry and occupation*. This work has been produced by NCVER on behalf of the Federal Government and state and territory governments, with funding provided through the Federal Government Department of Education and Training.

The report notes that “replacement demand is high for occupations with relatively older workforces, a consequence of workers’ proximity to retirement. An example of high retirement-replacement demand includes farmers and farm managers”.



5.5. Exposure of industry sectors to a loss of workers through retirement

The following table provides an analysis of the industry sectors that may be most exposed to a loss of workers who are leaving the workforce through age. The analysis has sought to identify those sectors in which the percentage of:

- 1) Workers aged 55 + is greater than 27% (i.e. higher than the average for the overall rural workforce)
- 2) Employment growth is greater than 15% (i.e. higher than the average for the overall rural workforce).

The analysis assumes that the sectors with the high growth in employment, and that have a significant number of workers aged 55 years plus may be most exposed.

Sectors	Employment growth rate	% of workers 55+	
Agriculture, Forestry & Fishing	17.13%	42.01%	employment growth rate and the % of 55 + workers above rural Victoria averages
Transport, Postal & Warehousing	17.77%	36.76%	
Professional, Scientific & Tech Services	21.32%	30.60%	
Administrative & Support Services	61.80%	30.31%	
Health Care & Social Assistance	21.36%	31.12%	
Education & Training	17.76%	26.10%	employment growth rate above rural Victoria average
Construction	35.61%	18.89%	
Arts & Recreation Services	28.72%	22.80%	
Other Services	21.80%	22.43%	
Accommodation & Food Services	19.53%	16.37%	
Public Administration & Safety	14.93%	25.34%	
Mining	11.32%	22.27%	
Rental, Hiring & Real Estate Services	8.02%	25.47%	
Electricity, Gas, Water & Waste Services	4.86%	24.13%	
Retail Trade	1.55%	19.07%	
Manufacturing	-0.49%	21.07%	
Information Media & Telecomms	-1.20%	25.08%	
Financial & Insurance Services	-3.83%	16.64%	
Wholesale Trade	-21.18%	24.80%	

 = employment growth > 15%  = > 27% of 55+ workers

The analysis highlights that the following sectors may be most exposed to a loss of workers from workers leaving the workforce through retirement:

- Agriculture, Forestry & Fishing
- Transport, Postal & Warehousing
- Professional, Scientific & Technical Services
- Administrative & Support Services
- Health Care & Social Assistance
- Education & Training

5.6. Assumption of the rate at which older workers leave the rural workforce

The rate at which older workers would leave the workforce will be influenced by a range of factors including the:

- desire of the individual worker with regard to wanting to continue to work
- individual circumstances with regard to the need to generate income
- introduction of technology that may extend the individual's ability to continue working – e.g. technology that reduces the need for physical exertion
- opportunity to update/develop the skills and knowledge required to remain in the workforce
- availability of other workers who can move into the roles vacated by older workers.

Rural Workforce Development Plan

This report assumes that in the next five years if:

1)	20% of the workers aged 55 to 65 exit the workforce	
	number of workers aged 55 to 65 years = 58,186 workers X 20%	11,600
2)	90% of the workers aged 65 plus years exit the workforce	
	number of workers aged 65 plus years = 14,111 workers X 90%	12,700
		<i>total</i> 24,300

A departure of this magnitude represents a loss of 9% of the current number of workers in the rural Victorian economy.

5.7. Forecast working age population

The Victoria in the Future (VIF) population projections for rural Victoria forecast to 2031 an overall gain in the “working age” population – i.e. people aged 20 to 64 years – of 43,706 people.

However, the VIF forecasts that many rural LGA will experience a contraction in the working age population and others will experience significant growth.

<i>Forecast</i>	<i>LGA</i> s	<i>No</i>
Rural LGAs forecast to experience growth in working age population	East Gippsland Golden Plains Macedon Ranges	Bass Coast Moorabool Mansfield
		Surf Coast Baw Baw Mitchell
		69,771
Rural LGAs forecast to experience loss of working age population	All other rural LGAs (29)	-26,065
		<i>Total</i> 43,706

At present 48.8% of the rural population aged over 15 is in employment. If this rate were to continue then the LGAs forecast to experience a contraction of the working age population would experience a loss of some 12,700 workers (i.e. 26,065 x 48.8%).

5.8. Addressing the loss of working age population in rural Victoria

The potential for loss of people leaving the rural workforce is substantial. There is a need to understand how such a loss can be backfilled by younger people in rural Victoria.

5.8.1. Current population of young persons

The overall population of young people (i.e. those aged 15 to 24 years) residing in rural Victoria is tabled below. The 2016 ABS Census identified that some 50% of this population are in the workforce.

Age cohort	Total population	Working locally	Working outside of LGA	Total working	% working	Total not working
15 – 19 years	44,004	13,948	3,597	17,545	40%	26,459
20 – 24 years	33,996	14,209	7,024	21,233	62%	12,763
<i>Totals</i>	78,000	28,157	10,621	38,778	50%	39,222

Of the non-working population of young people some will be involved in post-secondary education and/or vocational training.

5.7.2. Potential source of workers

The total number young people not engaged in the workforce suggests that there is potential to offset the loss of older workers by engaging more of rural Victoria's young people.

Based on the population of young people yet to be engaged in the workforce the size of this potential source is more than 39,000 people.

5.7.3. Provision of labour market information

The greater engagement of young people will require the availability of relevant advice with respect to workforce opportunities in their rural LGA.

The NCVER *Future job openings for new entrants by industry and occupation* report notes that “public access to high-quality and timely labour market information is a key factor for ensuring individuals and enterprises adapt to changing demand for skills”.

There is need to have a greater understanding of the actual jobs that are and/or will become available. As noted in Section 7.4 many jobs are not overtly advertised. This will require greater collaboration with industry and business in order to identify existing and emerging employment opportunities.

The OVSC's *Mallee Regional Skills Demand Profile* notes that “changes and opportunities in the labour market take time to filter down to trainers, schools, students and their parents”.

In order to expedite a wider understanding of these opportunities the OVSC's *Mallee Regional Skills Demand Profile* recommends that there is a need to “specify, provide and support a model for providing career advice to students in schools”.

Further the OVSC report notes that “Industry should play a greater role in supporting the provision of career advice to students. This might include providing better information, resources and support to teachers and school career advisors on available opportunities, employment pathways and preferred training for careers in industry.”

6. Unemployment and underemployment in rural Victoria

Summary of key findings

The average unemployment rate for rural Victoria was 4.4% as at December 2017 – this equates to some 18,000 people. This rate is as high as 8.2% in the Pyrenees LGA and as low as 2.0% in the Colac Otway LGA.

A rate of 4.4% can be considered as full employment.

Feedback from rural based JSA providers suggests that between 50% to 70% of unemployed people may be unavailable for employment due to a combination of illness/personal issues, significant employability issues and/or disabilities.

Unemployed people living outside of larger rural towns in which jobs service providers are based have difficulty in accessing services due to transport issues in the main.

The ratio of Employment Placement & Recruitment Services sector workers to unemployed people in rural Victoria is 1:33 – this is half the ratio for all Victoria.

The GROW program based in Geelong is an example of how people, communities, community groups, businesses, service providers and government can work together to address unemployment. The GROW program has attracted investment from government and support from local businesses.

More than 115,000 people or 39% of workers in rural Victoria worked part time.

The ABS's May 2018 notes that underemployment rate in Victoria was 7.9%

Strategic implications for workforce development planning in rural Victoria

An estimated 5,400 to 9,000 unemployed people may be available to be engaged in the rural workforce – many of these people will need access to relevant support services, including access to vocational training, to make the transition back into the workforce. This will also require the support of businesses – many businesses may not have the skills, or resources to provide such support.

There is a need to improve the access to employment services resources for people and businesses in rural Victoria

Based on the ABS underemployment rate some 9,100 people of the people working part-time in rural Victoria may be seeking to be more highly engaged in the workforce. Many of these people may need access to vocational training in order to have the skills required by employers.

The availability of relevant and timely advice with respect to the full extent of workforce opportunities in rural Victoria is critical to engaging more unemployed/underemployed people.

6.1. Unemployment in rural Victoria

The total labour force (i.e. persons employed or unemployed) in rural Victoria is estimated to be 390,602 as noted in the following table. Of these people 18,028 were estimated to be unemployed (as at December 2017). The Labour Force Participation Rate for rural Victoria is 52%. The highest participation rate in a rural LGA is the Moyne LGA at 59% and the lowest is the Loddon LGA at 41%.

Rural LGAs	Population	Labour force	*Labour Force Participation Rate	No of unemployed	Unemployment rate (%)
Pyrenees (S)	7,240	3,374	47%	136	8.2
Campaspe (S)	37,054	19,446	52%	1,170	7.6
Moirā (S)	29,108	14,435	50%	897	7.2
Bass Coast (S)	32,806	15,641	48%	1,065	6.8
Swan Hill (RC)	20,587	11,076	54%	501	6.3
Murrindindi (S)	13,730	7,589	55%	261	6.2
Mitchell (S)	40,916	23,097	56%	1,141	6.0
Hindmarsh (S)	5,725	2782	49%	126	5.8
Queenscliffe (B)	2,854	1,402	49%	44	5.8
Central Goldfields (S)	12,993	5,427	42%	390	5.6
Gannawarra (S)	10,548	5,309	50%	212	5.3
Macedon Ranges (S)	46,103	25,726	56%	779	5.2
Strathbogie (S)	10,272	5,313	52%	153	4.9
Northern Grampians (S)	11,436	6,055	53%	319	4.7
Mansfield (S)	8,843	4,643	53%	93	4.5
Towong (S)	5,986	3,224	54%	96	4.5
Wellington (S)	42,986	21,415	50%	1,250	4.5
Rural Victoria					4.4
Moorabool (S)	31,820	17,688	56%	1,109	4.3
Corangamite (S)	16,053	8,962	56%	259	4.1
Glenelg (S)	19,556	10,916	56%	512	4.0
Hepburn (S)	15,327	7951	52%	247	4.0
Loddon (S)	7,512	3,092	41%	254	4.0
Indigo (S)	15,953	8,963	56%	219	3.8
Ararat (RC)	11,599	5,922	51%	333	3.5
Mount Alexander (S)	18,762	8,249	44%	479	3.4
Surf Coast (S)	29,402	16,796	57%	420	3.4
Alpine (S)	12,781	6,714	53%	173	3.1
Baw Baw (S)	48,477	25,459	53%	1,142	3.1
Southern Grampians (S)	15,941	9,002	56%	346	3.1
South Gippsland (S)	28,700	14,747	51%	607	3.0
West Wimmera (S)	3,905	2,201	56%	74	3.0
Benalla (RC)	13,863	7,250	52%	287	2.9
Golden Plains (S)	21,687	11,838	55%	369	2.9
Buloke (S)	6,202	3,124	50%	133	2.7
East Gippsland (S)	45,041	20,966	47%	1,592	2.6
Moyne (S)	16,499	9,691	59%	262	2.5
Yarriambiack (S)	6,675	3,232	48%	167	2.4
Colac-Otway (S)	20,971	11,885	57%	411	2.0
<i>Totals</i>	745,913	390,602	52%	18,028	4.4

***Note** The labour force participation rate is defined as the labour force (persons employed or unemployed) expressed as a percentage of the population

Unemployment in rural Victoria (as at December 2017) was estimated to be 4.4%. The highest unemployment rate in a rural LGA is the Pyrenees LGA at 8.2 % and the lowest is the Colac-Otway LGA at 2.0 %.

6.1. Full employment

An unemployment rate of 4.4 % can be considered full employment. Full employment refers to the lowest *sustainable* rate of unemployment. That is, the lowest rate to which unemployment can fall before shortages of labour lead to excessive wage increases and start pushing up the rate of inflation.

Several RCV member councils report that, at present, there are businesses in their municipalities that are unable to secure the staff they require – see Section 7.2

AMP Capital Senior Economist Diana Mousina noted in 2017 that “this low unemployment rate is not leading to higher wages because there is still some excess capacity in the labour market, with underemployment still elevated (people wanting to work more hours)” – see Section 6.5.

Ross Gittins from the *Sydney Morning Herald* wrote in 10 July 2010 that “When you get down to an unemployment rate of 5 per cent, most of those who have been unemployed for any length of time are unskilled, with a chequered work history. It may be that the kind of jobs suitable for such people no longer exist to the same extent they used to”.

6.2. Feedback from Job Services Agencies

Feedback from Job Services Agencies (JSAs) indicates that many people who are unemployed are not immediately available for employment. The JSA feedback notes that of the people registered as being unemployed that at any time:

- 40% to 50% are exempt from related employment seeking obligations due to medical and/or personal reasons
- 5% to 10% are deemed to have high barriers to sustainable employment due to ongoing issues such as drug and/or alcohol addiction or being impacted by domestic/family violence
- 5% to 10% have a disability and require specific support from an employer in order to work and that this type of support is not always readily available in rural Victoria.

The JSAs also noted that people who live outside of larger rural towns have significant challenges in meeting their employment seeking obligations due to not having access to transport and/or being unable to afford to drive to appointments.

6.3. Availability of support for job seekers in rural Victoria

The Employment Placement & Recruitment Services sector as defined by the ABS as “mainly engaged in listing employment vacancies and in referring or placing applicants for employment in any field. The services are provided to either employers or potential employees, and include the formulation of job descriptions, the screening and testing of applicants and the investigation of references”.

It can be assumed that the number of people working in this sector reflects the availability support for people seeking employment – or for businesses seeking workers.

The ratio of Employment Placement & Recruitment Services sector to unemployed people highlights a significant difference between rural Victoria and Victoria overall.

Ratio of Employment Placement & Recruitment Services workers to unemployed people

	<i>Employment Placement & Recruitment Services workers</i>	Unemployed	Ratio of unemployed to sector workers
Rural Victoria	542	18,028	33.3
Victoria	13,023	203,022	15.6

The analysis indicates that the ratio for rural Victoria is double that for all of Victoria.

The ratio varies across the 38 rural LGAs – the ratio is more than 125:1 in the Golden Plains, Moyne, Loddon, Alpine, Moorabool, Pyrenees, Buloke and Hindmarsh LGAs.

The ratio is less than for all of Victoria in the Southern Grampians, Swan Hill and Colac-Otway LGAs.

6.3.1. G21 GROW

The GROW initiative developed from a G21 Addressing Disadvantage Taskforce report in 2014, coinciding with Give Where You Live Foundation's (GWYLF) vision to address disadvantage in the G21 region – see <https://grow.g21.com.au/>

The GROW program is based on having innovative, collaborative and evidence-based approaches to tackle entrenched regional social and economic disadvantage. The first phase of GROW involved the consultative development of [a Strategic Plan](#) and the appointment GROW Patrons and Champions.

GROW's Strategic Plan notes that it:

- Has a focus on a 'collective impact' approach - drawing together business, government and civil society organisations, and making inclusive jobs growth a priority for everyone in the region
- Aims to tackle the correlation between place-based disadvantage and unemployment through a dual focus on creating jobs PLUS ensuring that jobseekers from disadvantaged areas are given a fair chance to access and compete for those jobs
- Will focus on strengthening two major jobs growth engines in the G21 Region - procurement and investment - to maximise economic and social impacts, and generate more jobs in the region.

GROW has attracted support and resources from:

- GWYLF – which has committed \$2 million over 10 years
- The Alcoa Foundation which contributed \$300,000 as a legacy grant
- The State Government – i.e.
 - \$1 million (over five years) under the Regional Jobs Fund to deliver jobs and economic prosperity
 - Demand Led Employment in GROW target communities (\$620k for Colac, \$755k for Whittington).
- Regional Development Australia Barwon South West funded GROW \$50,000 to deliver the G21 GROW Regional Procurement Economic Modelling Project in late 2015.

GROW has as its regional target for 2020 to achieved a 7% shift in local spend, bringing \$1 billion into the G21 region and 2500 jobs, including 500 jobs into GROW target communities.

At present GROW is reporting the creation of more than 180 jobs

6.3.2. Implications for engaging unemployed people in rural communities

Based on the experience associated with the development and delivery of the GROW program rural locations would require:

- Access to people with the leadership skills to provide the role of patrons/champions
- Businesses that have people with the management skills to work with people who need support to successfully reengage with the workforce
- Access to funding and other resources to support the delivery of a program to successfully engage unemployed people into the workforce – as noted in Section 6.3 – these resources are less available in rural Victoria.

The availability of the above will vary across rural locations.

6.4. Full and part-time employment

The 2016 ABS Census notes that of the workers residing in rural Victoria 182,143 people or some 61% reported that they worked full time and that 115,328 people or some 39% reported that they worked part time. The ratio of full time to part time workers varies across the rural LGAs with:

- Mitchell, Swan Hill, Hindmarsh and West Wimmera LGAs having the highest ratio of full-time to part-time workers with 66% full time and 34% part time workers
- Bass Coast, Mount Alexander and Queenscliffe LGAs having the lowest ratio of full-time to part-time workers with 53 % full time and 47% part time workers

6.5. Underemployment

The ABS defines underemployed workers as workers who are not fully employed, i.e. part-time workers who indicate that they would prefer to work more hours, and full-time workers who did not work full-time hours.

Deloitte Access Economics notes that “Underemployment remains a growing problem in our labour force (even if unemployment has held steady). Indeed, underemployment has been at a record high of 8.5% since 2015 and has been trending steadily upwards over the last 30 years.” Deloitte Access Economics also notes the “continuing shift from full-time to part-time positions”.

The ABS estimated that, in May 2018, the quarterly trend underemployment rate in Victoria fell to 7.9% (there is no differentiation between rural, regional and/or metropolitan Victoria).

Assuming that the underemployment is largely experienced by people who work part-time then 7.9% of the 115,328 people in rural Victoria who reported that they worked part time may be seeking additional employment. This equates to more than 9,100 workers who may be seeking additional employment.

6.6 Potential source of workers

The number of unemployed and underemployed people in rural Victoria are a potential source of workers for rural businesses. Based on:

- Unemployed

Based on feedback from JSA providers, it could be expected that between 50% to 70% of the 18,000 people who are unemployed may be not readily available for employment. This equates to between 5,400 to 9,000 unemployed people who may be able to be engaged into the workforce

- Underemployed

Based on the May 2018 ABS underemployment rate for Victoria data there may be more than 9,100 part-time workers in rural Victoria who are seeking more work.

The engagement of the unemployed may require resources and/or support similar to the GROW experience in Geelong.

The engagement of unemployed/underemployed people will require a full understanding of the job opportunities in rural communities.

7 Current workforce demand

Summary of key findings

The feedback from a survey of RCV members councils and the outcomes of the Victorian Employer Skills and Training Survey -2017 point to businesses in a range of sectors being unable to secure the workforce they require.

The clarity regarding the number of jobs that are available is opaque – evidence suggests that many available jobs are not advertised.

There widely varying estimates of the jobs that are currently, or soon will be, available.

The majority of businesses in rural Victoria are small in scale and lack the resources and/or capability or undertake an effective recruitment process.

Businesses, and people are particularly interested in the workforce/employment opportunities in the rural LGA in which they operate/reside.

Strategic implications for workforce development

There is a need to be able to more clearly identify the jobs that are available in each of the rural LGAs.

There is a need to support the workforce recruitment capability of local small businesses.

This report has considered several inputs with respect to understand the current demand for a workforce in rural Victoria. Current demand is described as the jobs/employment opportunities that are currently (or very soon will be) available.

7.1 Unmet workforce demand

The relative growth in employment in many parts of rural Victoria suggests that many businesses are struggling to secure the workforce they require. This is compounded by the demand for workers in regional cities and Greater Melbourne which has created competition for workers.

7.2. RCV member council feedback

20 RCV member councils responded to a survey regarding workforce requirements and issues. 80% noted that there were businesses in their LGA that are unable to secure the workforce they require – the member councils noted that these businesses were from a range of industry sectors - i.e.

Sectors	% of responses
Agriculture	55%
Healthcare	45%
Tourism/Hospitality	45%
Professional services	40%
Manufacturing	25%
Construction	15%
Retail	10%
Transport/Logistics	5%
Other sectors?	Wind farm

7.2.1 Key barriers to meeting current workforce needs

RCV member councils nominated the unavailability of people with necessary skills/knowledge as the key reason as to why businesses are unable to fill their workforce requirements

	% of responses
Unavailability of people with necessary skills/knowledge	70%
Ageing workforce – i.e. people leaving the workforce	20%
Unavailability of transport for workers	20%
Unavailability/inability to access relevant training	15%

7.2.2 Recommendations to retain local workers

RCV member councils were asked to recommend what should be done to retain required workers in their LGA. The responses can be summarised into the following:

- Business development/access to training for business owners/operators
- Improved access to education and vocational training
- Improved liveability – including access to childcare
- Economic development that increase economic diversity
- Access to employment for partners
- Support for population growth
- Revise unemployment policies
- Revise visa related policies.

7.3. Victorian Employer Satisfaction and Skills Survey 2017

The evidence of unmet demand is provided through the State Government Department of Education and Training's *Victorian Employer Satisfaction and Skills Survey* in 2017. 35% of the businesses that responded to the survey were in "regional Victoria" – it is unknown what, if any, proportion of these businesses were based in rural Victoria. The survey indicates that the wide range of regional Victorian businesses have significant recruitment challenges; on average:

- 55% of regional businesses responded that "roles were difficult to fill"
- 54% of regional businesses responded that there were "few applicants"
- 39% of regional businesses responded that "finding job ready candidates" was difficult
- 49% of regional businesses responded that applicants "lacked relevant experience"
- 45% of regional businesses responded that applicants "lacked technical/job specific skills".

The results of the survey are tabled in Appendix IV.

7.3.1. Recruitment processes

The results of the *Victorian Employer Satisfaction and Skills Survey* in 2017 suggest that many businesses/business operators have challenges with recruitment and they need to have improved recruitment processes.

7.3.2. Capability of rural businesses

The majority of businesses in any local economy are small in terms of staff and/or turnover. A snapshot of the business size profile of some rural LGAs is provided in the following table

	No of businesses	No of employees				
		Non-employing	1 – 4	5 – 19	20 – 199	200+
Ararat	1,048	56%	30%	12%	1%	0%
Buloke	1,001	60%	32%	8%	1%	0%
Colac Otway	2,314	64%	26%	8%	2%	0%

The size of the majority of local businesses suggests that many businesses do not have the resources and/or the skills to advertise and/or conduct effective recruitment processes.

As noted in Section 6.3 businesses in rural Victoria also have less access to "employment services".

7.3.3. Skills shortages

The results of the *Victorian Employer Satisfaction and Skills Survey* in 2017 points to businesses in regional Victoria experiencing skill shortages.

Skills shortages can be a cause of a skills mismatch when employers hire workers without the required skills for jobs because appropriately skilled workers are unavailable.

7.4 Advertised versus available jobs

It can be reasonably assumed that there are more jobs on offer than are being advertised at any given time. The Federal Government's Jobactive website – see <https://blog.jobactive.gov.au/meet-most-popular-recruitment-methods-australia-how-does-your-strategy-compare> – advises job seekers that:

- Businesses are advertising 57 per cent of all vacancies through the internet or in a newspaper, to reach a broad audience of active job seekers
- Businesses are advertising 18 per cent of their vacancies in the newspaper, but this option is decreasing in popularity, and half of the time a business will also advertise their vacancy online
- One third of jobs aren't formally advertised – this is particularly so in regional areas or for lower skilled jobs. This observation is consistent with the likely capability of many small local businesses as suggested in Section 7.3.1

7.5 Labour market information for rural Victoria

There is no mechanism that provides a comprehensive and contemporary source of employment requirements in rural Victoria. The NCVER report *Future job openings for new entrants by industry and occupation* notes that the labour market is “perpetually in a state of flux, meaning that at any point in time the supply and demand for skills will be in imbalance. Furthermore, tasks performed within occupations also change with advances in technology, which adds to the changing supply and demand for skills. Labour markets are thus rarely perfect and labour market information is imperfect and often asymmetrical”.

7.5.1. Relevance of understanding workforce demand to RCV member councils

While labour market information is imperfect, understanding workforce demand is of relevance to RCV Councils for two key reasons:

1) *Population attraction and retention*

Population attraction and retention is relevant to many RCV member councils. There is a nexus between the availability of employment opportunities in rural Victoria and the ability to attract people to live in rural Victoria. An understanding of workforce demand- and therefore future employment opportunities – is a key to:

- helping the current population in rural LGAs to understand emerging opportunities which may influence their decision-making re continuing to reside in rural Victoria; and/or
- promoting the benefits of living in rural Victoria and attracting new residents

2) *Investment attraction*

Many RCV member councils are seeking to attract investment in order to grow their local economies and local employment opportunities. number of jobs available in their local economies. Many investors need access to capable workforce in order establish and/or operate their investment.

Understanding workforce demand helps RCV members to identify how they may service likely demand and the needs of potential investors through the existing workforce, and where they may need to foster the development and/or attraction of additional workers.

7.6. Understanding the current demand for a workforce

In the absence of a mechanism that provides comprehensive information regarding employment opportunities and that many jobs are not formally advertised the following sections attempt to provide an insight into the current demand for employment in rural Victoria.

7.6.1. State Government – Regional Living website

The State Government has established a Regional Living website which provide information about regional Victoria. The site comments that:

“There is no shortage of jobs in regional Victoria and many opportunities across a range of industries as the regions share in the State’s employment boom.”

“The availability of jobs is partly due to the strength of the regional economy. Regional Victoria is growing at a greater rate than any of Australia’s other regional areas.”

The site provides a job search tool – see <http://regionalliving.vic.gov.au/why-regional-victoria/jobs>

The job search tool offers the following regional descriptions:

<i>Regional descriptions</i>	<i>No of jobs advertised</i>
Bairnsdale and Gippsland	289
Ballarat and Central Highlands	451
Bendigo, Goldfields and Macedon Ranges	552
Geelong and Great Ocean Road	1,327
Horsham and Grampians	133
Mildura and Murray	245
Shepparton and Goulburn Valley	410
Traralgon and Latrobe Valley	318
<i>Total</i>	<i>3,725</i>

Given that somewhere between 30% and 60% of jobs are not advertised, and particularly so in regional areas, then the number of jobs in regional Victoria will be greater than the above number. There may be 5,000 to 6,500 jobs available.

Given the ratio of rural to regional jobs in the 2016 ABS Census, then some 2,200 to 3,000 of these jobs may be in rural Victoria. This would represent an increase of up to 1% of all jobs in rural Victoria.

7.6.3. Jobactive

The Federal Government's Jobactive website – see <https://jobsearch.gov.au/job/search> – notes the following jobs in regional Victoria. If the rural/regional city jobs ratio is applied then some 1,380 of these jobs could be in rural Victoria.

<i>Region</i>	<i># of jobs</i>	<i>Industry</i>	<i># of jobs</i>
Geelong and Surf Coast	715	Health & Medical	564
Bendigo, Gisborne & Central VIC	410	Sales	271
Mildura & Sunraysia	381	Agriculture, Animals & Conservation	239
Shepparton and Goulburn Valley	379	Manufacturing	216
Ballarat and Central Highlands	296	Community Services	176
Albury - Wodonga	278	Administration & Office Support	127
Latrobe Valley	191	Accounting	121
Warrnambool, Portland & South West Coast	148	Retail	106
East Gippsland	113	Executive & General Management	100
Horsham & Grampians	87	Education & Training	85
Swan Hill & Mid Murray	78	Trades & Services	73
Wangaratta, Seymour & Alpine Region	61	Human Resources & Recruitment	69
	3,137	Transport & Logistics	64
		Hospitality & Tourism	53
		Information & Communication Technology (ICT)	47
		Construction	37
		Customer Service & Call Centre	36
		Communications, Advertising, Arts & Media	34
		Mining & Energy	34
		Legal	32
		Engineering	24
		Real Estate & Property	11
		Sport & Recreation	8
		Insurance & Superannuation	7
		Defence & Protective Services	2
		Architecture & Design	1
		Banking & Financial Services	0
		Science	0
			2,537

7.6.4. Department of Education and Training Jobs and Training Needs Reports

The State Government Department of Education and Training has prepared a *Jobs and Training Needs Report* for each of the Victoria regions. The analysis has a focus on training for occupations that require a VET related qualification (as opposed to graduate/post graduate qualification). The reports combine each of “the region’s labour market analysis with existing government subsidised vocational education and training (VET) activity to provide insights on the level of future training needs, for specific occupations in the region”.

The reports for each the regions have identified the anticipated 2018 employment demand for VET related jobs.

<i>Regions</i>	<i>Anticipated 2018 employment demand</i>
Barwon South West	15,400
Gippsland	33,350
Grampians	26,350
Hume	22,650
Loddon Mallee	32,250
	130,000

This number of jobs represents a 21% increase on the total number of jobs in regional and rural Victoria. Given the ratio of rural/regional city jobs then it could be anticipated that some 57,500 of these jobs may be in rural Victoria – this would represent a 21% increase in employment in rural Victoria. This would be an extraordinary level of employment growth in a 12 month period.

7.7. OVSC Regional Skill Taskforces

The efforts to estimate the scale of current demand highlights that there is a need for a mechanism to provide greater clarity and accuracy with respect to the scale and range of employment opportunities in rural Victoria.

The OVSC through its work with the Regional Skill Taskforces is working to provide a Skills Demand Profile for each of Victoria’s sub-regions with a view to providing greater clarity to training providers with regard to the skill development needs. The first profile was released for the Mallee sub-region early in 2018 – see Section 8.3.2.

The profile does not provide specific employment needs for the rural LGAs in the sub-regions. The OVSC has invited RCV to be part of the Steering Committee that oversees the work of the Regional Task Forces.

7.8. Understanding the current employment opportunities in rural LGAs

The reality of understanding current workforce demands in rural Victoria is that:

- Each rural LGA has particular workforce demands that are particular to that LGA
- Businesses in an LGA are not particularly interested in workforce demands in other LGAs – although they may be interested in the availability of workers in adjoining LGAs
- Residents in an LGA are not particularly interested in employment opportunities in other LGAs – although they may be interested in the employment opportunities in adjoining LGAs.

This reality points to a need to therefore develop a clear picture of employment opportunities/workforce demands for each LGA.

As noted in Section 7.4 the understanding of actual job opportunities is opaque with not all employment opportunities being visible.

7.9. Strategic implications for workforce development in rural Victoria

The observations and information in the previous sections suggest a number of implications for workforce development in rural Victoria.

7.9.1. A mechanism to identify employment opportunities in a rural LGA

Rural LGAs need a mechanism to work with local businesses to identify/understand the true range of employment opportunities in their local economies.

The RAI Migration Policy Paper – see Section 4.5.2 - recommends that there is a need to “connect migrants and rural employers”. Further, the paper suggests that “a ‘matchmaking’ system that fosters direct links between rural employers and migrant workers” should be established; and that the “system needs to be transparent and provide migrants with connections to genuine and suitable employment.”

Given the challenges associated with understanding current workforce demand it can be argued that such a system is widely needed by local people as well as for people who may be considering a relocation to a rural community – see Section 10.

Such a mechanism will need the cooperation of local businesses and could include tools such as surveys and/or digital platforms. Councils have access to rate data and ABN data that would allow them to directly correspond with local businesses.

This would include the support of relevant job services providers.

7.9.2. Promoting the range of identified employment opportunities

The employment opportunities identified using a combination of mechanisms need to be promoted to people who would be engaged by the possibility of working in the LGA – see Section 10.

Given the resources/skills of many local businesses the development of platform/portal on/through which these opportunities could be promoted may need to be developed.

This would include the support of relevant job services providers.

7.9.3. Developing the recruitment capabilities of local businesses

Given the lack of resources/skills of many local businesses support may be required to enable effective recruitment; this may include:

- Training in recruitment - strategic workforce planning and human resource management training may benefit businesses that do not already utilise these skills – this would include the use of position descriptions in their businesses
- Development of templates that business could employ
- Development of collateral that promotes the virtues of living/working in that LGA.

This support would include relevant job services providers.

7.9.4. Improving the availability of employment services resources for rural businesses

There is a need to improve the availability of employment services resources for rural businesses. As noted in Section 6.3 the ratio of these resources to people/businesses is considerably less in rural Victoria than for all Victoria

8. Future workforce demand

Summary of key findings

The available projections for employment growth in Victoria do not differentiate between regional and rural Victoria.

This report has used employment growth data for rural Victoria (see Sections 2 and 3) to extrapolate an estimate for employment growth from other forecasts.

The employment forecasts provided by various agencies vary in the timeframe of the forecast and the forecast of size of the workforce demand ; as noted below the:

- Department of Jobs and Small Business - Regional Employment Forecast 2022 – an extrapolation of the specific rural Victoria needs within this forecast suggests an additional 18,500 jobs by 2022
- NCVER Australian Employment Forecast to 2024 - – an extrapolation of the specific rural Victoria needs within this forecast suggests an additional 42,000 jobs by 2024
- OVSC's Regional Skills Taskforce outcomes for the Mallee region have been extrapolated to other regions (and discounted employment in the regional cities) – this suggest a demand for an additional 37,000 jobs by 2020.

The projected forecasts for jobs growth vary in their outcomes – particularly with respect to employment in Agriculture. Employment demand in Agriculture is highly geared to investment which in turn, is highly geared to market demand, commodity pricing and other market conditions. This makes employment in Agriculture somewhat cyclical as has been the experience over the last 15 years in rural Victoria.

Manufacturing - the demand for many of rural Victoria's manufactured products is from markets outside of rural Victoria and, like Agriculture, is subject to a range of market conditions

Public Order & Safety – has grown experienced significant employment growth but is highly geared to government expenditure in the emergency services and prisons

Employment in hospitality is highly geared to the level of visitation and visitor expenditure

Other sectors have employment demands that are driven by factors other than the demand for goods and services generated by population change

The Regional Skills Taskforces set up through the Office of the Victorian Skills Commissioner are working with industry, and each of Victoria's Regional Partnerships, to identify the demand for employment and skills. To date the OVSC has produced the Mallee Regional Skills Profile Demand report for the Mallee region and is currently working with the Great South Coast and Gippsland regions to complete a Regional Skills Profile Demand report for these regions.

Strategic implications for workforce development in rural Victoria

There is no definitive employment forecast that is specific to rural Victoria.

There is a need to encourage the Regional Skills Taskforces to identify the particular workforce needs of the rural LGAs through the Regional Skills Taskforce process.

The following section seeks to gather information regarding the future demand for employment in the rural Victoria and the outlook for employment.

This section draws upon analysis and/or feedback from a range of sources including:

- Department of Jobs and Small Business - Regional Employment Forecast 2022
- NCVER
- OVSC
- RCV member councils.

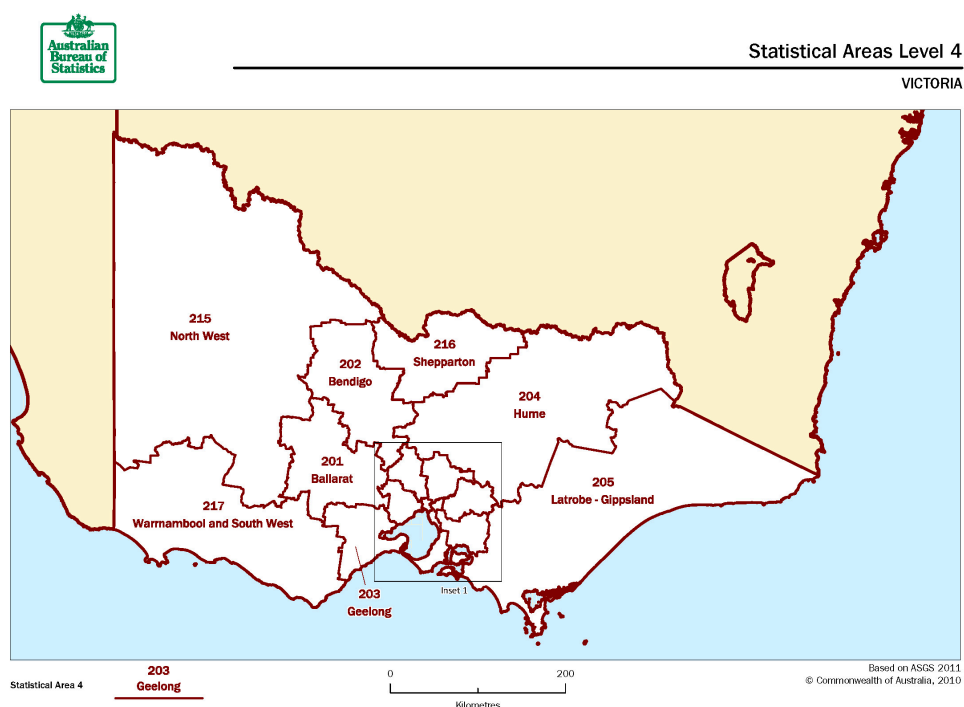
8.1 Department of Jobs and Small Business - Regional Employment Forecast 2022

The Federal Government Department of Jobs and Small Business has forecast employment projections by industry, occupation, skill level and region through to 2022. The Department notes that “these employment projections are designed to provide a guide to the future direction of the labour market, however, like all such exercises, they are subject to an inherent degree of uncertainty”.

The projections are based on June 2017 Labour Force Survey data for total employment, the May 2017 Labour Force Survey quarterly employment data and the total employment forecasts and projections published in the 2017/2018 Federal Budget.

The Department’s Regional Projections 2022 provide a forecast for employment for ABS S4 regions. The S4 regions for regional/rural Victoria are shown in the following diagram.

Victorian ABS S4 Regions



These S4 regions do not mirror the government/administrative regions noted in Section 2 and include a combination of regional city and rural LGAs.

Rural Workforce Development Plan

The Department of Jobs and Small Business' projections for each of the Victorian S4 regions through to 2022 is tabled below. The total projected increase in employment for all regions is 41,700 jobs.

Department of Jobs and Small Business - 2022 Regional Projections (000's jobs)

Ballarat	Bendigo	Geelong	Hume	Latrobe - Gippsland	North West	Shepparton	Warrnambool & South West	Total
4.4	3.9	12.4	5.9	5.0	3.1	3.5	3.5	41.7

The Department of Jobs and Small Business' projections for industry sectors in Victorian S4 regions is tabled below. The rural/regional cities jobs ratio has been used to estimate the number of jobs within the forecast may be in rural Victoria.

Estimate of demand for jobs in rural Victoria based on regional projections 2022

Sectors	Regional City & Rural Jobs		Dept. Jobs & Small Business'		Estimated Impact on Rural Jobs	
	Change to 2011 - 2016	% Change 2011 - 2016	Projected 2022 Increase	% Change 2016 - 2022	Projected Increase in Rural Jobs	% change
Health Care and Social Assistance	20,729	28%	11,700	12%	4,325	12%
Accommodation and Food Services	10,233	28%	6,900	15%	3,264	15%
Construction	19,449	55%	7,200	13%	3,161	13%
Education and Training	9,946	21%	4,100	7%	1,678	7%
Public Administration and Safety	6,019	19%	2,500	7%	1,071	7%
Retail Trade	5,312	8%	2,400	3%	938	3%
Transport, Postal and Warehousing	4,565	25%	2,000	9%	874	9%
Professional, Scientific and Technical Services	4,571	22%	2,100	8%	801	8%
Agriculture, Forestry and Fishing	8,586	20%	1,000	2%	796	2%
Administrative and Support Services	6,665	60%	1,600	9%	662	9%
Arts and Recreation Services	2,539	39%	800	9%	358	9%
Other Services	4,712	25%	700	3%	294	3%
Rental, Hiring and Real Estate Services	1,081	19%	700	10%	280	10%
Mining	816	26%	500	13%	236	13%
Wholesale Trade	(2,124)	-14%	(300)	-2%	(124)	-2%
Manufacturing	(3,559)	-7%	(700)	-1%	(326)	-1%
Electricity, Gas, Water and Waste Services	1,998	27%	(1,400)	-15%	(361)	-15%
Financial and Insurance Services	547	5%	-	0%	-	-
Information Media and Telecommunications	295	6%	-	0%	-	-
Totals	102,380	20%	41,800	7%	18,495	7%

The extrapolation of the Department of Jobs and Small Business - 2022 Regional Projections forecast for rural Victoria suggests considerably less employment growth in most sectors in rural Victoria through to 2022 than was experienced in the period 2011 to 2016.

8.2 NCVER future job openings for new entrants by industry and occupation

The NCVER has released its research report *Future job openings for new entrants by industry and occupation*. This work has been produced by NCVER on behalf of the Federal Government and state and territory governments, with funding provided through the Federal Government Department of Education and Training.

The report provides a forecast of employment growth for industry sectors in Australia through to 2024.

8.2.1. Estimated growth in jobs in rural Victoria

This report has utilised the NCVER forecast to estimate the number of jobs forecast for rural Victoria. This has been done by determining Victoria's percentage share of Australian jobs in 2016, and in turn, rural Victoria's percentage share of Victorian jobs in 2016.

These ratios have been applied to NCVER's forecast for employment in 2024 to estimate jobs growth in rural Victoria in 2024. This estimate is tabled below.

Estimate of demand for jobs in rural Victoria based on NCVER 2024 forecast

Sectors	NCVER forecast	Estimated change			
	Australia 2024	Victoria 2024	RCV 2024	RCV difference 2016 - 2024	% diff
	('000 jobs)	('000 jobs)	('000 jobs)	('000 jobs)	
Accommodation and food	970	222	26	4	18%
Administrative and support	489	116	9	1	19%
Agriculture, forestry and fishing	373	75	48	7	18%
Arts and recreation	253	62	5	0	12%
Construction	1,129	258	26	2	8%
Education and training	1,113	295	27	4	19%
Electricity, gas, water and waste	161	36	3	0	11%
Financial and insurance	505	133	4	1	19%
Health care and social assistance	1,845	437	43	8	22%
Information media and telecommunications	253	67	2	0	22%
Manufacturing	1,081	272	29	5	22%
Mining	264	9	2	0	10%
Other	545	117	11	1	14%
Professional, scientific and technical	1,233	284	12	2	25%
Public administration and safety	752	153	16	0	1%
Rental, hiring and real estate	246	52	3	0	15%
Retail trade	1,325	310	29	2	6%
Transport, postal and warehousing	744	164	12	2	21%
Wholesale trade	439	107	6	1	16%
Totals	13,720	3,170	312	42	16%

The estimate of jobs growth in rural Victoria based on the NCVER employment forecast suggests substantially more jobs growth in rural Victoria than the estimate based on the Regional Employment Forecast 2022.

8.3. Office of the Victorian Skills Commissioner

The OVSC website notes that “the VSC provides advice to the Minister for Training and Skills on the following:

- How the training system can better support the economy and jobs by addressing skills shortages, meeting workforce training needs and boosting productivity for employers
- How industry input can lead to more strategic and targeted interventions to align the training system with industry needs
- The training needs of existing and emerging industries
- Promoting training pathways that lead to jobs and skills development in the workforce
- Addressing the training and workforce development needs of Victoria’s regions”.

The OVSC’s initial focus was to establish and oversee a new industry engagement framework to ensure training aligns with Victoria’s labour market requirements. Aligning education and training offered by local institutions with the current and future needs of the state and regional economies will be vital in the years ahead.

The OVSC supports the process of establishing and growing these pathways for people to transition from training into work, particularly into priority sectors.

8.3.1. Regional Skills Taskforces

The OVSC has established Regional Skills Taskforces which will gather information and provide advice about the unique skills needs of Victoria’s regions.

To this end Regional Skills Taskforces have undertaken work in the Mallee region and are currently working with businesses in the Great South Coast and Gippsland regions.

8.3.2. The Mallee Regional Skills Demand Profile

The OVSC in concert with the Mallee Regional Tasks Force has prepared the *Mallee Regional Skills Demand Profile*. The Profile notes that:

“Fuelled by investment in horticulture, solar and other industries, the Region is forecast to experience strong near term growth in demand for labour of between 2,900 and 4,400 new workers from 2017 to 2020 to support growth and replace anticipated retirements.”

The Profile notes growth, based on feedback from industry, in the following sectors:

<i>Sector</i>	<i>Estimated employment demand</i>
Healthcare and social assistance+	750-1000
Horticulture	600-1100
Transport, logistics & automotive	350-550
Retail trade	400-500
Manufacturing	250-400
Hospitality and tourism	250-300
Construction	200-300
Other agriculture	100-200

The Profile notes that “the Region is likely to face significant labour shortages” and that high labour market participation, low unemployment rates and the ageing workforce present challenges to filling vacancies.

The Profile also notes that “without continued workforce growth and attraction of new resources, economic progress in the Region will stall. As such, sustained and collaborative action from industry, schools and training providers is imperative”.

To this end the Profile provides a range of recommendations with respect to workforce development specific to the needs of the Mallee region. The OVSC has also installed an Implementation Manager whose role is to facilitate the delivery of the recommendations.

8.3.3 Agriculture and Manufacturing

Agriculture and Manufacturing (food processing) are sectors that are projected to grow in their demand for employment. This growth is highly dependent on the level of investment made by business to respond to markets outside of the LGA in which they operate.

As noted in the Mallee Regional Skills Profile Demand, such investment may stall if investors lack confidence in being able to access the workforce that their operation requires.

This points to a need for policy and/or programs that support employment growth in food processing in rural Victoria.

8.3.4. An estimated projection for rural Victoria

The work undertaken by the OVSC in the Mallee region provides an opportunity to broadly estimate workforce demand across rural Victoria.

Section 2 noted the relative percentage of jobs in rural Victoria by each of the regions. As the work being undertaken by the OVSC is for each of the sub-regions – and does not recognise the peri-urban regions as a sub region – the following table has redistributed the employment growth in the peri-urban LGAS into the relevant sub regions in which they lay.

The Mallee Regional Skills Profile Demand projects the need to support between 2,900 to 4,400 jobs in the Mallee region- the mid-point of this range is 3,650 – by 2020.

When the rural/regional jobs ratio is applied (as the Mallee Regional Skills Profile Demand includes Mildura) then this equates to 1,600 jobs. If this jobs growth is distributed across the other regions based on the 2011 to 2016 growth then an overall estimate of jobs is 37,200 as noted in the table on the following page.

Jobs forecast for rural Victoria based on OVSC Mallee Regional Skills Taskforce Estimate

Regions	Rural LGAs	ABS jobs growth 2011 - 2016			OVSC projected jobs to 2020	
		LGA total	Total region	% of total rural jobs growth	Jobs	% of projected jobs
Barwon	Colac Otway	1,578	3,801	11%	4,400	12%
	Queenscliffe	30				
	Surf Coast	2,193				
Central Highlands	Ararat	545	4,250	12%	4,400	12%
	Hepburn	754				
	Pyrenees	334				
	Golden Plains	747				
	Moorabool	1,870				
Gippsland	East Gippsland	2,392	9,522	27%	10,400	28%
	Wellington	3,919				
	Bass Coast	-464				
	Baw Baw	2,515				
	South Gippsland	1,160				
Goulburn	Moirra	1,749	4,330	12%	4,400	12%
	Strathbogie	527				
	Mitchell	1,876				
	Murrindindi	178				
Great South Coast	Corangamite	564	2,491	7%	2,400	6%
	Glenelg	698				
	Moyne	535				
	Southern Grampians	694				
Loddon Campaspe	Campaspe	2,640	7,212	20%	7,200	19%
	Central Goldfields	442				
	Loddon	259				
	Mount Alexander	1,015				
	Macedon Ranges	2,856				
Mallee	Buloke	7	1,591	4%	1,600	4%
	Gannawarra	385				
	Swan Hill	1,199				
Ovens Murray	Alpine	619	1,812	5%	2,000	5%
	Benalla	167				
	Indigo	394				
	Mansfield	529				
	Towong	103				
Wimmera Southern	Hindmarsh	91	413	1%	400	1%
	Northern Grampians	183				
	West Wimmera	65				
	Yarriambiack	74				
Totals		35,422			37,200	

8.4 Impact of projected population growth to 2021 in rural Victoria

Population changes will impact the demand for employment in rural Victoria. The VIF population forecast for 2021 has been used to identify how these changes may impact employment demand.

The employment analysis presented below reflects both the VIF projections of residential population, combined with the propensities of people living in the respective LGAs, across the various age groups, to work. The analysis also provides insights into the degree to which the projected changes in the number of working residents will affect jobs based in the respective LGAs.

<i>Industry sector</i>	<i>Rural Victoria jobs</i>
Construction	1,275
Retail Trade	697
Accommodation and Food Services	580
Education and Training	388
Other Services	342
Professional, Scientific and Technical Services	340
Transport, Postal and Warehousing	209
Public Administration and Safety	186
Arts and Recreation Services	181
Administrative and Support Services	164
Manufacturing	162
Financial and Insurance Services	153
Wholesale Trade	144
Rental, Hiring and Real Estate Services	133
Health Care and Social Assistance	94
Information Media and Telecommunications	71
Electricity, Gas, Water and Waste Services	30
Mining	-15
Agriculture, Forestry and Fishing	-341
Total	4,793

The table above notes the overall impact on employment. The VIF projections identify that some rural LGAs would experience employment growth and other would experience a contraction in employment

It is important to note that the VIF forecasts are only one factor that will influence the future numbers of jobs in the respective rural councils. Other variables include demographic change; for example, an ageing local population resulting in locals leaving the workforce while creating demand for local health and aged care services and associated jobs. Expenditure by visitors can also drive demand and create jobs, as well as investment attracted by access to land, natural resources, commodities, workforce skills, infrastructure, and access to markets.

8.5. RCV Population growth in rural Victoria: Opportunities and actions

The RCV has commissioned the development of a Population growth in rural Victoria: Opportunities and actions.

The Policy has modelled the impact of a population growth in rural Victoria beyond that forecast by VIF. The Policy suggests “a reasonable population target for rural Victoria is considered to be 8% of the State’s population growth over the next 15 years, or 135,000 additional residents (9,000 per annum)”.

The Policy has identified that “the additional population could result in between 13,000 and 33,000 additional jobs created in rural Victoria over the next 15 years”.

8.6 Regional Development Victoria’s investment facilitation

Feedback was sought from RDV regarding the employment value of potential investments that they are facilitating in rural Victoria. The information provided by RDV is tabled below and has been categorised by region and industry sector.

If all the investments tabled were to proceed the estimated employment that would be generated would be more than 8,900 jobs. This would represent an increase of some 3.3% of the 2016 number of jobs in rural Victoria.

RDV investment facilitation for rural Victoria

sectors	Regions					Totals
	BSW	Gippsland	Loddon - Mallee	Hume	Grampians	
Food and Fibre	755	982	375	91	663	2,866
Health Services	90	17				107
Retail	446	103	15		76	640
Construction	150	382	80	275	80	967
Defence	88					88
Manufacturing	372	331	82	22	257	1,064
ICT and Technology	34	176				210
TDL and Postal	-		25	72		97
International Education			30			30
Non-aligned Sector	374	14			17	405
Professional Services	18	251				269
Community Services		20			50	70
Tourism	277	148	82	76	215	798
Transport	797	290			35	1,122
New Energy Tech		10	20		19	49
Creative Industries		5			40	45
Med Tech, Pharmaceuticals	69		38			107
<i>Totals</i>	3,470	2,729	747	536	1,452	8,934
Total rural jobs		269,722	% growth in rural jobs			3.31%

8.7. RCV member council feedback

A survey of RCV members asked them to nominate the sectors they believed would require an expanded workforce in the next five years. The health, manufacturing, and tourism/hospitality sectors were most frequently nominated as detailed below:

<i>Sector nominated</i>	<i>% of responses</i>
Tourism/Hospitality	60%
Healthcare	50%
Manufacturing	47%
Agriculture	37%
Professional services	33%
Construction	23%
Transport/Logistics	23%
Retail	10%

8.8 Summary of future demand

The projections for future demand provide a variation of outcomes. Such variation points to the importance of having clear feedback from industry with respect to its needs.

Source of Forecast Workforce Demand	Extrapolation of Overall Forecast Demand for Rural Victoria	By Year
Dept. Jobs & Small Business	41,800	2022
NCVER	42,000	2024
OVSC	37,200	2020

The Regional Skills Taskforces that have been established by the OVSC offer a process through which industry needs can be identified.

The OVSC believes the rollout of this process across regional Victoria will be completed by the end of 2019.

It is important that the process identifies the particular needs of rural LGAs – this is key with respect to:

- Addressing the workforce requirements of rural based businesses
- Underpinning investment opportunities in key industry sectors including agribusiness and the visitor economy
- Supporting the development of a more comprehensive understanding of employment opportunities in rural Victoria which in turn will support:
 - a greater engagement of rural Victorians in the rural economy
 - a greater engagement of workers who reside in regional cities in the rural economy
 - attracting workers in Greater Melbourne to either work in the rural economy and/or relocate to rural Victoria.

9 Current workforce strategies

This report has ought to identify what strategies are in place to support workforce development in key growth in key sectors in rural Victoria including:

- Health
- Construction
- The Visitor Economy
- Agribusiness.

The development has not considered the Education & Training and Public Administration & Safety sectors as these are largely driven by public sector spending and, in the main, have well defined recruitment processes. The Health sector is also highly influenced by public sector spending and major health service entities (i.e. hospitals/community health services) also have well defined recruitment processes.

9.1. Health

This report sought feedback from the Rural Workforce Agency Victoria (RWAV), a non-profit government funded organisation improving healthcare for rural, regional and Aboriginal communities in Victoria. RWAV noted that:

- there are many rural based health entities and/or rural communities that are unable to secure the health workers they need.
- there is no overall strategy for the development of a health workforce in rural Victoria.
- they (ie RWAV) are soon to release a Needs Audit for health professionals in rural Victoria.

RWAV regularly meets with rural councils to discuss how they may address health workforce needs in their respective LGAs. RWAV believes there is a need for adjoining councils to collaborate on how they can address common health workforce needs

RWAV also noted that key barriers to attracting health professionals, and particularly younger workers, are:

- A lack of access to appropriate premises to operate health related businesses: There is an absence of suitable places from which health professionals can practice. Many younger workers lack the capital resources and/or are not prepared to fund the purchase/development of a facility from which they can operate their practice
- An unwillingness to be on call on weekends/late nights: Younger workers desire to have time for themselves/families. RWAV have been working through a process with rural towns on ways that health professionals/towns can rotate having an on-call health service.

9.1.1. NDIS rollout

The NDIA is flagging that the roll-out of the National Disability Insurance Scheme (NDIS) will generate a significant growth in employment. Much of this jobs growth will be in the Health sector. To this end the Minister for Training and Skills has referred the impact of the NDIS to the OVSC – see Section 9.5.

9.2. Construction

The report sought feedback from the Master Builders Association (MBA) with respect to supporting employment growth in the construction sector in rural Victoria – the MBA noted that:

- there is no overall strategy for the development of a construction workforce in rural Victoria.
- the MBA does have member forums to discuss industry needs – these are in regional city centres.

Feedback from the MBA was that builders in rural locations have some difficulties in putting on apprentices as apprentices have difficulties in accessing training.

9.3. The visitor economy

This report sought feedback from CEOs of Regional Tourism Organisations (RTOs). All RTOs indicated they:

- Have businesses that are unable to secure the workforce they require
- Are/will be preparing a workforce development plan for their respective catchments.

The feedback from RTOs was varied with respect to tourism related businesses having ready access to the training they require.

The Victorian Tourism Industry Council (VTIC) is calling for the establishment of a joint government-industry taskforce to examine recruitment, retention, training and career development in the tourism industry.

9.4. Agribusiness

The report review major agribusiness strategies relevant to rural Victoria – these included the:

- Gippsland Food Plan
- Great South Coast Food and Fibre Strategy
- G21 Sustainable Agribusiness Strategy
- Northern Victorian Food Opportunity Strategy and Action Plan
- *Mallee Regional Skills Demand Profile*.

In addition to a review of the above strategies there was consultation with

- Matt Nelson (RDV) re Hume and Goulburn Valley
- Glenn Stewart (VSC) re Mallee
- Tony Ford re Great South Coast
- Tim Ellis (COGG) re G21
- Tim McAuliffe (RDV) re Gippsland.

The key agribusiness workforce issues that emerged were:

- Changing nature of production and processing: The workforce issues are felt along the agribusiness supply chain – i.e. producers and processors
- Attracting young people into the industry: It continues to be difficult to attract youth to agricultural education pathways – teachers, career advisors and parents are key blockers
- Higher level skills, e.g. advanced processing, skilled tradespeople, operating more sophisticated plant and equipment
- Greater need for middle management roles: This reflects a trend towards the agglomeration of farms into larger corporate entities.

The strategies do not provide a way forward re workforce development other than promoting the employment opportunities that the agribusiness sector provides.

The *Mallee Regional Skills Demand Profile* has identified a range of actions to grow/develop the agribusiness workforce in the region.

9.5 OVSC Industry Skills Taskforces

The VSC has the capacity to bring together Industry Skills Taskforces at the request of the Minister or as required that will work for a time-limited period to examine a particular existing or emerging issue.

An example is the skills and training needs that will be generated by the implementation of the NDIS – an issue that the Minister has referred to the OVSC.

9.5.1. Need for workforce development for key sectors in the rural Victorian economy

The significant increase in employment in the following sectors has many rural businesses unable to secure the workforce they require:

- Agribusiness
- Construction
- The visitor Economy
- Health.

Consideration should be given to working with the OVSC to establish Industry Skills Taskforces to address the demands in these sectors. A centralised approach could provide a framework that could be utilised by businesses across rural Victoria. The approach would also seek to ensure that appropriate skill development pathways are in place and understood by industry and workers alike.

There may also be an opportunity to work with the OVSC to establish rural-based pilots with respect to the updated approach that the OVSC has developed with respect to apprenticeship training.

9.6. RCV member council feedback

RCV member councils provided feedback via a survey with respect to why businesses can't fill their future workforce needs – these are tabled below:

<i>Reasons</i>	<i>% of responses</i>
Unavailability of people with necessary skills/knowledge	47%
Unavailability/inability to access relevant training,	21%
Ageing workforce – i.e. people leaving the workforce,	18%
Unavailability of transport for workers	15%

9.7. Access to training

Access to training has been flagged as an issue for workforce development in rural Victoria.

The Technical, Vocational & Tertiary Education sector is the industry classification for people who deliver post-secondary and vocational training. The Technical, Vocational & Tertiary Education sector experienced an overall loss of 256 jobs in the period 2011 to 2016 – this represents a contraction of -20.45%. In the same period employment in this sector in Greater Melbourne grew by 23%.

If it assumed that that the size of the Technical, Vocational & Tertiary Education sector represents its capacity to provide services to the workforce then rural Victoria sits significantly behind in the ratio of workers in this sector to workers overall.

Ratio of Technical, Vocational & Tertiary Education sector workers to all workers

	Technical, Vocational & Tertiary Education jobs	All jobs	Ratio of TVTE jobs to all jobs
Rural Victoria	992	269,722	1:272
Regional Cities	8,036	339,877	1:42
Greater Melbourne	54,125	2,120,593	1:39
Victoria	63,153	2,730,332	1:43

This variance in the ratio suggests that businesses, and workers in rural Victoria have less access to training than workers in the rest of the State. This is further compounded by the overall growth in the number of both workers and businesses in rural Victoria. A detailed analysis of this ratio for all rural LGAs is provided in Appendix V.

9.7.1 RCV member feedback

RCV members were surveyed with respect to improving access to training for rural business – the responses are listed below.

What do you recommend should be done to improve access to training for workers/businesses in your Local Government Area?

- Establish and/or retail local education/training facility
 - Difficult for local businesses/workers/apprentices to travel
 - Platform for local training delivery
- Improve relevance of training to industry/local needs
- Improved options for training delivery
 - Compensate training providers for delivering in rural locations
- Establish incubator hub
- Develop incentives/subsidies for business/workers to undertake training
- Improve transport options to regional centres that enable businesses/workers to access training.

9.8. Relevant programs and providers

A range of programs and funding stream can be leveraged to support workforce development in rural Victoria.

9.8.1. Jobs Victoria

- <https://jobs.vic.gov.au/about-jobs-victoria> -

Jobs Victoria's website notes that "Jobs Victoria provides tailored services to support and connect jobseekers and employers. With its network of partners throughout the State, Jobs Victoria helps jobseekers get job-ready through mentoring, training and development. At the same time, Jobs Victoria works closely with employers to identify exactly the types of skills and experience they are looking for. Through this process, Victorian businesses gain access to a source of quality candidates, and jobseekers find meaningful, ongoing employment. This has great benefit for individuals, communities and the economy."

There is an opportunity for Jobs Victoria and RCV to:

- develop a common understanding of current and future workforce demands in rural Victoria
- identify how Jobs Victoria's services and programs can best be coordinated and foster the collaboration needed to address rural workforce issues.

9.8.2. Office of the Victorian Skills Commissioner (OVSC)

- <http://www.vsc.vic.gov.au/about-us/>

The OVSC's website notes the "OVSC has a primary focus on

- How the training system can better support the economy and jobs by addressing skills shortages, meeting workforce training needs and boosting productivity for employers
- How industry input can lead to more strategic and targeted interventions to align the training system with industry needs
- The training needs of existing and emerging industries
- Promoting training pathways that lead to jobs and skills development in the workforce
- Addressing the training and workforce development needs of Victoria's regions."

Of relevance to workforce development in rural Victoria is the work of the "Regional Skills Taskforces that have been established by the OVSC and which will gather information and provide advice about the unique skills needs of Victoria's regions. The OVSC will facilitate an independent process, complementary to the new Regional Partnerships Initiative, to gather information."

This process is being rolled out across Victoria's regions and will be completed by the end of 2019.

The OVSC has also established Industry Advisory Groups (IAGs) <http://www.vsc.vic.gov.au/industry-advisory-groups/> - these include a focus on sectors that highly relevant to the rural economy.

The OVSC has also completed a review of Apprenticeship and Traineeships – see Rebalance and Relaunch, the Apprenticeship and Traineeship Taskforce Report - <http://www.vsc.vic.gov.au/victorian-apprenticeship-and-traineeship-taskforce-report-2/>. The findings of this report are relevant to the needs of the rural workforce.

9.8.3. Regional Development Victoria

RDV administers the *Regional Skills Fund* - <http://www.rdv.vic.gov.au/programs-and-grants/skills-development> The Regional Skills Fund is a targeted, place-based regional skills grants program driven by industry in partnership with the tertiary sector, working to build local capacity, resilience and support jobs creation.

9.8.4. Regional Living website

This website promotes the benefits of living in regional Victoria and includes a page that focuses on jobs and careers in regional Victoria – see <http://regionalliving.vic.gov.au/why-regional-victoria/jobs>

9.8.5. Department of Education and Training

The Department administers two programs of relevance to workforce development in rural Victoria.

Skills First for Regions - <http://www.education.vic.gov.au/skillsfirst/Pages/regions.aspx>

To allow rural and regional communities to access training that meets their local needs, Skills First has introduced targeted funding for training providers. Training in niche occupations, particularly in regional and emerging markets will be funded through the *Regional and Specialist Training Fund*., ensuring the training and TAFE system is responding to industry and the Victorian economy's current and future needs

Workforce Training Innovation Fund - <http://www.education.vic.gov.au/skillsfirst/Pages/wtif.aspx>

The Workforce Training Innovation Fund provides grant funding for industry and training provider partnerships to develop and deliver innovative strategies for improving training outcomes and the relevance of training to industry.

9.8.6. LaunchVic

LaunchVic's mission is to lead the development of a globally-connected start-up ecosystem by supporting start-ups and investors to sustainably grow and deliver economic and cultural benefits for both Victoria and Australia.

9.9 Implications for workforce development in rural Victoria

The data, information and feedback gathered suggests a need to support a more effective approach to workforce development for key sectors in the rural economy those being:

- Agriculture/agribusiness
- Construction
- The visitor economy
- Health.

This could be facilitated through the OVSC and the use of Industry Skills Taskforces.

The employment trends in the Technical, Vocational & Tertiary Education sector suggests there is a need to have a more equitable access to training resources for rural Victoria.

10 Workforce sources in rural Victoria

This section provides an overview of sources of potential workers for the rural workforce.

It is unclear as to the what the total demand for workers will be in the next five years – the projections suggest a range from 5,000 to 40,000.

10.1. Unemployed rural residents

There may be between 5,400 to 9,000 people who are presently unemployed may be able to be engaged into the workforce.

These people will need to appropriate support including support from JSA providers and training. They may also need to have access to employers who are willing/capable of supporting people in the workforce who have been unemployed for some time.

10.2. Young persons

There are more than 32,000 young persons who reside in rural Victoria who are not engaged in the workforce.

Providing these young people with appropriate/contemporary career advice regarding local employment opportunities and pathways and/or of facilitating their access to relevant education and/or training would grow the number of young people working in rural locations.

Of the almost 39,000 young people who are engaged in the workforce more than 10,000 work outside of the LGA in which they reside. There may be opportunities to engage more of these young people into the local workforce.

10.3. Part-time workers who reside in a rural LGA

More than 115,000 rural residents work part-time. Based on current underemployment rates for all of Victoria some 9,100 of these part-time workers may be under-employed and seeking more work.

Increasing the engagement of these people into the rural workforce is highly feasible as they do not need to relocate.

They may need improved access to information regarding employment opportunities and/or access to relevant training and/or education.

10.4. Rural residents who work in regional cities or Greater Melbourne

More than 66,000 rural residents work in regional cities or Greater Melbourne.

Engaging some of these workers into the local/rural workforce does not require these workers to relocate to rural Victoria – many may be attracted to being able to work locally.

There is a need to better understand the skills/experiences that these workers can provide and to provide them with up-to-date information regarding local employment opportunities.

10.5. Workers who reside in regional cities

More than 27,000 people who reside in regional cities work in rural LGAs. Engaging more of these people into the rural workforce is feasible as they do not need to relocate but do have to commute.

It is feasible that the movement of workers from regional cities into rural LGAs can be backfilled through the projected population growth for the majority of the regional cities.

This option is not feasible for all rural LGAs – particularly for those that are more distant from the faster growing regional cities.

10.6. Workers who reside in peri-urban rural LGA

Almost 4,000 people who reside in a peri-urban LGA work in another rural LGA.

Engaging more of these people into the (non peri-urban) rural workforce is feasible as they do not need to relocate but must commute. It is feasible that the movement of workers into other rural LGAs can be backfilled through the projected population growth for the majority of the peri-urban LGAs.

This option is not feasible for all rural LGAs – particularly for those that are more distant from the fast growing peri-urban LGAs.

10.7. Workers who reside in Greater Melbourne who work in rural Victoria

Almost 10,000 Greater Melbourne residents work in a rural LGA – almost 7,000 of these people work in a peri-urban LGA.

Engaging more of these people into the peri-urban rural workforce is feasible as they do not need to relocate but must commute. Given the projected population growth for Greater Melbourne it is feasible that employment needs can be more easily addressed in Greater Melbourne.

This option is most feasible for the peri-urban rural LGAs.

10.8. Refugees and asylum seekers

The number of people from a resettlement of 150 refugees that would participate in the workforce would vary. This report assumes that 50 people from a community of 150 refugees would participate in the workforce

10.9. Summary of workforce sources

The following is a summary of the potential size of a workforce for rural Victoria that does not need to relocate from Melbourne other than the refugee cohort (who have not settled in any location)

Source	Population	Assumptions	Possible workforce
Unemployed people who reside in RV who are available to work	7,000	(Re)engage 20% of this cohort in the rural workforce	1,400
Young persons who reside in RV who are not engaged in the workforce	32,000	Engage 20% of this cohort in the rural workforce	6,400
Young persons who reside in RV who are engaged in the workforce outside of the LGA in which they reside	10,000	Engage 20% of this cohort in their local rural workforce	2,000
Part-time workers who reside in a rural LGA (who are underemployed)	9,100	Further engage 20% of this cohort in their local rural workforce	1,800
Rural residents who work elsewhere	66,000	Engage 20% of this cohort in their local rural workforce	13,200
Workers who reside in regional cities who work in rural Victoria	27,000	Grow this cohort by 20%	5,400
Workers who reside in peri-urban rural LGAs who work in Greater Melbourne	4,000	Attract 20% of this cohort to work in rural Victoria	800
Workers who reside in Greater Melbourne who work in rural Victoria	10,000	Grow this cohort by 20%	2,000
Relocation/settlement of refugees	6,500	Establish 4 resettlement programs	200
<i>Total</i>		173,300	<i>Total</i> 33,200

Engaging an additional 33,200 additional workers represents an opportunity to grow the current level of employment in rural Victoria by 12.4%. Jobs in the rural economy grew by 15% between 2011 and 2016 (i.e. 35,422 jobs). There is no particular timeframe in which the above would occur.

10.9.1 Transport

The engagement of workers who reside outside of the rural LGA in which job opportunities can be supported through improved access to transport services.

The transport that is available to rural communities is highly orientated to moving people to regional cities or Greater Melbourne for work and/or access to services that are not available in rural centres.

If workers who reside in regional cities and/or Greater Melbourne are going to be more engaged with employment opportunities then there is a need to have transport services that are orientated to support the needs of rural based businesses and their employees. This could extend to support for businesses that invest in the development of services for their workers.

10.10. Greater Melbourne as a potential source

Another potential source of workers for rural Victoria is the relocation/migration of people who currently reside in, and work in and/or own their own business, in Greater Melbourne.

The RCV Population growth in rural Victoria: Opportunities and actions cites a study conducted for RDV that noted over 2 million people living in Greater Melbourne who were either planning or would like to move to regional Victoria in the future. Key characteristics of this target market were that they are:

- Primarily in the early years of family formation, with many aged in their forties
- Likely to be higher income earners with their own business (44%)
- More likely to be in a professional occupation (than those currently residing in regional Victoria).

The RCV Population growth in rural Victoria: Opportunities and actions identified a range of actions to encourage, support and/or facilitate the relocation of Melbourne residents to rural Victoria; this includes targeting “regional returners” – i.e. people who have previously lived in regional Victoria.

10.10.1 A scenario for workforce participants

Not all of the 2 million people will relocate to rural Victoria, and it is unknown how many people who do move would seek to enter the rural workforce.

For the purposes of this report the following scenario is offered – the assumptions in this scenario suggest that it may generate more than 5,600 workers

Scenario

1% of the 2 million relocate to rural Victoria, i.e. 20,000 people and assumes that this represents 5,000 families

The RDV study suggest that people who would relocate are “primarily in the early years of family formation” 2016 ABS census notes that average number of children in families in Victoria is 1.8”

5,000 families translates to some 5,650 workers .

The 2016 ABS census notes that for Victoria that the “employment status of couple families” - i.e.

employment status	%	approx. number of Workers across 5,000 families
Both employed, worked full-time	20.9	2,900
Both employed, worked part-time	4.2	100
One employed full-time, one part-time	23.0	1,700
One employed full-time, other not working	15.6	800
One employed part-time, other not working	6.1	150
<i>total</i>		5,650

There is no particular timeframe in which this relocation would take place

10.10.2 Challenges to the relocation of workers and/or businesses to rural Victoria

The challenges to are several for workers/business owners who may be considering a move to rural Victoria. This report assumes that business owners would be of non-employing business that do not need to relocate a workforce to the rural locations. These challenges are tabled below

Need to find	Relevant to		Comments
	Workers	Business owners	
A job	✓	?	Not all jobs are advertised/ business owner may contract to an existing business
A part of rural Victoria that I want to live in	✓	✓	Need to find/visit/stay to find information about location – requires time away from current job/business
Suitable premises for my business	N/A	✓	Availability of business premises (i.e. office space) usually limited
Capital to start - accommodate my business	N/A	?	A challenge for new/small businesses
New clients/customers	N/A	?	No/limited network of contacts – access to mobile/HSB?
Access to skill upgrades	?	?	Access to training/education is variable
Vocational/professional network	?	?	Not always available/accessible
Suitable housing	✓	✓	Housing market can be limited/rentals are scarce – long lead time to build
A job for my partner	?	?	Not all jobs are advertised - no demand/vacancies for what partner does
A school for my children	?	?	Many rural secondary schools don't have the options that families want
My way in a new community	✓	✓	Need to find activities/groups I'm interested in
Services I/my family needs	✓	✓	Not always available/accessible – child care is key
Ready access to Melbourne/a RC	?	?	Not always available/accessible

10.10.3 RCV member council feedback

RCV member councils provided feedback via a survey on recommendations for attracting required workers to their LGA. The responses can be summarized into the following:

- Promotion of benefits of rural lifestyle
- Advocate for improved liveability
- Incentives/cost breaks for relocating to a rural location
 - People
 - Businesses - Incentives for business relocation
 - Skilled workers - Incentives for skilled migration
- Revise visa policies
- Investment in improved infrastructure to improved business efficiency
- Support/resources for recruitment processes
- Improved housing options – lack of rental options.

10.10.4 Rental housing

Many rural businesses are hampered in their efforts to recruit workers from outside of the locality of the business because potential workers cannot access housing, and, in particular, rental housing.

The State Government's Regional Living website suggests that people who are considering moving to regional Victoria should try renting. The website notes "There's a lot to be said for trying before buying. By renting first, you can spend whatever time you need to get to know an area without committing to a major financial decision. And if you decide this part of regional Victoria isn't for you, it's easier to explore another". – see <http://regionalliving.vic.gov.au/make-the-move>

The Department of Health and Human Services' *Rental Report* provides key statistics on the private rental market in Victoria. The report data highlights a fall in the overall availability of rental housing in regional Victoria.

The December Quarter 2017 report notes that "The number of new lettings provides an indicator of the overall availability of rental housing for a specific period. A new letting can result from two main sources: turnover in existing rental housing or new additions to the stock of rental housing".

The report provides the following table on changes to new lettings in regional Victoria:

region	Dec-17	Dec-16	Change
Barwon-South West	2,854	3,226	-11.5%
Gippsland	1,706	1,952	-12.6%
Goulburn-Ovens-	1,820	2,092	-13.0%
Loddon-Mallee	1,755	1,926	-8.9%
Central Highlands-	1,510	1,669	-9.5%

10.11 Overall summary of potential sources of workers for rural Victoria

An overall summary of the potential sources of workers for rural Victoria is tabled below

Potential Source	Potential Number of Workers	
People already living in/working in rural Victoria	33,200	See Section 10.9
People living in Greater Melbourne who may relocate to rural Victoria	5,650	See Section 10.10.1
<i>total</i>	38,850	

This total broadly compares with the range of forecast of workforce demand identified in Section

Source of Forecast Workforce Demand	Extrapolation of Overall Forecast Demand for Rural Victoria	By Year
Dept. Jobs & Small Business	18,500	2022
NCVER	42,000	2024
OVSC	37,200	2020

11. Fostering start-ups in rural Victoria

Fostering start-ups in rural Victoria can generate employment opportunities for rural residents and further investment in rural economies.

The following section provides an understanding of the need for startups, the key drivers that underpin their development, and how these may effectively operate in rural Victoria.

11.1. Jobs and innovation

Jobs in our economy are increasingly linked to innovation. There are three super-drivers (sometimes also referred to as mega-trends) impacting and driving the changing nature of jobs and the construct of the workforce. They are (1) globalisation, (2) automation and (3) digital disruption (or digitisation).

The last, digital disruption, is the accelerant or transport mechanism that makes the first two so impactful and which is driving such profound change. Digital disruption is the digitisation of processes that were typically manual, and which then influence a lock-step change in the way those processes are handled due to the impact of, for instance, crowd or cloud influences which were previously inaccessible (and which has a tendency to democratise markets which previously were opaque). Digitisation is usually a necessary and often essential ingredient to allowing automation and is also consequential to globalisation (e.g.: global retail markets are now directly accessible due to the internet).

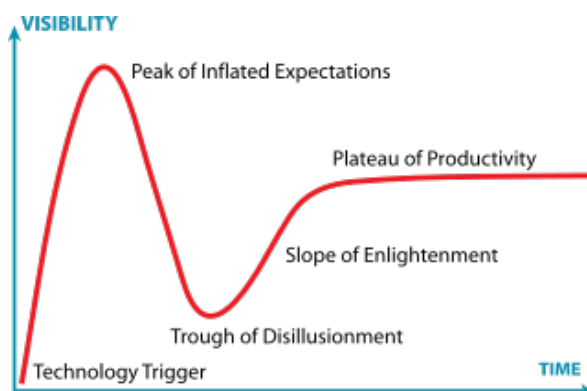
As noted, an interesting impact of digitation is also market democratisation. This is noteworthy as it's a very agreeable by-product of this trend and causes a change to an opaque market. Typically markets dominated by a monopoly, oligopoly or cartel, convert to a transparent market where there is greater opportunity for smaller players. In some instances, this could almost be seen as a full-circle impact; markets returning to a cottage industry, albeit a digital one. Uber is obviously a poster child of this impact, driving a new range of gig jobs that are available to small, entrepreneurial operators.

All of these drivers play their part to influence the changing nature of work, now, but will only increase in their influence going forward (see for example:

<http://www.theaustralian.com.au/business/bettercities/job-growth-in-australia-points-to-future-prosperity/news-story/4e6b4a314798e41a602254513f03aaf2>)

The proof is real and tangible on the link between innovation and jobs. TechCity UK reports that "there are now 1.64 million digital tech jobs in the UK, and the digital sector is creating jobs 2X faster than the non-digital sector". <https://technation.techcityuk.com/>

The impact of the super-drivers is typically manifested in the business world through or by innovation. That is, an innovation will lead to a change in the pattern or nature of work. This may first be evidenced by a decrease in work or jobs, but which is then later followed by a take-up, a change and then a new way of doing things comes about, often with new jobs and opportunities that follow. This is also sometimes accompanied by the "trough of disillusionment" (see below and https://en.wikipedia.org/wiki/Hype_cycle) which is an interesting phenomenon and noteworthy.



In the past, demand often tended to drive jobs and jobs growth. Whilst this is still fundamentally true, the interesting impact of the innovation driven by these new super drivers is that the innovation is now more typically the first driver in any nascent change, with demand then following, but first driven by the innovation.

Innovation then is a fundamental and essential driver for the creation of jobs in this new global ecosystem that is driven by globalisation, automation and digital disruption. It is also changing the nature of jobs through related phenomena such as democratisation, which has a particular influence on the accelerating growth of both the “gig” economy and also a move to a greater number of casual or part-time jobs.

Not only does digitisation create new jobs, but it also erodes existing and more traditional jobs. As phenomena like democratisation take hold, the jobs that existed are swept out or re-imagined and the new jobs take their place, sometimes after a period of time as explained by the trough of disillusionment previously tabled.

11.2. Why does innovation occur?

Digitisation is the cornerstone of innovation in the modern economy. Some would argue that it is the primary influencer with globalisation and automation a clear second; whatever the order, it is a hugely influential driver. As evidence (if it were really needed), the author visited TechCity UK in January 2018 and they reported that “there are now 1.64 million digital tech jobs in the UK, and the digital sector is creating jobs 2X faster than the non-digital sector”.

<https://technation.techcityuk.com/>

Whilst there are many references that provide guidance on the sources of innovation, one good example is Drucker (<http://www.launchpadcentre.com/en/blog/52-drucker-s-seven-sources-of-innovation>). Drucker's Seven Sources of Innovation are:

1. **The Unexpected:** The unexpected source of innovation comes as a result of unexpected success, failure or outside events
2. **Incongruities:** An incongruity is a disconnect between what is and what should be (or people assume it to be)
3. **Process Need:** The source of innovation for a process need is an imperfect task or step in an existing process
4. **Industry and Market Structures:** Changes in industry and market are the prime time to innovate
5. **Demographics innovation:** Can be based on demographics, in particular, age distribution
6. **Changes in Perception:** Perception-based innovation occurs when one capitalizes on the perception (not reality) of a group (sector, society, etc.).
7. **New Knowledge:** Knowledge-based innovation is the sexiest of entrepreneurship; it is what many think of when they think of the term innovation.

And it is this last one, New Knowledge, that is very much the cornerstone of innovation in an entrepreneurial context and one of the sources of start-up success. It is the source of innovation that can be most reliably hot-housed through the development of the right hot-house factors and influences that can then result in the germination of new business ideas and models, leading to rapidly scalable, growth orientated businesses (scale and growth being key attributes of start-ups that differentiate them from more traditional small business).

11.3. The triple-helix

Through experience in practising the application of start-up methodology in a regional context over the last decade, coupled with global research on other high-performing ecosystems, it is clear and well accepted that a successful start-up ecosystem needs strong support and collaboration from across three key areas:

1. Business
2. Government
3. Education.

These three systems must co-exist and interact in a meaningful and collaborative way for new knowledge innovation to really flourish. For reference, see for example Knowledge-Based Innovation Systems and the Model of a Triple Helix of University-Industry-Government Relations - <http://citeseerx.ist.psu.edu/viewdoc/summary?doi=10.1.1.18.2544>.

11.4. Innovation and creativity

Creativity, innovation, and entrepreneurship are inexorably linked, as follows.



Creativity: The use of the mind to create something; connecting two things that were not originally connected before (subjective because it is not always measurable).

Innovation: A new method, idea or product that brings about change where you can implement something that did not exist before (measurable!).

Entrepreneurship: The process by which creative ideas become useful innovations; finding a sustainable business model for a solution. Also, this is a huge umbrella term where there are of course business ideas that doesn't have to be innovation. But since you asked how the three are related, this is how they would all come together.

Therefore, innovation in many ways is the extension of creativity as it applies to a measurable and beneficial outcome that will create jobs (i.e.: the by-product of successful entrepreneurship). The latter, innovation and entrepreneurship, are then critical keys to economic success and conveniently amplify the creativity initiatives already underway and supported by RCV; creativity providing the base for innovation to then occur.

11.5. Regional economies – the impact of density and infrastructure

Unfortunately, whilst we can clearly and explicitly link creativity to innovation to entrepreneurship, postulate the key source of entrepreneurial innovation as new knowledge and specify the key importance of the Business-Government-Education triple helix in functioning start-up ecosystems, much of the key ingredients are currently missing, inaccessible, or sparsely represented in regional Victoria.

The unfortunate reality is that many regional locations, especially smaller ones, have limited supplies of the raw materials to drive innovation at a commercial level.

With the exception of lighthouse examples, regional communities need a level of action, a critical mass, in order for innovation to naturally occur. The issues of a lack of density coupled with limited infrastructure combine to starve regional communities of the potential they might otherwise have to creatively innovate and for that to lead to commercial success.

Regional centres struggle with critical mass. This is perilous in creative and innovative growth as critical mass ensures a greater volume of innovation (required to hit the statistical success / failure ratios of start-up world), more participants who can collaborate (collaboration being a key cornerstone of innovation) and the networks / mechanisms essential to support innovation / creativity.

While it is true that “Necessity is the mother of invention”, truly innovative approaches now all have varying degrees of a global perspective (i.e.: scale), automation (which is typically required for rapid growth) and digital disruption (in some way even if it's as a facilitator). So, whilst necessity exists everywhere and sometimes even more acutely in regional areas that go without

and have to make do (thus driving the sense of necessity more acutely), innovation in regional locations is challenged because the how to is impaired.

11.6. The dilemma

Therefore: due to a lack of critical mass, limited infrastructure and / or inaccessible services (e.g.: education) regional ecosystems are experiencing a dearth of innovation and, therefore, both struggle to create new jobs AND to retain existing jobs.

This is the dilemma and the subject of this discussion, along with recommendations from practical, regional experience that will seek to remedy this situation.

11.7. Key attributes of performant regional innovation ecosystems

The Barwon as a template

In first identifying the recipe for regional innovation, the Barwon region set about developing a template to spur regional entrepreneurial innovation.

This did not happen overnight and in the spirit of a true start-up-like approach adopted trial and error to explore the success criteria.

Through experience in practising the application of start-up methodology in a regional context over the last decade, coupled with global research on other high-performing ecosystems, it is clear and well accepted that a successful start-up ecosystem needs strong support and collaboration from across three key areas:

1. Business
2. Government
3. Education.

Within this triple helix many critical components must exist:

9. *Business facilities* with a multitude of technologies including workspace, meeting rooms, high speed internet access, computers, office equipment (photocopier etc.) and video conferencing. The facilities house the start-ups in the accelerator program as well as local start-ups that are either preparing for the program or looking to scale up existing businesses. The benefit occurs with the start-ups working with likeminded entrepreneurs
10. Early stage seed and venture *capital* to support start-ups during the validation stage of their start-up and then with growth. This is critical and comes from partnerships, networks and the founding of investor groups
11. *Proven start-up training* encompassing both the lean start-up methodology as well as business knowledge. This training is usually delivered through a fixed program focused on providing the tools and support to a start-up to help them de-risk and validate their business model. *Programs need to include global thinking and best-practise, adapted to a regional context by people who have experienced the start-up lifecycle*
12. *Options to gain further support* beyond the accelerator program for further nurturing innovation with high potential towards becoming businesses and creating meaningful regional impact
13. *Mentors* and industry experts from local business, Government and education facilities to support and guide the start-ups
14. *Business support services* including legal, financial, insurance, accounting, branding, HR and technology services to provide advice and business support
15. Facilitated access to a deep *network of contacts* to support start-ups achieve traction and growth – this includes access to relationships built with organisations and cities nationally and internationally in key locations such as London, New York, San Francisco, Tel Aviv, Singapore, Hong Kong, Beijing, etc.
16. A complete pathway for budding entrepreneurs to turn their interest in to a career. This includes programs such as the *Upstart Challenge Program* run in local High Schools to teach entrepreneurship, through to bridging existing small business programs in the Region. This is also impactful in helping with building the right culture.

17. *A partnership with local Universities and tertiary education providers to deliver:*
 - a. Internship programs with students working with start-ups for mutual benefit.
 - b. Ability for the Start-up to work with University Resources and students in the creation of a low-cost MVP (Minimum Viable Product). E.g. utilising University software and technologies such as 3D printing for the development, graphic design and engineering of a start-ups MVP.
18. *Events are a key element for the start-up community to raise awareness and provide an opportunity for start-ups to meet others within the start-up Ecosystem. Again, this is also impactful in terms of culture.*

As an example, the Runway initiative has established these elements within the Barwon Region and has proven that all these components need to exist, and the role they play, to support start-ups. In the Barwon region, the unfortunate demise of an early accelerator was witnessed. This was established in isolation before much of the ecosystem architecture was in place; as a consequence, it was not successful. This proves that accelerators (and incubators), on their own, are not the answer and need to sit at the pinnacle of an intricate ecosystem architecture.

Any initiative in a regional context needs to consider these other dimensions to avoid wasting investment on “siloeed” initiatives that only address part of the innovation equation.

Many of the above architectural elements fit into one of the following ecosystem building phases (or steps):

1. Awareness
2. Infrastructure
3. Execution
4. Outcomes.

Whilst the Barwon example is a good one in terms of the architecture of a performant ecosystem, this region has greater (relative) scale than many other locations (as well as reasonable density). Accordingly, the indicators in terms of what needs to exist can be extrapolated, however, the how needs reconsideration for smaller regions without the same critical mass.

11.8. Global examples - Birmingham and Boulder

The Barwon template was built on global research and parallels with other, performant ecosystems via visits, outreach, networks, and such over a period of more than five years.

Examples observed include Boulder (Colorado), Bristol, Birmingham (both UK), Waterloo (Canada) and others.

Many rush to locations such as San Francisco and Tel Aviv. The author recommends we move away from comparisons with these destinations due to a variety of reasons and is more interested in assimilating experiences and learnings from regional locations and destinations that have closer parallels.

Large, performant ecosystems are fantastic (and hugely exciting!) and it's very important we do learn from them, connect with them and so on, but we create a trap and an unrealistic, and unachievable, target if we attempt to emulate them.

For instance, Tel Aviv and San Francisco have key cultural, demographic and historic aspects that have influenced their start-up ecosystems.

No start-up ecosystem in Australia will match or emulate Palo Alto and Silicon Valley. We have drivers that are deep seated, such as a propensity to favour property investment over the more commercial investment drivers that are familiar in North America (and which created the life-blood of the angel investment culture that has been at the heart of companies like Apple, Dell, Google and Microsoft).

The times are also different. Silicon Valley was founded in a time when the influence of defence and the personal computer were profound; these factors influenced place-based ecosystems. The drivers of our time, globalisation, digitisation and the internet, do not lend themselves in the same way to the explosion of place-based ecosystems, the opposite in fact.

Then, a “bet” needs to be placed in order to compete on a global scale, which is easier done where density is high, and investment can be focused (e.g.: Tel Aviv); to achieve that in Australia would require a political regime Australia does not have, in addition to which it would be seen as playing favourites even if the politics could be achieved.

Australian ecosystems, and especially regional ones, should look for ecosystems to emulate that are closer to us in terms of culture, size and scale. It is for this reason that we have looked at places like Birmingham. The region has many similar drivers to those we face in our own; transformative industry, commonwealth education and healthcare structures, socio-economic drivers and the like.

The author paid a visit to Birmingham in January 2018 and discovered their ecosystem flourishing, reporting more than 17,000 start-ups launched in 2017!

Boulder is also another good example. It is a small city even by Australian standards yet after backing its ecosystem in the early 2000s, it has now gone on to launch thousands of start-ups and create more than US\$14 billion in investment and outcomes through start-up activity (as at 2014). Andrew Hyde, a Boulder resident and one of the key drivers behind their ecosystem, spent time with Runway in Geelong, even becoming a program mentor and speaker. He co-founded Start-up Weekend and was a founding employee with TechStars and was extremely supportive of the creation of the Barwon regional ecosystem.

11.9. A discussion on the “swings and roundabouts” of the start-up ecosystem

Traditional models of R&D are increasingly being replaced with entrepreneurial innovation as a part of the start-up movement.

In a discussion on 11 January 2018, with Stephan Kuester, the head of consulting at TechCity UK, the appetite and intention for the UK to pursue commercial R&D as a by-product of its investment in the start-up economy was apparent. The “proof is in” on this approach, as previously cited, digital jobs in the UK are growing at twice the rate of any other and, whilst a suspicion, the author contends there would be a strong link between the effect of digitisation and the creation of many of those jobs not class

The future is all about digitisation, a global, digital economy and the key avenue of access is via start-ups and the application of start-up methodology (which, is to say, applying the methodologies of growth, scale, globalisation and experimentation to other businesses and organisations).

The challenge with this approach for regions in Australia though is one of scale, the tyranny of distance AND the relative sparsity in terms of population density (or the absence of a hub-and-spoke model as exists in the UK and many European centres). So, whilst the solution to some of this is via virtualisation (i.e. building hub-and-spoke virtual models, creating density via the virtualisation of innovative communities, etc.) a key opportunity is to witness the potential of the scale-up, under the microscope of “start-up method”.

An extension of this challenge now is start-up scale. A key attribute of performant start-up ecosystems is scale – scale is key as it ensures network behaviour, competition through collaboration (a key to start-up success¹) and the volume of start-ups required to ensure statistical averages of success / failure can be allowed to take effect. Scale also acts as an attractant to ecosystem architecture so that the elements of a performant ecosystem come to pass organically rather than artificially (e.g.: venture is attracted if there are many start-ups, as are mentoring networks, etc.).

So, scale is pretty important and, whilst we can go to work on this challenge to some extent by virtualising an ecosystem (and should go to work on this as later recommended), there is still a key physical dimension to this and there will still be a tendency for an agglomeration of start-ups in

¹ See for example

<https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwj50tL7j9fYAhVGUrWkHRy8BYQQFgg1MAE&url=https%3A%2F%2Fhbr.org%2F2013%2F01%2Fcollaboration-is-the-new-compe&usq=AOvVaw2bbf2LqsNywbcoNEAvMzP>

metropolitan destinations because people still value the dimensions that come from physical engagement with others who are doing similar things (as well as a number of other factors that will also influence this type of movement including access to Universities, talent, infrastructure, etc.).

11.10. Fear, uncertainty and doubt

The drivers of entrepreneurial innovation are often viewed as a threat. The reality though, is that they present the very same opportunities for regions as anyone else; allowing regional businesses to more easily access a global market and to use digitisation to disrupt, change or influence traditional business models.

Now, like never before, the capacity for entrepreneurial innovators from anywhere to participate in a global ecosystem and to be global disruptors is real. The problem is that the tools needed to join and participate in this environment are missing or limited, which then manifests in fear, uncertainty and doubt due to the unknown (we fear what we do not know).

Meanwhile, there is no changing the inexorable march of globalisation and digitisation. Ignoring it will not make it go away. Clearly, regional businesses need to embrace these mega-trends and learn how to adapt, using to them to their advantage instead of shying away.

Another aspect of regional locations that can be challenging when considering the “trial and error” approach of start-ups is around transparency coupled with fear of failure. In many start-up cultures, failure is a natural by-product of the start-up journey and many start-ups do not succeed until they have tried 3, 4, 5 or more times. This is accepted in performant ecosystems (and even celebrated).

In regional locations, failure can be seen as a stigma and this is coupled with transparency (there is nowhere to hide). This challenge needs to be addressed by providing support and also moving to address culture and awareness.

In the Barwon, this is a key function of programs like Upstart (which teaches kids that the important thing is to try and that failure is OK) as well as events like Pivot (as well as the many smaller events run by Runway).

11.11. The potential benefit of scale-ups

As hinted previously, a contention by the author as to one possible strategy to address this challenge of scale is to utilise start-up methodology but then apply it to existing SMEs. This logic has been tested on an international-scale and the feedback has been both positive and illuminating; apparently, many ecosystems have, so far, missed the opportunity to overtly pursue such an approach.

There are many reasons why scaling-up SMEs could be hugely beneficial to regions. Not only will jobs growth follow but following a scale-up route avoids the possible erosion of traditional jobs as SMEs are taken up into the digitisation trend which will see a revolution of new jobs created and transitioned to the new world order.

It is important to recognise the prevalence of SMEs in regional locations. Statistics show that more than 90% of all jobs in the Barwon region come from the SME sector. By comparison, it is expected that most regional locations have a similar breakdown.

SMEs are businesses that have usually proven a business model. They have customers, they know how to run a business, they know how to manage staff and they’ve often overcome many of the initial hurdles that can trap start-ups. In many ways, they have proven a number of the hurdles that can often trap a start-up AND established a financial model that means incremental investment can be more effectively used.

Start-ups are often burning cash daily just keeping the lights on. An investment (and venture capital is the critical life-blood of ALL start-ups) is typically used for a myriad of basic costs (e.g.: rent, legal, accounting, etc.) before it is put to work on R&D or sales and marketing (two key enablers to growth).

For SMEs, this is often not an issue. They have already proved a business model that can sustain jobs and a cost-base and are then better positioned to truly direct venture at growth activities.

However, the critical difference between a start-up and a more traditional SME is scale and growth potential. Therefore, for a SME to benefit from start-up methodology, it first needs to be able to scale and grow at potentially global levels. There is no point investing venture capital, or providing many of the other supporting infrastructure that would be required, if there was no disruptive potential within the business.

This introduces the importance of the pivot.

Whilst some SMEs might have a natural and inherent proclivity for scale and growth, it's just not yet been tapped, some may need to re-imagine their offering (consisting of services and / or goods) to support scale and growth in a global market. This is sometimes referred to in start-up world as a pivot.

A pivot sees the organisation experiment and test product-market fit to evaluate the nuance of a myriad of nascent, product or service orientated changes. As these are tested, the outcomes are identified, this is iterated, and the problem/solution fit identified.

Experimentation in this manner, in a rapid and agile way conducted through the lens of an entrepreneurial approach, is the cornerstone to what makes start-ups, and can also make scale-ups, such large job creators in the new economy.

It also follows that not all SMEs can be scale-ups. Therefore, a first step in establishing the appropriateness of a SME to benefit as a scale-up is to establish if there is inherent scale or growth potential OR if this could be achieved through pivoting the current business model.

In other words, for a SME to be a candidate it would need to demonstrate indicators, or the capacity to pivot the business model so as to reflect those indicators could be achieved.

11.12. Prestige Car Mats becomes FitMyCar – a scale-up case study

In 2014, the author happened across Prestige Car Mats in search for some after-market car products. By chance, this occurred in the US on a visit when the author had some free time and was searching the web for some replacement car mats from Australia. Being in the US, it was expected that the search would result many organised, quality brands with a slick online presence and global distribution model; this was not the case.

Instead, the author happened upon Prestige Car Mats, a small M-to-C (Manufacturer to Consumer) located in the west of Melbourne that had a good product range and great customer service but a weak brand, poor online store and no global distribution model.

A discussion ensued, an offer was made and FitMyCar was born in 2015 and launched in 2016.

FitMyCar is an exciting brand with global potential having already launched in the US. It focuses on the online aftermarket related car products space and adopts a configurable model and rapid distribution at a reasonable cost.

This approach has seen FitMyCar grow 7x in terms of month-on-month revenues already (targeting an annualised month-on-month revenue run rate of \$10 million pa by June 2018), double its jobs and record a full first-year performance that would have placed it in the top 30 of the AFR fast-starter list in 2017 IF it could have applied (it couldn't – the AFR Fast-Starter list requires a business to have two years of financial records!).

To help explain the FitMyCar case study better, the FitMyCar CEO, co-founder and co-owner (James Tinsley) completed the following questionnaire:

Q1. What do you feel are the top 3 most important things for scale-up success? This may include things like mentoring, access to capital, start-up methodology, training, access to networks, access to talent, etc., but up to you and in your own words.

1. Product/Market Fit
2. Capital
3. Marketing expertise

Q2. What do you see the gaps are in terms of accessing the success factors listed in Q1? In other words, what held you back from pursuing FitMyCar / what are the obstacles as you see them?

At the time, I don't think I realised that anything was holding back FMC. In hindsight, I think I was held back by 2. Capital and 3. Marketing expertise. I think this is a common problem for product

first businesses that have a good market fit. You can achieve some success without or with limited 2. and 3. and this was exactly what I experienced.

I didn't know to go looking for capital to scale the business beyond a small company. This was partly due to complacency, confidence, access to other business people in a similar situation, and fear.

In a Marketing first company the problem is reversed, except I think this scenario needs more of 2. as its more expensive to build the product/market fit later.

Q3. If you could name one thing, other than money, what would have made the most difference to you succeeding or failing with your scale-up?

Mentoring. I consider myself a self-starting problem solver but some problems and solutions don't exist until someone helps you understand them. The journey through the initial stages of the scale up when you acquire the missing elements (for me this is capital and marketing) would be made easier and faster with the help of an experienced mentor.

Q4. Can you provide a summary of your experience in one or two paragraphs explaining the history of your scale-up, how it can benefit the economy and what key challenges you faced?

FitMyCar was a single product business with an excellent product/market fit. As a manufacturer to consumer business we had strong margins and the business model was profitable and sustainable on a low revenue base. After receiving a capital injection to fund new machinery and a new website/brand, FMC has experienced strong growth and has started the journey in scaling from a small to medium business.

FMC now employs 19 people globally and is expecting to add a further 5 staff members to the team in 2018. All but 3 of these positions are/will be in Australia. The main competitors for FMC are the vehicle manufacturers themselves, all of which manufacture their equivalent product overseas. FMC is offering an Australian made alternative to competitor products and employing/investing for further growth in Australia.

Two key challenges we faced along the journey.

1. In the early stages, we learnt the importance of marketing and the time good marketing consumes. In our case the idea that marketing could be done by staff alongside other duties was very incorrect and ultimately taking the risk in hiring marketing specific staff was a key decision to unlocking another phase of growth.
2. A challenge we are now facing as we transition from a small to medium business is the structure inside the company. These are a new set of challenges that need to be overcome for us to continue scaling into a medium sized company.

Q5. What one thing could the Government do to help create more scale-ups in regional locations?

Helping to create stronger, quality business networks to help business owners and start-ups connect and share knowledge. Quite often these events, especially the ones run by the government, become too high level (stacked with corporate employees), or politically focused (export to China), so the key to success is to maintain the quality of attendee and offering relevant content from experienced speakers.

Secondary to this is attracting and incentivizing talent to move and take up position in regional areas. After a business starts to scale in order to maintain that growth requires the right staff at the right time. Finding staff in regional area is a challenge. My business is technically located inside Metro Melbourne (just) and this is already a barrier for talent.

Q6. What one piece of advice would you give to another SME to help them create a growth and scale-orientated business from an existing small business?

Not all business are scalable, so the first thing any business owner or potential start up founder needs to do is determine if their idea or business has the potential to scale.

The next piece of advice is to determine as cheaply as possible that your product has a good market fit. Excellent marketing can hide this problem for a period but ultimately this will need to be addressed and its much cheaper to do this before the investment of time, money and energy.

11.13. Opportunities and challenges impacting entrepreneurship in rural LGAs

Whilst the author has spent considerable time in and across a number of rural communities, it was important to take stock and have a fresh look at what some of the issues are in regional locations by speaking directly to representative start-ups.

To assist with this, a straw-poll consultation was undertaken, consulting with start-ups across a number of rural LGAs including representatives from the Moyne, Surf Coast, Glenelg, Corangamite, Northern Grampians LGAs as well as from larger regional centres including Latrobe, Wyndham, Ballarat, Bendigo, and Warrnambool.

The start-ups consulted included young and old founders, those who were at an early stage in the process, and some who'd seen some success; and also, those who have been through the process a number of times.

The feedback has been consolidated across all responses as below:

11.13.1. Question 1 - The most important 3 factors influencing start-up or scale-up success?

Asked: what are the most important 3 factors influencing start-up or scale-up success?

Responses: Education / training / talent, mentors, capital (no-one placed capital first)

Representative comments

Effective mentoring for me involves receiving regular feedback and guidance from people who are both familiar with start-up methodologies and can distinguish valuable work from fluff. Today I work in an environment where I receive this style of mentoring and I have no doubt the quality of my work has improved because of it. Crucially, I'm less likely today to waste time on work which isn't valuable because my mentors keep me focused on what's important.

Education on start-up methodology from ideation through to execution to help a start-up:

- a. Determine how to raise some of their own early stage capital; via friends, family, etc.
- b. Test and validate their problem and solution
- c. Build, test and validate their mvp solution
- d. Plan execution by building a business model (using the business model canvas)
- e. Determine how to access talent (mentors, coaches, co-founders and employees)

11.13.2. Question 2 - The current gaps in your region?

Asked: What are the current gaps in your region?

Responses: Capital, mentoring and access to networks, talent

Representative comments

Mentoring and guidance. Without formal start up programs in place, this is a gap in regional centres, largely because most centres don't currently have the same critical mass of founders and programs as in capital cities.

In my experience, technical skills, start-up methodology and mentoring are hard to come by in regional areas. This is a problem because these elements are also poorly promoted to regional populations. Today, I could search online to find whatever technical skills, mentoring, and start-up guidance I need, but only because I've learnt how to do so effectively.

I'll illustrate the difficulties I had as a young person trying to launch a start-up from Stawell with the following points.

- Every business I knew in Stawell didn't follow (or know of) start-up methodologies. I now know of a couple which do, but that's still slim pickings
- When I approached the local council for help, I wasn't provided with or directed to effective mentorship, start-up methodologies or technically skilled people
- My business classes in high school didn't teach any start-up focused content, nor did the core units in my Commerce degree for that matter
- When I approached businesspeople for assistance, I was most often only able to meet them once and received only generalised advice.

11.13.3. Question 3 – What one thing makes the most difference?

Asked: Name one thing, other than money, what would have made the most difference to you succeeding?

Responses: Split evenly between access to networks and mentoring

Representative comments

Relevant industry connections are a vital differentiator. For example, a recent introduction to the Vice Chancellor of a university in our region has led to our start-up being short listed for a major tender. The right introductions can be a difference between success and failure for many start-ups.

11.13.4. Question 4 – A summary of your experience?

Asked: Can you provide a summary of your experience in one or two paragraphs explaining the history?

Responses: Most start-ups spoke of the importance of grit and determination and being able to last long enough to validate their idea and achieve market fit.

Representative comments

I had the idea for Social investor in the summer before my 21st birthday, just after I had completed my Commerce degree. Together with a high school friend I worked on Social Investor throughout that summer and part time during my first year of my second degree. A lack of progress and an increased focus on my studies lead me to stopping work on the project at the end of that year. I struggled with understanding how to work effectively on a start-up, I also lacked mentorship in the beginning and support from a person with the technical skills needed to push the online platform forward throughout.

The key advantages that a regional location has versus a major city are:

1. Regional locations are still community focused and although competitive, still have a natural propensity to work together if seen for the greater good of the community. Major cities on the other hand are much more competitively focused and creating that community engagement is much harder
2. By being smaller, the degree of separation is smaller in a regional location and therefore the effort and ability to find and bring the right people together when creating that community engagement is much simpler and faster in a regional location than in capital cities
3. Lower competition in a regional location across government and industry bodies, local business and education providers means that effort can be spent on bringing together the community and focusing on the start-ups rather than managing competing businesses. For example, by being smaller and only having one start-up education provider (Runway) focused on start-ups, one education provider (Deakin) and less local businesses, Geelong can come together and focus on start-ups as a whole which will achieve better outcomes. Major cities on the other hand have multiple start-up education (accelerators), multiple large businesses and multiple Universities that have much of their energy taken on competing against each other and therefore as an overall ecosystem are not as focused on the start-ups themselves, which will affect the quality of overall outcomes.

11.13.5. Question 5 - One thing could the Government do?

Asked: What one thing could the Government do to help create more start-ups in regional locations?

Responses: Education programs and access to funding

Representative comments

I'd argue that empowering councils to effectively direct people who are interested in start-ups is an effective and easily implemented strategy.

Provide a well-known way (not hidden within a link in a link on some website) to access funding and a strong network / knowledge base to provide assistance in the next required steps of the process.

Provide funding for start-up hubs in regional areas so that locals have access to vital training and mentoring.

11.14. Recommendations

We know what to do, we have a template that proves what needs to be done and we've shown the benefits that come when it's done. The Runway program in the Barwon is a template of what is required in a regional ecosystem and how to fabricate it.

However, the challenge we have is around density, scarcity, and the cost of fixed assets for many other regions.

It's clear that regional centres need some of the architecture that is central to start-up success including training in start-up methodology and techniques, access to networks and access to capital (a starting point may just be around awareness, accessibility, and introductions to venture, angels, crowd and cloud, private equity, and others). However, it is also clear that the challenge is around building out the fixed assets and covering the operational costs of those fixed assets in centres with lower density (both of people but also businesses and existing innovation activity).

Accordingly, a firm recommendation from this report is to virtualise as many of the ecosystem building steps as possible and identify a "hub and spoke" model to the creation of more expensive and intensive fixed assets (e.g.: incubators, maker spaces, accelerators, etc.). In witnessing the creation of the ecosystem in the Barwon, much of the infrastructure could be relatively easily virtualised either directly or in collaboration with delivery partners (Runway has already commenced the process by digitising mentor networks and recording training sessions):

<i>Component</i>	<i>Delivery</i>	<i>Example</i>
<i>Business facilities</i>	Mobile	Mobile accelerator
<i>Access to capital networks</i>	Virtualised	GUST, Angel List, Funding Post, G6S, etc.
<i>Training and education</i>	Virtualised	Digital Business Academy, Open Learning, Udemy, etc.
<i>Access to networks</i>	Virtualised	TechConnect, Tech City, G6S, Runway, etc.
<i>Mentors</i>	Virtualised	MentorLink, etc.
<i>Business support services</i>	Mobile and Virtualised	Mobile accelerator
<i>Awareness and culture</i>	Mobile	Pivot, Upstart, etc.
<i>University, TAFE and education partners</i>	Mobile and Virtualised	Deakin, South West TAFE, Gordon TAFE, etc.

Note: it is important that the above is unified and consolidated and has a regional nuance. Whilst there may be a variety of resources and delivery partners, it is important that the infrastructure is consistent, relevant, focused, and integrated with regional Australian context. Runway has done extensive work on the preparatory stages of the above and believes that the cornerstone is Pre-acceleration (awareness) leading to acceleration and then incubation; this acts as a back-bone and pulls the other elements in as required (directing participants and stakeholders to the resources and facilities that make the most sense depending upon their needs and stage in the start-up or scale-up lifecycle).

Secondly, it is also recommended that the gap in physical presence that is presented through virtualisation is addressed through mobilisation combined with the hub and spoke model.

For instance, consider Warrnambool and the associated LGAs of Moyne, Corangamite and the Southern Grampians. Warrnambool has enough activity and early stage awareness that warrants the presence of a physical asset, such as an accelerator. Towns such as Port Fairy, Mortlake, Portland, Camperdown and Terang do not.

Adopting a hub-and-spoke model with a centre in Warrnambool coupled with a mobile facility that visited those communities at regular intervals (e.g.: bi-monthly) would provide regional innovators and entrepreneurs with enough substance, coupled with a virtualised environment, for them to actually launch start-ups from these communities OR to execute on scale-up models.

Thirdly, develop out a specific program, utilising the virtual and mobile infrastructure, with a focus on regional scale-ups.

Density and volume may just not be high enough in some locations and so critical mass will be challenged and the natural network effects of scale will not come to pass. No matter what the extent of virtualisation. To supplement this and as an immediate driver of jobs growth, the third recommendation concerns developing out a specialist program of mentoring, start-up methodology, training, and awareness with scale-ups; SME businesses that have growth potential and which could benefit from applying a start-up methodology to their business.

Obviously, a key part of this would be an evaluation in terms of suitability at some stage along the path; this may start with a self-assessment but then at some time need to resolve as a formal assessment in order for scale-ups to be able to access more intensive elements of a funded program.

To summarise, the recommendations are as follows:

- 4) **An accelerator in the cloud:** Develop a virtual and mobile ecosystem infrastructure (a Regional Accelerator in the Cloud)
- 5) **Hub and spoke:** Adopt a hub and spoke model for fixed assets, augmented by the “Accelerator in the cloud”
- 6) **Start-up equipped scale-ups:** Develop a specific program for applying start-up methodology to scale-ups with early stage evaluation of suitability followed by focused support aimed at jobs growth through digitisation and globalisation of regional SMEs (focusing on food and fibre, agtech, edtech, health/medtech and rec(reation)tech).

12 A strategic framework for workforce development in rural Victoria

The strategic framework seeks to address the range of strategic implications that have been identified through the information, data, and analysis undertaken in the previous sections of this report.

12.1. Rural Workforce Development Summit

<i>Context</i>	<p>A range of agencies have an influence on workforce development in rural Victoria. The reality for RCV is that it does not have:</p> <ul style="list-style-type: none"> • A direct influence on the activities that support workforce development in rural Victoria • The resources to directly implement the Strategic Framework. <p>There is a need to collaborate with the agencies that have a direct impact on workforce development and leverage their programs and/or services.</p>
<i>Strategic action</i>	<p>Identifying, planning and prioritizing the collaboration required would be the focus of a <i>Rural Workforce Development Summit</i>.</p> <p>This summit would bring together RCV, OVSC and Jobs Victoria to identify how services and programs can best be coordinated and foster the collaboration needed to address rural Workforce issues. This process would be brokered by RDV.</p>

12.2. Improved identification of employment opportunities in rural LGAs

<i>Context</i>	<p>As noted in Sections 2 and 3 rural Victoria has experienced significant jobs growth. As noted in Section 7.4 many current job opportunities are not overtly advertised.</p> <p>In order to more engage additional workers from the range of sources as identified in Section 10 there is a need to understand all employment opportunities and provide information about them.</p>
<i>Strategic action</i>	<p>Develop a comprehensive understanding of existing/emerging employment opportunities in rural LGAs.</p> <p>This will involve working with local businesses in each LGA to achieve a comprehensive identification and documentation of current employment opportunities.</p> <p>The benefits to businesses of being involved in the identification/sharing of employment opportunities will need to be promoted to local business owners/operators.</p> <p>The process and mechanisms for capturing and collating identified employment opportunities will need to be identified and/or developed.</p> <p>This would include working with local job services providers.</p>

12.3. Support the development of improved recruitment capability of businesses in rural Victoria

<i>Context</i>	As noted in Section 7.3.2 many small to medium business don't have the resources/skills to undertake effective recruitment. This results in such businesses having difficulty in securing the workforce they require and workers not being aware of the employment opportunities that may be relevant to them.
<i>Strategic action</i>	<p>Foster the recruitment capability of rural businesses – this will include advocating for resources to:</p> <ul style="list-style-type: none">• Support the improvement of the recruitment processes and development of recruiting tools that can be used by rural businesses• Establish pilot programs that enable small businesses to collaborate in the recruitment of employees – this may include promoting the virtues of working in their location, sharing costs of advertising etc. <p>This would include working with local job services providers.</p>

12.4 Pursue a greater engagement of rural residents into the rural workforce

<i>Context</i>	As noted in Section 10 there a range of cohorts who could be targeted re being engaged in the rural workforce. The employment opportunities that have been identified need to be effectively communicated to these cohorts.
<i>Strategic actions</i>	<p>(i) Promote identified employment opportunities to rural residents</p> <ul style="list-style-type: none">• Target young persons - this process will need to work in concert with the provision of career advice• Target residents who work outside of the rural LGA in which they reside – and particular those that work in a regional city or in Greater Melbourne• Target residents who work part time and are seeking greater engagement in the local workforce <p>This will involve the identification/development of platforms that can be used to reach the above cohorts.</p> <p>This would include working with local job services providers</p> <p>(ii) Promote identified employment opportunities to workers in regional cities</p> <p>This will involve the identification/development of platforms that can be used to reach the above cohort</p> <p>This would include working with local job services providers</p> <p>(iii) Advocate for resources and support to engage rural unemployed in the identified employment opportunities</p> <p>This would include establishing increased incentives for job services providers to place unemployed rural residents into employment.</p>

12.5. Advocate for improved career advice resources

<i>Context</i>	As noted in Section 5.7.2 young people, and their families need a contemporary understanding of what actual opportunities exist and the requirements for entry.
<i>Strategic actions</i>	<p>Improve the understanding of young persons of the employment opportunities and career pathways available in locally and/or in nearby rural LGAs through improved access to relevant career advice.</p> <p>There is a need to foster collaboration between industry, schools and communities in rural LGAs to foster greater understanding actual needs.</p> <p>Local businesses and industry association need to be encouraged to provide information/conduct information sessions.</p> <p>There is a need to establish programs that provide funding for the conduct of such activities.</p> <p>There is also a need to establish advisors who can work across rural LGAs to work with schools and business. This may be coordinated with the implementation process/resources that are put in place post the completion of Regional Skills Demand Profiles be developed by the OVSC.</p> <p>This process would also involve working with job service providers.</p>

12.6. Foster the relocation/settlement of refugee communities to rural Victoria

<i>Context</i>	As noted in Section 10 Victoria is receiving more than 6,000 refugees and asylum seekers. Many refugees and asylum seekers are from rural backgrounds and are interested in living in rural communities where they can access sustained employment and access services that support their establishing themselves in the local community and workforce.
<i>Strategic Actions</i>	<p>Undertake a roundtable with Foundation House to identify opportunities and needs for piloting the relocation of refugee communities to rural Victoria</p> <p>Foundation House have offered leverage their expertise in this space to broker such a meeting including engaging key representatives from relevant Government departments and service providers</p>

12.7. Collaborate with the Office of the Victorian Skills Commissioner

<i>Context</i>	<p>There is a need to develop a better understanding of short to medium term workforce demands that reflects actual business needs and underpins investment opportunities.</p> <p>There has been considerable employment growth the Health, Agribusiness, Construction sectors, and the Visitor Economy. These sectors need support with securing the workers needed by businesses and to underpin investment opportunities.</p>
<i>Strategic actions</i>	<p>Collaborate with the processes operated by the OVSC:</p> <ol style="list-style-type: none">1) Leverage the outcomes of the Regional Skills Taskforces2) Establish rural-based pilots for revised delivery of apprenticeships/traineeships3) Advocate for Industry Workforce Development in key sectors:<ul style="list-style-type: none">• Agribusiness – Production/Processing• Construction• The Visitor Economy• Health4) Collaborate with Rural Workforce Agency Victoria to foster employment in the health workforce.

12.8. Advocate for equitable access to vocational training resources

<i>Context</i>	Rural communities, workers and businesses need ready access to relevant training. The ratio of people working in this sector to jobs is significantly lower than in regional cities/Greater Melbourne.
<i>Strategic action</i>	Advocate to the State Government to improve the rural workforce's and rural businesses' access to relevant training.

12.9. Advocate for equitable access to employment services

<i>Context</i>	<p>Unemployed people in rural Victoria need access to employment services to support their efforts to gain employment.</p> <p>Rural-based businesses – particularly SMEs need access to employment services to support their efforts to recruit workers.</p> <p>As noted in Section 6.3 the ratio of people working in the employment services sector in rural Victoria to unemployed people is half of that for all of Victoria.</p>
<i>Strategic action</i>	Advocate to the State Government to improve the access of rural workforce's and rural businesses' to employment services

12.10. Advocate for rural-based merit criteria in Government-funded "Skills Development" programs

<i>Context</i>	<p>Rural Victoria accounts for 10% of all jobs in Victoria and the regional cities account for 12%.</p> <p>Employment in rural Victoria grew by 15% from 2011 to 2016 and by 25% in the regional cities in the same period.</p> <p>The ratio of all jobs to jobs in the Technical, Vocational & Tertiary Education sector in rural Victoria is 1:272. This compares to 1:42 for the regional cities.</p> <p>There is a need to bolster the training resources available to businesses in rural Victoria. "Skills Development" resources that are "contestable" include programs such as the:</p> <ul style="list-style-type: none">• <i>Regional Skills Fund</i>• <i>Skills First for Regions</i>• <i>Workforce Training Innovation Fund.</i> <p>The merit based nature of these funding programs means that priorities can be targeted with respect to geographic and/or industry needs.</p>
<i>Strategic action</i>	<p>Advocate for rural based merit criteria in Government-funded "Skills Development" programs.</p> <p>This would be done in concert with the advocacy for equitable access to vocational training resources.</p>

12.11. Establish a start-up pilot

<i>Context</i>	<p>Fostering start-ups in rural locations can underpin the eventual establishment of businesses that can support increased employment and there by support population retention in rural Victoria.</p> <p>Start-up hubs have and/or are being established in Geelong, Ballarat and Mildura – and being contemplated in Warrnambool and Wodonga.</p> <p>There is a need to work through the challenges of delivering mobile start-up ecosystem infrastructure to support start-ups in rural locations – and the opportunities to leverage the facilities and capabilities being established in regional cities.</p>
<i>Strategic action</i>	Advocate to LaunchVic to establish a start-up pilot that involves a collaboration of a regional city with neighboring rural LGAs.

12.12. Advocate for Improved transport services for rural workers

<i>Context</i>	Improved transport is needed to grow the engagement of unemployed rural residents and workers that reside in regional cities/Greater Melbourne into the rural workforce.
<i>Strategic action</i>	<p>Foster improved access to employment opportunities in rural LGAs for workers residing in regional cities:</p> <ol style="list-style-type: none">1) Advocate for transport services that enable workers residing in regional cities to access employment opportunities in rural LGAs2) Advocate for subsidies for rural businesses that provide transport services for their workforce.

12.13 Advocate for policy that supports a growth in the availability of rental housing

<i>Context</i>	Many workers moving to rural locations need access to rental housing. The availability of rental housing in regional Victoria has fallen.
<i>Strategic action</i>	Work with State Government to develop policy to foster improved access to rental housing for people relocating to rural LGAs for employment.

Appendix I – Jobs growth by sector in Victoria 2011 to 2016

Sectors	Rural Victoria - (jobs)			Regional Cities – (jobs)			Greater Melbourne - (jobs)		
	2011	2016	Diff	2011	2016	Diff	2011	2016	Diff
Construction	17,702	24,006	6,304	17,522	30,667	13,145	99,571	184,018	84,447
Health Care & Social Assistance	28,729	34,866	6,137	44,856	59,448	14,592	195,441	264,064	68,623
Agriculture, Forestry & Fishing	34,516	40,427	5,911	7,705	10,380	2,675	7,560	12,512	4,952
Accommodation & Food Services	18,637	22,277	3,640	18,216	24,809	6,593	97,232	141,815	44,583
Education & Training	19,646	23,135	3,489	26,938	33,395	6,457	143,583	191,410	47,827
Administrative & Support Services	4,532	7,333	2,801	6,519	10,383	3,864	53,667	80,258	26,591
Public Admin & Safety	13,962	16,046	2,084	17,483	21,418	3,935	92,127	113,742	21,615
Other Services	8,072	9,832	1,760	10,624	13,576	2,952	61,525	79,721	18,196
Prof, Scientific & Tech Services	7,829	9,498	1,669	12,494	15,396	2,902	162,847	202,901	40,054
Transport, Postal & Warehousing	8,522	10,036	1,514	9,872	12,923	3,051	79,688	113,099	33,411
Arts & Recreation Services	3,168	4,078	910	3,412	5,041	1,629	32,029	45,940	13,911
Retail Trade	26,816	27,232	416	37,547	42,443	4,896	182,230	223,835	41,605
Rental, Hiring & RE Services	2,545	2,749	204	3,245	4,122	877	26,893	38,260	11,367
Mining	1,670	1,859	189	1,445	2,072	627	3,167	4,219	1,052
Elec, Gas, Water & Waste Services	2,304	2,416	112	5,064	6,950	1,886	16,937	22,873	5,936
Info Media & Telecoms	1,505	1,487	-18	3,598	3,911	313	40,836	49,281	8,445
Manufacturing	23,860	23,744	-116	30,759	27,316	-3,443	191,173	172,487	-18,686
Financial & Insurance Services	3,424	3,293	-131	7,312	7,990	678	88,348	100,513	12,165
Wholesale Trade	6,861	5,408	-1,453	8,308	7,637	-671	89,410	79,645	-9,765
Totals	234,300	269,722	35,422	272,919	339,877	66,958	1,664,264	2,120,593	456,32
	% jobs growth		15%	% jobs growth		25%	% jobs growth		27%

Appendix II – Distribution of top 5 employment growth sectors in rural LGAs

		Construction	Health	Agriculture	Accommodation/Food	Admin & Support Services	Education & Training	Manufacturing	Public Administration & Safety	Transport	Prof, Scientific & Tech Services	Other Services	Arts & Recreation Services	Electricity, Gas, Water & Waste Services	Retail
WS	Hindmarsh	1	1	1		1		1							
WS	Northern Grampians	1	1	1		1		1							
WS	West Wimmera	1	1	1					1			1			
PU	Baw Baw	1	1	1	1		1								
PU	Golden Plains	1		1		1		1	1						
PU	Macedon Ranges	1	1		1		1	1							
PU	Mitchell	1	1		1		1		1						
PU	Moorabool	1	1	1	1		1								
PU	South Gippsland	1	1	1		1			1						
PU	Surf Coast	1	1		1		1				1				
OM	Alpine	1			1	1	1	1							
OM	Benalla	1	1	1	1	1									
OM	Indigo	1			1	1	1		1						
OM	Mansfield	1		1		1				1		1			
OM	Towong	1	1	1		1						1			
MA	Buloke	1	1		1		1				1				
MA	Gannawarra	1	1	1		1					1				
MA	Swan Hill	1		1	1	1	1								
LC	Campaspe	1	1	1	1	1									
LC	Central Goldfields	1	1		1					1		1			
LC	Loddon	1		1		1	1	1							
LC	Mount Alexander	1	1				1	1	1						
GS	Corangamite	1	1	1	1						1				
GS	Glenelg	1	1	1		1				1					
GS	Southern Grampians	1	1	1			1			1					
GO	Moirā	1	1	1			1	1							
GO	Strathbogie	1	1	1	1		1								
GI	East Gippsland	1	1	1	1	1									
GI	Wellington	1	1	1	1				1						
CH	Hepburn	1	1		1	1							1		
BA	Colac Otway	1	1	1	1			1							
BA	Queenscliffe	1		1				1		1		1			
WS	Yarriambiack		1	1	1	1	1								
PU	Bass Coast		1			1	1						1		1
PU	Murrindindi			1	1	1	1				1				
GS	Moyne			1		1	1			1			1		
CH	Ararat		1	1			1		1					1	
CH	Pyrenees		1	1	1		1		1						
No of LGAs in which sector is in top 5 for jobs growth		32	29	28	21	20	20	10	9	6	5	5	3	1	1

Appendix III – Employment contraction by sector in rural Victoria 2011 to 2016

Manufacturing	Jobs	
Specialised & Other Machinery & Equipment Manufacturing	-367	
Structural Metal Product Manufacturing	-252	
Other Wood Product Manufacturing	-228	
Motor Vehicles & Parts; Other Transport Equip. Manufacturing.	-210	
Textile Product Manufacturing	-203	
Iron & Steel Manufacturing	-196	
Polymer Product Manufacturing	-191	
Prof, Scientific, Computer & Electronic Equip. Manufacturing	-174	
Fruit & Vegetable Product Manufacturing	-112	
Grain Mill & Cereal Product Manufacturing	-93	
Other Fabricated Metal Product Manufacturing	-75	
Oils & Fats Manufacturing	-73	
Other Non-Metallic Mineral Product Manufacturing	-69	
Basic Non-Ferrous Metal Manufacturing	-69	
Glass & Glass Product Manufacturing	-58	
Other Manufactured Products	-57	
Ceramic Product Manufacturing	-54	
Metal Containers & Other Sheet Metal Prod. Manufacturing	-50	
Plaster & Concrete Product Manufacturing	-46	
Human Pharmaceutical Product Manufacturing	-41	
Textile Manufacturing	-38	
Paper Product Manufacturing	-38	
Clothing Manufacturing	-35	
Tanned Leather, Dressed Fur & Leather Prod. Manufacturing.	-34	
Furniture Manufacturing	-28	
Electrical Equipment Manufacturing	-27	
Pulp, Paper & Paperboard Manufacturing	-23	
Domestic Appliance Manufacturing	-19	
Veterinary Pharmaceutical Product Manufacturing	-18	
Processed Seafood Manufacturing	-15	
Railway Rolling Stock Manufacturing	-9	
Natural Rubber Product Manufacturing	-4	
Ships & Boat Manufacturing	-3	% of Jobs Lost
<i>Sub-total</i>	-2,909	49.6%
Wholesale Trade	-1,453	
Non-Residential Building Construction	-328	
Finance	-262	
Tech, Vocational & Tertiary Education (undergrad & postgrad)	-256	
Publishing (except Internet & Music Publishing)	-161	
Non-Ferrous Metal Ore Mining	-122	
Printing (inc reproduction of recorded media)	-122	
Exploration & Mining Support Services	-101	
Rental & Hiring Services (except real estate)	-74	
Water Supply, Sewerage & Drainage Services	-53	
Ownership of Dwellings	-17	
Electricity Generation	-10	% of Jobs Lost
<i>Sub-total</i>	-2,959	50.4%
<i>Total</i>	-5,868	

Appendix IV - Victorian Employer Satisfaction and Skills Survey - 2017

	Barwon SW	Gippsland	Grampians	Hume	Loddon Mallee	Victoria
No of survey respondents	810	766	791	1,084	810	12,100

% of positive (yes) responses

Workforce Skills						
Training staff to keep skills up to date	23	29	26	30	25	27
Skills						
May not have the skills they need for the future	21	23	25	25	24	24
Lack the skills they need today	10	8	9	9	8	9
Believe they have the skills needed for today and for the next 12 months	64	63	61	62	63	61
Main skills lacking today and in the next 12 months						
Technical / job specific skills	71	71	72	69	70	69
Management / leadership skills	42	37	31	41	33	40
Problem solving skills	41	38	36			
Customer service skills					33	40
IT / computer skills				40		33
Training providers/quality						
Industry associations	52	48	45	44	47	48
Private training providers	52	47	55	42	45	50
TAFE	29	30	25	36	30	24
Quality of provider training was high	82	78	80	81	82	79
Recruitment challenges						
Agreed roles were difficult to fill	54	54	54	51	55	54
Few Applicants	53	61	53	59	51	46
Finding job ready candidates	34	33	53	37	37	33
Lacked relevant experience	48	49	45	51	49	55
Lacked technical/job specific skills	44	45	41	46	44	50

Appendix V - Technical, Vocational & Tertiary Education sector/ Employment Placement & Recruitment Services sector ratios

LGAs	All jobs to Technical, Vocational & Tertiary Education Sector jobs ratio			Unemployed people to Employment Placement & Recruitment Services Sector jobs ratio		
	2016 jobs	TVTE jobs	All jobs to TVTE jobs Ratio	No of unemployed	EPIR jobs	Unemployed to EPIR jobs ratio
Golden Plains	3,494	7	499	369	0	369
Moyne	6,380	5	1,276	262	0	262
Loddon	2,734	0	2,734	254	0	254
Alpine	6,041	10	604	173	0	173
Moorabool	7,882	20	394	1,109	7	158
Pyrenees	2,001	3	667	136	0	136
Buloke	2,493	3	831	133	0	133
Hindmarsh	2,223	0	2,223	126	0	126
Towong	2,024	0	2,024	96	0	96
Corangamite	7,293	35	208	259	3	86
Bass Coast	10,839	40	271	1,065	13	82
West Wimmera	1,741	0	1,741	74	0	74
South Gippsland	11,157	35	319	607	9	67
Hepburn	4,825	51	95	247	4	62
Strathbogie	3,593	15	240	153	3	51
Campaspe	16,070	43	374	1,170	25	47
Queenscliffe	1,335	3	445	44	0	44
Mount Alexander	7,099	39	182	479	11	43
Murrindindi	4,247	14	303	261	6	43
Yarriambiack	2,602	5	520	167	4	42
Moirra	10,913	10	1,091	897	22	41
Baw Baw	16,642	64	260	1,142	34	34
Wellington	18,111	83	218	1,250	38	33
Macedon Ranges	13,348	29	460	779	25	31
Glenelg	8,135	31	262	512	17	30
East Gippsland	16,539	126	131	1,592	54	29
Central Goldfields	4,223	5	845	390	14	28
Mitchell	11,359	61	186	1,141	41	28
Indigo	4,957	25	198	219	8	27
Gannawarra	4,051	16	253	212	8	26
Surf Coast	9,293	12	774	420	16	26
Northern Grampians	4,940	6	823	319	13	24
Mansfield	4,272	8	534	93	4	23
Ararat	5,101	13	392	333	15	22
Benalla	5,212	20	261	287	17	17
Southern Grampians	7,570	48	158	346	26	13
Swan Hill	9,126	88	104	501	47	11
Colac Otway	9,857	19	519	411	58	7
<i>Totals</i>	269,722	992	272	18,028	542	33.3