FTRANSCRIPT

Legislative Assembly Economy and Infrastructure Committee

Inquiry into sustainable employment for disadvantaged jobseekers

Bendigo—Tuesday, 22 October 2019

**MEMBERS**

Mr John Eren—Chair Mr Brad Rowswell

Mr Gary Blackwood—Deputy Chair Ms Steph Ryan

Ms Juliana Addison Ms Kat Theophanous

Ms Sarah Connolly

WITNESSES

Mr Noel Harvey, Chief Administrator, and

Mr Martin Collins, General Manager, Community Wellbeing, Central Goldfields Shire Council.

The CHAIR: Thank you very much for being here today. We appreciate that you have made the time to speak to the Committee.

All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check. Verified transcripts, PowerPoint presentations and handouts will be placed on the Committee’s website as soon as possible.

If you can give your presentation, then we will proceed to ask questions after that. Thank you.

Mr HARVEY: Thank you, Mr Chairman. We appreciate the opportunity to come here. My name is Noel Harvey, and I am the Chief Administrator with the Central Goldfields Shire. The Central Goldfields Shire has been under administration since December 2017 and we have got about 12 months to go, so we are relatively new to the community that we are representing. Martin Collins here is one of our general managers who is going to make a presentation to you. Again, both of us are relatively new to the community that we are representing. However, I think over a very quick period of time we have been able to develop a very solid understanding of some of the issues that you are grappling with.

Probably just in terms of a very brief introduction, the Central Goldfields Shire is at the bottom of the table in regard to every measure of disadvantage that exists within our social services system. It is a very, very difficult but a very, very complex community that we are grappling with. Of course employment within that context is a critical part of the path out of some of the challenges that we are dealing with. So I am going to hand over to Martin. Martin is going to speak to our presentation and the notes that we have provided to you, and then together we will field and answer any questions that you may have from us.

Mr COLLINS: Hi, everyone. We were chatting about this coming over in the car and breaking this down really to three components: supply, demand and then the system that is trying to put the two things together. When you look at our labour market in Maryborough and more broadly across the shire, there are jobs available for people and there is certainly a supply of people who are in the market for finding work. What we have though is a system to try and align those two things which is pretty dysfunctional. We have had in the last couple of years 18 separate federal or state-funded employment providers for a population where we have about 800 people unemployed. None of those providers have a place in the town. Nobody is there full time, so you have this really fragmented service. All of them are funded to provide transactional services. I know that through the JVEN program there was an attempt to try and do more ongoing support, but that ongoing support is not as deep as the support we really need for our workforce. You are twice as likely to have a below Year 9 level of qualification than a degree if you live in Maryborough. It is the opposite from the rest of the state in that respect, so we have a really, really low skill base, and speaking to employers, that is their key issue in recruitment.

In terms of how we are able to better align the workforce with employers, this is about longer term work with both. It is figuring out how we can support people looking for work to build the skills that they need to be able to retain their level of employment and at the same time working with businesses to enable them to grow. Because one of the other key issues we see is that even in the 800 businesses that we have in the shire, there are not any employing over 200 people, and there is a small proportion of opportunities to go into management-level roles. The vast majority of businesses are single person, ‘guy with a van’ type of things. The opportunity to get people to have career progression if they remain in the shire is really, really limited.

We then have this kind of high-level churn of people moving in and out of entry-level work. Certainly in talking to local businesses we reckon it takes four to five attempts to get somebody who will stay longer than about six or seven weeks. While our unemployment figures are at 8 per cent or something like that—so we tend to track about 3 percentage points higher than the state average—what we see within that though is a really big churn of people in out of those jobs. The large proportion, probably about one-quarter we reckon, of the adult population is in precarious employment or is unemployed, and certainly when you look at, for example, the proportion of workless households it is considerably higher. For example, for two-parent families with the kids, over one-third are workless households. So this is really significant stuff.

The very transactional, traditional model of employment service—which finds out where the job is with the employer, finds a person and helps them with a CV and the interview to get them in the door—is not the solution we need. We can see that because we see people going into work and we see them dropping in and out. This is the real issue. It is all about having much longer term intervention with skills support that runs right through.

We reckon the issue is not financial. We do not think that we need any more money because there is plenty of money in the system. The challenge is more about how we have the flexibility at a local level to support kids from school and enable them to get to the work placement and stay there, and not to go home at lunchtime because something bad has happened that they did not like.

Just one other thing, Dale and others were talking about work experience and that sort of thing. I was chatting to the principal at the Maryborough Education Centre on Friday, and I asked him, ‘Look, if you could say one thing that would make the difference, what would you say to the Committee?’. His take was that it is not necessarily about provision, it is about supporting kids to have the confidence to get on the bus. So when you look it, a large proportion of kids are in workless households, so where is the role modelling to support their ability to go into work when it is alien to them and the community around? It is about: how do we support longer term role modelling of adults working with younger folk and other unemployed groups, keeping with them through thick and thin, supporting skills development and supporting that partnership with business community too?

Mr HARVEY: Can I expand just a little bit, because it seems to me the real gap in Maryborough is that we have a significant number of young people who are third-generation unemployed. There is absolutely no experience that they have about what it actually even means to get up at 7.30 in the morning, get ready and go to work, the discipline element of that. That is the point that the principal was making: enabling those young people to actually have the confidence to get up and actually start that process. That is a significant failure when you have got a population of that nature in Maryborough, and we have got a lot of them and it is tragic.

Mr ROWSWELL: Mr Collins, thank you for your evidence. I like you already because you are not asking for any more money. You think there are enough resources there, they could just be better used and better directed. We like that. But I am hearing that the systemic problems that you are experiencing are also as a result of perhaps a lack of opportunity for longer term employment. Is that an accurate read of what you are saying?

Mr COLLINS: Yes, certainly.

Mr ROWSWELL: So does there need to be more activity within the Central Goldfields Shire to attract business and industry to your part of the world in order to offer people medium to longer term employment solutions? Is it that business attraction part of the issue that you are experiencing?

Mr HARVEY: It is certainly part of it—actually, of course it is. There is no one silver bullet, but the reality is that the levels of unemployment that are currently experienced in Maryborough are almost exactly the same as they were 30 years ago, back in the 70s. We have the same levels of unemployment as when the industries were closing down and moved out, and many, many did at that time; there have not been jobs coming back in. So there is certainly an element of that. But it seems to me that it is a very complex and a very difficult problem to solve, and there are a whole lot of elements. Yes, obviously employment creation is one of those, but you can create as many jobs as you like. If you do not have the people who are actually in a position to take advantage of those jobs—this is the problem we are talking about. That is the experience we have at the moment. Not only young people but people turn up for work at one of our existing manufacturers and they are there until lunchtime and they have had enough and they go home and we do not see them again. That is that work readiness element of it. So as Martin says, there are jobs already there in the town, but trying to match up the people who need the jobs—

Mr ROWSWELL: Sorry, I am a solutions kind of guy, so I want to try to understand what that might look like for you. So does that mean creating special economic conditions? Is it payroll reduction in a particular—is it dedicating a certain geographic area and, say, stamp duty exemptions? What are some of the levers of State Government that can be used to practically assist you?

Mr COLLINS: The attraction of investment is absolutely crucial, and things like stamp duty reductions can potentially contribute to help us. However, the cost of land and that sort of thing is very low already. So I am not sure it is particularly something that—like I was saying, I am not sure that cash can provide a lot of the solutions here. I do genuinely think this is far more about: how can we be more efficient with the resources that we have, and how can we better align training and support of our communities with our employer base?

We already have, through the Committee for Maryborough—which is something like a chamber of commerce— they are working through a kind of mentoring program that can support young people into the workforce over a phased period of weeks. That kind of program we reckon is the sort of thing that can really succeed and help them retain staff. But they are doing this on the back of that they know something needs to happen and the government interventions and supports have not really helped us to shift the dial. So they are doing this work, which is really commendable, but over the long term the opportunity to do that sort of thing at that scale without additional financial support becomes really challenging.

That is the kind of thing that takes a much more holistic approach, and if we were to, for example, just look at the six JVEN providers—all of which have a little bit of skin in the game—from Maryborough, if you were to look at that in its entirety and go, ‘Well, actually what we want to do is, that funding was for Maryborough anyway, look at how we work with the chamber of commerce and other local providers to create something that business agrees with and that local folk are telling us they need’, we reckon that is a far more efficient way of matching up with supply and demand.

Mr HARVEY: If you get a multiplicity of service providers, as we do, none of them provide a full-time service. Their workers come in from Bendigo or from Ballarat. Every week you are there you have got a different staff member there, so if I go into there as an unemployed person, every time I am in there I see someone different and start all over again. None of them are full time, so I am limited in the days. If we simply had one service that was open five days a week and had consistent staffing, I could see the same people regularly and build that relationship. It is a no-brainer really. The administrative cost would be significantly lower so again, it is not needing more money but just spending it smarter.

Mr BLACKWOOD: And I wonder if we need to perhaps tailor the services they provide to an area like yours—

Mr HARVEY: Absolutely.

Mr BLACKWOOD: to suit that area more, and that could be such things as mentoring being part of the program that they provide.

Mr HARVEY: Yes, it is a very important part. I have said it many times before: I think we need to recognise that the regional development model that we have here in Victoria has been highly successful for many, many years and has rolled out some really good initiatives and seen great economic development right across the state, but there are some pockets within the state that have missed that boat. There are the highways and the spines, I suppose, that have been done really well. In between there are some real pockets—and Maryborough is one of those—that have just fallen through the gaps. The model just does not work for somewhere like Maryborough. I guess that is where I am coming from in terms of an approach that is tailored for a particular community. It is quite a discrete community. It would not be that hard to do. But it has just fallen through the gaps. The tick-box type approach and the project-type approach that RDV has, for instance, just does not work for us.

The ability to come up with a local place-based solution is something which we have been talking about an awful lot, and we are getting some really good traction within various government departments around that. What we see that being about is enabling us to empower the community to come up with solutions, and the Committee for Maryborough is a really good example. They will sit and they will talk about, ‘Hey we should be doing this, we could be doing that, if we could do this we could do …’.

I think the solutions are there within the local community. It is about empowering them to implement those, and the current model does not enable that to happen.

Ms ADDISON: I note with interest that the median age for your shire is 50, which poses a number of challenges in itself. What is the Central Goldfields Shire Council doing to try and address that as a significant challenge for your shire? Obviously that would have significant issues on school numbers and young people wanting to stay.

Mr HARVEY: I do not think we are doing anything particularly for that particular cohort, I guess, because it is right across. Yes, we do have an ageing population. Like many rural councils, we do have that. I guess we are tending to focus on younger people and trying to get them into work. All the other social consequences of unemployment are quite horrific, and yes, that age group is a key part of that. Every week there is an incident of some sort that comes out of this long-term unemployment that is experienced right across the shire. So I do not think we are focusing particularly on that age group as such.

Mr COLLINS: Well, a couple of things to add: the demographic kind of looks like the age of five to 14 is much higher than even 15 to 35, or something like that, so what we are actually seeing is that hollowing out there. That would be typical of lots of rural communities. We reckon that that will shift a little bit if the birth rate continues as it has done, but the broader point is it is a small level of population growth that we are seeing. So that is not going to really shift the dynamic.

What it does do though is create some opportunities. We have an older population, and we know that a lot of people moving into the shire are coming here because there actually is a reasonable service network roundabout and it is really cheap, so it is a good place to come if you are older because you can access lots of services. What we probably do not actually have is the skilled workforce to be able to service that increasing demand. So that creates for us a real opportunity to be thinking about. If we are able to put in place a really proactive piece about ensuring that we have appropriately skilled and able staff to be able to provide some of the services that our ageing population requires, there is an opportunity for some economic growth.

Similarly, we know that the other area that we are going to see big growth in is early years child care. So those are two areas in which we know we could develop stuff almost off the bat, and working with, you know, 17‑, 18‑ and 19‑year‑olds in a kind of longer term—

Ms ADDISON: And there are training opportunities through free TAFE for three-year-old kinder and the early years as well as aged care. Is there a TAFE in Maryborough? I should know, but is there a TAFE?

Mr HARVEY: No, there is not.

Ms ADDISON: So the closest TAFE would be—

Mr HARVEY: Bendigo—

Ms ADDISON: FedUni?

Mr HARVEY: FedUni, yes, or Bendigo. But that again is one of these complex problems that we are grappling with. Our public transport is appalling. Whilst, yes, we do have two trains a day, I think, to Ballarat, when you are unemployed you do not necessarily have access to a car, petrol et cetera to get to TAFE and so on. So those training opportunities are really limited.

We are doing some work around it in our planning department; we are trying to get a handle on some of the challenges, and one interesting figure which came up in there, which surprised me somewhat, was that the number of young people that we are actually able to retain in the town in that sort of 16- to 20-year age group is higher than the state average.

Ms ADDISON: Interesting.

Mr HARVEY: We had a bit of a chat about that. Basically, though, the reality is that they are not leaving and going to university, as most country towns experience; they are staying there because they have not finished high school, so they do not have those opportunities and—

The CHAIR: Catch 22.

Mr HARVEY: It is. That is it. Well, that was quite a revelation to us—actually starting to analyse what is behind some of those figures. I just think all this does is demonstrate the extraordinary complexity of the disadvantage that is existing in there right now, and we actually have to come up with a different approach if we are going to change anything. Forty years of what we have been doing has not changed anything. We actually need to change the approach, which is coming back to what I was talking about before about those local place-based initiatives. I believe passionately that the solutions to the problems in Maryborough, from both a social perspective but also an employment perspective, actually are there within the community itself, but we actually need to develop the capacity to deliver on that. That is where we are failing.

Mr COLLINS: And just on the point about young people staying in the town because they are not progressing into tertiary education, it is just really important to make the point that that is not because of the quality of education.

Mr HARVEY: No.

Mr COLLINS: Because when we look at how particularly the government school performs in comparison to other schools in, you know, similar economic brackets, it punches well above its weight. So it would be easy to draw a conclusion about the quality of the school, and it would be completely false. The challenge is far more systemic than that.

The CHAIR: Yes, it is generational.

Mr COLLINS: Absolutely.

Mr HARVEY: Yes, indeed. But it is interesting. We have done some work that actually identified a couple of years ago that 80% of the children going into their first year of school—this is prep level, first year at school—80% of the students who were going in at that stage lacked the appropriate level of efficiency in literacy et cetera, which is just a tragic number. So they are never going to come out the other end of the system in any way that is going to be effectively employable. We have actually done some really good work, and Central Goldfields has been doing some really good work with that age group. That number has dropped; I think currently it is now down to 30%, so we have had a significant improvement. Now, we will see the results of that in another 10 years time when those kids start coming out the other end of the education system. That is why I say it is a systemic problem that we have in Maryborough that is just not being addressed.

Mr COLLINS: And just to build on that, one of the challenges though is that in terms of the early years, for example, we will see school readiness funding, which I imagine will have significant weighting to better support communities like ours. One of the real risks is that it becomes another program, another thing, that comes in that we then spend the time trying to figure out, like, ‘How do we make that work with other bits of context-related funding?’.

The CHAIR: There is duplication going on between the State and Federal Governments.

Mr COLLINS: Yes. And that is one of the challenges that we really face. I have been in this role for four months, and I think I have seen four or five separate health-related funds or programs introduced to the community, none of which provide enough money to enable me to go, ‘Right, okay, well, there’s a person that can go and do this stuff’. It is trying to find somebody in the corridor that can spend a few hours to coordinate that piece of work. Rather than having six programs, if we had a person that was supported to deliver against a range of outcomes, it would be so much more effective to work like that—you know, directly in collaboration with State Government, a new kind of a partnership rather than the sort of compliance model that we are often working to.

The CHAIR: Thank you. Is there anything further you want to add?

Mr HARVEY: No, I think we covered everything we needed to cover. Thank you for your time.

The CHAIR: Okay. Thank you. I share a similar electorate to Maryborough in Corio and Norlane. I mean, we have gone through the process of education regeneration and investments into jobseeking agencies in terms of identifying the needs of that cohort that are really hard to employ and how we get them job ready. We have various organisations. We have got the GROW program. We have got Northern Futures. We have got a number of different programs. I think we are making an impact, but it is taking a fair bit of time. And it is generational; if they have seen Mum and Dad and their grandparents do the same thing, they are likely to do that same thing as well. And so it is going to take some time. I actually did not know that you are the most disadvantaged area—

Mr HARVEY: We have been for years. It is extraordinary, and nothing has changed.

The CHAIR: Yes, so we need to do a bit of work. Thank you for being here.

Ms CONNOLLY: How about the cookie-cutter approaches? They are not working?

Mr HARVEY: It works in some areas, but it is certainly not working in Central Goldfields.

Ms CONNOLLY: It is not working for you.

Mr HARVEY: Not at all. And I guess that is what we are saying: we just need to change the approach. And it does not necessarily mean more money. And we mean that genuinely.

The CHAIR: No, fair enough. That is being honest.

Mr HARVEY: We just need to use what we have got more efficiently and more effectively. And we think we have identified we can do that. It is just that it takes time. It does take time. We have to make that long-term commitment before we start to see the results play out.

The CHAIR: Thanks, Noel. Thank you, Martin.

Mr HARVEY: Thank you for your time, and we wish you well with your deliberations. I look forward to seeing the outcome.

The CHAIR: Thank you. We will keep you informed.

Witnesses withdrew.