

T R A N S C R I P T

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into sustainable employment for disadvantaged jobseekers

Bendigo—Tuesday, 22 October 2019

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

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Ms Steph Ryan

Ms Kat Theophanous

WITNESSES

Cr Margaret O'Rourke, Mayor, and

Mr Trevor Budge, Manager, Regional Sustainable Development, City of Greater Bendigo.

The CHAIR: Can I firstly acknowledge the Traditional Custodians of the land on which we meet, and I pay my respects to their elders past, present and future.

Welcome to the public hearings for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into sustainable employment for disadvantaged jobseekers. All mobile phones should now be turned to silent. 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. I know you are really keen to give your presentation and we are really keen to hear it, so you have 5 minutes for a brief opening statement, and we will ask questions as we go along. Thank you for attending.

Cr O'ROURKE: Thank you very much. I will hand over to you, Trevor, for the introduction.

Mr BUDGE: I am going to do an introduction and then the Mayor will follow. You have obviously seen our submission and you will realise that the tenor of the submission is perhaps a bit broader than your terms of reference, but we are arguing the case that if you live in rural and regional Victoria you start with a disadvantage and if you are further disadvantaged within that then the disadvantage compounds. So when we talk about the level of youth unemployment, when we talk about the levels of long-term youth unemployment, when we talk about the number of people that leave school at 16 years of age, when we talk about the number of people who have got Year 12 or equivalent, when we talk about the number of people going on to higher education in regional Victoria, there is a disadvantage there.

We know that in terms of our labour market it is quite a unique situation. We have actually got low levels of unemployment across the board, except the youth unemployment, but we have got a massive skill shortage. So how are we fixing that? We are importing skills. So there is a gap between a large pool of young unemployed, unskilled people and a need for skilled employment, and that is coming through. You will hear some later submissions on the same sort of thing.

Can I suggest that one of the key tenets in our submission is that we believe that cities the size of Bendigo—115,000 or 118,000 people—have already got some collaborative approaches that we know are working inside the city, albeit we have got problems. So whether we have got things like the Bendigo Manufacturing Group, which has been working with the council for 19 years now on bringing together all the major employers; whether it is the education council, and we think we have got the only situation in Victoria where all school principals belong to one organisation and have one spokesperson; whether we talk about the work that the LLEN is doing—the Goldfields Local Learning and Employment Network—particularly with their Passions & Pathways program, which is almost I think unique in the state; whether it is the Bendigo Tech School, which has the best engagement with industry of any of the tech schools, driven very much by industry; whether it is the formation of our Youth Council, which I am sure Marg will talk about; or whether it is the Greater Bendigo Economic Development Committee, which actually has the eight leading organisations in Bendigo sitting around the table talking about the economic development, together with the Youth Mayor, we know that we have got a situation in Bendigo where—and I know you are interested in the issue of higher education—the reality now is that some 28 years after La Trobe took over the old Bendigo College of Advanced Education and set up a campus at La Trobe University, we now have less students in higher education in Bendigo than we had 28 years ago, about 200 less, and yet the city has grown by 40% in its population.

So clearly the model of how we provide higher education in regional areas to support students is not working. We look rather enviously at other places around the world in the OECD where higher education is used as a regional economic development stimulus, and you see really large universities—and the classics of all time are Cambridge and Oxford, the two best regional universities in the world.

We think there is an issue around the opportunity of cities like Bendigo, with the structure that we have got and the collaboration we have got, where we are ready and up for trialling programs. We have got the track record,

we can deliver programs, and so if this Committee is looking at, 'Here's an initiative. How could we trial this? How could we get a case study?', we believe that we are there. I will turn over to Marg now.

Cr O'ROURKE: Thanks, Trevor. There are a couple of things that I just want to touch on as well. What we are starting to see in the local government space is that we are not getting young people elected to council. So therefore we have got to actually tap into other ways in which we can actually get the views of our young people, and we do that through lots of consultation. We started a Youth Council earlier this year, and you will get to hear from our Youth Mayor this afternoon and our Deputy Youth Mayor, and I do not need to say any more; they are incredible, and they will really paint you a picture of where our youth are in many ways, I believe.

One of the things that Trevor mentioned was our economic development strategy. We are actually developing a new one at the moment, and we have got eight other organisations that are around the table with us. They have got buy-in, so it is not just a council-run process. The Youth Council are at that table, and they have actually given us some incredible insights.

There are two things I want to mention: I was principal for a day in one of our schools recently—it is a program that our local LLEN runs. I went to our lowest socio-economic school, which is Lightning Reef. It would not be unique to any other municipality in Victoria: 201 families, 22 families in employment. Last year there were only six. This is real, and this is happening right across Victoria and Australia. We are reaching out into our grassroots to actually try and understand it more: what is happening, why it is happening and then how we can actually work with our communities to lift this.

One of the programs is Passions & Pathways. I am a huge supporter of this, and I certainly will be able to get you more information. That has been running now for about eight years. It initially started in council with economic development. It was then taken over by the LLEN. Sixty businesses are involved, and there are six of our disadvantage schools, of which Lightning Reef is one—grades 5 and 6, because that is when it starts. These are kids who do not have any role models; they do not know what work is. They have families that actually write down 'Centrelink' for employment on their forms at school. They are getting Centrelink payments. They are not employed. The kids actually go and work in businesses. Sixty businesses allow them to come in, and they actually get to see what happens in a workplace. Over that eight years we have just got some data that has now come through: there are kids now in Year 12 that are saying if they did not do Passions & Pathways, they would not be there, so they have not got any role modelling at all. This is a program that I think needs to extend right across Victoria. It is actually making a difference. It is about 40% now. People would say, 'Well, that's a low number', but I can tell you it would not be 40% if that program had not even happened, and I can get the data for you. It is extraordinary.

On the other side of it, the businesses that are actually involved in the program have almost zero sick leave on the day that the kids come in. So the businesses are actually getting a huge amount out of it, and there are relationships that have formed with students and with employers where they have never forgotten those experiences. This is often the first time that anyone even understands what getting up and going to work is about because no-one in their house is doing it. If I use that example of Lightning Reef, 22 families in employment, up from six last year.

To me, it was an extraordinary day, and if anyone ever gets to do it, I would recommend you also go and be a principal for a day. You will get to see the highs and lows. They are doing some wonderful things out there at that school, but it has certainly been challenging for them.

The CHAIR: Excellent. Margaret, Trevor—either one of you can answer this: employers are very important obviously at the end of the day. As a Government we can have many programs—local government, State Government—but if the employers are not taking on some disadvantaged jobseekers, that is a problem. What can we do as a State Government to encourage more employers to be part of this procurement process?

Cr O'ROURKE: I think it is again about educating our employers. I think it is about having some opportunity for people to actually speak to employers. If I look at the Passions & Pathways or some of these programs, it is not through the mainstream employment agencies. I think that sometimes almost falls on deaf ears. I think it has got to be third-party endorsement and people talking about it. It is using the examples of

employees that have already been through it and shown what they have achieved as well. It can be done, and it is being done. I think it is about actually showing those examples.

Mr BUDGE: Can I just make a comment? The key thing that the Youth Council keeps saying is ‘increase the employability’. That is the term they have come up with. We need to increase the employability of youth, and they suggest the way that could happen. Many work experience programs, although well conceived and very well intentioned, are actually—I will call them—mickey mouse employment. So what they are saying is, ‘Give us real employment opportunities so that when we leave a work experience’—and it has obviously got to be more than the one week that is served up in many cases—‘we actually walk out with a piece of paper on which an employer has said “You have achieved this; you were given these problems and you solved these problems”’. Now, at our meeting last week of the Economic Development Steering Committee there was basically a commitment by all those key organisations around the table that we need to lift work experience—to make it meaningful. What we are using is those groups, and they are groups like the Bendigo Bank, Be.Bendigo—the Bendigo Business Council—Coliban Water, Bendigo Health, and they are saying, ‘Let’s get on board with this. Let’s provide much more meaningful work experience so that the student doesn’t just leave with that one week where’, with no disrespect, ‘they do the photocopying or something like that. They actually do real life experience’. That is what the Youth Council has been saying.

Cr O’ROURKE: I would also even tap into that further: it is about having a vision. So what the Youth Council have also said to us is, ‘If they can’t see what the outcome is, they’ve got nothing to strive for’. So in Bendigo, with our new hospital being built, all of a sudden with our programs at TAFE—and the free TAFE program has been good—it is just, ‘There’s a hospital there. There are jobs there’, and so they are seeing that. They are actually oversubscribed now, so the health and human services roles in Bendigo are oversubscribed because they can see that. If you look at our law faculty in Bendigo, they are saying at the moment they cannot see that there is a job in Bendigo. So people start their first year at La Trobe and then they actually swap over and go down to Melbourne because they cannot see the end game. It is about: what is the vision? Now, our law courts will start getting built in a couple of years and the Youth Council have said, ‘When that starts you’ll see heaps of people wanting to come in and look for roles within the legal profession because they can see it’. I think that is what is missing in our regional and rural communities: there is not the vision at the end. When they are at school the kids are saying, ‘I’ve got to go to Melbourne because I can’t see what the’—

Mr BUDGE: Job prospects are.

Cr O’ROURKE: Yes—‘what the long-term goal is for me’.

Mr BLACKWOOD: How did you initially attract those 40 businesses to be involved with the program?

Cr O’ROURKE: Passions & Pathways? Well, there are 60 now. But when it first started I was not on council, but as a citizen of Bendigo I knew about it and was always supportive. They just went and tapped businesses on the shoulder. Trevor spoke about the Bendigo Manufacturing Group; that has been running for 19 years now and you will hear from them later. They were some of the key businesses in the beginning.

Mr BUDGE: They put their hand up.

Cr O’ROURKE: Yes. So council went out and actually met with businesses and said, ‘We want you to be involved in this. This is what the plan is’. We have got a hairdresser in town that has been involved in this almost from day one. There are kids going in that program that would not even know what personal grooming is really about, so they go and they actually work at Jools For Jim. They go in there on those days and they learn to wash hair, they learn to do nails, they learn to do real things. All of a sudden there are kids that have gone through that program that have now gone into beautician work. They might not go to Year 12, but they actually thought, ‘That’s what I want to do’. It has been about tapping businesses on the shoulder. Economic development units at council, I think, are a really good point because they know the businesses and they set the foundation. The LLENs have taken that program over, but they have been absolutely as committed or even more committed because they been able to put that traction in. It grew from probably a dozen businesses, I think, Trevor? Now there are 60.

Mr BUDGE: A good example of one thing that the LLENs did with employers was they realised that most of the principals of the schools in Bendigo did not know what an industry looked like inside, so they organised a day-long tour of all the industries, and Mark from Thales may well have been in that, and all these principals said, 'We had no idea this is what was happening inside'. The message had gone out that basically manufacturing was dirty, dead-end jobs, going nowhere, and all of a sudden these students and principals were exposed to the idea that, 'Hey, wait on. There're careers here', and there are really good long-term jobs. A lot of it is just about connecting up people, and I think that comes back to the message that I have been trying to say: you can do these sorts of things in a place like Bendigo. It is pretty hard to do it across Melbourne.

Cr O'ROURKE: Yes. It is big enough but it is small enough.

Ms THEOPHANOUS: Margaret, you mentioned the LLENs. Do you see the LLENs as a good touchpoint for rolling out these kinds of programs?

Cr O'ROURKE: Absolutely.

Ms THEOPHANOUS: And is there any way the Victorian Government can expand on the LLENs or better support the LLENs?

Cr O'ROURKE: Yes, I could not agree more. I am actually a big supporter of the LLENs, and again, when you are not in a public life role you only look at the paper and see something that might trigger. There would be a lot of people that probably do not know what the LLENs do. I did because I was in business and I could see it, but only from a distance. I saw the Passions & Pathways piece, but I have seen so much more that the LLENs do, and now coming into council I see even more than that. I am not sure if every LLEN is exactly the same.

Mr BUDGE: No, no, they may not be.

Cr O'ROURKE: But we have got, I think, a really capable LLEN with really dedicated people, and their reach is wide. They are doing things that probably are not even part of their remit, but they feel obligated to do it.

Mr BUDGE: I am not sure if you know that prior to the last state election they received a \$1.2 million fund to actually expand the program over a four-year period, and which also brought in the schools in Castlemaine that are disadvantaged, brought in Heathcote, which is in the City of Greater Bendigo, and brought in the Central Goldfields. So it has now become very much regional. So in total they would end up now with about eight or nine schools—these were the eight or nine most disadvantaged schools in central Victoria.

Ms CONNOLLY: Do you think the social procurement and the way in which we are doing that is actually serving the disadvantaged jobseekers in Greater Bendigo?

Mr BUDGE: Yes. One of the things that was run here, which was a really interesting program, was Central Victorian Group Training ran 100 Jobs in 100 Days, and the council was very active in that. I think we took up seven positions.

Cr O'ROURKE: Yes, we did.

Mr BUDGE: It was very successful. That was subscribed. They got 100 across business. Again, an example of someone having a local initiative and being able to get the message out quickly. Everyone is saying, 'Okay, we need to now put the shoulder to the wheel and do something', but I think in the bigger picture the social procurement is a broader issue than that. It is something that bedevils council a little bit. We get a lot of pressure on the council: 'Why can't you favour local business?'. Well, we do have a slight weighting if we are issuing a contract, but obviously at the end of the day the council is managing ratepayers money and we have got to show value for money.

Cr O'ROURKE: Yes. So about 15% is our weighting that we actually have for local business.

Mr BUDGE: Yes. But there is no doubt that in the last few years I think this has become more and more evident to council. There is the idea of a circular economy, how you can buy, and of course we are now part of

the GROW program, Growing Regional Opportunities for Work, which was the model that was started in Geelong. Now we have that in Ballarat, Bendigo, Shepparton and Latrobe Valley. Our Be.Bendigo, the Bendigo Business Council—and Dennis is speaking later—have got carriage of that program. Council has actually put a staff member in there two days a week to help that program, again, around social procurement, but also around targeting disadvantaged people in terms of if we grow jobs, first of all we seek jobs from the disadvantaged sector, and I am sure you will have had some information around the success of the Geelong program.

Mr ROWSWELL: Just on the universities in regional areas piece, you mentioned the UK as an example of that. I think the US works on a similar model—quite successfully, actually.

Mr BUDGE: New Zealand does.

Cr O'ROURKE: Yes, Dunedin.

Mr ROWSWELL: So you have a great university in La Trobe here, and I have spent some time there and also visited the tech school that has been established.

Mr BUDGE: Which is very impressive, isn't it?

Mr ROWSWELL: It is, it is. I am just interested to know if you have any active plans under consideration at the moment to try and attract the university sector here and what barriers you have come up against that, from a State Government perspective, we could perhaps help to iron out.

Cr O'ROURKE: We work really closely with La Trobe, but we also have a view that there are other universities. So in Bendigo we have got Monash medical school. La Trobe have got the relationship with Melbourne University as well in terms of the medical program too. And Deakin are very—

Mr BUDGE: RMIT.

Cr O'ROURKE: RMIT are here as well. We have got the pilot training school. But we have also got Deakin—very strong with 'Deakin at your door'—so their online component is really strong in regional areas as well. So as much as the bricks and mortar are here with La Trobe and we work really closely with them, we believe we are a university city and that we really cannot just sit closely with one. We need to have that broad opportunity, particularly in the health fields because it is so important with Bendigo Health. But we would always encourage more.

I think Trevor's comments at the beginning were really interesting—when you actually look at the numbers overall about where La Trobe has grown to from when it first started, it has actually gone slightly backwards. Now, I know—and good on them for this—La Trobe's commitment to regional Victoria is fantastic. Having a presence in Mildura, in Shepparton, in Wodonga is a real credit to them, and we want to foster that as well, but also I think we have got to be able to give people the opportunity to study wherever.

Mr ROWSWELL: So what universities are you pitching for? I think for the local papers here it is a good opportunity for a front-page story! Which university do you want in Bendigo?

Mr BUDGE: Well, in our discussion paper that we referred to in our submission we have actually said we are open to any university that wants to work with us.

Mr ROWSWELL: That will get page 3!

Mr BUDGE: That is right.

We did some research with all our manufacturing group: who are they doing research with? We found there were about 10 universities across Australia that they had research relationships with, and one manufacturer actually had two research programs going with Harvard. So we are trying to embrace the new concept that you do not just tie yourself to one. If there is somebody that has got something to offer us, we are open, and what we have suggested in our discussion paper is perhaps a multi-university hub in the city centre for any university

that wants to offer programs. We know there is competition between universities, but the reality is that things are very different now.

I am not sure if you are aware, but basically about 60% of the student body at La Trobe are not from Bendigo: they have been attracted from the wider region. About 40% or 45% are from the Bendigo area. It is dangerous to generalise and stereotype, but generally for students at that campus, first of all their disadvantage is that their parents cannot afford to have them located in Melbourne. That is a huge disadvantage in itself. Clearly for some students who are shifting from the outer areas of the region shifting to Bendigo is a big step for them. La Trobe is correct. They really promote the fact that they are a very strong university for the first in a family to get a university education, and that is a big step for many families. But I suppose what we have seen is that the world of work is changing, and I think most universities are struggling to provide programs that are much more relevant to the workforce of the future. That is why we have been working with universities like Deakin, because they have got a very strong relationship with our advanced manufacturing sector. They have been providing lots of masters students for that. So it is a full range and a full spectrum.

We say that once you have got a computer in front of you the world is your oyster, but it has been a problem at La Trobe—and the Youth Mayor was very strong on this—that the increased use of online programs is turning off quite a lot of students. There is no need for them to attend the campus. So we have got millions of dollars worth of bricks and mortar, and yet the number of students that are actually in attendance, because of online learning, is less and less.

Cr O'ROURKE: We even know the reach that is happening online in terms of the number of students that are within Greater Bendigo that do not present to any university face to face is quite significant. So when we talk about physical numbers, say, for La Trobe in a regional area, I cannot give you the number, but we were pretty surprised at the percentage of the students that are actually online students.

The CHAIR: So just on from that, are there digital barriers to certain sections of the community in terms of access to the internet?

Cr O'ROURKE: Absolutely.

The CHAIR: And what about access to the internet in terms of—

Mr BUDGE: You have touched on the Mayor's speciality there! She is ex-Telstra.

Cr O'ROURKE: Yes, there are big barriers still for rural and regional communities, but there are even still in metro. Just because you live in metropolitan Melbourne does not mean that you are actually going to get the best level of connectivity. I think the NBN has been promised to us all to be the panacea, and it is not. I would have to say, for us in a city like Bendigo, we are absolutely still lacking in services in some parts of our community.

The CHAIR: Well, that could be front page as well.

Cr O'ROURKE: It has been before! And we will continue to push that. We would love to see Bendigo as a gig city. We would love to see Bendigo absolutely connected. If we look at places like Dunedin, where we have been, and other locations where you have great connectivity, that drives education, drives employment, brings start-ups to town—the list goes on. It is an equal barrier to what transport is. I would put it at that high end to say.

I worked at the rural living expo that government had in Melbourne for four years. I was actually doing some work with a small shire. I went to that two years in a row. The three top questions that people asked when they actually wanted to move out—and we talk about regional communities and rural communities helping with the population growth—when people ask about going to a rural or regional community they say, 'What is the connectivity like, and is there a job?' People will not move without a job and if they do not feel connected, they will not move either. Then real estate is the third question, but I can tell you now, connectivity and jobs are the first two questions that people ask.

Ms CONNOLLY: I have something a little bit unusual. In the previous hearings we have been doing we have talked a little bit about the careers counsellor at schools. Do you think that with the way in which the job market is going and the different industries and things like that the role of the careers counsellor is now becoming bigger and bigger? We talked about principals coming and having a look around different industries and being shocked. Do you think that there needs to be in schools a bigger focus on the role of the careers counsellor? That is actually a really, really important job in marrying up kids going on to higher education or TAFE but also the kids that want to leave, and their options.

Cr O'ROURKE: I could not agree more. I think it is a much bigger role, and I think it has to be a very broad role. I think the careers people do a great job, but I think there is also a bit of blinkering that goes on still. I would have to say that unless they have got strong touchpoints into industry, I think they might be a bit blinkered. The reason I say that is TAFE is a really good opportunity just as much as what universities are. At the end of my secondary school, I also did what we would now say is TAFE or VCAL. Plenty of people do and it is a great stepping stone. I feel sometimes that there are people getting pushed down in particular ways and it needs to be very broad, but I would say our careers people also need to be really tapped into industry—whether it is industry people coming into career roles potentially as well, so having that flowing.

Ms CONNOLLY: On that, what do you think about the kids or the young people going to TAFE but there being a job at the end of the TAFE course? How do you think that is playing out?

Mr BUDGE: Can I just use the example—about a year ago our manufacturers came together and we realised that there was a massive shortage across the region in metal fabrication and welding. In fact when we researched it, we found that it was potentially 300 jobs over the next three to four years short across the region, and that was by consultation with 115 industries. For some of those industries it might be they can see that they need two more people. For others, and Mark might talk about this from the point of view of the larger industries, many more than that.

We undertook a project which is called REAM—and the report has not been released. We are hoping Minister Allan might be able to release this in a couple of weeks—Regional Engineering and Manufacturing is the project and it is a roadmap, so how do we do this? How do we work with TAFEs across the region and provide that supply line of people who can go into it?

It comes back to that point of what TAFE was telling us and the industries were telling us, that parents and the general media have said, 'There are no jobs in manufacturing', and here they are—300 jobs long term. These are not just one-off jobs. Mark will talk about people that started at Thales 30 years ago fitting and turning or whatever it was and now are in senior management positions. So that was about getting that message out. You are absolutely right about this idea about painting a picture of what really the world of work is about and where the jobs are.

Cr O'ROURKE: I just would like to be quite clear too: I am a director of Bendigo Kangan TAFE, so you are aware of that. One of the things I would say that I am starting to hear is that when we have students coming into various programs it is about having a job at the end, absolutely, but we are actually now struggling because we are getting so many coming in. As I said, our health and human services centre of excellence is really well subscribed but we cannot get enough businesses to actually do the placements, so that is almost becoming a barrier now. That would be happening across other TAFEs as well. Getting businesses to be able to have the placements for the students to come through is a barrier because it is a really important part of the program, and absolutely jobs at the end. All the TAFEs are very much working towards that, as the universities are.

Mr BUDGE: So that was the basis of REAM; it was that industries would say, 'Yes, we've got a long-term need, and we can get a person'. A lot of apprenticeships, traineeships, all sorts of things, often they are quite dead end. And I think Mark will talk about some of the capacity to actually show people there is not just a job, there is a career.

The CHAIR: Thank you for coming in.

Witnesses withdrew.