

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into sustainable employment for disadvantaged jobseekers

Warragul—Wednesday, 11 December 2019

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

Mr Brad Rowswell

Ms Steph Ryan

Ms Kat Theophanous

WITNESSES

Cr Alan McFarlane, Deputy Mayor, and

Mr Steven Piasente, Chief Executive Officer, Latrobe City Council; and

Ms Alison Leighton, Chief Executive Officer, and

Ms Elise Harrison, Coordinator, People and Culture, Baw Baw Shire Council.

The DEPUTY CHAIR: Welcome to this hearing, and thank you for taking the time to present to us this morning. All evidence taken by this Committee is protected under parliamentary privilege, so you can say what you like in here but you cannot take that outside without risk to yourselves. So that is pretty straightforward. You will get a copy of the transcript for correction. That is all. Are each of you going to say a few words to start with? Then we will take questions.

Cr McFARLANE: I will kick off. Latrobe City certainly welcomes the opportunity to attend this hearing today. As you would know, and certainly Mr Deputy Chair would be well aware, we are in a period of economic transition, which we have been for a couple of years since the closure of the Hazelwood Power Station, and with the vision ahead with Yallourn and Loy Yang it is expected that our region will continue that transition for many years to come. We are very proud of being one of the four major regional cities of Victoria; however, we have lots of challenges ahead. I think there is a need for us to ensure that these continuing changes in our economy do not further exacerbate the disadvantage and high levels of unemployment that parts of our city are currently experiencing—although the most recent stats look like we have trended downwards, but we are still higher than we should be—and ultimately that we are not disproportionately affected as a host of the power industry and a region directly impacted by the related job losses.

The anticipated closures of the remaining power stations will further impact on our region's economy and sustainable employment. Therefore we are looking for a successful and well-planned transition and diversification of that economy, supported by capacity building of our workforce, as a critical input to our future. We also recognise the many complex challenges that can significantly affect people's ability to secure employment and remain in the workforce. In this community, and particularly in our community, it includes low educational attainment, low socio-economic ranking and limited public transport connectivity. You might be aware that within our municipality we have three major towns only 10 or 15 minutes apart, but that connectivity is certainly important.

The other issue that we have in our municipality is the intergenerational nature of the disadvantage. We have got some families that are experiencing second and third generation unemployment and social disadvantage. So I think we are one of the municipalities where we have got a bit of a mix of all, and certainly from our perspective we are trying to work to address as much of that as we can within our realms. But I think one of the issues is that early intervention into the process to start the process of change, and my observation is that it is going to be a long change, but as long as we are all working together then we will ultimately get there. So I think that is enough from me. Alison?

Ms LEIGHTON: Thank you, Cr McFarlane. My name is Alison Leighton, I am the CEO of Baw Baw Shire Council, and I have brought with me Elise Harrison, who is our Coordinator of People and Culture. Elise is our technical expert in these matters. I guess from Baw Baw Shire's perspective we certainly are committed to doing what we can to engage with disadvantaged jobseekers, and we run a number of programs internally to try to facilitate outcomes in that regard. We utilise our networks within the municipality very strongly. So we have a number of not-for-profit organisations, such as our local learning and employment network, we have Community College Gippsland, we have the Gippsland Trade Training Centre, that all play a part in providing vocational training and reach out and have specific channels to disadvantaged jobseekers. So we work with them—for example, we are on the Gippsland Trade Training Centre board—to try to understand what the issues are in our municipality and how we can support the work that is occurring. We support that work through providing direct employment to disadvantaged jobseekers. We participate in a whole range of coaching and mentoring programs, so members of our team, through organisations like Federation University or other organisations, meet and provide mock interviews and we give advice around preparation of résumés and other recruitment collateral.

We also provide opportunities for exposure to the workforce, so whether that be through recent migrants or through young mothers who are looking to re-enter the workforce, where we may not necessarily have a permanent position. We provide them with some tenure to actually have exposure to the workforce that they can then take and utilise on their résumé going forward. We also work quite closely with Indigenous communities. So we run an Indigenous apprenticeship program through our outdoor works crew, whereby we constantly have an Indigenous apprentice, and we train them and ensure that we are supporting them to receive a qualification in the area of horticulture. So there is a lot that we do. I can certainly comment on some of the

discussions that Elise and I have had around where the opportunities are and where the challenges lie, but I am aware of the brief to keep it short. So I will end there and am then happy to answer any questions that you might have.

The CHAIR: Thanks, Alison. Just in relation to social procurement, and obviously you have got a social procurement policy, I am not sure if it is formalised, but would you be able to share that with the Committee in terms of some of the social procurement—not only social procurement but local procurement—in terms of the contracts that you may have?

Ms LEIGHTON: Yes, certainly.

The CHAIR: And also the same with Latrobe if that is possible?

Ms LEIGHTON: Yes, sure. We certainly do have at a local level a procurement policy that prioritises local procurement, so we actually give additional weighting to local supply. That is at a very local level in terms of all of our evaluation criteria. We actually make sure we monitor the level of local procurement. In addition to that, we also have in particular large procurement exercises. So at the moment we are going through an exercise, we are right in the middle of an evaluation phase, for our new roads maintenance contract. As part of that evaluation criteria not only are we prioritising local procurement, we are also prioritising social and economic outcomes at a local level. So that is the sort of the thing that we do within our municipality. But we also participate, and I think Latrobe have sort of taken the lead on this particular initiative, in relation to the GROW compact that you might have heard of.

The CHAIR: Yes. From Geelong.

Ms LEIGHTON: Ah, very good. Yes, that is where it started actually. So we are keen participants in that. It has sort of come up in the last 12 months or so in Gippsland, and we are also involved with Gippsland Business Connect. So there are a range of, I guess, links that we put out there to try to ensure that we are giving our local businesses and our disadvantaged individuals the opportunity to either be a part of our supply chain or otherwise be directly employed with us. Do you have anything to add there, Steve or Elise?

Mr PIASENTE: Thanks, Alison. Steve Piasente, CEO of Latrobe City. So, yes, similarly in terms of our procurement methodologies in terms of assessing contractors, we give a higher weighting to local contractors, but we also in addition to that have said if they have trainees and apprentices that actually boosts their score up as part of that—in some cases, I do know—in tenders we have awarded previously. On one road project, as an example, we actually paid a premium because they did that, and we actually got a local contractor who actually had trainees and apprentices. So we are using that same sort of model for our major construction projects—so the Gippsland Regional Aquatic Centre you would be well aware of.

The CHAIR: Yes, absolutely, as the former minister.

Mr PIASENTE: Former minister, yes. I nearly slipped up there and said ‘Minister’—sorry. In that, that is obviously part of the VIPP process. One of the challenges I suppose with some of those projects is making sure they actually do deliver. They put a bid in and they say they are going to have apprentices and trainees as part of their program and Indigenous employment as well, so one of the challenges there is actually monitoring that and making sure that they do deliver on that. That is something we are paying close attention to.

Similarly, we have trainees and apprentices. We work with Federation University on the intern program. I met with some of our interns even just this week, and it is the first job they have ever had in their career, through Federation University. So we are helping them through that pathway in our organisation so they understand how a workplace works and just the simple things for people to actually then go on and seek further employment. We only recently just started putting on apprentices in my term—a new approach. We did some years ago and it really worked. So for some of those new apprentices that is their first job obviously as an apprentice, and for some, whose families may not have had that aspiration to actually get into work, that has been a particular challenge. To find those people or get them to apply for roles is the particular challenge.

The CHAIR: That is the challenge.

Mr PIASENTE: Yes. So we pick some up, some of the other ones—people who have had families that have had aspirations and wanted to send their children to our workplace or others. That is a particularly challenging area for us, so we do interns, trainees, apprentices in our organisation. That is why I was working with other agencies and contractors—to make sure they do the same thing, and people procuring through us as well.

The CHAIR: I want to congratulate you, both Council and Shire. We have travelled the whole state and I think this is the best one that we have heard so far in terms of your engagement with social procurement, so thank you very much.

Mr BLACKWOOD: I told you we're good.

Ms CONNOLLY: On that, yes, I would agree with John. I come from the private sector, and they certainly had procurement policies. Disability meant that in a team of about 2000 people they would employ one person with a disability and could tick that box. I would really like to see some numbers. How many Aboriginal people do you employ? We just had the wonderful Cheryl here saying that they do not have jobs. How many are sitting in your Council, directly employed, of Indigenous background? How many with a disability? How many from social disadvantage? How are you measuring the success of the social procurement program? Are the numbers that you are employing or contracting to increasing? Have you got targets? You might not talk about quotas but targets. Do you have targets per year? How many contracts do you award to local businesses? What is that compared to how many are employed outside of it? I would really like to see a weighting and how that is working and how you are looking to improve it. I do not know if you can provide that off the top, but I am more than happy to take that on notice and have a look.

Mr PIASENTE: I am hoping Alison doesn't have the answer off the top, because I certainly don't.

Ms CONNOLLY: I understand if you do not.

Mr PIASENTE: If I can lead on this one, Alison, certainly measuring that performance is important. I think we are in that infancy from my perspective in our organisation. We do have in our organisation Joanne Brunt—she has been employed with us for 20 years; you might know of her—who is the Deputy Chair. She has been running through Indigenous employment programs that get people out in the workforce into other organisations. I know when I first started she was asking Charlie and me about within our own organisation, where we do have some Indigenous employers, but she is actually out there placing people. So we supported her in terms of the Indigenous employment program in our organisation, and she has done some amazing work in terms of placing some Indigenous employees out in the community into other businesses. So that is one example of something that does work quite well, and that is an initiative that has been in our organisation for a long time. She has been with us for 20 years, but that is an idea that could be, I think, replicated elsewhere.

The CHAIR: Excellent.

Ms LEIGHTON: From Baw Baw Shire's perspective, I do not have the numbers—

Mr PIASENTE: That's good to hear, Alison.

Ms LEIGHTON: But, look, we have about 400 individuals that are employed with Baw Baw Shire, and I can think of quite a number that have a range of different disabilities or special needs from a physical point of view as well as a large number who are Indigenous. So we can certainly provide that information to you. One of the challenges, though, I think from an employer's perspective is we will work with the not-for-profits in our area to try to find pathways into our organisation for Indigenous young people, and we want to make sure that we understand what their special needs may be within the workplace so we can support their successful transition into the workplace and then sustain them moving forward, but it is not necessarily something that we proactively ask them to let us know. So it is a sensitive issue in some regards, but we certainly can see what data we have and then get that back to the Committee.

Ms CONNOLLY: Can I ask you both: do you consider your Councils to be culturally sensitive and safe work spaces for Indigenous people?

Mr PIASENTE: That is an interesting question. I was contemplating when I was listening to the previous speaker around some of the issues that she had raised.

Ms CONNOLLY: Yes. It has been raised a couple of times about this culturally space safe space.

Ms LEIGHTON: From my perspective, I think Baw Baw Shire is on a continuum. So we have provided cultural awareness training. We have a fairly multicultural workforce, perhaps not as multicultural as Latrobe. So we take I guess our responsibility as an employer seriously in terms of making sure that we equip our team to be culturally aware, whether that be in a multicultural environment or whether that be working with Indigenous community members or Indigenous colleagues. Certainly I would say that there is room for improvement, but we are certainly committed to ensuring that our organisation understands what it means to be culturally aware and that we provide the appropriate training in that regard.

Mr PIASENTE: At Latrobe we are very similar. We have actually just been running a campaign over the last few months called This is Me for the organisation, just showcasing the level of diversity within our organisation that we are already aware of in terms of different backgrounds, cultural backgrounds and the like, so really educating the staff around the need to be tolerant and understanding of different levels of diversity and cultural backgrounds and the like.

Cr McFARLANE: And I think looking from outside our organisation into it, I observe that and I think our community observes that we lead the community into looking at it that way.

Ms RYAN: This is probably more a question for you, Alan and Steven. I think from a Gippsland perspective the elephant in the room is certainly, as you alluded to, some of those traditional industries, particularly for the Latrobe Valley and the future changes we might see there—the loss of obviously Hazelwood, and most recently the Government's decision also around the native timber industry. I guess when you consider the demographic profile of those industries, they are probably typically male and older and people who will struggle to make a transition into other industries. Are there key things government can be doing to ensure that those particular workforces have the best possible opportunity of finding employment going forward?

Cr McFARLANE: My initial comment is that I think we are seeing through the Latrobe Valley Authority that they have started that process to assist in the transition, particularly of that workforce, and I think they are putting out enough stats to say that they are having some success there. Obviously there are some people who fall off along the way. Again, just recently through the LVA we saw that they are taking the lead in the timber industry reforms too—to lead the way.

I think one of the beauties we have at the moment is that unlike the Hazelwood situation, where it all of a sudden happened and everyone was in panic mode, now we are at least planning for the future and looking ahead for the other power stations and now the timber industry. There is some time there to allow some of those processes to be put in place. There are probably still more things that can be done, but at least we have got a structure in there looking at it and starting to move things along a bit. Steve might have some more—

Mr PIASENTE: Yes. I think the work of the LVA, particularly in respect of worker transition and the transfer scheme, has been fairly good from my perspective, looking at how that has been operating. There are obviously some people who just decide not to—that older workforce might not be looking for a new role—and so they might just decide to retire or move somewhere else. But there are certainly people I know who have been through that transition scheme and it has been fairly successful.

I think our approach, and what is in our notes that I think you have received a copy of, is around working collaboratively for the future in terms of 'What does that transition look like?'—so talking to the Council, talking to the community about that. We have always said that we do not want to be in the position where, as the Deputy Mayor touched on, another power station closes and we are not ready for that. So it is that continual conversation about 'How do we transition the community?'. For me there has been a lot of government investment which has been great in terms of livability—our new aquatics centre as an example, the performing arts centre, investment in rail that benefits Gippsland and investment in the regional hospitals that benefits. So they are government investments. For me, the next piece of work is really around 'How do we ensure that

private sector investment comes and that they also contribute to pathways to creating jobs for young people, particularly all those that are disadvantaged?'. That is the key challenge that I see.

Ms RYAN: Do you have any data on how many of those Hazelwood workers have found employment and what kind of sectors they have gone into?

Mr PIASENTE: No. It is something we can ask the LVA. It has been a little bit hard to get that information at times, so it is something we could definitely ask them. Happy to take that on notice and follow that up for you.

Ms RYAN: That would be great. Moving forward obviously, as more of those situations potentially arise, it is important to know how many. And I assume that some of the other power stations have taken on some of those Hazelwood workers as well.

Mr PIASENTE: They have, yes.

Ms RYAN: So I think it would be really valuable to actually have an understanding of the profile of where they have gone.

Mr PIASENTE: Where they have gone, yes. I suppose it is not just the workers, it is the supply chain. So within Latrobe City the businesses that supported the power sector traditionally did not have to compete that hard, and so there has been a lot of work done with some of those businesses that were impacted by the Hazelwood closure—as an example, to develop business plans; simple things to help them see a pathway for the future. So some of those businesses are transitioning into work for the defence sector as an example, or work in renewables. That is a change for them, and they have not had to think about that in the past. So that is ongoing support.

There are other business now that will not be thinking about the future in Latrobe City that are still reliant on the current power stations. So educating them and helping them understand that there are alternatives beyond that and helping them to plan for the future, in addition to helping them plan for the workforce they need and working with the local providers, the TAFE and the like, to develop courses that meet their needs for the future, is important.

Ms CONNOLLY: I have got one on a completely different tangent to ask. I am just reading through the Committee notes here about a really high proportion of young people affected by drug and alcohol, I guess abuse, for want of a better word. At other hearings we have done, we have talked little bit about drug and alcohol testing. Given that comes around workplace health and safety—that people that slip up, make a mistake or repeated mistakes, actually lose their job—and that is a real barrier to holding onto a job and finding another job, that technique of making sure everyone is fit and well for work is actually affecting a lot of people, and particularly young people, and pushing them back to unemployment and unemployability. Do you have any comments around that? Is that something you guys have looked at and thought—

Mr PIASENTE: Yes, within our organisation it has been. It has only just started, the program we have implemented. We work with the unions around how this could roll out, so it is not about obviously saying, 'First strike and you're out'; it is actually about education of staff and making them aware of our expectations around health and safety. So there is a process now. For the first offence—first detection, sorry—it is really about educating them and understanding. I think even the second one moves it a little bit more down the track, but that ongoing, repetitive behaviour would probably leave to their termination. So obviously we cannot tolerate an unsafe workforce or workplace. It can move to the pointy end, but I suppose our approach is first to educate, and we understand that people do slip up, as you said. And we did work with the union about what is the right approach we should take in doing that, because they had some concerns about what would happen.

Ms CONNOLLY: Do you think it is something that really affects the Shire? We talked about a lot of people being employed in the power industry, and I imagine there that you have to be completely clean and you are tested randomly on a regular basis. Do you think that is something that could affect young people? The unemployment rate is dropping but it is still disproportionately high. Do you think that is something that as a committee we should consider—the ramifications of this?

Mr PIASENTE: Yes. I have not had an in-depth conversation with the power sector about how they approach it, but talking to the unions—our previous union organiser was also involved in the power stations—he said they took the same approach in what they did. As I said, I have not discussed it with them.

Ms LEIGHTON: From Baw Baw Shire's perspective, we are just in the process of reviewing our drug and alcohol policies, so we are having a lot of these conversations internally at the moment in terms of everything. So there are organisations I am aware of who take a zero-tolerance approach and there are others who take a more welfare-of-the-employee perspective and try to support them to change their habits, so to speak. I think from our perspective we need to just manage those tensions, particularly because we have got employees operating plant and equipment out in public and so there is a public liability risk-management factor we need to take into account. But obviously also we have a very strong responsibility to our team members to support them to transition to, I guess, a healthier lifestyle. So it is one where we have not landed on our approach yet, but we are looking at the approach in the public sector but also the private sector, who in my experience tend to take a more conservative approach in terms of not being as tolerant, particularly if it does impose risks to the public and so on.

But I would encourage the Committee to have a look at that issue because guidance to large employers like ourselves would be of assistance in terms of particularly evidence-based approaches to what has been shown to work in other large organisations would assist us in developing our policy. I would encourage it. It is not a huge issue for Baw Baw Shire, I must say. At the moment we manage isolated incidents, but still we need to have a policy position, and the testing regime question comes into that as well.

Cr McFARLANE: If I could just make a comment on that, I think it is worth taking a few steps back. We are fairly fortunate in Latrobe, where we have got a number of youth organisations—Youth Space, Youth Council and the likes—and those younger kids, from my observation, are putting much more importance on issues like drugs and alcohol, and I think it comes back to again getting that early intervention start. If we can use those groups who are really keen to make a difference in how we all end up, then that might flow on into more workforces like ours and the power and the likes. I think the kids are going to have a lot of say in how well that is going to happen, so I think they are the sort of target areas that we should be looking at.

Ms LEIGHTON: Baw Baw Shire, in the last 12 months, has signed up to the Communities That Care program; you may have heard of this prior. It is a program that is global in its nature, and it takes an evidence-based sort of long-term approach to reducing risk factors of young people. It starts off with a survey of about 1500 of our young people to determine their exposure to drug and alcohol and other primary risk factors and then it identifies activities and initiatives to put in place across the municipality to start to reduce that exposure. It is a very structured program. It is run by Berry Street in our municipality, supported by Baw Baw Shire Council, but it has shown in other parts of Victoria and across the globe to really significantly move the needle on some of those key risk factors around young people over a longer period of time. So exactly, it is around not only looking at the immediate issue now but how we can put in place preventative actions early in the piece to ensure that the people that are coming through our pipeline of employment have not been exposed to the significant risks that perhaps some of our young people are being exposed to now.

Mr BLACKWOOD: Just one quick one. Have you got an opinion on how well our schools and employment providers and service providers and industry are working together to try and target those disadvantaged?

Cr McFARLANE: I think in our area it is certainly working quite well. We have got a whole range of providers—having TAFE, having Federation University at one end, but then having the other community groups—and I think there is quite a good dialogue. I was saying to the CEO on the way down that I went to a recent opening of one of the providers and it was really good to see that in amongst their mix on their office opening day there were a number of disadvantaged people that I was familiar with. It was really good to see that they had made the effort to come down the street and walk in the door there, so that is a pretty good start. I think generally there is always room for improvement, but my observation is that that is working quite well.

Ms LEIGHTON: From Baw Baw Shire's perspective, and we were having this conversation earlier today, I think there is so much goodwill and so much passion around trying to make a difference and engage with disadvantaged jobseekers and young people. But it feels to me like it is a bit of a crowded space and it is a little

reactive and not necessarily strategic. So what will happen is we might receive approaches from social procurement organisations or not for profits who are looking to place their clients with us for a period of time. It is very sort of, 'We want to do this now. Are you positioned to be able to accommodate this request?', and often it is a bit difficult to do that in the short term. Whereas what I see as an opportunity is a sort of local area round table where all of those players can come together and plan a bit more strategically, so plan in the medium to long term around how we could engage with and provide support to those organisations.

There are a lot of players in Baw Baw Shire, and they all do a fantastic job and they all make a huge difference. But is there an opportunity to facilitate a greater degree of alignment and a sort of long-term plan so that not just the Council as a key employer but the West Gippsland Healthcare Group and organisations like Flavorite can all come together and take whether it is a regional or municipal-level approach rather than everyone kind of operating in a crowded space and then risking duplication.

The CHAIR: We have gone way over time. Thank you so much for being here this morning; it was very valuable. Thank you.

Ms LEIGHTON: Thank you for having us.

Cr McFARLANE: Thank you for having us.

Witnesses withdrew.