Regional Employment Strategy

1997/ 1998

GIPPSLAND AREA CONSULTATIVE COMMITTEE

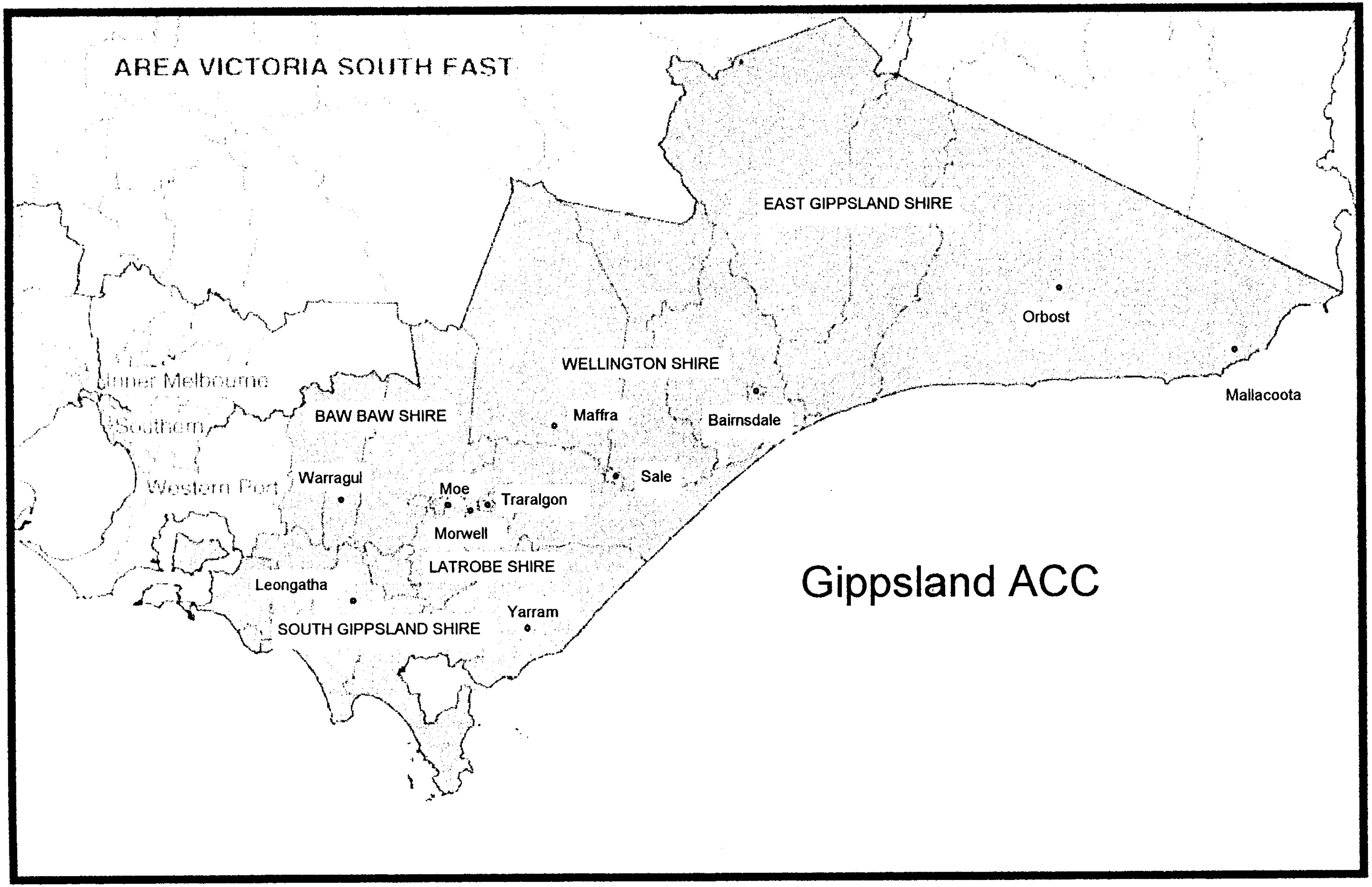

AREA VICTORIA SOUTH EAST
EAST GIPPSLAND SHIRE
Orbost
Mallacoota
WELLINGTON SHIRE
Inner Melbourne
BAW BAW SHIRE
Maffra
Bairnsdale
Southern
Western Port
Warragul
Sale
Moe
Traralgon
Morwell
LATROBE SHIRE
Leongatha
Yarram
SOUTH GIPPSLAND SHIRE
Gippsland ACC

TABLE OF CONTENTS

GIPPSLAND AREA CONSULTATIVE COMMITTEE
REGIONAL EMPLOYMENT STRATEGY
1997 - 1998

The Gippsland ACC covers the local council areas of Baw Baw, Latrobe, South Gippsland, East Gippsland and Wellington.

The major towns in the region are Warragul, Moe, Morwell, Traralgon, Sale, Bairnsdale, Leongatha, Korumburra, Yarram, Maffra, Orbost and Mallacoota.

1 THE COMMITTEE

1.1 NAME

GIPPSLAND AREA CONSULTATIVE COMMITTEE

1.2 COMMITTEE MEMBERSHIP

The membership of the committee has recently undergone considerable change and is now constituted as follows:

1.2.1 CHAIR

Professor John ANDERSON, Head of School of Business and Electronic commerce, Monash University, Churchill.

1.2.2 DEPUTY CHAIR

Mr Bruce CONNOLLY, VEDA, Bairnsdale

1.2.3 MEMBERS

Robyn COONEY	South Gippsland Bass Coast Development
Graham DYER	Dyers Gippsland Transport
Pamela ELLIOTT	Workways, Bairnsdale
Ross FENBY	Gippsland Trades and Labour Council
Barbara JOHNSON	McMillan College, University of Melbourne, Warragul
Anton KARDASH	Kilmany Family Care, Bairnsdale
Kevin KENNEDY	Gippsland Group Training, Morwell
William PANTHER	Panthers's Mensland, Morwell
David POWER	Kevin Davine & Sons, Moe
Krystyn REJMER	Australian Chamber of Manufactures, Traralgon
Esme THOMPSON	Koori United Sporting Club
Chris WHITE	Latrobe Shire Council, Traralgon
Doug WOLMERSLEY	VECCI, Traralgon

The committee is the policy making committee with voting rights which will make decisions on the use of funding.

In addition to the committee there are three geographically based hubs which are non voting bodies. The function of these hubs is to relay local information to the committee and to make policy and project suggestions.

The membership of the hubs is as follows:

South Gippsland Hub

Robyn COONEY (Chair)	South Gippsland Bass Coast Development Board
David EDWARDS	South Gippsland Personnel
Helen MAIDMENT	South Gippsland Industry Education Partnerships
Ross SVENSON	Delta Lane, Buffalo
Paul HEMMING	Boumatic, Leongatha

Latrobe Valley/ West Gippsland Hub

David POWER (Chair)	Kevin Davine & Sons, Moe
Barbara JOHNSON	McMillan College, Warragul
Keith LOVELL	Latrobe Personnel
Marianne MAYNE	Dept of Human Services, Morwell
Joe PIPER	Central Gippsland Institute of TAFE
Tony OSLER	VECCI
Eric THORNE	Doloitte Workplace Strategy

East Gippsland Hub

Bruce CONNOLLY (Chair)	VEDA, Bairnsdale
Bruce GRAHAM	Wellington Shire Council, Sale
Paul HARPER	East Gippsland Access Program, Bairnsdale
Valerie AHEARN	ACES, Sale
Genevieve KELLY	East Victoria College of TAFE, Bairnsdale

Members of the committee who reside in the geographical area of the proposed hubs will be invited to attend hub meetings at any time.

1.2.4 DEETYA REPRESENTATIVES

Tom DINSMORE	Regional Manager, Morwell
Erica LOVEL	Marketing and Regional Assistance, Area South East Victoria

1.2.5 EXECUTIVE OFFICER

Diane CAMERON

65 Elgin Street, Morwell
PO Box 537, Morwell 3840

Telephone	(03) 5132 1764
Mobile	018 310 600
FAX	(03) 5133 7763

Advertising and networking is anticipated to attract further industry and business membership both to the ACC and its hubs.

2 REGIONAL LABOUR MARKET PROFILE

2.1 LOCATION

The Gippsland ACC covers the local council areas of Baw Baw, Latrobe, South Gippsland, East Gippsland and Wellington.

It encompasses the area from the north eastern border of Victoria (Orbost) to the Victorian south east, bordered by Bass Coast Shire, with an area of 41,000 square kilometres.

Major towns are Warragul (in the sub region of West Gippsland), Moe, Morwell and Traralgon (in the sub region of the Latrobe Valley), Sale, Bairnsdale, Maffra, Orbost and Mallacoota (in sub region of East Gippsland), and Leongatha, Korumburra and Yarram (in the sub region of South Gippsland).

2.2 POPULATION

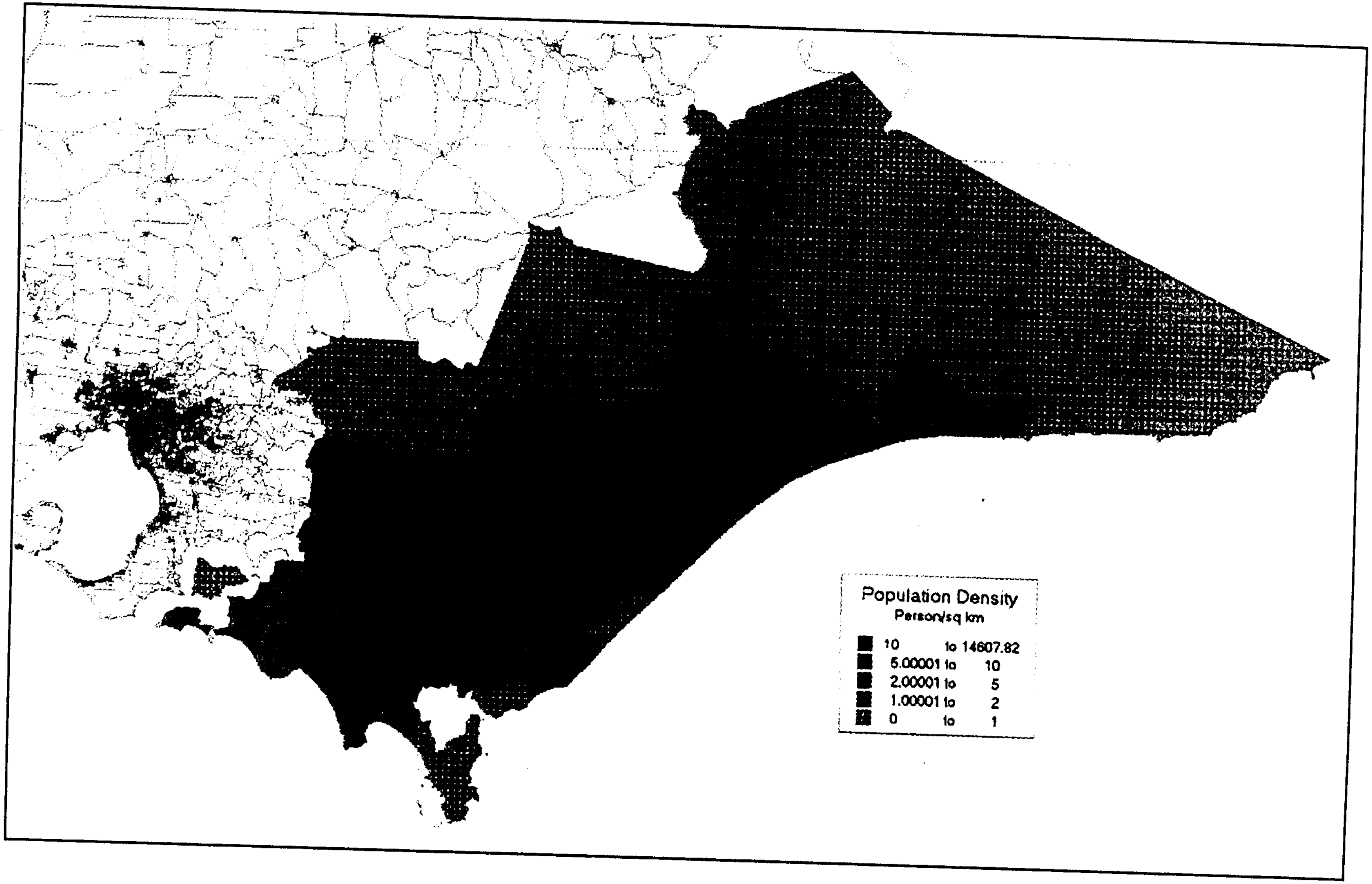
The population of the region is **225,799** persons.
(Source: Integrated Regional Data Base, Census 1991)

However, estimates from the relevant shires, show the following population and distribution - the difference is most probably due to the 1996 census figures quoted by Latrobe Shire which reflect a fall in population. This declining population is a trend in the Latrobe Valley where approximately 1000 people leave the area annually.
(Source: "Population and Ethnicity in the Latrobe Valley: A Statistical Outline" Family Research Action Centre, October 1995)

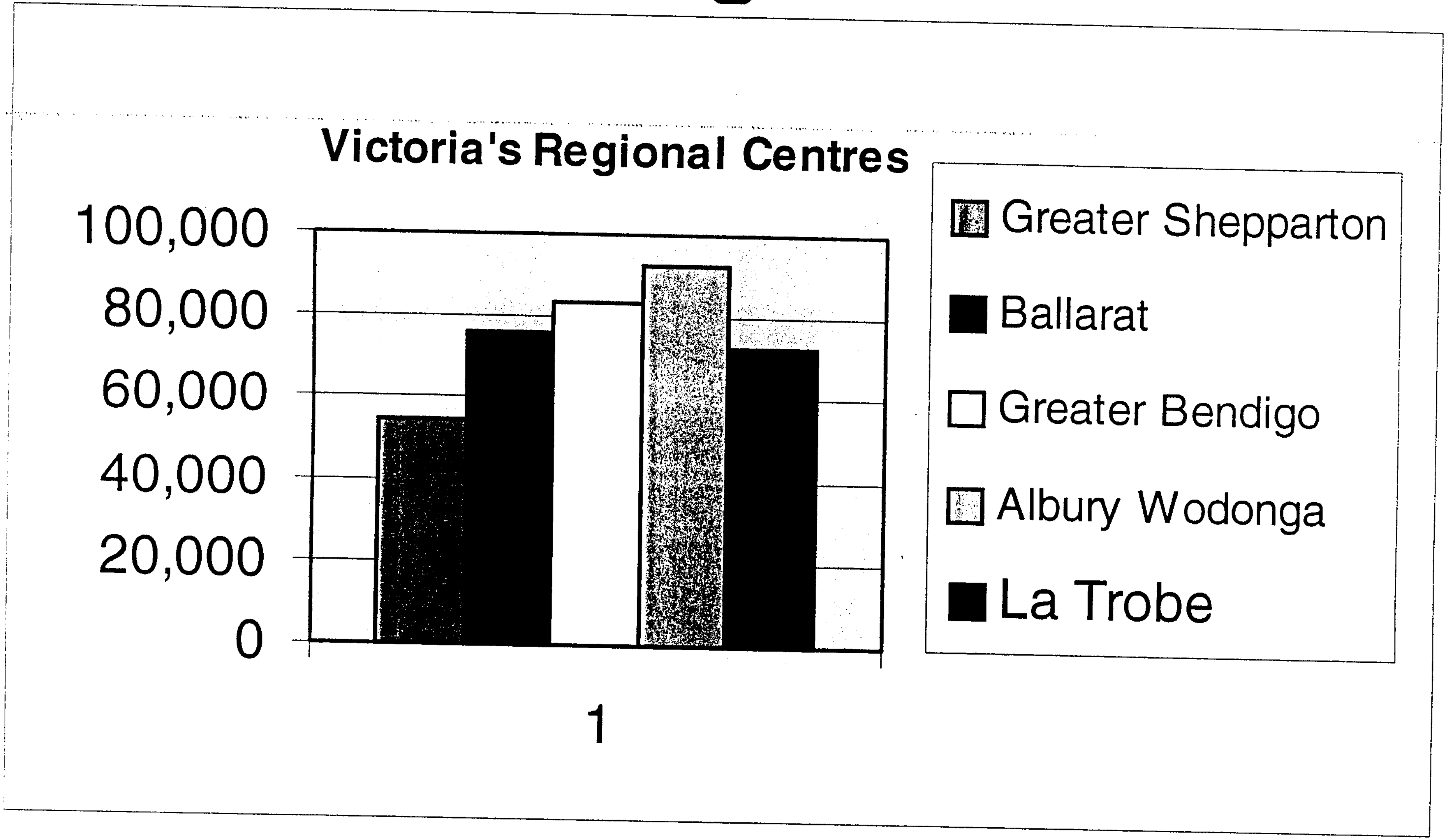
Baw Baw Shire	**38,865***
• Warragul	12,924
Latrobe Shire	**72,561** *(Source 1996 census)*
• Moe	16,719
• Morwell	26,462
• Traralgon	24,355
South Gippsland Shire	**26,154***
• Leongatha	3,999
• Korumburra	2,891 *(Source - 1991 census)*
Wellington Shire	**44,000***
• Sale	13,857
East Gippsland Shire	**38,349***
• Bairnsdale	18,005

(estimates from the relevant shires, more up to date figures will be available in June 1997)*

Population Density, Gippsland



La Trobe Valley
-A Major Regional Centre



2.3 POPULATION CHANGE

Gippsland's population increased from 1981 to 1994 by 17%, representing an average annual increase of 1.2% which compares to a similar rate of change for Country Victoria and Victoria as a whole over the same period, which each experienced growth rates of 1.1% and 1.2% respectively.

Population growth rates in Gippsland, particularly in the Baw Baw, Latrobe, South Gippsland and Wellington Shires, diminished substantially between 1986 and 1991, partly due to a decline in economic activity, most notably in the Latrobe Valley. .

Despite its youth, Gippsland's population is aging rapidly, and over a ten year period to 1991, the proportion of Gippsland residents aged between zero and 29 years declined slightly while the number of middle aged to elderly residents increased, most notably in the 40 - 49 and 60 plus age groups.

The declining population in the 20 - 29 year age group illustrates a significant drain of the regions youth to other areas, particularly towards the wider employment and educational opportunities of the metropolitan area.

(Source: Gippsland Region, Economic Development Strategy, August 1996 - Gippsland Development Ltd)

2.4 POPULATION GROWTH

Population projections indicate a possible growth of approximately 22,500 by the year 2011, or by approximately 10%, representing an average annual increase of 0.7%. this compares with a projected Victorian population growth rate of 13% or 0.76% per annum for the same period.

The rate of population growth forecast for East Gippsland in the next fifteen years is relatively high (1.3% per annum), whereas the rate of change anticipated for Latrobe Shire is fairly static (0.1%per annum).

East Gippsland's projected rate of population change can be largely explained by the anticipated rise in the numbers of retirees moving to the shire to take advantage of the area's lifestyle opportunities, while fairly static growth in the Latrobe Valley can be expected due to the anticipated further decline in economic activity and employment opportunities in the area, as a result of further projected industrial restructuring, in particular that of the power industry.

(Source: "Economic Profile: Resources Audit" Spiller Gibbins Swan Pty Ltd, 1996)

2.5 ETHNICITY

Over 80% of the people of the Latrobe Valley were born in Australia or New Zealand. Those born in Europe or countries of the former USSR accounted for most of those born overseas. The proportion of people who were born in Asia is about 1% or a quarter of the corresponding percentage for Victoria as a whole.

In the decade from 1981 - 1991, the proportion of people from non English speaking backgrounds in the Latrobe Valley declined from 10% to 9% - approximately 6,300 people. This differed from the state average where the corresponding proportion of the Victorian population increased from 14% to 17%.

(Source: "Census 1991: Community Profile, Latrobe Valley." ABS)

2.6 THE INDIGENOUS POPULATION

The term 'indigenous', as used here, refers to all Australian Aboriginal and Torres Strait Islander people.

In the 1991 census the recorded population of Aboriginal and Torres Strait Islander people in the Latrobe Valley was 506 but the local Aboriginal community estimates that a more accurate figure is between 1500 - 2000 people, due to the transient nature of their lifestyle, and an increasing high number of people who are claiming aboriginality.

There is also a large, well established indigenous community in East Gippsland at Lake Tyers, but accurate figures were not available for this area.

In the Latrobe Valley, the 1991 census recorded the unemployment rate as being about 28% or more than twice the prevailing rate among the general population (13%). The first national survey of Aboriginal and Torres Strait Islander people recorded that in 1994, the unemployment rate among indigenous people in Victoria was 38%, compared with 10% among the general population. About one third of unemployed people from both the general and indigenous population , had been without paid employment for a year or more.

The participation rate (that is, the proportion of people aged 15 or more, who were seeking employment or in paid work) was 65% among the indigenous and general populations.

(Source: "Population and Ethnicity in the Latrobe Valley, A Statistical Outline" Family Research Action Centre Inc, October 1995)

2.7 DEETYA CLIENTS

The total labour force for the region was 101,900 at December 1996. The unemployment rate was about 10.8% compared to 8.4% nationally.

Declines in employment by sector were:

- wholesale and retail trade 2.7%
- accommodation, cafes and restaurants 2%
- electricity, gas and water supply 1.7%

Indigenous clients comprise 2% of the total allowees in the Gippsland Region compared to 4.5% nationally. Eastern Gippsland has the highest concentration of unemployed Aboriginal and Torres Strait Islander people in this region.

Young jobseekers (aged 15 - 20 years) total 3566 of which 76% are in receipt of allowance. The highest concentration of unemployed youth in this region is in the Western Gippsland area. Youth unemployment in Eastern Gippsland is also significantly high, however, is less than half of that of Western Gippsland.

(Access to accurate figures is difficult, and community consultation and anecdotal evidence suggests that these figures are much higher.)

People with disabilities comprise 14.2% of the allowee population compared with 15.4% nationally.

Migrants represent 5% of the total allowees compared with 15.7% nationally. The highest concentrations on non English speaking unemployed in this region is in the Western area of Gippsland.

(NB Western Gippsland in this definition includes the Latrobe Valley and should not be confused with the West Gippsland sub region).

(Source: DEETYA, Regional Employment and Purchasing Unit "Labour Market Region: Gippsland, Vic")

2.8 THE LABOUR FORCE

The labour force consists of those people who are aged 15 years and over who are currently employed (full time, part time or casual) and those who are unemployed but who are currently seeking work.

The 1991 census indicated that labour force participation in Gippsland is 71% which is equivalent to that of country Victoria but lower than for Victoria as a whole, which is 73%.

As of 1991, professional and service sector employees accounted for approximately 57% of Gippsland's resident labour force and indicates a general shift in the economy towards tertiary sector activities. Labour intensive industries (tradespeople, labourers, plant and machine operators) comprised 36% of the region's labour force in 1991 but this figure will have changed significantly since the restructuring of the power industry over the past five years.

2.9 SCHOOL RETENTION RATES

School retentions rates have dropped over the past 5 years from 77.9% in 1992 to 62.7% in 1996. This is due in part to the migration of people from the Latrobe Valley following the restructure of the power industry but the Department of School Education has expressed concern over the figures, especially since this region is now higher than country Victoria.

	Victoria	Gippsland	Non metro
1988	48.2%	45.3%	
1989	52.6%	49.9%	
1990	57.8%	58.6%	56.9%
1991	71.0%	74.4%	68.3%
1992	78.4%	77.9%	76.8%
1993	76.3%	76.6%	76.4%
1994	74.2%	75.4%	70.6%
1995	70.6%	67.1%	68.5%
1996		62.7%	68.1%

2.10 INDUSTRIES

The industries employing the largest numbers within the region are:

- wholesale and retail trade 20.4%
- agriculture, forestry & fishing 15.2%
- manufacturing 11.4%

Bairnsdale sub - region

The estimated population of the Bairnsdale sub-region is 18,005 and accounts for 9.1% of the region's employed persons.

Major employing industries are timber logging, chipping and value added processing, tourism, retailing, Public Service, education, agriculture (vegetable growing and packaging), dairy farming and fishing.

There is little growth in the sub-region industries at present and employment levels are not increasing, although some potential exists in the tourism, vegetable and dairy industries. Timber harvesting/production is expected to moderately decline and the public service sector has contracted over the past two years.

There are commuting difficulties for workers travelling to areas outside the towns in the area and the closure of the Bairnsdale to Melbourne rail link has impacted negatively, although there are moves being made to examine the feasibility of re-opening it.

Sale sub-region

Sale's estimated population is 13,857 and 10.7% of the region's employed persons reside in this sub-region.

The major industries are agriculture (fruit growing and processing), oil and gas, retail, plastics and the RAAF.

The development of the proposed Eastern Gas Pipeline is expected to attract industry to the area, Fulham Prison, which has replaced Sale Prison, will have spin off benefits for local tenders of service provision to the prison. Dairy processing is expected to experience growth. Health and welfare services are static, education services have declined along with non-specific engineering and metal fabrication sectors.

Traralgon/Moe/Morwell sub-regions

The population of this sub-region is 67,537 and 16.2% of the region's employed persons reside here.

Major employing industries are education (including tertiary), wood and paper products, power generation, food processing, dairy, retailing, health services and services to industry.

There is projected growth in food processing, paper manufacturing and education, particularly in the areas of engineering and power generation.

Between five and seven thousand jobs have been lost in the area since the State Electricity Commission was privatised. Some have found work with local contractors and further Privatisation in the power industry is projected.

Warragul sub-region

The estimated population of this sub-region is 12,924 which is 9.3% of the regions employed persons.

Major employing industries are agriculture (dairying and horticulture), services including health, education, government, agriculture, retailing and manufacturing, particularly dairy processing.

Dairy production and manufacturing is expected to show growth, as is value adding to timber. Tourism is also growing but retailing is facing strong competition from large regional shopping centre developments in major cities nearby.

(Source: DEETYA "Labour Market Region: Gippsland" Regional Employment and Purchasing Unit)

Leongatha/ Korumburra sub-region

South Gippsland's sub region, with twin regional centres, and an estimated population of approximately 6,980 is significantly smaller than other sub-regions. However, the percentage of the regions employed people is higher, approximately 20%. Unemployment is also lower than that in other parts of Gippsland.

Major employers are agribusiness, retail, wholesale and manufacturing sectors. The sub-regions lack of government services is reflected in the employment statistics.

A growth in agriculture and horticulture diversity is forecast. Increased tourism product is making a distinctive mark on local development.

Improved transport links, quality of life and the growing Cranbourne corridor under pin the potential for long term economic development.

School retention rates

South Gippsland goes against the Gippsland trend. A higher percentage of students continue on to V.C.E. In fact, the attached data supports the case for increased tertiary courses at Leongatha TAFE and McMillan Campus.

Issues that need to be addressed

Gaps in industry training within South Gippsland, in particular the Dairy Industry, result in deficiencies in the labour market. Basic positions, such as a laboratory assistant, are often filled from outside the region and sometimes interstate.

2.11 MAJOR ISSUES WHICH NEED TO BE ADDRESSED

- Global economic impacts and the changing nature of industries;
    - the change in employment roles
    - the emergence of farming as a legitimate small business
    - further projected redundancies in various industry sectors

- Skill shortages in specific industries

- Sustainability of rural communities
    - lack of focus on regional areas by governments
    - forest industry

- Problems with education/ industry links.

- High levels of youth unemployment.

- Lack of accurate unemployment statistics, and lack of understanding of the statistics available.

2.12 SOME AREAS OF ECONOMIC OPPORTUNITY AROUND WHICH EMPLOYMENT STRATEGIES CAN BE BUILT ARE:

- Tourism

- Small Business

- Retail

- Aquaculture

- Co-operatives in agriculture - enterprise production

2.13 REGIONAL EMPLOYMENT STRATEGIES

1 **To identify regional skills needs with a view to creating employment.**

ACTIONS
- To determine the skills of the people who are unemployed in the region
- to determine the skills which are required by the industries of the region
- to match the skills of the unemployed to opportunities in the region and to facilitate appropriate training
- as a tool to foster the links between the ACC and industry in the region - thereby giving industry a voice in Government policy development with respect to Labour Market issues
- as a tool to foster links between the ACC and local governments to achieve employment growth

2 **To stimulate employment growth in the region through business growth**

ACTIONS
- to identify industries which may develop in the region given initial support
- to assist disadvantaged groups to become self sufficient through supporting and assisting their business initiatives eg Indigenous Australians, youth, women

- assess the viability of business incubator proposals which are now before the committee and priority list them so that they can be submitted for funding as it becomes available
- to link prospective business proponents to organisations which can assist them in formulating ideas, drawing up business plans and conducting feasibility studies
- to link organisations to alternative sources of funding
- contact, and maintain contact with key industry bodies:
    - Federal and State agencies
    - Business Groups
    - Community groups
    - Shires

3. To actively assist the local Aboriginal community to identify solutions to employment issues within their cultural framework, and to assist them to access the resources required for their implementation, and to access and have input into local decision making processes.

WHY?

- unacceptably high unemployment rates in the local Aboriginal community
- disadvantaged by cultural barriers to employment and community perceptions
- disadvantaged by distance and remoteness
- comprise a significant proportion of the population in the Latrobe Valley and East Gippsland
- capacity to be disadvantaged in the new employment services market

disadvantaged in community decision making processes

ACTIONS

- hold consultations with community members to canvass their views on solutions, and to take appropriate action
- to liaise with education institutions and training providers to facilitate apprenticeships/ traineeships
- cross-membership of the ACC and Aboriginal organisations
- regular liaison and networking with ATSIC and local Aboriginal co-operatives and other Aboriginal organisations
- assist in the development of business incubators incorporating mentoring
- to facilitate pre employment training for young people
- to investigate the possibility of the employment of a Project Officer/Vocational Officer to actively canvass employers for positions and to provide post placement support, to assist with job search through Aboriginal specific Job Clubs and resume writing, career selection etc
- provision of information workshops on assistance available particularly with new apprenticeships and traineeships
- close liaison with the DEETYA Aboriginal Liaison officers and Youth Officers
- facilitation of an Aboriginal leadership program
- linking Aboriginal groups to other groups in the community which perform a similar function in order to foster a flow of information

4. To encourage and implement measures and programs which will prevent and/ or alleviate local youth unemployment viz youth business incubators, vocational training, skills based training, return to school initiatives traineeships and apprenticeships.

WHY?
- rapidly falling school retention rates
- extremely high levels of youth unemployment in Gippsland
- lack of opportunities for young people is forcing them to leave the region
- young people need skills that are often only learnt in the workplace, therefore a coordinated industry/schools approach to give young people the opportunity to acquire those skills is needed, while the students are still at school

ACTIONS
- Consult with young people through forums
- Youth representation on ACC hubs
- youth RES developed from youth forums
- liaise with other agencies offering support and advice to young people
- assist and support the VET programs and initiatives in the region
- educate employers on the need to support young people in the workplace through addresses to Chambers of Commerce, Industry Training Councils and Business groups
- maintain links and networks between education providers and industry to assist in the promotion and facilitation of employment and training initiatives.
- market the ACC as a contact point for employers to become aware of training that is available and DEETYA programs and subsidies.

5 To provide advice to the Minister as specified in the charter.

WHY?
- To fulfil contractual obligations
- to give Gippsland representation in policy making.
- to give feedback to the Minister on employer satisfaction with the new employment services market, and to suggest improvements or local adjustments to ensure equity in the provision of services in the local community

ACTIONS
- Following discussion and deliberation of issues presented to the ACC by the Minister provide written responses to those requests
- to provide written information on regional/training initiatives to the Minister for consideration in policy development or funding
- to report on employer satisfaction with the new employment services market (EPEs and PEPEs)