REGIONAL DEVELOPMENT SOUTH AUSTRALIA

REGIONAL WORKFORCE PAPER

PROJECT REPORT

REPORT MAY 2021

FOREWORD

Enabling regional South Australian employers to access suitably skilled staff is critical to the sustainability and growth of the state, as highlighted in the recently released Regional Development Strategy, *Regions Matter*, April 2021. "Our regions are the backbone of our state and the economic powerhouse that drives prosperity for all South Australians. The regions contribute around $29 billion per year to the state's economy," (Government of South Australia: Department of Primary Industries and Regions, 2021).

Regional Development South Australia, representing the state's eight Regional Development Australia (RDA) organisations, has taken the lead in commissioning a comprehensive review of the accessibility of an available and skilled workforce in regional South Australia. The Boards are chaired by respected and experienced community leaders who are passionate about their regions and the state of South Australia. The RDAs are integral economic development enablers that play a vital bipartisan and leadership role in regions, working with stakeholders to create sustainable and prosperous regional communities.

This report includes an analysis of the opportunities and barriers to filling current job vacancies and meeting the needs for identified skills. First and foremost, however, the report identifies a significant economic opportunity. The forecasted regional economic investment over the next five years is currently estimated at $31.2B across the seven-state government regions. Delivering 10% of this potential investment in the next year will result in an estimated 12,480 additional jobs in South Australia. The timing and opportunity to deliver these jobs (and the economic impact that this would create), however, is related to the availability of both an ongoing and appropriately skilled workforce.

Attracting and retaining the workforce in regional South Australia is a long-term and complex issue that has restricted regional economic growth for some time. Covid-19 has thrown these needs into sharp focus and as we move into the pandemic's economic recovery phase, the need to fill current job vacancies and unlock future growth is becoming increasingly vital. Regional Development South Australia (RDSA) is working collaboratively and urgently alongside the government, communities and industries to ensure the retention of existing employers in regions, their growth, and that residents have the skills and support needed to engage in work.

The report also provides a snapshot of 'what needs to change to deliver job vacancies in regional South Australia', highlighting the key enablers and recommendations for how RDSA can continue to work with government, industry and regional stakeholders to enable change that delivers jobs and economic growth. Investing in job-creating and economic solutions will have a significant impact not only on regions but on South Australia as a whole. Each job filled is another wage invested into a regional community and another business able to grow its capacity, productivity and output. With an estimated nearly 2,000 vacant jobs in regional South Australia, the associated economic impact is significant.

To fill current job vacancies and capitalise on the pipeline of potential growth, RDSA recognises the need to work with stakeholders to address a complex set of workforce needs. This report prioritises these needs, identifying the top five areas for action:

1. Housing supply for seasonal, temporary and permanent regional workers;
2. Employment readiness pathways;
3. Regionally based workforce resources to support employers and job seekers;
4. Increased business human resource management capacity and capability; and
5. Migration program reform.

We entrust the report and its recommendations to you as a catalyst for unlocking jobs and investment growth in regional South Australia, in what could emerge to be a once in a generation opportunity.

Hon Rob Kerin

Chair, Regional Development South Australia

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EXECUTIVE SUMMARY

PROJECT OUTLINE

Regional Development South Australia (RDSA) consists of eight South Australian Regional Development Australia (RDA) organisations that, with tripartite government funding[1], are the key economic development agencies in regions. Regional Development Australia Adelaide Metropolitan Inc. engaged Leonie Boothby & Associates Pty Ltd on behalf of RDSA to develop a Workforce Policy Paper. Leonie Boothby & Associates Pty Ltd (LBA) subsequently engaged McGregor Tan / expy to assist with undertaking background research.

RDSA has identified in its brief that this is the start of a process to identify issues and opportunities and to provide a baseline of evidence that can inform regions and Governments of the future. The primary objective of the report is to stimulate a discussion of solutions to the issues that COVID-19 and the Regional Workforce Coordination and Collaboration Project have highlighted.

This report has been developed to inform RDSA of the opportunities to address the short, medium and long term needs of the regional labour force.

BACKGROUND

An unprecedented opportunity exists in regional South Australia, to deliver economic and population growth for the benefit of the regions and the state as a whole. To deliver the growth potential, existing regional labour forces should be engaged and workers should be attracted to regions from metropolitan South Australia, interstate and overseas.

The economic and social impacts of COVID-19 ('Covid') are varied across industries, regional communities and individual businesses. The continued vulnerability to interstate and international border closures are impacting numerous industries and their access to international labour.

Whilst the consequences of Covid are significant in regional South Australia, so too are the opportunities. As noted in the RDSA Regional Blueprint, September 2020, "There is an emerging trend of those living in highly populated cities seeking a new life in regional areas; as they adjust to new working from home measures and the advent of new technologies". The pandemic has effectively put a spotlight on the benefits and attractiveness of living in rural regions. It has shown that many people can work from anywhere and has highlighted the social and health benefits of rural living. This key change thus presents a once-in-a-generation opportunity for regional South Australia to work collaboratively to attract workers and families to regions and therefore deliver growth.

It is noted that these challenges exist Australia-wide and as such, regional South Australia is faced with the difficulty of not only addressing these issues but also competing for the same workforce and for funding to deliver the required initiatives. Despite the unique challenges and opportunities that the impacts of Covid present, attracting and retaining an available workforce in rural and regional areas is a long-term issue with complex challenges.

Key enablers to delivering growth include:

- ❖ Identifying and addressing skilled and unskilled labour supply needs in each RDA region – in the present and future
- ❖ Creating employment-readiness pathways.
- ❖ Addressing housing shortages across regional SA; short, medium and long term.
- ❖ Developing and implementing workforce attraction strategies concerning vacancies needed skills and the forecasted industry growth.
- ❖ Seeking changes to international migration programs; increasing and accelerating access to a migrant workforce as a permanent component of the regional labour supply chain.
- ❖ Addressing the existing social disadvantages for the local workforce and reducing current levels of

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[1] *RDA Adelaide Metro is funded only by the Australian Government Department of Infrastructure, Transport, Regional Development and Communications, with a direct reporting relationship. It seeks to create economic development growth by fostering opportunities within and across the seven other South Australian RDA regions.*

unemployment and underemployment.

❖ Delivering place-based workforce solutions and regionally embedded workforce resources.

❖ Increasing human resource management capacity and capability in small business, thus creating top choice employers.

These key enablers address the long existent barriers to regional economic growth, which have been thrown into sharp focus by Covid. The pandemic has also identified opportunities and challenges, which has led to economic and public policy discussion and debate.

South Australian Government Seasonal and Regional Workforce Program

From January to June 2021, the South Australian government committed to investing $4.45m in order to mobilise the seasonal and regional workforce and respond to the challenges of the coronavirus pandemic. Administered through the Department of Primary Industries and Regions South Australia (PIRSA), the program includes short-term grant funding (January to July 2021) of $100,000 for each RDA ($0.8m in total) to deliver a Regional Workforce Coordination and Collaboration Project (RWCCP).

The RWCCP program aims to link employment opportunities with job seekers, focusing on filling seasonal and tourism/hospitality vacancies.

As a requirement of the RWCCP project grant funding, RDAs agreed to:

❖ Establish frameworks and systems to ensure long term workforce coordination services 'in region' through public and private partnerships.

❖ Collaborate with other SA RDAs to identify and establish frameworks and systems to enable long term workforce coordination services that can be adopted state-wide, and those that require a place-based (region-specific) approach.

❖ Collaborate with other SA RDAs to develop a business model to enable public/private partnerships to systemically support and enable long term workforce coordination services in the region.

❖ Collaborate with other SA RDAs to identify and summarise workforce issues, needs, and constraints that are state-wide and region-specific to present to the Regional Workforce Advisory Group and other relevant Government agencies.

This report supports RDAs to meet these requirements and provide information and recommendations for consideration by the South Australian Government. The recommendations address both short and long term skilled labour challenges and opportunities.

HOW THE REPORT WAS DEVELOPED

Consultants

Aligned with the short-term nature of the RWCCP project, the delivery timelines for the development of this report were extremely tight. In line with project timelines, the report has been informed by a base level of consultation conducted with a range of stakeholders including:

❖ All 8 x RDA RWCCP team members and CEOs

❖ South Australian Government agencies including:
  ▪ PIRSA
  ▪ Department of Premier & Cabinet
  ▪ Department for Innovation & Skills (DIS)
  ▪ TAFE SA
  ▪ Renewal SA
  ▪ South Australian Tourism Commission (SATC)

❖ External stakeholders and subject matter experts including:
  ▪ Australian Government Department of Education, Skills and Employment
  ▪ Australian Government Regional Employment Facilitators
  ▪ Local Government Association SA (Dr Tom Caunce)

- Regional Australia Institute (Dr Kim Houghton)
- PassivePlace (Nicholas Lane)

The report has been further informed by findings from the extensive pre-project stakeholder consultation undertaken by Regional Development Australia Adelaide Metropolitan Inc. with a range of organisations across the education and training sector, industry peak bodies, transport providers, Job Service providers, State Government, Local Government Association SA, community housing and services organisations and a selection of large employers.

Data

RDA and stakeholder assistance was sought to gather evidence and intelligence (data/information/literature) to determine:

- ❖ Descriptions of the 'ecosystem' for the regional workforce (employers and workers and including barriers and enablers)
- ❖ Descriptions of the key challenges and opportunities
- ❖ Descriptions of the potential solutions

The breadth and depth of the literature review was impacted by the timeframes for project delivery. Literature materials reviewed are referenced throughout the report.

Research

Desktop research was undertaken in line with the requirements of the project brief provided by RDSA, to 'identify localised best-practice workforce solutions nationally and internationally and detail what has worked well and why'. International research was limited to Canada and New Zealand and national research included both national and interstate information sources.

The focus of the research was to source information (in order of priority):

1. Reducing regional unemployment and underemployment levels including:
   - Addressing identified regional skills shortages
   - Creating education pathways aligned to regional skills gaps
   - Addressing regional labour market disadvantage
2. Addressing regional housing shortages (including case studies)
3. Interstate and international workforce attraction (including addressing current challenges in accessing international labour)
4. Regionally based workforce support resources/expertise
5. Changes to the nature of work

The breadth and depth of research results were impacted in some areas by the availability of information and in others, by the timeframes for project delivery. Research materials reviewed are referenced throughout the report with additional links provided to further potentially valuable reference materials not extensively reviewed as part of this project.

It is noted that the requirement for concurrent delivery of consultation and research components of this project to meet set timelines increased the complexity for matching applicable research to the challenges and opportunities identified during the consultation.

Analysis

Consultation and desktop research each focused on the core question: What needs to change to ensure that regional job vacancies are filled, and skills needs are met? The findings from the consultation and research stages have informed the development of this report.

The South Australian Regional Development Strategy was launched on 20 April 2021, towards the end of this project period; where possible, outcomes have been cross-referenced in this report.

Recommendations

The core outcome for this project was the development of a 'top 5' set of recommendations ranging from

immediately deliverable, to a 5-year timeframe for public/private sector/RDA collaborative delivery that addresses regional workforce opportunities and challenges.

RDAs have around twenty years of experience in delivering workforce programs for the Australian and State Governments. Their insight, experience and regional knowledge have contributed significantly to the development of recommendations outlined in the report. Engagement with Government, particularly the Department for Innovation and Skills also provided valuable feedback that has contributed to the suggestion of solutions to what are, a set of extremely complex challenges.

The report highlights a range of regional workforce challenges that reflect both current market conditions and systemic market failure. It is recognised that a number of these challenges are long-term and will not necessarily be easily resolved in the short-to-medium term.

Recommendations developed have been informed by consultation and research and are aimed at:

- ❖ Getting people into available regional jobs to reduce unemployment and underemployment
- ❖ Getting people into learning pathways aligned with regional skills shortages (current and future)
- ❖ Providing the skilled workforce needed to deliver economic and population growth through interstate and international migration
- ❖ Providing key enablers for the above including housing, transport and regional workforce/skills resources
- ❖ Increasing employer human resource management capacity and capability to retain and grow regional workforce

KEY FINDINGS

In order to fill current vacancies and deliver growth, the existing available labour force in regions needs to be activated and workers attracted to regions from metropolitan South Australia, interstate and overseas.

The ecosystem of a regional workforce:

Work ready & suitably skilled local workers **+** Internal migration (SA metro, interstate metro & regions) **+** International migration – skilled and unskilled

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Required regional labour force

Key enablers:

Increased housing supply **+** Employment readiness pathways **+** Regionally based workforce resources **+** Increased business HR capacity & capability **+** Migration program reform

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JOB

Filling current vacancies

FIVE KEY RECOMMENDATIONS

One of the key outcomes that this review was asked to produce was to make five key recommendations that if addressed could have the greatest potential impact to fill regional job vacancies with appropriately skilled workers.

It is recognised that these are complex issues and there are many more steps that will need to be taken. However, these are a blueprint of actions that can be implemented to realise an investment.

One of the defining factors is that none of these recommendations can be taken in isolation and RDSA invites Government to lead or work with us to have oversight to how these initiatives come together.

We advocate that these steps will all require a joint approach between the private and public sectors.

	FOCUS AREA	KEY RECOMMENDATIONS
1	**Housing supply**	A. Undertake housing supply and demand audits by state government region (and broken down by local government area) to determine key areas of need (aggregated demand) and opportunities for developer consideration (supply gaps, available land). B. Increase capacity for Renewal SA (or other agency as determined) to provide two appropriately qualified and experienced staff members for a period of two years to be embedded in regions (one South and one North) to identify potential projects, investment partners and delivery models that deliver new housing stock for regions. C. Investigate the establishment of a Regional Infrastructure Fund specifically designed to drive private and public partnerships in housing development whereby historic commercial rates of return are currently inhibiting growth. D. Advocate for financial lending institutions to re-evaluate commercial and residential lending practices and the lending requirements applied within regions in order to sustainably deliver housing growth.
2	**Create employment readiness pathways**	Collaborative delivery of place-based pre-employment training for a period of three years (commencing 1 July 2021) as a priority, to enable: • A greater level of case management and mentoring, and place-based pre-employment and post-placement support for unemployed, disadvantaged, disabled and indigenous people • Educational pathway programs to encourage students into jobs • Development and delivery of place-based workforce programs that address long term disadvantages and increase the capacity and capability of the local workforce • Increased regional access to key micro-credentials (tickets and accreditation) matched to identified skills needs and job vacancies
3	**Regionally based workforce resources**	Create regionally based workforce resources to enable: • Gathering and sharing of job vacancy data and regional skills needs • Case management assistance to employers to access available government workforce and skills programs and support • Regional intelligence gathering and sharing and program support to increase regional engagement in existing and future government workforce and employment programs • Case management assistance to employers looking to engage migrant workers
4	**Increase**	Develop a program that assists regional small businesses to recruit and

		manage staff and that provides:
	business HR capacity & capability	- regional support via training, case management and mentoring assistance to increase business capacity and capability and assistance in navigating existing information and programs - training and support via a combination of delivery mechanisms including face-to-face (e.g. one-to-many style workshops), online learning (webinars, video content and online workbooks) and remote one-on-one support (e.g. via Zoom or phone) or in-region mentoring. Develop and deliver an Employer of Choice project as a shared public and private partnership
5	**Reform Migration**	Continue to advocate to the Australian Government for changes to Australia's skilled migration program with the following aims: - outcomes are demand-driven and aligned with regional skills gaps and job vacancies - processes are simplified and timeframes, costs and risks reduced for regional employers - incentives are created to encourage migrant consideration of regional South Australia to redress the current imbalance of settlement outcomes in capital cities (including Adelaide)

IMPLEMENTATION

RDA Adelaide Metro role

It is suggested that RDA Adelaide Metro Inc. (RDAAM) can play a vital role in the implementation of the recommendations contained throughout this report by:

1. Undertaking overarching project management of the implementation of recommendations (with an initial focus on the implementation of the Top 5 recommendations)

2. Actioning specific recommendations not included in the Top 5

3. Convening a series of roundtables (as required to action the relevant recommendations set out in this

RECOMMENDATION:

Funding to be provided to RDA Adelaide Metro for two years commencing 1 July 2021 to enable project management of report recommendations (with a key focus on the Top 5), actioning of specific recommendations not included in the Top 5 and convening and management of round table discussions.

report).

South Australian Regional Deal

> **RECOMMENDATION:**
>
> It is suggested that RDSA work with all three levels of government to explore the potential development of a regional deal for regional SA to assist in delivering key initiatives to stimulate regional economic and population growth.

Research

Based on the Australian Government's successful City Deals model, Regional Deals bring together all levels of government around a clear set of objectives. Deals are tailored to each region's comparative advantages, assets and challenges and reflect the unique needs of regional Australia. Regional Deals support 'a place-based approach' by putting community-identified priorities at the centre.

Barkly, Northern Territory

The Barkly Regional Deal, covering the region surrounding Tennant Creek in the Northern Territory, was signed on 13 April 2019. The Barkly Regional Deal is the first regional deal in Australia and a 10-year $78.4 million commitment between the Australian Government ($45.4m), Northern Territory Government ($30m) and Barkly Regional Council ($3m). The Barkly Regional Deal aims to improve the productivity and liveability of the Barkly region by stimulating economic growth and improving social outcomes, including reducing overcrowding and improving child safety.

Hinkler, Queensland

The Hinkler Regional Deal (signed on 30 January 2020) is a 5-year commitment between the Australian Government ($172.9m), Bundaberg Regional Council and Fraser Coast Regional Council (combined stakeholder partner investment of over $90m) for the Bundaberg and Hervey Bay region and its surrounds. The Hinkler Regional Deal Implementation Plan is centred around three core themes: economic development, resilience and liveability and community.

Albury Wodonga

The Australian Government announced a pilot Regional Deal for Albury Wodonga on 20 March 2019. The Albury Wodonga Regional Deal is a collaboration between the Australian Government, New South Wales Government, Victorian Government, Albury City Council, and the City of Wodonga Council. On 10 July 2020, a Statement of Intent was signed that outlines a shared vision from all three levels of government, centred on six priority areas: economic development, harmonisation of cross-border issues, infrastructure and connectivity, liveability, quality regional education and health services, and supporting the Indigenous community. The Albury Wodonga Regional Deal will be negotiated by mid-2021. To support the development of the Regional Deal, the Australian Government has provided an initial investment of $3.2m to support further strategic planning and projects with the local community.

National Farmers Federation advocacy for regional deals

The National Farmers Federation in its economic recovery plan *Get Australia Growing,* June 2020, highlighted that the Australian Government Regional Deals program:

"…Needs considerably more investment and focus to deliver a true multi-government framework for infrastructure investment and regional development policy. Regional Deals should be used to guide policies and investments for transport, telecommunications, energy generation (including renewables), education, labour, and health. Investment in high-quality transport links must be a key pillar of the Government's plans for regional Australia – ensuring farmers and other rural businesses have competitive freight access to markets across Australia and the world. The Morrison Government should make Regional Deals a centrepiece of its time in office, with a multi-billion-dollar commitment to deliver 20 new Regional Deals. This commitment would revitalise economic centres in our regions and connect them to local and overseas markets with significant investment in road, rail and shipping infrastructure".

FURTHER ENGAGEMENT

It is anticipated that RDSA will provide a copy of this report to the South Australian Government Regional Workforce Advisory Group for consideration of recommendations and determination of next steps.

REFERENCES

Australian Government: Department of Infrastructure, Transport and Vehicles. (No date). *Regional Deals.* Retrieved from: https://www.regional.gov.au/regional/deals/#:~:text=Based%20on%20the%20Government's%20successful,unique%20needs%20of%20regional%20Australia

Australian Government: Department of Infrastructure, Transport and Vehicles. (No date). *Barkly Regional Deal.* Retrieved from: https://www.regional.gov.au/regional/deals/Barkly.aspx

National Farmers Federation. (2020, June). *Get Australia Growing: Ideas for Economic Recovery.* Retrieved from: https://nff.org.au/wp-content/uploads/2020/07/NFF_A4Economic-Recovery_FA_email-3.pdf

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Regional Development
SOUTH AUSTRALIA

CHAPTER 1: JOB VACANCIES AND POTENTIAL GROWTH

1. CURRENT JOB VACANCIES

1.1 AUSTRALIAN GOVERNMENT NATIONAL DATA

Jobs vacancies in regional South Australia (SA) have grown by 73% over the twelve months to March 2021 with total recorded job vacancies sitting at 1,553 in March 2021 (per the Australian Government Labour Market Information Portal). The National Skills Commission research shows that around one-fifth of vacancies are not advertised[2], therefore actual vacancy numbers could be closer to 1,900. The opportunity cost for regional SA in not being able to fill those vacancies is significant both in terms of economic loss (both direct and indirect economic impact of employment) and in terms of potential population growth and potential for increased regional sustainability.

The National Skills Commission surveys employers to learn about their recruitment needs and to better connect job seekers with employment opportunities. Insights from employers are used to develop resources to gain insights into labour market conditions, and for job seekers wanting to understand what employers are looking for.

The Australian Government monthly Internet Vacancy Index (IVI) also does not take account of multiple positions being advertised in a single job advertisement. In addition, National Skills Commission research shows that around one-fifth of vacancies are not advertised, with employers instead using informal networks, or selecting from job seekers who have directly approached them about job opportunities. More information can be found at http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmployersRecruitmentInsights.

1.1.1 Key findings from Recruitment Experiences and the Outlook Survey

In March 2021, 46% of surveyed employers reported that they were recruiting or had recruited in the past month. The recruitment rates in both 'Rest of State' areas (49%) and Capital Cities (44%) were unchanged from February 2021. Recruitment difficulty stood at 49% in March 2021, a significant increase from the 38% recorded in February 2021. It is similar to but slightly higher than, the levels seen in late 2020. The rate of difficulty increased in both Rest of State areas (from 41% to 54%) and Capital Cities (from 36% to 44%) over the month (Australian Government: Department of Education, Skills and Employment, 2021).

In March 2021, 23% of employers expected to increase their staffing levels in the next 3 months, compared with 20% in February 2021 and 16% in June 2020. In 'Rest of State' areas, the proportion of employers expecting to increase staff in March 2021 reached a peak of 26%, the highest level since the start of the series in April 2020. Employers in the Health Care and Social Assistance industry were the most likely to expect to increase their staffing levels over the next 3 months (33%), followed by employers in Accommodation and Food Services (32%).

1.2 REGIONALLY SOURCED DATA AND INFORMATION

1.2.1 RDA RWCCP reporting to PIRSA

The short-term RWCCP grant funding to RDAs has enabled the regional tracking of job vacancies and skills shortages in the regions.

As a requirement of the RWCCP project grant funding, RDAs agreed to:

- ❖ Quantify regional workforce demand and provide advice to Government.
- ❖ Work collaboratively to identify and implement a relevant tool or system to consistently identify,

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2 The Australian Government monthly Internet Vacancy Index (IVI) is based on a count of online job advertisements newly lodged on SEEK, CareerOne and Australian JobSearch during the month. The IVI does not reflect the total number of job advertisements in the labour market as it does not include jobs advertised through other online job boards, employer websites, or newspapers. Nor does it take account of vacancies filled using informal methods such as word of mouth.

measure and report advertised job vacancy data by region.

❖ Work collaboratively to understand alternative methods used by businesses to promote their job vacancies and develop a compatible system to capture and report this data and understand workforce needs.

RDAs provide weekly reporting to PIRSA on job seeker and vacancy data gathered through RDA interaction with businesses and people looking for work, leads from the Regional Work SA website, and other job websites. RDAs are each working to improve data and information capture with the overarching aim of achieving consistency and useability to inform policy and program development.

1.2.2 Local job boards

RDAs have been considering job boards as part of the initial six-month RWCCP program. Some RDAs had jobs boards in place prior to the program, others have now implemented, and the remainder may implement should the RWCCP program be resourced beyond the initial six-month period. RDAs consider local jobs boards as a valuable tool for connecting job seekers with vacancies and for collecting data for regional SA. It is suggested that a consistent approach to the delivery of jobs board would be beneficial.

It is also noted that a commercial operator has recently launched the Upper Spencer Gulf Jobs platform (https://www.usgjobs.com.au/) in partnership with the industry (further detail is provided later in this report).

Case Study 1 – Limestone Coast – RDALC – Job Advert Analysis (April 2021)

From February to April 2021 the following data has been recorded:
*The RDALC data for April 2021 is provided in Appendix 1

❖ Number of vacancies by location (by local government area) (and the corresponding percentage of overall vacancies and increase or decrease on the previous month)

❖ Number of vacancies by ANZSIC code (and the corresponding percentage of overall vacancies and increase or decrease on the previous month)

❖ Minimum qualifications requested by employers, by Australian Qualifications Framework (AQF) level (number for each level and typical time to complete)

❖ Employment type (full-time, part-time, casual, contract / temporary, apprenticeship, traineeship (a number for each type and corresponding percentage of overall vacancies and increase or decrease on the previous month)

❖ Additional information: Number of job roles that have been readvertised and the data sources used (range of job websites and Facebook job boards)

Case study 2 – Murraylands & Riverland

The RDA Murraylands & Riverland data and information is similar to that of RDALC however also includes average salary levels for vacancies.
*The RDAMR data for April 2021 is provided in Appendix 2.

1.2.3 Regional business surveys

RDAs have also conducted business surveys to identify job vacancies with the aim of capturing jobs not publicly advertised ('hidden jobs') or not advertised on job websites (for example some employers are advertising in shop windows, on Facebook (and sometimes on closed sites) and Instagram). It is understood that mixed levels of response were received.

1.2.4 Australian Government – regionally based resources

For regions that are included in the Australian Government Employment Facilitator (Upper Spencer Gulf) and Local Jobs Program (Port Lincoln, Port Augusta, Whyalla, Limestone Coast, Murraylands & Riverland, and Gawler / Adelaide Plains), additional resources are assisting in the identification of skills needs and potential solutions.

1.2.5 Ongoing data collection

On an ongoing basis, information is primarily sourced anecdotally from employers which is resource-intensive and subject to limited resource capacity. Given the short-term nature of resourcing under the RWCCP project, there is likely to be an ongoing knowledge and resource gap in terms of skills audit (demand and supply) information and analysis for regions that are required to identify and address gaps. A key deliverable for the RDAs under the RWCCP project is to suggest how information might be maintained going forward to help inform decision-making.

RECOMMENDATION

It is suggested that discussion be held between RDSA and SA Government as to how job vacancy data and skills audit (demand and supply) information and analysis for regions will be sourced, maximised, monitored, and shared ongoing including effective methodologies and potential resource requirements.

2. INVESTMENT PIPELINE

2.1 RDA QUARTERLY PIRSA REPORTS

An unprecedented opportunity exists in regional SA to deliver economic and population growth for the benefit of both regions and the state as a whole. The seven RDA associations across regional South Australia provide a confidential quarterly report tracking progress on identified regional economic investment projects to PIRSA. The current five-year project pipeline equates to $31.2B with over 3700 new ongoing jobs estimated. Whilst RDSA acknowledges that not all of these projects will come to fruition, these estimates demonstrate the potential for jobs growth for regional South Australia and how critical it is to address the complex workforce issues identified in this report.

Delivery of just 10% of this investment in the next year will result in an additional 12,480 construction jobs to South Australia (National Institute of Economic and Industry Research compiled and presented in economy.id by.id (informed decisions)). The delivery of that pipeline of growth will require the attraction of workers (and their families) to the regions.

Individual RDAs commission input-output economic modelling for each region and local government area to provide a benchmark for the impact of each of the individual pipeline projects. These reports are available to government and local industry on request. The types of forecast jobs and types of skills required to deliver the pipeline of investment is not being individually recorded due to insufficient resources to support.

2.2 RDSA REGIONAL BLUEPRINT 2020

As highlighted in the SA Regional Development Strategy, RDSA developed the Regional Blueprint as an over-arching strategy that encompasses the individual RDA priorities and strategies, and that also takes account of national and state regional development priorities, including those integrated with the Growth State and the South Australian Infrastructure Strategy. Underpinning the blueprint is a fully scoped and detailed project and investment pipeline, starting at conceptual through to shovel ready projects.

3. REGIONAL SKILLS GAPS

3.1 SEASONAL WORKFORCE NEEDS

3.1.1 PIRSA Regional Profiles

In its work in late 2020 to identify seasonal worker shortages across the state, PIRSA developed a regional profile for each State Government region. Each profile provides forecast regional seasonal workforce demand and forecasts potential available workforce supply (based on the number of people receiving Jobseeker payments or a Youth Allowance). The profiles also highlighted the top priorities, and concerns for each region about obtaining seasonal labour needs – **please refer to Appendix 3**.

For a comprehensive guide for harvest work opportunities in various regions and sectors across South Australia see https://jobsearch.gov.au/content/documents/national-harvest-trail-january-2021.pdf.

3.1.2 Workforce Insights - Agribusiness

The following factors influence the need for, or capacity to find, skilled employees in South Australia's regional agriculture-related businesses:

- ❖ Demands for agricultural-related technology skills, including electrical, electronic, mechanical, robotic and IT skills.

- ❖ Insufficient promotion of agribusiness careers.

- ❖ The importance of good foundation skills— attitude and interpersonal skills, as well as literacy, language and numeracy.

- ❖ Support programs for mental health, drug and alcohol issues and life skills must be accessible across all regions.

- ❖ Employer support needs and capacity building requirements.

- ❖ Challenges associated with seasonality of work in a number of sectors.

- ❖ The need to attract and recruit, train, support and retain excellent trainers.

3.2 INDUSTRY SPECIFIC WORKFORCE NEEDS

3.2.1 Training and Skills Commission (TSC)

3.2.1.1 Workforce Insights

At the beginning of 2019, the South Australian government established eight Industry Skills Councils (ISCs) to strengthen industry's voice in skills and workforce development, and to ensure that funding for skills and training is directly aligned to industry priorities (Government of South Australia: Training and Skills Commission, 2020a: 4).

"Developed by the Training and Skills Commission's Industry Skills Councils, these industry-led, sector-driven Workforce Insights comprehensively examine and inform on the training and skills needs of the state's current and future workforce" (Government of South Australia: Training and Skills Commission, 2020b). Workforce Insights "inform government skills planning and to support employers and individuals to make informed workforce and skill development decisions".

Workforce Insights Reports have been developed for each of the following sectors:

- ❖ Accommodation & Food Services
- ❖ Aged care
- ❖ Agribusiness
- ❖ Community services
- ❖ Construction
- ❖ Mining & Energy
- ❖ Correctional services
- ❖ Creative industries

- ❖ Cybersecurity
- ❖ Disability
- ❖ Education
- ❖ Finance & Insurance
- ❖ Health
- ❖ Information & Communications Technology

- ❖ Local Government
- ❖ Manufacturing
- ❖ Service Sector
- ❖ Tourism
- ❖ Transport
- ❖ Wine

3.2.1.2 TSC Regional Profiles

The TSC Regional Profiles (*Skills for Future Jobs 2020 Series June 2018*) (Government of South Australia: Training and Skills Commission, 2020c) "Aimed to identify the unique opportunities and challenges influencing each distinctive region and provide insight into the skills and training priorities for the regional workforce. The profiles also aimed to enable the South Australian Government to continue to strengthen the training system, and in turn, provide the skilled workforce local industries need in order to grow the regions". The profiles provide "A tool to quickly understand a region's economic, demographic, workforce development and training activity". The profiles include Industry Skills Priorities for each State Government region based on the findings of the Training and Skills Commission, Report to Government on Industry Priority Qualifications (2016).

3.2.2 Regional intelligence

A number of key industry sectors are struggling to fill vacancies due to the ageing nature of the current workforce and a lack of new entrants coming into those industries. Employers need to be encouraged to upskill the existing workforce and create visible career pathways to encourage workforce retention and attraction.

3.2.2.1 Aged care and Disability services

It is understood that the average age of an aged care worker is approximately mid-40s. It is suggested that employers should be encouraged to upskill existing workers to ensure that vacancies due to impending staff retirement (as well as filling existing gaps) can be met. Upskilling of existing staff will then assist in creating pathways for entry-level staff (including young people) to enter the industry.
Further feedback on challenges to the attraction of workforce include:

- ❖ Not necessarily seen as a career option – no clear career pathways – particularly for young people
- ❖ Shortage of NDIS service providers
- ❖ Recent Aged Care Royal Commission findings and impacts e.g. increased need for registered nurses
- ❖ High need for training in Certificate III in Individual Support to fill vacancies.

RECOMMENDATION:

It is suggested that discussion be held between RDSA, Australian Government Department of Education, Skills and Employment (DESE), Australian Government Employment Facilitators and SA Government to access current data to confirm key industries that have a significantly ageing workforce and to develop collaborative initiatives to address future needs.

i) Utilising allocated NDIS funds

The National Disability Insurance Agency report, *(NDIS market, South Australia, 31 December 2020)* provides data on NDIS Plan Utilisation (payments as a proportion of total plan budgets, or support, for the period) and Provider concentration (proportion of total provider payments that were paid to the ten providers that received the most payments) (https://data.ndis.gov.au/reports-and-analyses/market-monitoring/market-monitoring-sa).

The following are the key metrics for regional SA as of 31 December 2020:[3]

	Active participants with approved plans	Total plan budgets ($m)	Total payments ($m)	Utilisation	Registered active providers	Provider concentration*
Adelaide Hills	1369	42.14	27.94	66%	175	70%
Barossa, Light and Lower North	1767	44.14	28.71	65%	235	61%
Eyre and Western	1148	39.98	21.03	53%	106	85%
Far North	459	18.75	9.39	50%	78	89%
Fleurieu and Kangaroo Island	972	35.71	23.81	67%	140	84%
Limestone Coast	1227	43.34	27.37	63%	121	83%
Murray and Mallee	1525	51.73	30.37	59%	171	73%
Yorke and Mid North	1484	41.82	25.55	61%	172	64%

This data highlights the opportunity for job creation in NDIS delivery (e.g. for allied health professionals and support workers) to provide care (and increase utilisation of NDIS funds).

ii) Workforce Insights

The NDIS is expected to have the most impact in metropolitan areas. However, significant employment growth is expected across the state. For example, the contribution to Gross Regional Product (GRP) in the Yorke and Mid North region between 2014–15 and 2018–19 is expected to increase by more than 400 per cent, a 200 per cent increase is expected in Barossa, Light, in the Lower North, and in the Limestone Coast, and all other SA regions (except Eastern and Southern Adelaide) expect between a 100-180 per cent increase in GRP as a result of the NDIS.

Employment growth is likely to be larger than GRP changes in some regions, according to providers operating in these regions. For disability services to achieve high-quality outcomes in South Australia, the demand for services needs to be met by local providers with access to appropriate workers; this will have substantial flow-on impacts for regional employment.

Consumers in regional areas may not receive the same choice of and access to care as residents in metropolitan areas. However, the disparity is more acute for members of Aboriginal and Torres Strait Islander

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[3] Generally, the lower the concentration, the more competitive the market is likely to be – as payments are going to a range of different providers.

(ATSI) and Culturally and Linguistically Diverse (CALD) communities, as they often face higher rates of health and other issues. Services delivered to vulnerable people with complex needs must be delivered by a culturally competent workforce, which has ramifications for governments and providers aiming to support these communities.

The ISC notes:

❖ A reliance on fly-in, fly-out (FIFO) workers to deliver health and other community services in regional areas affects both care providers' ability to develop safe environments and trusting relationships for consumers, and the ability of the regional community to build a suitable local workforce for the sector, with potential impacts on consumer outcomes;

❖ Access to, and the costs of, training and supporting workers in regional areas can limit care providers' capacity to build a skilled regional workforce;

❖ Training providers must deliver flexible, cost-effective training in regional areas;

❖ Implementation of the NDIS is triggering the need for better integration between disability, health, aged care and community services, particularly in remote and very remote communities; and

❖ Transport and the long distances between centres and communities in regional areas affect how consumers can access services; service providers' capacity to meet consumer needs; and workers' ability to access training and professional development opportunities, and employment.

Case study - Local Jobs Program – Limestone Coast project

The Murray & South East Employment Facilitator is developing a Skilling SA aged care project in the Limestone Coast, partnering with three major employers in residential care. Feedback indicates that traditionally aged care providers do not tend to engage trainees. The Employment Facilitator has been promoting traineeships and anticipates that the Skilling SA project may deliver up to 20 traineeships across three facilities.

Case study - Skills to Support Project- Yorke and Mid North

RDA Yorke and Mid North through the Australian Government Regional Employment Trials pilot program (to address significant demand for skilled workers) ran three successful programs which targeted jobseekers through profiling employer needs, aptitude assessment through a Harrison Screening Test, micro-credentials, achievements towards a Certificate III in Individual Support and mentoring and placement with employers:

- Skills to Support 1 - Connection to 30 Disability Care employers, engagement of 200 job seekers (against a target of 70), 54 work placements (against a target of 35) and completion of 70 individual evaluations and Harrison Career Assessments;

- Skills to Support 2 - An additional 40 jobseekers engaged for micro-credentialling;

- Skills to Support 3 - An additional 60 jobseekers are funded to enter the program by May 2021 with 25 placements. RDA Yorke and Mid North had completed these targets by 28 February 2021.

The expertise to run these programs came from the State Government NDIS Hubs which were funded in four priority areas to develop workplace skills to match demand from the roll-out of NDIS.

> ## *Case study - Care Industry Yorke & Mid North*
>
> Around 1200 people currently receive a Carers Allowance via Centrelink in Port Pirie. A percentage of these people may have an interest in transitioning from a caring role into a paid support role (which may in turn assist in meeting a currently unmet workforce need). Transitioning from an unpaid carers position into a paid support position is the focus of a forum to be held by RDA Yorke & Mid North with Carers SA in June 2021. The forum will be focused on promoting employment, education, and training opportunities, and how people can access services to assist in the transition.

3.2.2.2 Hospitality

Employers are struggling to get young people to take up opportunities across the spectrum of hospitality roles particularly customer-focused and entry-level roles. Casualisation of the workforce, a requirement to work nights and weekends and the precarious nature of the work all contribute to disincentivizing people currently receiving unemployment benefits to take up hospitality roles. Many young people do not see hospitality as a career option.

Further feedback on challenges to the attraction of workforce include:

- ❖ Shortage of workers across a range of roles – particularly:
  - ▪ baristas (challenges in regional access to training – requires travel to Adelaide) and gaming
  - ▪ cooks and chefs (anecdotal feedback of employers offering free accommodation to attract staff. Feedback also that Covid has impacted on recruiting chefs, as many who could not work during Covid are now looking for a better work-life balance and therefore less committed to a single employer or job)
- ❖ Significant number of part-time or casual jobs (an increased challenge in recruitment as people often need full-time work to balance financial needs) and seasonal impacts
- ❖ Increased demand on the hospitality sector in tourist destinations – shifts are becoming longer and more intensive, therefore less attractive.
- ❖ Significant number of businesses are small - lack of HR management capacity
- ❖ Not necessarily seen as a career option – no clear career pathways
- ❖ Staff reluctant to go back to shift work – nights and weekends (for people who have been receiving JobKeeper or JobSeeker allowance)

> ### *Case study - Regional hospitality skills development*
>
> RDA Barossa Gawler Light Adelaide Plains in collaboration with the Department for Innovation and Skills (DIS) developed a program to deliver accredited and non-accredited training to selected applicants, to provide participants with essential skills for hospitality sector. It was identified that there is both a skill and applicant shortage for this industry in the region. This program is designed to take a 360-degree look at the issues and work to assist in solving the immediate needs as well as the development of long-term solutions. The program was staged starting with the gathering of resumes from potential applicants looking for work, building interest from hospitality employers to work with RDA to help solve the shortages and to offer employment. Training commenced from late November 2020 with a suite of modules including accredited food safety and handling, Responsible Service of Alcohol and a high-level Barista course.
>
> Program results:
> - ❖ Participants engaged: 33 applications received, 25 invited to speed date, 27 participated in training (18 accredited, 9 non-accredited)
> - ❖ Overall training outcomes: 25 completed training (includes accredited and non-accredited training) (2 incomplete in Barista)
>
> Employment outcomes: 15 new employments outcomes for participants that received funded training (12 from accredited, 3 non-accredited). 6 previously employed participants have continued in employment and showed an increase in hours and skills. 3 additional employment outcomes were recorded through participants that could not complete the funded training but accessed employer connections and application advice.

3.2.2.3 Administration

Vacancies exist across a range of administration roles and levels, including government jobs. Vacancies are predominantly entry-level, with some at an intermediate level. It is noted that this is a particular area of opportunity in terms of the achievement of traineeship outcomes.

3.2.2.4 Trades

Challenges to the attraction of workforce include:
- ❖ Vacancies in trades and labourers across the board:
    - boilermakers (reputed to be the most sought-after trade in Australia)
    - electricians (reputed to be the most sought-after trade worldwide)
    - plant operators - heavy equipment (qualified, ticketed and experienced)
    - 'all-rounders' – people that have multiple tickets and skills that can be applied (e.g. construction trades plus truck driver's licence)
    - trades assistants (can lead to apprenticeships and small business ownership)
- ❖ A significant number of construction projects underway or planned in regions – creating unprecedented demand (e.g. due to stimulus funding and major infrastructure projects) – employers struggling to retain staff (who in some cases are being enticed by high paying employers)
- ❖ Significant wait times to access regionally based construction and general trades

3.2.2.5 Truck Drivers

A significant challenge for the transport industry is the increasingly ageing workforce and the cost and risks associated with training new drivers. There is a shortage of qualified truck drivers (people with the right accreditation). Training solutions and opportunities to upskill existing staff need to be explored e.g. Employer facilitation of an existing staff member to obtain their truck licence and then nomination of a workplace mentor driver who provides instruction and supervision until the staff member is declared ready. It is noted that a challenge for an employer in that example, is the cost of the additional wage (and the potential loss of the employee once trained). The government could consider a co-investment in such a program to ensure that there is a pipeline of qualified truck drivers moving forward. Potential partnerships could also be explored with

the South Australian Freight Council.

Similar challenges are being experienced in the ageing workforce for plant operators and similar solutions may be applicable.

3.2.2.6 Health

A significant shortage of GPs across regional SA – particularly in small towns. Flinders University Medical program locates students in regional SA – has assisted in recruiting doctors to regions at the end of the study.

Shortage of allied health professionals (e.g., physios, podiatry) and reports of shortage of social workers, psychologists and clinical services in regional areas, resulting in a long waiting period for professional health services (e.g. a 2 year wait for psychologists in some areas).

i) Workforce Insights

Various factors impact the viability of establishing and maintaining the health workforce in rural and remote areas, including economics and geographical isolation, the latter affecting the accessibility and variety of training delivered by Registered Training Organisations (RTOs).

The lack of adequate and equitable choice of health services for regional consumers is particularly disadvantageous for members of Aboriginal and Torres Strait Islander and Culturally and Linguistically Diverse (CALD) communities that may be more burdened with health issues than non-Indigenous Australians and who need culturally appropriate and safe services.

The advances in telecommunication technologies and electronic information can contribute to improving access and outcomes for people in regional and remote communities but require upskilling of many members of the workforce to deliver benefits.

One outcome of the growth in telehealth is that geographical and physical location becomes less relevant in determining access to care. However, the successful adoption of telecommunication technology relies on the rollout of the National Broadband Network (NBN), improvements and access to connection, and those systems are designed with patients and health professionals in mind—including patients' capacity to use the technology to support their care.

ii) South Australia Regional Development Strategy

Achievements to date: An investment of $20 million has been made over four years from 2018 – 2022 to develop and implement a Rural Health Workforce Strategy. The Rural Medical Workforce Plan and the SA Ambulance Workforce Plan were released in 2019 and 2020, respectively. The Nursing and Midwifery Plan and Allied Health Plan are currently out for consultation and work has commenced on the Aboriginal Health Workforce Plan.

An international review of the shortage of health services in regional areas found that employing skilled and professional workers who were raised in a remote location and/or have previous experience in remote areas during training increased the likelihood of staff retention significantly (McKenzie, 2011: 359). Further evidence demonstrated that the location of educational institutions determined the general areas of practice, thus, if more tertiary institutions had regional campuses, it is likely that regional areas would retain health students who would ultimately work in that region.

3.2.2.7 Australia

Case study - Rural Health Scholarships - Western Australia and South Australia

Cohort: Domestic and International students and Graduates, Gap year students, migrants

There has been a concerted effort in WA and SA to formulate proactive strategies to attract and retain health sector workers to regional areas. One of the earlier initiatives that aimed to do this involved Rural Health Scholarships at tertiary institutions that provided practicums in regional areas. The rationale behind this initiative was to help students develop an improved understanding of communities, rural health opportunities, and to challenge existing poor perceptions of rural job opportunities (McKenzie, 2011: 359). This opportunity allowed students to gain a good understanding of what it means to live and work in the regions and to learn more about these communities.

3.2.2.8 Engineering and mining

Engineers are in high need to support the many construction and development projects across the regions – many engineers being recruited from interstate. Employers are also finding that engineering staff often get poached by other employers.

Port Pirie based company Nyrstar has registered challenges in attracting metallurgists. It is understood that challenges include a lack of tertiary providers delivering the qualification.

3.2.2.9 Primary Industries

In addition to the seasonal challenges noted by PIRSA (please refer to Appendix 1), challenges to the

Case study - Enticing specialist health workers to the region - Toowoomba and Surat Basin

"The Toowoomba and Surat Basin Enterprise have demonstrated the powerful impact of collaboration in a local community. The Enterprise identified health services as a service in high demand within their community and therefore made the decision to collaborate to grow their local economy through health. They have brought together four major health service providers (private and public) to sign a Memorandum of Understanding to collaborate for the greater benefit of the whole region. A particularly successful initiative they have implemented is hosting a dinner for final year registrars to highlight the benefits of working and living in the region. The collaboration has enticed specialist health experts to the region thereby providing a huge benefit to the local community" (RWAG Secretariat, 2021).

It is noted that a range of industry sector 'blueprints' for sector growth highlight the workforce as a key enabler and current barrier to growth.

attraction of workforce include:

❖ Shortage of shearers (some farms still reliant on shearers coming from New Zealand)

❖ Meat processing:

▪ Some companies are reaching out to high schools particularly agricultural schools to looks at ways to improve the perception of the industry to assist with workforce constraints

- Isolation (based on the location of facilities) can be a challenge particularly in retaining workers with families

❖ Food manufacturing: Seeking graduates in areas of food science and engineering
❖ Agricultural production: Shortage of workers in packing sheds – looking to access international labour

i) Workforce Insights

Regional issues in terms of recruiting and retaining workers in the Wine industry include:

Shortages in the availability of local workers in regional South Australia lead employers in some wine regions to rely heavily on overseas labour, including international students and working holidaymakers.

Various factors impact the availability of wine workers in regional and remote areas, including economics and geographical isolation - the latter of which extends to the accessibility and variety of training delivered by Registered Training Organisations (RTOs).

Advances in telecommunication technologies can improve access and outcomes for people in regional and remote communities, which may help to attract and retain workers. However, the use of such technology will require upskilling of the workforce and the successful rollout of the National Broadband Network.

3.2.2.10 Local and State Government

i) Local Government

Many local councils across regional SA are struggling to fill key roles both at senior management and operational levels. In addition to housing challenges, issues such as employment opportunities for spouses and perceptions of liveability are impacting on attraction and retention of staff.

ii) Workforce Insights

Councils and notably those in regional and remote areas of the state are the epicentres of communities, providing the infrastructure and services to sustain their communities.

They are commonly the major employer, providing a pipeline of employment for many occupations. Staff in smaller councils are required to be multiskilled and perform a range of functions in order for councils to meet their statutory obligations. With as many as 195 occupations within their areas of responsibility and management, the local council is ideally placed to act as an incubator for apprenticeships and traineeships.

The key drivers and reasons given for the current skill shortages in order of importance are:
❖ councils cannot compete with the private sector on remuneration;
❖ lack of suitably qualified and experienced candidates;
❖ regional and remote locations;
❖ lack of opportunity for career progression, particularly in small councils.

iii) South Australian Government

An area of consultation gap as part of this project was engagement with the Office of Public Employment (OPE) to determine unmet regional workforce needs and associated challenges. Anecdotal feedback indicates that significant challenges exist in regional recruitment of positions in health, education, police, and other emergency services. Having unfilled positions across these sectors is understood to be impacting negatively on service delivery (to be confirmed with the OPE) which in turn creates challenges for regional South Australia in attracting people to live and work in regions.

3.2.2.11 Tourism

Challenges to the attraction of workforce include:

- ❖ Impacts of Covid continue in terms of interstate and international border closures and uncertainty of the timing of reopening (for international visitors)
- ❖ Increasing casualisation of the workforce, a significant number of part-time or casual jobs (an increased challenge in recruitment)
- ❖ Seasonality of workforce needs – in some regions (e.g. the Far North) employers can sometimes only offer work for four to six months (in line with peak season) – which makes it difficult to recruit and retain staff (and skills).
- ❖ Majority of businesses are small or micro businesses – lack of HR management capacity
- ❖ Reliance on international labour (e.g. backpackers)
- ❖ The expectation is that low skilled roles such as cleaning and housekeeping will need to be filled by local people (rather than international labour) – employers struggling to fill roles – a perception that local people do not want to do this type of work
- ❖ Tourism is a service industry – business sustainability is reliant on service quality – employers need good staff with the right attitude to doing the work

It is noted that there is potential for tourism operators to work together to either combine multiple part-time roles in one locality or to partner with another operator that has an alternate peak season to provide ongoing work for skilled professional staff who may otherwise leave the industry due to lack of certainty of work.

i) Stakeholder engagement

ia) SATC industry survey

SATC undertook a small industry survey (South Australian Tourism Workforce SATC November 2020) to inform state government development of the Seasonal & Regional Jobs Program.

Data and information from the survey included:

- ❖ 35% of employing businesses indicate a shortage of 2.2. staff. Therefore based on the estimated number of tourism businesses in South Australia, it is estimated that there were between 1,500 and 2,000 casual job shortages in regional South Australian tourism businesses.
- ❖ Only 8% of respondents indicated that they are engaging apprentices or trainees and only 13% indicated they were planning to engage apprentices or trainees in the next 12 months
- ❖ Key challenges noted included:
  - ▪ Irregular working hours, insufficient working hours or not being able to guarantee working hours
  - ▪ JobSeeker a disincentive to casual employment
  - ▪ Regional location, lack of local workforce pool to draw on
  - ▪ Lack of accommodation and or amenity in the regional area where the business is based
  - ▪ Lots of competition for workers

ib) Deloitte Labour Force report

A Deloitte Labour Force report from 2015 projected skills shortages out to 2020 with data provided at a state level only. The national study identified that available jobs were often low skilled (cleaning, housekeeping, hospitality) however employers were struggling to fill vacancies. The report was used to inform the regional migration skills list to inform Temporary Skill Shortage visa requirements (Subclass 482) to address skills shortages e.g. low skilled roles such as cleaners.

SATC is currently working with Deloitte to develop a South-Australian specific update of the information in the 2015 Labour Force study and will use ATDW business listings as a base to survey businesses about skills shortages and recruitment/retention issues and provide data to a region-specific level where possible. SATC is aiming for this work to be completed by 30 June 2021.

ic) South Australian Productivity Commission

The South Australian Productivity Commission is currently conducting an inquiry into Tourism Regulation (South Australian Productivity Commission (SAPC), 2021). Submissions to this Inquiry may inform further

analysis of tourism workforce challenges noting that the discussion paper provided by the commission references workforce issues. The final report is due 1 October 2021.

3.2.3 Research findings

There has been a longstanding perception that there is a lack of job opportunities in regional areas and that most of the available jobs are low skilled (RWAG Secretariat, 2021). This is no longer the case since internet vacancies have been growing rapidly since 2017, and in 2019 there were 42,000 vacancies outside the mainland state capitals (Houghton, 2019: 3). The skills that different regions require vary (low-skilled to highly skilled), and opportunities range from labouring to sales, trades and professions (Houghton, 2019: 23).

Many parts of regional Australia have been experiencing skill shortages since mid-2018 particularly due to the changes in opportunities in primary and secondary industries. One of the key challenges faced by regional areas in Australia is the alignment of skill supply and skill demand. The only way to address this issue is through proactive and innovative education and training practices that involve a variety of stakeholders (Houghton, 2019: 2). These stakeholders include employers, young people, educators, trainers, older job seekers, as well as families and communities in general.

Regional development actors and agencies can also assist in addressing the problem through regeneration and job stimulus (Houghton, 2019: 2). In the context of skills shortages in regional areas, the leaders and policymakers find it challenging to ensure regional residents get a fair chance at the jobs that are emerging in these areas, thus, upskilling and reskilling can help local residents to become more employable.

The skill challenges that regions face is often associated with an ageing workforce, displaced workers, youth unemployment, disadvantaged communities, and meeting the demands from new and emerging industries (Houghton, 2019: 10). The skills required in regional areas vary and the competition between regions for workers in professional trade fields is growing (Regional Australia Institute, 2019b). Traditionally most of the employment in regional areas came from agricultural production, however, there has been a significant increase in the need for healthcare and social support services in these areas (Houghton, 2019: 1). The Regional Australia Institute has been key in identifying ways in which local community initiatives have been effective at improving school completion rates, helping young people train in the job and stay in the region, and successfully linking workers to employers.

The big drivers of change to the future of work in regional Australia include; automation and the growth in digital technologies, the dynamics of regional labour markets, matching local skills with emerging local job opportunities, and competition between regions for workers with particular skill sets (Houghton, 2019). The Regional Australia Institute recommends that regional areas need to start enabling skills development pathways to ensure that there are enough skilled workers to fill the future positions in the service industry. In a 2016 report the Australia Regional Institute found that skills need to be a combination of high technology, personal contact (high touch), and high care capabilities (flexibility and creativity) (Houghton, 2019: 1).

The jobs that are projected to be in demand by 2030 (in regions) include specialists like electrical engineers, primary school teachers, etc. (high tech), "do and deliver" jobs like plumbers, personal assistants, photographers, etc. (high touch), and personally and emotionally engaged jobs, like childcare workers, fitness instructors, etc. (high care) (Houghton, 2019: 26). In the short term, it is estimated that by 2023 the healthcare and social assistance sector will require an additional 85,000 workers in regions, and 28,000 in education (Houghton, 2019: 22).

In order to meet the future demand of these sectors in the regions, it is key to start creating and implementing skills development pathways now. This is particularly urgent since many of the new developments in technology will threaten low skilled service jobs and these workers will need to be upskilled or reskilled to ensure they can fill future roles.

3.3   TRAINING AND SKILLS COMMISSION – REGIONAL REACH

Anecdotal feedback indicates that there has been limited engagement in regional SA by the Training and Skills Commission (TSC) over the last couple of years (acknowledging the challenges presented by Covid). It has been further noted that there is a lack of regional objectives, intelligence gathering and focus to support the work of the Industry Skills Councils (which are sector-based). It is understood this gap was acknowledged

when the Industry Skills Councils were established with discussion around a potential Regional Skills Council that utilised the regional intelligence held by the RDA CEOs. It is suggested that this discussion continue.

3.3.1 Regional Skills Taskforces

It is suggested that whilst the TSC Regional Profiles provide useful information there remains a need for the development of a set of strategies and actions (a roadmap) to enable each region to address regional skills shortages.

3.3.2 South Australian Skills Act

DIS has advised that South Australia is currently in the process of amending its legislation underpinning the training and skills system in the State. The South Australian Skills Act Amendment Bill passed through Parliament in 2020 and is currently scheduled to come into operation from 1 July 2021, replacing the Training and Skills Development Act 2008. The legislation introduces the statutory role of the South Australian Skills Commissioner, who will lead the South Australian Skills Commission (which replaces the current Training and Skills Commission) and serves as a focal point for the training and skills system in the State.[4]

3.3.3. Victorian Government

The Victorian Skills Commission has set up Regional Skills Taskforces that comprise regional leaders and are designed to provide a way for industries to identify workforce training needs and promote quality training pathways that lead to skills development and jobs across regional and rural Victoria (Victorian Skills Commissioner, 2017a). An outcome of each Taskforce is the preparation of a Regional Skills Demand Profile to

> ### *Case study - Mallee Regional Skills Demand Profile*
>
> The Mallee Regional Skills Demand Profile is an outcome of the Regional Skills Taskforce – Mallee Region (Victorian Skills Commissioner, 2017b). Comprising of prominent Mallee business leaders, the Taskforce was established in May 2017 and is chaired by the Victorian Skills Commissioner. The Taskforce aimed to better understand local skills shortages, where local investment is being made, existing and future workforce training needs, and what skills will be required for local Mallee students, jobseekers, and the workforce more broadly.

identify shifts in industry and highlight the skills and training needs of the region to support these shifts. It draws attention to the value of qualifications and pathways and identifies obstacles in training and skills that the industry is currently facing or is likely to face in the future. The documents identify opportunities and facilitate

> ### RECOMMENDATION:
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> It is suggested that RDSA seek to engage with the newly appointed South Australian Skills Commissioner, Ms Renee Hindmarsh, to discuss the current and emerging regional skills needs and how the TSC can work with RDSA to address identified challenges and opportunities (e.g. via the establishment of a Regional Skills Council). It is further suggested that Regional Skills Taskforces be established and that Skills Demand Profiles and Action Plans be developed and implemented for each State Government region.

action.

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[4] (See website:
https://www.legislation.sa.gov.au/LZ/B/CURRENT/TRAINING%20AND%20SKILLS%20DEVELOPMENT%20(MISCELLANEOUS)%20AMENDMENT%20BILL%202020/UNOFFICIAL%20ROYAL%20ARMS/TRAINING%20MISCELLANEOUS%20AMENDMENT%20BILL%202020.UN.PDF)

4. SKILLS AND EDUCATION PATHWAYS

4.1 REGIONAL SKILLS PATHWAYS

4.1.1 Impact of the loss of place-based regional workforce program funding

The loss of place-based workforce program funding for regions (e.g. previous programs such as Australian Government-funded Regional Employment Trials (RET), South Australian Government funded SA Works, Career Development Centre (CDC) programs etc.) and the loss of local support services such as apprenticeship centres has had a flow-on effect on retention of regionally-based training organisations. The impacts of Covid on Regional Training Organisations (RTOs) in 2020 was also significant.

For instance, between 2010 and 2015, RDAs delivered programs through the SA Works and Skills for All place-based programs. 371 locally-based skills programs were delivered under the State Government Skills for Jobs in the Region program which resulted in 3,141 employment outcomes. This place-based project ceased in 2015 and at that time was providing a minimum of 600 trained or matched participants across regional South Australia to fill gaps (a partnership between State Government and RDAs which assisted to alleviate regional workforce pressures).

4.1.2 Reduction in regional training capacity

The lack of regional training delivery capability and capacity is contributing to the skills shortage in regions. It is understood that many providers are choosing not to deliver programs in regions due to the lack of critical mass for course delivery and associated lack of commercial return. Many providers have no regional infrastructure or connections, and the cost of travel and delivery is a deterrent to engaging in regional service provision. Some regions have communities with low education and skill levels, high levels of disadvantage and low participation levels. The ability to address those issues is in some cases challenged by the lack of capacity for delivery of local training.

Employers often incur significant costs to train staff where participants are required to travel long distances to access training (e.g. Kangaroo Island employers having to send staff off-island). The development of alternative training delivery mechanisms is needed to create viable opportunities for local delivery of skills training in regions.

It is understood that there is a shortage of qualified trainers across South Australia, an issue that is being addressed by the Department for Innovation and Skills. In order to deliver training to meet the needs of industry now and into the future, quality, available trainers with industry currency are needed. This is even more important in the delivery of high-risk training where additional requirements of SafeWorkSA need to be met.

4.1.3 Digital training

Covid provided a step-change in the transition to online learning which will continue to provide increased options for regional students to receive training in the region. Courses that have practical learning aspects will however continue to require face-to-face delivery. Alternate delivery methods e.g. an RTO delivering training at a business site or a TAFE site (on a fee-for-service basis) could be further explored.

A key consideration for digital training and education delivery in regional areas is the quality and reliability of connectivity – many areas still have significant mobile and internet black spots and reliability challenges (bandwidth, download and upload speeds). The capacity for regional people to participate in online training will be dependent on the quality of the available connectivity. For significantly disadvantaged people, there is the further challenge of access to the equipment and connectivity needed to undertake training or study online. The ongoing funding of the Regional University Centres can assist to provide access as could local government libraries.

4.1.4 Building capability opportunities

It is noted that DIS offers a range of building capability opportunities for RTOs and the VET workforce as part

of its commitment to supporting the high quality and responsive VET sector (Government of South Australia: Department for Innovation and Skills, No Date). It is understood that RTOs can apply for assistance to deliver courses in regions through this program. It is not known what level of regional engagement there has been with the program to increase regional RTO delivery capacity.

It is understood that some of the Building Capability projects have supported individual RTOs to increase their digital delivery capacity. There may be a broader opportunity to assist all RTOs to increase their digital capacity to in turn increase their overall business sustainability and potential. For example, a regional RTO could develop a specialization in a particular area that, with digital delivery, allows it to market that capability to a broader audience (including interstate).

4.1.5 Industry engagement

Feedback from experienced Career Development Practitioners that have been involved in regional skills and employment training delivery consistently reinforce that the greater the level of engagement and interaction with industry in program design and delivery the greater the success of the program. It is suggested that further conversations are had around opportunities to increase the involvement by industry in the development and delivery of skills training that lead to job outcomes. Engagement could include providing access to facilities, plants, and equipment to facilitate training, mentoring of students beyond training delivery and providing feedback on course content and delivery in terms of delivering on regional skills gaps. Of note, regional areas also lack peak industry bodies/organisations and large training organisations which often assist with aggregating demand across multiple employers/industry sectors to help develop solutions.

4.1.6 TAFE

In 2017, the Australian Skills and Quality Authority (ASQA) identified major shortcomings in its audit of TAFE SA. The findings of the audit were the catalyst for two reviews. The Quality Review of TAFE SA undertaken by the Nous Group outlined 9 recommendations in relation to strategy, governance, capability, culture, resources, and systems. It is understood the South Australian government supports all 9 recommendations. The TAFE SA Strategic Capability Review undertaken by Terry Moran AC and Kim Bannikoff outlined serious concerns in relation to leadership, strategy, and delivery. It is understood of the 14 recommendations in the review 9 are supported by the government, recommendations 7, 8, 9 and 10 are under consideration and recommendation 12 has been noted.

A Fresh Start for TAFE SA (Government of South Australia: Department for Education, 2021) is the South Australian government's transformation plan to restore confidence, and reposition TAFE SA as an effective, efficient public training provider. It is understood the plan has been informed by the recommendations in the reviews. The Minister for Education is responsible for the oversight of TAFE SA and will take an active role through the TAFE SA Board to monitor the transformation and performance improvement in TAFE SA.

4.1.6.1 Regional intelligence

Regional anecdotal feedback is that in some regions the TAFE course offering has been significantly reduced or is not necessarily well aligned with regional skills needs. Challenges have been noted in terms of critical mass for class sizes required to offer particular courses and the issues for regions in meeting minimum numbers. Some students are having to travel significant distances to access the course they require. Feedback indicates that reduced offering may have negatively impacted the engagement by industry (which in turn impacts the local TAFE offering).

It is suggested that consideration be made of reducing requirements for class sizes for regional course delivery to increase the equity of offering as compared to metropolitan-based students. It is further suggested that consideration be made of the potential for TAFE course specialization that capitalises on unique aspects of particular regions; for example, the Limestone Coast region is one of the largest forestry industry areas in Australia. An investigation could be undertaken of the potential for specialization in the delivery of forestry-related courses in the Limestone Coast region rather than having people travel out of the region (and the state) for training.

4.1.6.2 Engagement with TAFE SA

Feedback from TAFE is that it is committed to the achievement of training and skills outcomes for regions, is keen to be a part of the conversation moving forward and is open-minded in terms of what will deliver the best outcomes for regional communities and businesses.

RECOMMENDATION:

It is recommended that RDSA establish a working group including DIS, DESE, a range of RTOs, TAFE, industry associations and Employment Facilitators to develop a strategy to:

❖ Increase regional training capacity (number of RTOs willing and able to conduct training in regions) and capability (including potential for specialization and market expansion) including identification of potential DIS Building Capability program funded projects

❖ Increase RTO digital delivery capacity

❖ Ensure that a place-based approach is taken to regional skills training delivery with course delivery aligned to identified regional skills needs (understanding that each region will have its own specific needs)

❖ Maximise the benefit of existing DIS programs that provide funding for subsidised training to achieve regional outcomes and investigate ways to overcome the current barrier of lack of critical mass for regional training delivery

❖ Investigate and address digital connectivity challenges in regions

❖ Investigate and address ICT equipment and connectivity access challenges for disadvantaged people in regions

❖ Investigate opportunities to increase industry engagement and support in the delivery of regional skills training, including within schools (noting the benefits of engaging with students early in their high school years)

4.2 EDUCATION

A significant challenge to regional population retention and growth is the hollowing out of the working-age population. It is not uncommon for young people to leave a region once they have finished school based on the belief that there is no local pathway for them from either an education or workforce point of view. There is a need for strong and effective collaboration between industry and educators at all levels to engage with regional students as early as possible to create an understanding of the education, skills, and career pathways available in regions. Development of education and skills pathways that link into available jobs and industries, will assist in retaining working-age people in regions.

4.2.1 Schools

Initial consultation with RDAs has not shown any significant barriers to workforce attraction presented by the current school education system. In the section of this report on Workforce Attraction, the recommendation has been made that an audit is undertaken of the current education offering in regions (to determine the impact on current liveability and impact on workforce attraction).

4.2.2 Industry engagement

Consultation with experienced Career Development Practitioners (as part of this project) has reinforced the importance of early engagement with high school students by industry and career advisors to impart place-based information around potential skills and career pathways in regions. Thousands of regional students graduate high school each year. It is imperative that regions maximise the engagement with those students and ensure each has an understanding of the 'learning and earning' pathways that the region can provide for them.

Case study – RDAMR Careers in Schools

Noting the rapidly changing work environment, schools recognise that students require professional, current, real-world career development support. Students require a counselling service that assists them in identifying their work ready capabilities, and in developing presentation skills, personal self-belief and skills required for the future. To assist in addressing this gap in career pathway development, RDAMR developed a service to deliver professional career development counselling services at regional High Schools. The service engaged directly with students, providing an extended counselling interview with extensive personalised follow up. The program successfully assisted final year students in their transition from school either into work or further study.

By undertaking the counselling program students:

❖ Increased understanding of their current skills, transferable skills and the skills employers are looking for

❖ Gained confidence and empowerment in their career planning and pathways

❖ Became informed about their career pathway options and had greater clarity about how to access those options

❖ Had access to current workforce development trends and developed a professional resume

❖ Established direct links to local employers and industry.

Funding of the program was reliant on individual engagement with schools and dependent on the financial capacity to participate.

RDAMR surveyed High School students in 2020 from across the region to understand their future study and career paths. Of the 81 year 12 respondents, 80% were interested in support to plan for their future and of the 70 year 11 respondents, 78% indicated they would like support.

Case study – RDAFN - Industry and Schools Partnership Forum

RDAFN recently participated in an Industry and Schools Partnership Forum for vocational education. Discussion included challenges for young school leavers and students in connecting with future jobs. Businesses across a range of industries are being encouraged to engage with schools to outline opportunities and skills in demand.

Case study – RDAYMN – RDA and Industry engagement in schools

RDAYMN has continued to engage a qualified Career Practitioner (from internal funding) who has long term established networks and experience across the Yorke & Mid North region and engages regularly with schools. The Kadina Memorial School is one of the largest schools outside of Adelaide. RDAYMN assists the school Career Coordinator by utilizing existing industry networks to encourage employers to engage with students to outline potential skills and career paths related to their industries.

4.2.2.1 Vocational education

The recently announced Flexible Industry Pathways program (Government of South Australia: Steven Marshall Premier of South Australia, 2021) is an initiative of the SA Department for Education:

- ❖ The programs provide an important link for students to businesses and future job opportunities in the regions. Students may leave the region to study elsewhere but may choose to return to the region in later life based on their understanding (gained at school) about regional opportunities.
- ❖ Recognised the need for schools to be talking to students about viable employment options and further educational pathways matched to regional skills gaps.
- ❖ Schools have the opportunity to connect with local industry and provide insights for students into what the business or industry has to offer including increasing use of technology and the range of jobs available.

The Limestone Coast is a pilot area for the Flexible Industry Pathways Program. A number of the schools are targeting key industries and engage with major employers in those sectors. Ongoing delivery of the program is encouraged such that both students and their families can see credible pathways in terms of training and employment in the region.

i) VET in Schools

There are a range of different options for school students to study vocational education at school:

A school-based apprenticeship – where students can get a 'taste' of what an apprenticeship would be like and some hands-on experience by doing a nationally recognised qualification through a pre-apprenticeship or pre-vocational course. Schools need to be involved in every stage.

VET courses offered through the school – students can complete a qualification or individual units that can count towards their South Australian Certificate of Education (SACE) and allows students to follow or try out a vocational education pathway while still at school.

The VET Recognition Register lists more than 300 of the most common VET qualifications undertaken by SACE students and indicates how each qualification can contribute towards the SACE.

Students can start a VET course that will assist them to get their SACE and continue and complete the course after they have finished school.

Flexible Learning Options (FLO) strategy supports school students who have complex needs. School enrolled students who are not able to meet the criteria for Training Guarantee for SACE Students and who are designated by the Department for Education as FLO students may be eligible for subsidised training.n

FLO allows a student enrolled in a South Australian government secondary school to be funded to undertake training options outside of the school campus while the school retains a duty of care and responsibility for the student.

Anecdotal feedback is that the new VET in Schools policy 2020 is driving positive change (Government of South Australia: Department for Education, 2020).

ii) Reform

The States and Territories are currently engaging with the Australian Government regarding reforms to the VET system, with the aim of achieving a new National Skills Agreement by August 2021 with a transition period commencing from 1 January 2022. Australian governments (both at the national and state and territory level) have agreed to immediately progress reforms including strengthening the role of industry and employers, improving VET qualifications and raising the quality of training.

The Australian Government's priorities for the new arrangements include:

- ❖ Increasing access to Foundation Skills to promote life-long learning and ensure more Australians have

the skills to take on employment.

- ❖ Embedding micro-credentials in the training system by funding a reasonable mix of short courses and full qualifications.
- ❖ Harmonising and modernising apprenticeships to improve labour mobility and make it easier for businesses to take on an apprentice, knowing their training is fit for purpose.
- ❖ Improving the quality of VET in schools, including the development and implementation of a National VET in Schools Strategy.

2.2.2.2 Universities

University delivery in regions currently comprises of UniSA, and delivery via campuses in Mt Gambier and Whyalla. In the case of Mt Gambier, it is understood the offering is limited due to a lack of critical mass e.g. insufficient known demand for delivering a course like engineering. It is understood they offer courses such as teaching, midwifery and nursing and have state of the art facilities.

4.2.3 Regional University Centres

Funded by the Australian Government, Regional University Centres help students in regional and remote areas access higher education without having to leave their community. They provide student support and campus-style facilities for students who study online. A Regional University Centre (RUC) is a facility that regional students can use to study tertiary courses locally delivered by distance from any Australian institution. There are currently 16 Regional University Centres located across Australia. A further nine Centres were announced on 1 June 2020 and will be opened in 2021 (Australian Government: Department of Education, Skills and Employment, 2020). The South Australian RUCs have strong relationships with regional High Schools which enable them to identify student aspirations and plan course delivery that aligns with workforce future needs.

There are four Regional University Centres in South Australia:

- ❖ Uni Hub Spencer Gulf (Port Augusta & Port Pirie): https://unihubsg.org/ (noting that the Uni Hub model extends further than a Regional University Centre as it brokers in courses with tertiary partners to meet workforce skills needs of local industry)
- ❖ Murray River Study Hub (Murraylands & Riverland): https://www.murrayriverstudyhub.org.au/
- ❖ Copper Coast Council University Centre (Kadina): https://www.coppercoast.sa.gov.au/loose-pages/unihub-kadina
- ❖ Barossa Campus (RDA Barossa Gawler Light Adelaide Plains): https://barossacampus.com.au/

The RUC program concludes in December 2022 and at this stage, there is no committed funding for the program going forward, however, the Department of Education, Skills and Employment has commenced a mid-project review which is likely to identify the need for further funding given the success of the program overall and noting the impact of changes to the higher education sector through COVID on the sustainability of operating models.

There is a need to ensure that the Australian Government continues to provide RUC program funding and for advocacy for a stronger focus on the provision of ongoing operational funding for existing centres to ensure long term sustainability of service delivery. It is understood that, in line with its university counterparts, it is not feasible for the RUCs to be financially self-sustainable and ongoing funding is required. In line with the findings of the National Regional, Rural and Remote Tertiary Education Strategy final report in June 2019, it is suggested that funding needs to be demand-driven and reflect both the socio-economic and geographical disadvantages of a region in order to create greater equity.

The RUCs across the state have assisted significantly in bolstering the education and skills pathways in regions. In its Workforce Insights report on Agribusiness, the TSC noted that 'the development of regional study hubs is a positive development in improving access to tertiary studies across the regions and helping students achieve their study aims without having to move to the city. It is important that these hubs are well connected with local industries and businesses'.

4.2.3.1 State Government investment

In April 2017 the New South Wales government announced an investment of $8m into the expansion of the

Country Universities Centres (CUC) initiative to add at least another five CUCs, modelled on the successful pilot in Cooma (which had been operating since 2013).

It is understood that with ongoing Commonwealth and NSW government support, seven additional CUCs have been established in NSW and a further three will have been established Centres by semester 1, 2021.

4.3 RESEARCH FINDINGS

The Regional Australia Institute has developed an overall approach to regional workforce development aimed at helping communities fill their skill gaps. This is known as the Regional Learning Systems Approach. This approach extends the analysis beyond the skills gap as determined by business interests, to include an understanding of skill formation and transition challenges due to structural change in regional economies (Houghton, 2019: 2).

Due to the nature of Regional Learning Systems as multifaceted and systemic, differences in capability and performance across the local, regional, and state scales can hamstring the performance of the whole system in a particular place. However, because of this interdependency between different participants, the approach can have positive impacts in terms of:

- ❖ the alignment of school and community/local goals and priorities between;
- ❖ close connections with community/employers/industry/education/ and training providers;
- ❖ providing students with a sense of 'what's next', be it pathways to continue schooling or pathways beyond schooling (further study or employment);
- ❖ equipping students with multiple skill sets to be able to pursue various pathways (rather than become single-tracked)" (Houghton, 2019: 2).[5] [6]

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[5] See the following report for more case studies on preparing students for the future through the National Career Education Strategy: Ithaca Group. (2019). *Future Ready: Implementing the National Career Education Strategy.* Department of Education and Training. Retrieved from https://schooltowork.dese.gov.au/sites/default/files/2019-08/implementing_the_nces_resource_for_school_leaders_-_final_05.04.19.pdf

[6] See the following website for comprehensive reports and resources on "Skills for Future Jobs": https://www.tasc.sa.gov.au/About-us/TaSC-2020-Series/Skills-for-Future-Jobs-2020. The Skills for Future Jobs 2020 Series draws on the Training and Skills Commission's independent economic modelling to qualification demand assessment to find the critical issues that impact the South Australian VET sector. The initiative further aims to provide a platform for the industry to address the skills and workforce development needs of the South Australian economy.

Case studies: The North West Coast of Tasmania - Addressing disadvantage and increasing education retention and completion rates in this region

The North West Coast of Tasmania region faces particular issues in terms of low levels of labour force participation, high levels of long-term unemployment and jobless families, limited full-time and lower-skilled jobs, and low levels of educational attainment. This region is one of the poorest in Australia's most disadvantaged State (Houghton, 2019: 24). One of the main challenges that this region aims to address is the socio-cultural reasons behind low education attainment rates, particularly since poverty and unemployment has a profound impact on family priorities that ultimately affects educational aspirations.

In response to the above-mentioned challenges working partnerships have been created with family support services, employers, high schools, and Year 11 and 12 institutions like Hellyer and Don Colleges. School retention and completion rates on the North West coast have improved and now exceeds the rest of Tasmania. Furthermore, there appears to be a re-emergence in "old" industries with new opportunities in advanced manufacturing, agribusiness, aquaculture, forestry, and renewable energy. In order to fill these new roles, the region is currently being forced to recruit from outside the North West coast.

The region's development agency, the Cradle Coast Authority (CCA), has now prioritised the improvement of educational attainment to help enable local residents to fill local jobs. One of the partnerships that is proving effective is the Children's University (the franchise ownership of this initiative in Australia is managed out of Adelaide via the University of Adelaide and they are seeking additional schools to engage with the program). This program allows students between the ages of 7 and 14 to undertake a number of hours of validated activities that are linked to a university course in some way.

By working collectively, the City of Burnie and community businesses have been able to engage families and children to increase education retention and completion via an improved relationship between industry and schools. This program is known as *Dream Big,* and it aims to expose Year 5 students from jobless households to the world of work by connecting them with workplaces and educational institutions. This project involves 100 local businesses and 4 local primary schools and aims to help these students discover opportunities that would not have been available to them in the past. A further initiative in this region is known as BIG and its aim is to build a strong regional skills base to support emerging opportunities by enabling young people on their trajectory to a vocation. This community-led industry and education group is working with the local government to engage families and the community to overcome entrenched attitudes towards education and training and to reorientate them to develop skills to fill the emerging roles in advanced manufacturing and health sectors.

4.3.1 Regional VET institutions and TAFEs upskilling and reskilling

These institutions play a key role in identifying skills needed and improve the supply of appropriate training, thus, promoting investment in regional human capital. The VET institutions help employers deal with regional skill shortages, as well as skill mismatches and deficiencies in particular fields due to new technology or work processes (Houghton, 2019: 10). They are also key in terms of developing ways to assist displaced and disadvantaged people, and they promote the entry of young people into the labour market. These institutions also play a social and economic role and head up initiatives like helping disadvantaged learners in regional areas to transition from school to VET.

In terms of current skill improvements, some regions have seen big increases in key measures like Year 12 completions. However, the gap in Year 12 completions continues to persist between regional and metropolitan groups. Furthermore, the completion rates for VET programs are higher for regional Australians than for metropolitan Australians (Houghton, 2019: 12). According to Houghton (2019: 10), for skills to be developed and implemented in regional areas successfully, a form of partnership should be encouraged. The case studies below demonstrate that locally-driven initiatives can be successful in improving human capital in regions.

Case study: Schools-industry partnerships - Winemaking in the Barossa Valley (South Australia)

The Barossa Valley region has a jobs-driven need for a stable workforce, and the need to engage local schools. This region is renowned for winemaking and the schools in the area have developed strong ties with the wine industry. Nurioopta High School and Faith Lutheran College in Tanunda have both incorporated aspects of winemaking into their curriculum. Many students at both schools come from winemaking families, and this serves as an opportunity to engage with the curriculum to gain industry-level experience that encourages students to remain engaged in education.

This case study serves as an example that emphasises the importance of the alignment of schools with community and local government goals and priorities (Houghton, 2019: 15). Through these types of partnerships, the potential for workforce retention can be created and the employability of local students can be increased.

Case study: Training and pathways to employment in remote Australia - The Big Rivers Region

The remote and very remote regions of Australia are often characterised by higher levels of unemployment, lower levels of educational attainment, and extreme distances between towns and cities (Houghton, 2019: 17). The local governments, communities, and employers face significant hurdles in these areas, particularly since these areas face challenges in terms of providing training and pathways to employment. The Big Rivers Region in Northern Australia has worked together with industry, education, community, and local indigenous stakeholders to develop context-specific initiatives to improve education and employment outcomes. This region is largely indigenous and has a low employment rate, as well as a high unemployment rate. The initiatives are particularly aimed at increasing Aboriginal engagement.

One of the initiatives in the Big River Region is known as the Real Jobs Program (RJP). This program is characterised by a collaboration between industry, the VET sector, the community, and Indigenous Leadership. The RJP is operated by the Northern Territory Cattlemen's Association in partnership with the Indigenous Land and Sea Cooperation (ILSC). The program started in 2008 and runs for two (2) years and it recruits up to 20 young Indigenous people annually between the ages of 18 to 26. In the first year, the focus is on training and placement and in the second year, the focus turns to sustainable, independent employment. Group Training NT employs all the participants in the traineeships and all the participants undertake a Certificate II in Rural Operations along with 90 hours of literacy and numeracy with Charles Darwin University. Participants are mentored by field officers who assist with family issues and work to encourage student retention. This program serves as a good example of a context-specific approach to enhance training and employment outcomes (Houghton, 2019: 18).

RECOMMENDATIONS:

It is recommended that:

- ❖ RDSA facilitate a workshop with DESE, the SA Department for Education, DIS, industry associations, and Employment Facilitators to identify opportunities for development and delivery of a project(s) that:
    - ▪ Increases industry engagement with schools (noting the benefits of engaging with students early in their high school years).
    - ▪ Increases regional engagement in the Flexible Industry Pathways Program and encourages identification of credible pathways in terms of training and employment in regions.
- ❖ RDSA closely monitor the operation of the Port Pirie Industry Training Hub and advocate for development of further hubs across SA.
- ❖ RDSA advocate for sufficient ongoing operational funding for SA Regional University Centres to ensure long term sustainability of service delivery by:
    - ▪ Advocating to the Australian Government to provide ongoing operational funding.

Advocating for SA Government consideration of support and co-funding for ongoing RUC operations.

5. UNLOCKING EXISTING WORKFORCE CAPACITY

5.1 BARRIERS TO EMPLOYMENT

5.1.1 Precarious job vacancies

The covid experience has highlighted the reliance on international labour to deliver on seasonal workforce needs. However, the concept of precarious work has been a challenge for some time. Contract work and the casualisation of the workforce is anticipated to continue to increase. It is suggested that there needs to be a reframing of how these jobs are offered, what the jobs entail, and how they can be made attractive to the existing regional labour force and to attract people to regions.

Many of the job vacancies identified across regions can be viewed as precarious – reducing the potential for filling those vacancies and matching people into jobs. For a range of industries, such as hospitality, there are a limited number of full time or ongoing work opportunities. Many of the vacancies are for part-time and casual hours, which are often not enough to encourage an unemployed person to come off unemployment benefits entirely. (Of note, subject workers may continue to receive a partial unemployment benefit and as such still be counted statistically as unemployed which presents a challenge in understanding actual unemployment numbers, with people working on a part-time basis being included in unemployment figures).

5.1.2 Job readiness

Consistent feedback from employers is that people that are applying for jobs are often not job-ready. Many employers are happy to take on job seeker entry-level people that have no skills and are happy to provide on the job training. The challenge for employers is when people are presenting themselves for consideration and are not ready to work; for example, they do not understand what is required to remain in work (turning up consistently and on time, work ethic required etc.). Industry feedback is that job seekers need to better understand the industry sectors/jobs they are applying for and have the appropriate tickets/licences, soft skills prior to applying for a job.

Regional stakeholders, including RDAs, have been raising concerns for some time around the gap in the availability of support and training to assist local people in work. The impacts of Covid on access to international labour, local job losses in some industries and increased need for labour in other industries has further highlighted that need. Regional employers that have previously been able to rely on international labour to meet both seasonal and permanent workforce needs are now having to consider local people (as well as trying to attract new people to the regions) to fill local job vacancies.

Whilst there is a statistically available workforce (based on regional unemployment levels), there is a range of challenges to filling job vacancies from existing workforce capacity (both underemployed and unemployed people). Consistent feedback from regional employers is that 'there are plenty of people around – they're just not necessarily the right people'. Many employers are prepared to take on unskilled and inexperienced people for entry-level jobs, the challenge is that many of the people available to work are not 'ready to work', do not have the skills required or do not want to do the type of work on offer.

There is a need for solutions that address the unique and complex non-vocational barriers of individuals, not only vocations/skills needs. Opportunities need to be created to provide training and experience in work readiness / 'work hardening' (e.g. timeliness, attendance, understanding the subject industry, understanding the requirements, dress code, WHS etc.) to provide an available workforce with a positive attitude to work.

5.1.3 Long term unemployment

Logically, the majority of the current matching of unemployed people to regional jobs is focused on the Stream A cohort (those with the highest level of engagement in looking for work and desire to work) as well as people who are not registered for JobSeeker but who are looking for work. In terms of the Stream B and C cohorts, a significant number of these people are not job-ready and need case management assistance to help them become job-ready. The longer someone is unemployed, the more case management is required.

Some regions, Yorke & Mid North, for example, have high levels of what can be described as 'Very Long Term Unemployed' – people who have been unemployed (and on benefits) for a period of five years or more.

Intergenerational unemployment is also a significant challenge in regions with high levels of disadvantage; with some people having no experience or understanding of what is required to engage in work. Whilst the Australian Government's Job Active service providers are engaged to work with this cohort, there is a need for a greater level of case management and mentoring, and a greater level of pre-employment and post-placement support.

Anecdotal feedback indicates that the current welfare program requirements may be acting as a disincentive for some people to enter or re-enter the workforce. An example was provided of the challenges of a single mother in deciding whether or not to take on a part-time job. Whilst she is receiving benefits, she has the certainty of income and can take her kids to school etc. If she takes on part-time or casual work, her income is not certain, her welfare payments will be reduced, and she may no longer have the flexibility to take care of her family's needs. It is understood that the process for her to re-enter the welfare system if the job does not work out (waiting periods etc.) acts as a disincentive to engaging in work.

5.1.4 Regional disadvantage

A number of regions are significantly socially disadvantaged as compared to South Australian averages including low percentages of workforce with formal education and training qualifications and high unemployment rates (particularly amongst youths). There is a need for regional workforce program delivery to address long term disadvantages (in identified regions) to both increase the capacity and capability of the local workforce as well as to increase community health and wellbeing and overall regional liveability.

5.1.4.1 Regional Employment Trials Pilot Program

In 2018, the Murraylands & Riverland and Yorke & Mid North regions were selected by the Australian Government as two of only ten regions nationally, to participate in the two-year Regional Employment Trials (RET) Program; in recognition of the level of regional disadvantage. The RET program provided valuable pre-employment training via the resourcing of a Regional Employment Facilitator and dedicated funding for each region for program delivery (which leveraged significant further state government and industry funding for program delivery).

For example, a total of $1.1 million in Australian Government project funding was committed to the Murraylands & Riverland region with a total project investment, including proponent co-contributions, of approximately $1.8 million. Programs delivered connected regional people to employment at all levels of their career, from long term unemployed, underemployed, retrenched workers, women returning to the workforce and local people seeking a career change. The RDAMR programs delivered employment and career pathway support to over 400 local job seekers from 2018-20 and assisted some 60 plus per cent build employment pathways into further study, and to local employment.

5.1.5 Drugs and alcohol

A number of regions are facing significant drug and alcohol addiction issues amongst registered unemployed people in the community. Many of these people are not job-ready and cannot be employed due to addiction issues. A further challenge for regions is the impact on people who lose their driver's licence for Driving Under the Influence (or other driving offences) and then cannot get to work or do their jobs if having a licence is a requirement. This can compound the impacts and potential for the person to remain in employment.

These challenges present both economic impacts (reduces the labour pool) and social impacts (spiralling health and wellbeing challenges). There is a long-term cost to the government in supporting people with substance abuse issues throughout their lives. There is an unmet need in regions for programs to work with people suffering from addiction to assist them to get into or back into work and to provide the support that enables them to stay in work.

5.1.5.1 Place-based approach

RDA Eyre Peninsula (RDAEP) has identified drug and alcohol addiction as a key challenge in engaging people in ongoing employment in the region and has suggested that a place-based, comprehensive approach is needed to support both employers and people with addiction challenges. Following consultation with employers and community groups, RDAEP suggests that an overarching incentivising approach is needed.

Employers with zero-tolerance policies may currently immediately terminate a staff member that has been identified as having a drug problem via a failed blood test. It is suggested that instead of terminating the staff member (and having that person spiral further downwards), a guided process could be developed (the

employer working with a service provider) to provide recovery treatment. The desired outcomes would include a lower level of staff turnover for the employer, and job retention, better health, and a feeling of being valued for the person suffering from addiction.

It is suggested that a collective approach would be needed with community, local government, education providers, industry, SafeWorkSA, and police working together to deliver a zero-tolerance policy approach but with embedded support processes. The approach would aim to achieve better long-term job and health outcomes and assist in reducing the long term impacts of drug and alcohol addiction on individuals, families, communities, and government.

5.1.6 Mental health

It is understood that mental health is a significant challenge for many unemployed people, particularly noting the lack of access to clinical services (in addition to the lack of general support services) – people with medium-high needs are often not able to get support due to a lack of resources (e.g. clinical staff) available, and long waiting periods.

5.1.7 Lack of mobility

There is a perception that it is a simple process for people to move to where there are jobs available. The cost of moving, particularly for people with families, can be prohibitive; the current lack of rental housing and houses for sale across regional SA is also a significant barrier to mobility.

5.1.8 Lack of transport

In most cases in regional SA, without a car and a driver's licence, it can be very challenging to engage in work. The various challenges this presents is further explored in the section of this report on regional transport. Of note, the requirement for a driver's licence to gain work is one of the biggest, ongoing barriers to employment for job seekers in regional SA, with only a small number of ad-hoc programs available to address that need. It is understood that broad discussion (nationally in the workforce sector) continues around whether a more systematic approach could be taken (e.g. embedding driver training in schools/curriculum/embedding driver training support alongside VET for young people and school students, etc). The challenges in gaining a licence are most significant where there are high levels of disadvantage (e.g. intergenerational unemployment, no licenced drivers in the household, no family support, no car available, etc).

5.1.9 Lack of credentials

Many people in regions are financially challenged and need assistance to access key micro-credentials required to engage in work including accessing police clearances and ECSI checks. Job Service Australia (JSA) Providers can support those on benefits to get tickets, licences etc. however, it is understood that guidelines have been increasingly tightened and JSAs are becoming less willing to allocate funds to an eligible job seeker without a clear line of sight to a job outcome.

In addition, it is understood that the Australian Government is currently conducting trials across Australia (including in Southern Adelaide) to increase the digitalisation of services to job seekers and that this may make it more difficult for job seekers to make a case to receive support for training for tickets or licences.

5.1.10 Quality of appropriately skilled applicants

Feedback from many employers is that people are applying for jobs that do not have the skills required for the job they are applying for. E.g., A large company advertised for six or seven different roles within food production. Out of 100 applicants, only 30 had some type of relevant industry experience (let alone the high-end dairy food production experience being sought); of that 30, 24 applicants were living overseas, and not eligible for a visa due to closed borders at the time, and dairy not being considered a critical sector. Of the remaining six applicants, five were deemed unsuitable leaving only one person, who ultimately was offered a job.

5.1.11 National Skills Commission Recruitment Experiences and Outlook Survey

Data from the National Skills Commission's *Recruitment Experiences and Outlook Survey* has found that 2020 was the first time that employers in areas outside of capital cities more frequently had recruitment difficulty than their capital city counterparts.

The report, *Trends in vacancies and recruitment in Capital Cities and Rest of State areas* (Labour Market Information Portal, 2021) provides a detailed analysis on businesses' recruitment experiences across the COVID-19 disruption, based on data collected directly from business surveys dating back to 2016.

Employers who reported recruitment difficulty were asked the reasons for their difficulty, with employers able to provide multiple answers. By far the two most common reasons mentioned by employers were a general lack of applicants (37%) and a lack of suitable applicants (35%). Other reasons included: applicants lacking technical skills (15%), COVID-19 impacting recruitment (11%), applicants lacking experience (10%) and the location of the business (9%).

5.2   PRE-EMPLOYMENT PROGRAMS

RECOMMENDATION:

It is suggested that discussion be held between RDSA, DESE, Employment Facilitators and SA Government to discuss opportunities and identify funding and resources to facilitate:

❖ A greater level of regional case management and mentoring, and a greater level of place-based pre-employment and post-placement support for unemployed people and employers in regions.

❖ Development and delivery of regional workforce programs that address long-term disadvantages (in regions of high disadvantage) to increase the capacity and capability of the local workforce

❖ Working with employers to manage expectations about finding ideal staff in regional areas, reducing prejudices, providing support for employing disadvantaged people, and the role of employers in training/accreditation provision.

❖ Development of an alternative approach to the management of drug and alcohol addiction via the development of a guided process (employers working with service providers) to provide recovery treatment for impacted people. It is suggested that a pilot program be developed in one RDA region as a collaborative project with the community, local government, education providers, industry, and police working together to deliver a zero-tolerance policy approach but with embedded support processes.

❖ Increase regional access to key micro-credentials (tickets and accreditation) as a place-based approach matched to identified skills needs and job vacancies

5.2.1 Local workforce

Overwhelming regional feedback supports the development of pre- and post-employment program delivery and support as the key gap in activating the existing available regional labour force and filling regional job vacancies. There is a need to reduce the reliance on international labour as a permanent workforce solution and to reduce current levels of unemployment and underemployment in regions. There is also a significant need to enable the upskilling and reskilling of existing employees across all industries to both address existing job vacancies and skills gaps and address the challenges of an ageing workforce. Critical to delivering on these opportunities is regional access to place-based pre-employment and skills training matched to identified regional skills and employment needs.

5.2.2 Resourcing

There is currently a significant resource gap in the provision of place-based pre-employment and skills training to work with people who are long-term unemployed, have substance abuse challenges, cultural challenges etc. The opportunity exists for the SA government to provide an allocation of funds and a program resource in each State Government region to address these challenges and leverage the Australian Government Local Jobs Program delivery. These ongoing resources are needed in line with the long-term nature of the challenges that the programs need to address.

A combination of programs is needed with both an immediate economic focus (getting people into work to fill job vacancies – short to medium term) as well as a longer-term social and economic focus (getting people off

welfare and into work). This need is anticipated to increase further as the impacts of the loss of JobKeeper and reduction of JobSeeker start to be felt. With the imminent move to digital servicing for Stream A unemployed people, the service gap in navigating programs and assistance will become even greater.

5.2.2.1 Micro-credentials / pre-employment screenings and checks

Feedback supports the need to simplify the processes and policy settings and increase support for the achievement of pre-employment screenings and micro-credentials required to work in a range of roles in regions e.g., DHS screening, senior first aid, working with children/elderly, NDIS etc. The cost of DHS screening for example may be acting as a disincentive for job seekers and job active providers. For a job seeker to get the full DHS screening (Working with Children, NDIS worker, Aged care sector, Vulnerable person-related employment and General employment probity) would cost over $500.

Case study – Career Connections: Murraylands & Riverland

RDA Murraylands Riverland (RDAMR) delivered career development services throughout the region from 2010 to when the program was defunded in 2018. Service delivery included: career mentoring and planning, assistance with resumes, job applications and interview techniques, sob search guidance and tips, advice on local industry and employment opportunities, training research and support and Recognition of Prior Learning.

Career Practitioners offered a dedicated, tailored service with knowledge of local labour markets, an established referral network (including established relationships with the region's Jobactive providers) and a solid understanding of regional industry requirements. The careers team worked across both career services and training and employment projects, providing them with vital links to industry and business and increasing their knowledge of the local labour market, future opportunities, skill shortages and industry needs.

Career Practitioners had direct involvement in organising, driving, and facilitating the Regional Employment and Training network for the region – building capacity for delivery of quality career services, bringing together government, industry, community, and the non-government sector to address workforce needs. These established and invaluable network groups allowed Career Practitioners to further understand local industry conditions, trends and challenges, regional workforce development and seasonal recruitment needs. These established networks encouraged direct relationships between RDAMR, career services, business, and industry in the region. The Career Connections team comprised qualified and skilled Career Development Practitioners with experience and qualifications ranging from Certificate IV in Career Development to Graduate Certificate in Career Development practice.

> ### *Case study - Jobs 4 Murraylands & Riverland*
>
> Delivered with RET funding support and based on a proven model that was run successfully in the Murraylands region over a number of years, the Jobs 4 Murraylands & Riverland (Jobs 4) program was an initiative of RDAMR in partnership with Murraylands and Riverland Jobactive providers. The program provided an employment pathway for local jobseekers to connect with local businesses by providing local Jobactive providers with a pool of candidates that are more marketable to local employers.
>
> Most program participants had a Jobactive classification of either Stream B or Stream C, with participants experiencing unemployment for 12 months or longer. The age diversity of participants ranged from 18 to 62 years, with a high percentage of participants aged between 20-30 years with low levels of employment experience.
>
> Key activities included: personal development workshops, 1:1 interviews to assess individual employment and social barriers, individual fitness assessment and program, weekly mentoring sessions addressing barriers, career mentoring, building resilience, motivation, self-confidence, and self-esteem (individual and group work) and accredited training in White Card, First Aid, High Risk Forklift, and South Australian Learner Driver Permit through the TAFE SA Prepare to Drive program. (As evidence of the value of these programs, the 'Jobs 4' video (https://www.youtube.com/watch?v=WZW1JIK5WPc) highlights the critical role the program played in rebuilding personal self-esteem, confidence and aspiration, combined with supporting the individual back into the workforce after a period of long-term unemployment and disadvantage. The program intervened proactively, breaking the cycle of regional disadvantage and, in some cases, intergenerational unemployment.

5.2.3 Existing support

5.2.3.1 Learner Support Services

The Learner Support Services (LSS) program provides case management support to help students address life, learning and other issues, and complete their training and transition to employment (Government of South Australia: Department for Innovation and Skills, No Date). Training providers can refer their students, including apprentices and trainees, to an LSS provider. Learner Support Services are fully funded by the Department of Innovation and Skills and is free to students and RTOs. Students who are facing significant barriers to completing their training, who are falling behind or at risk for withdrawing from training are the focus of LSS services. It is not known what level of engagement there has been with the LSS program in regional areas.

5.2.3.2 JobTrainer Transitions

JobTrainer Transitions provide successful applicants (registered training organisations) with outcomes-based payments for transitioning a young person to further training or employment (Government of South Australia: Department for Innovation and Skills, 2020). RTOs who hold a JobTrainer Funded Activities Agreement are invited to apply for a quota allocation to help transition young JobTrainer participants, who have completed their JobTrainer training place, into further training or employment (including apprenticeships and traineeships).

5.2.3.3 Pre-and post-employment mentors

Feedback indicates that mentoring support for individuals as they re-enter or enter the workforce significantly impacts the successful engagement of high needs people in ongoing work. A mentor can assist the person e.g. to ensure that they get to training, keep up their studies and successfully juggle their life needs.

Feedback also indicates that following participation in pre-employment training and securing a job, a key supporting mechanism to help people stay in that job is the ability to access workplace mentors. This has proven successful both in aboriginal employment outcomes and in working with other high needs workers. The mentor or a 'work buddy' can assist greatly with the transition from unemployment into work.

5.2.4 Aboriginal employment programs

5.2.4.1 Local jobs program - Fulton Hogan

Fulton Hogan established a relationship with the Ngarrindjeri people in 2015 and have signed a Kungun Ngarrindjeri Yunnan Agreement with the Ngarrindjeri Regional Authority resulting in commercial, training and employment outcomes for Ngopamuldi. At the peak of the relationship between Ngopamuldi and Fulton Hogan, 24 local Aboriginal people were employed working on Fulton Hogan civil construction projects in South Australia.

Ngopamuldi's strong relationship with the Local Jobs Program team in the Murray and South East (MSE) region has seen the creation of 20 additional employment and training opportunities within Fulton Hogan. The MSE Local Jobs Plan developed by the Employment Facilitator in collaboration with the MSE Taskforce drives 10 priorities that include creating employment and training opportunities to increase the number of Aboriginal people employed under a contract of training. The Employment Facilitator facilitated a meeting connecting Ngopamuldi and Fulton Hogan with partners that had the potential to work collaboratively to build a project and attract funding into the region.

In March 2021 Ngopamuldi received an injection of funding through Skilling South Australia to support 20 traineeship positions with Fulton Hogan. Cultural awareness training was a key component to the project for staff within Fulton Hogan and ongoing mentoring support through Ngopamuldi for the trainees. The Employment Facilitator worked with the employer to develop a pre-employment training program delivered locally by TAFE SA. The pre-employment training enabled the trainees to gain the necessary tickets, complete their induction and more importantly gain insight into the expectations of being an employee of Fulton and Hogan, and gain confidence prior to commencing.

Fulton Hogan's vision for the trainees is for them to work across different divisions of the organisation providing them with professional development opportunities with the aim of having Aboriginal people in leadership positions across the organisation. The success of the project is built on strong partnerships, understanding the needs of the employer and believing in individuals that do want to work but face challenges in gaining employment.

5.2.4.2 Landscape SA Murraylands & Riverland - Aboriginal Partnerships Program

The Aboriginal Partnerships Program works with a range of Aboriginal, government and community group partners to support a range of Aboriginal training and employment projects across the region. These projects aim to build people's skills, knowledge, qualifications, and experience, and provide employment opportunities for Aboriginal people to participate in managing the Murraylands and Riverland landscape. These projects include Riverland Rangers Program, Gerard Country Rangers Project, Monarto Zoo Aboriginal Learning on Country Project.

5.3 RESEARCH FINDINGS

RECOMMENDATION:

It is suggested that the SA government provide an allocation of funds and a program resource in each State Government region to design, develop and deliver a place-based program that addresses these challenges and leverages the Australian Government Local Jobs Program delivery.

5.3.1 SA Regional Development Strategy

Regional Leadership & skills - What success looks like (Government of South Australia: Department of Primary Industries and Regions, 2021):

❖ Regional communities have access to resources for skill and capability development.

❖ Career pathways, resources and support are available to school leavers and others seeking career development advice.

❖ There are clear pathways for enterprises to engage locally to seek support for attracting and retaining workers, providing worker support programs and accessing skills development programs.

❖ There are strategies put in place to align new business development initiatives with skills development initiatives, where innovation hubs and other programs are being established, these are supported by skills attraction initiatives that build local capability in the region.

❖ Regular benchmarking of regional skills needs enables strategic workforce skills development planning and the establishment of programs that meet current and emerging needs.

Workforce and skills development (Government of South Australia: Department of Primary Industries and Regions, 2021):

❖ Work with regions to develop workforce strategies within the industry and across a region, commencing with the seasonal worker program in agriculture and tourism.

❖ Deliver skills-based training in regional areas to ensure accessibility and ensure that resources are in place to extend skills programs in regional areas.

❖ Improve information provision on industry skills needs, options for transitioning to available training and skills development programs to businesses and schools.

❖ Provide career counselling support to regional schools so that students in regional communities are aware of the career options available to them in their local region.

❖ Work with RDAs to be a coordination point for job network information across the regions and work with RDAs, government departments and training providers to ensure fit for purpose regional training solutions are established for critical economic sectors.

❖ Establish regional hubs for further education or university support, including digital hubs for remote and distance learning, to support people wanting to continue education.

- ❖ Continue benchmarking the demographics and uptake of education and skills services regionally to inform future investment decision making.

- ❖ Consider support mechanisms for secondary school students to understand the opportunities under the VET Program that drives transitions to skilled careers and better meets the needs of industry for underpinning strong economic growth.

- ❖ Evaluate the Flexible Industry Pathways pilot to inform full implementation, planned for 2022.

5.3.1.1 International and Local Resources

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COVID-19 has had a considerable impact on how and where work is performed. Prior to the outbreak of the global pandemic, people started to look at living and working outside of cities (Houghton, 2019: 27).

Increased digitisation has allowed many to embrace the flexibility of location and this could help attract and retain workers in the regions (RWAG Secretariat, 2021).

Despite the challenges that regional areas face in terms of skill shortages, unemployment and low levels of educational attainment these areas also demonstrate immense potential, particularly since on average regional cities have the highest innovation scores in measures like new business start-ups and the presence of Knowledge-Intensive Business Services (KIBS) (Houghton, 2019: 35).

Research suggests that regional Australia needs to actively address the negative perceptions that are linked to living in these areas. These perceptions include highlighting how regional towns and cities represent places that are intimately linked to global markets, innovation and entrepreneurship, healthy and thriving families and communities, and diverse and exciting career opportunities (Regional Australia Institute in RWAG Secretariat, 2021).

Case study: Evocities - What is Evocity Life? - Albury, Bathurst, Dubbo and Tamworth (NSW)

The Evocities campaign focuses on changing the perceptions of life in regional cities. It encourages people to live, work and invest in an Evocity. Seven regional cities in New South Wales have united to form Evocities. These regional cities include Albury, Bathurst, Dubbo and Tamworth, Orange, Wagga Wagga and Armidale. The Evocities campaign emphasises "less time commuting, working and stressing and more time for you and your family to enjoy NSW's beautiful natural surroundings" (Evocities, 2019).

Dubbo was identified as the best performing Evocity and was able to attract 56 city-based families and these families went directly to the Evocities website to start and complete their move to the region (RWAG Secretariat, 2021). Bathurst came in second and was able to attract 42 city-based families.

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Regional Development
SOUTH AUSTRALIA

CHAPTER 2:

CREATING EMPLOYMENT READINESS PATHWAYS

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1. SOUTH AUSTRALIAN GOVERNMENT PROGRAMS

The South Australian and Australian governments continue to deliver a myriad of workforce, skills and employment programs that can be accessed by regional South Australian employers, job seekers and stakeholders. It is noted that many of the programs are short-term, have restrictive criteria and may benefit from review in terms of their effectiveness in assisting to fill job vacancies in regional South Australia. Only a small selection of the available programs have been referenced in this report.

1.1 REGIONAL WORKFORCE COORDINATION AND COLLABORATION PROJECT – PIRSA

1.1.1 Program delivery

As a requirement of the RWCCP project grant funding, RDAs agreed to deliver the following outcomes:

- ❖ Support the update of the Seasonal & Regional Jobs SA website by ensuring regional jobs are posted, providing website content on types of roles available and details of local accommodation options.
- ❖ Providing on the ground advisory and coordination services to link employment opportunities and job seekers.
- ❖ Quantifying regional workforce demand and providing this advice to Government.
- ❖ Establishing frameworks and systems to ensure longer-term workforce coordination services 'in region' through public/private partnerships.
- ❖ Communicating with 'in-region' networks on regional workforce issues, opportunities and initiatives.
- ❖ Engaging with local labour-hire firms and direct employers on 'in-region' workforce issues (demand).
- ❖ Facilitating transport and accommodation support to industry, including developing regional accommodation solutions for Pacific Labour Mobility workers.
- ❖ Linking job seekers to available incentive programs and Department of Innovation & Skills (DIS) training and skills opportunities.
- ❖ Advising the Government of local workforce issues, needs and constraints as they are identified.
- ❖ Reporting to the Project Lead, RWCCP on RWCCP implementation and attending Regional Workforce Advisory Group meetings, as required.
- ❖ Engaging with other RWCCP 'in-region' providers to ensure the movement of workers across South Australia to meet workforce demand.

Whilst the delivery timeframe for this project is short, a key benefit for regions has been the reestablishment of on the ground resources that can engage with businesses on workforce needs (at a granular level) as well as reconnecting with local Job Active providers and regional training networks to assist in matching people to training and jobs.

1.1.2 Initial feedback

Challenges have been encountered in attracting unemployed people from outside regional SA to move to the regions to take up seasonal work (despite the incentives being offered) with minimal interest from job seekers who have registered on the Regional Work SA website who are willing or able to relocate. Feedback indicates that the nature of seasonal work is proving unattractive to many registered job seekers as it does not provide ongoing employment. RDAs have had some success with attracting people to regions to work in accommodation and tourism. It is also noted that for some regions, the need for urgent attraction of seasonal and harvest workers is less severe than for others.

RDAs are working with stakeholders and industry to identify available regional jobs and available local workforce (unemployed and underemployed people in the region), with the aim of finding suitable matches where possible. This work complements the Australian Government Local Jobs Program being delivered in some parts of regional SA (this program is explored later in this report).

1.1.2.1 Progress to date

RDA collective reach – RWCCP 1 January to 24 March 2021:

		% Tourism & Hospitality	% Agricultural	% Other
Direct Job Referrals	765	32%	44%	24%
Businesses Engaged	1851	25%	36%	39%
Job Seekers Contacted	1642	n/a	n/a	n/a

Initial observations:

❖ RDA Regional Workforce Co-ordinators (RWCs) are reporting that although job seekers are registering on the Regional Work SA website, many will not respond when RDAs reach out to them with potential job opportunities;

❖ RDAs are reporting good engagement with businesses to build an understanding of regional workforce needs;

❖ RDAs are reporting far more success with engaging directly with potential employees in the region.

Case study – RDAMR Extension project

It is understood that RDAMR is preparing a pilot program to connect job seekers, employed through labour-hire, to seasonal work opportunities and ongoing employment with the view of expansion should it be successful. RDAMR has met with various employment providers and education agents to discuss regional workforce needs and prepare a program that would allow coordination of workforce teams to commit to employment in the region. Planning needs to include housing, which is limiting the progress of a pilot program until this can be resolved.

1.1.2.2 Future delivery

The program is due to conclude on 30 June 2021. It is anticipated that RDSA will be engaging with the SA government around future service delivery and resourcing.

1.2 SKILLING SOUTH AUSTRALIA

1.2.1 Program outline

The Skilling Australians Fund National Partnership Agreement will create an additional 20,800 apprenticeships in South Australia with an investment of $200 million investment over the four-year period 2018 – 2022 (Council on Federal Financial Relations, 2018).

Skilling South Australia is the South Australian Government's initiative that encompasses a suite of initiatives to grow apprenticeship numbers and includes:

❖ Almost doubling the number of subsidised vocational courses available to employers through the Subsidised Traineeship and Apprenticeship List

❖ Financial assistance for employers and individuals towards goods and services that are essential to starting an apprenticeship or traineeship

❖ Funding for Skilling South Australia projects to support innovative and strategic approaches to increasing apprenticeship and traineeship commencements

- ❖ The Building Capability Framework, which offers a series of professional development activities and events for the VET sector, and supports South Australian training providers
- ❖ Short-term projects, including trialling innovative training for apprentices
- ❖ A significant increase in travel and accommodation allowances for regional apprentices.

Targeted industries: defence, space, cybersecurity, and information technology; agribusiness; mining and resources; tourism; health and community services, disability services; renewable energy; biotechnology; construction; energy; manufacturing and transport; food, wine and hospitality; services sector and creative industries; business, digital, communication and education.

1.2.2 Apprenticeships and Traineeships

1.2.2.1 Regional engagement

It is not known what percentage of apprenticeship and traineeship outcomes have been achieved in regions. It is suggested that government could consider the setting of regional targets for achievement of apprenticeship and traineeship outcomes and provide a framework that supports delivery on those targets.

For example, a regional approach to delivery could include a notional allocation of funds to each SA region and regionally based human resources to work with businesses and communities across each region to develop a roadmap for the delivery of apprenticeship and traineeship outcomes. A place-based approach would allow for the unique differences (SWOT) for each region recognising that a one-size-fits-all approach may not achieve desired outcomes. Understanding that not all skills needs can be met with apprenticeships and traineeships, resourcing of a place-based approach would also allow linkages to be made to other skills development initiatives (e.g. accredited skills delivery and recognition) aligned with regional skills and workforce needs.

1.2.3 Project funding

It is not known what percentage of Skilling SA project funding has been applied to regions. It is understood that under current guidelines, to achieve Skilling SA project funding, unless a project is deemed a special project, it must have a focus on the delivery of apprenticeships and traineeships (75% of candidates).

There is a critical need to ensure that regional people have skills that are portable between workplaces, regions, and industries. It is recognised that not all skilling and upskilling opportunities can result in the achievement of an apprenticeship or traineeship outcome and that other skills pathways may be better aligned to employer skills needs under a range of scenarios. It is suggested that greater flexibility in the setting of guidelines for use of these funds (whilst still retaining a connection to the creation of apprenticeship and traineeship outcomes) may increase the regional reach of available project funds.

RDA Murraylands and Riverland has indicated that the number of vacancies being recorded for traineeships and apprenticeships is minimal (of the 308 vacancies recorded in March 2021, only 7% related to apprenticeships or traineeships) compared to vacancies that are for full-time, part-time and casual work. This data further supports the need for the evolution of the Skills SA project funding to support employment outcomes in general (not apprenticeships or traineeships only).

1.2.3.1 Key industry ageing workforce

As previously outlined, there are significant challenges present and looming in terms of the ageing of the workforce particularly in sectors such as aged care, hospitality, food production (e.g. butchers), construction, trades, and transport. Anecdotal feedback indicates that despite the significant incentives already on offer, there is a reluctance for employers in these industries (particularly in construction and transport trades) to take on apprentices and trainees. Feedback also indicates that many young people and job seekers are not attracted to these industries (or apprenticeships and traineeships) as they are often seen as low paying jobs.

A Skilling SA project could be delivered that investigates how to encourage employers in key industries with significant ageing workforces to upskill existing workers to meet existing and future skills gaps (with the aim of counteracting the impact of an ageing workforce) and create opportunities for the creation of apprenticeships and traineeships to fill entry-level skills gaps. It is suggested that a place-based approach be applied to match outcomes to identified regional skills and workforce needs. Potential project partners could include RDAs,

Local Jobs Program Employment Facilitators, industry associations and Australian Apprenticeship Support Network service providers. Project outcomes could include the achievement of traineeships and apprenticeships as well as increased industry engagement, upskilling and skilling of local people and linking of regional education and skills pathways to career outcomes.

1.2.4 Training Priority List (TPL) projects

DIS has refined its project purchasing mechanism to offer Training Priority List (TPL) projects as part of its suite of training and skills development initiatives, which includes (Government of South Australia: Department for Innovation and Skills, 2020):

- ❖ The Subsidised Training List (STL), including almost 800 qualifications to meet industry skills demands
- ❖ New traineeship and apprenticeship courses and projects through Skilling South Australia, a partnership with the Commonwealth Government
- ❖ Strategically developing the training market and VET sector's capability through the Building Capability Framework
- ❖ Building strong pathways from adult community education through to VET.

RECOMMENDATIONS:

It is recommended that RDSA engaged with DIS to discuss:

A. A broad review of all SA Government training and workforce programs to increase regional reach including the development of a regional strategy/lens, setting of regional targets, and allocation of funding

B. Increase the reach of the Skilling SA program for regional SA including:

- ❖ *Apprenticeships and Traineeships:* Consideration of regional targets for achievement of apprenticeship and traineeship outcomes and development of a framework that supports delivery on those targets. E.g. A notional allocation of funds and regionally based human resources for each region to develop a roadmap for delivery of apprenticeship and traineeship outcomes.

- ❖ *Skilling SA Project funding:* Potential project – addressing ageing workforce in key industries. A Skilling SA project could be developed and delivered that encourages employers in key industries with significant ageing workforces to upskill existing workers to meet existing and future skills gaps and create opportunities for apprenticeships and traineeships to fill entry-level skills gaps. Potential project partners could include RDAs, Local Jobs Program Employment Facilitators, industry associations and Australian Apprenticeship Support Network service providers.

Skilling SA Project funding: Consider changes to the Skilling SA program to support employment outcomes in general (beyond apprenticeships and traineeships only), to assist in filling current job vacancies.

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2. AUSTRALIAN GOVERNMENT PROGRAMS

2.1 JOBTRAINER FUND

The Australian Government is investing $2 billion to retrain and upskill Australians in sectors with greater job opportunities (Australian Government: Department of Education, Skills and Employment, 2020). The JobTrainer skills package aims to support apprentices and businesses by subsidising wages. The JobTrainer program will provide up to 340,700 extra training places, to enable school leavers and job seekers to access courses at low or no cost to develop skills in industry growth sectors (Australian Government: DESE, 2020). The package included an additional $1.5 billion to expand the Supporting Apprentices and Trainees wage subsidy (SAT) with the program extended to March 2021.

Australian Government funding is administered through the SA government under the National Partnership Agreement. Feedback indicates that whilst the incentives are valuable, the reach of the program in regions is limited due to the specific demographic (young people) and narrow sector focus (defence, creative industries, cybersecurity, aged and disability and childcare). Whilst aged care is a challenging industry to entice young people into, this is an area of skills vacancies in regions, as are childcare and disability services (Australian Government: Department of Education, Skills and Employment, 2020). The opportunities in the other three sectors (defence, creative industries, cybersecurity) in regions, particularly entry-level positions for young people, are challenging to achieve.

It is understood that to get Job Trainer project funding, the provider needs to achieve 70% of job outcomes, which is challenging if the jobs in the required sectors are not available in regions. Greater program flexibility to allow for the tailoring of outcomes, to meet regional needs and opportunities (e.g. in construction, renewable energy, hospitality and tourism) will increase the regional reach of the program (Australian Government: Department of Education, Skills and Employment, 2020).

2.2 JOB ACTIVE PROGRAM

There are five Australian Government designated employment regions in South Australia. Each region has employment service providers that work with Job Active clients and provides complementary services to particular cohorts, such as the transition to work for young people ages 15 to 24. Job Active providers are generally for-profit organisations, which means that a commercial lens is applied to service delivery and may prohibit provider engagement in the addressing of broader regional employment needs. There is a current gap in 'joining up' some of these organisations to work with other regional stakeholders to get better regional outcomes.

The loss of JobKeeper and reduction in JobSeeker in terms of the potential increase in caseload for Job Active providers is yet to be determined. Similarly, the requirements for clients in terms of mutual obligation and impacts on client needs is also currently unknown (May and June data will assist). Increased use of digital servicing aims to reduce service needs; however, it is anticipated that there will still be a significant number of people who need some direct assistance e.g. in navigating the digital space itself and linking to regional job opportunities.

2.2.1 Matching Job Active provider resources to regional needs

Local Job Active employment providers are funded to work with job seekers to get them job-ready. RDAs work with these providers as much as possible but do not have the ongoing capacity to deliver pre-employment programs. There is a need to ensure that available job active provider resources are matched to key areas of regional need.

There is a need for case management to make sure that the job seekers get the assistance they need e.g., providing training for someone to get a forklift license may address one need, however, the person may also have a range of other needs that are not being identified or met. This is particularly challenging for long-term unemployed people or inter-generationally unemployed people - issues that are keeping people out of the workforce and are not being addressed.

Pre-employment case management and service delivery is a significant gap, is significantly resource-intensive

and requires a long-term funding commitment to support people on their journey back into work.

It is noted that there are also a number of people who are not currently registered or engaged with an employment service provider (i.e. not eligible for payments, etc.) who also need assistance. It is understood that this is where the previous Career Services program supported a large cohort of people who were effectively 'falling through the cracks'.

2.2.2. Impacts of covid

One of the significant impacts of COVID was the number of young people that lost work as well as other part-time or casual workers, many of whom were in the 40–50-year-old age group. A number of long-term employed people who had been in their professions for many years, and whose jobs no longer exist, have become unemployed for the first time. It is understood that the government connected these individuals straight to digital servicing and required them to self-navigate the system. For many people, this has proven significantly challenging in terms of understanding the technical aspects and Centrelink engagement processes including potentially trying to find a job in what may have become a declining industry sector.

Challenges for these people include not knowing where to get the training and support they need, and what employment options they can consider. For older people, there are additional challenges such as consideration of their age and associated challenges in finding employers that will give them an opportunity to start again and train and whether or not there is funding to support that. The existing job network providers are not necessarily meeting these needs, and many impacted people are not registered with Job Active providers. There is a need for one-on-one mentoring/case management, coaching/concierge approach.

Case study - Far North

In 2016-17, around 380 – 400 Alinta Energy employees were made redundant, from Leigh Creek coal mine, and Port Augusta power station. Assistance was provided over 12 months to help with resumes, cover letters, job applications, where to look for jobs, individual counselling, hints, interviews, tips, etc. That type of support was extended to the Career Development Centre which responded to referrals for assistance from labour firms and job active agencies, as well as walk-ins.

Case study - Murraylands & Riverland

MADEC receives regional job vacancy data and information which it uses to source labour for businesses through individual conversations with registered jobs seekers. MADEC has committed to sharing datasets with RDA on a regular basis and to share intelligence gained through contact made with job seekers to support RDA activities.

2.3   LOCAL JOBS PROGRAM

Launched in August 2020, the Local Jobs Program (LJP) brings together expertise, resources and access to funding at the local level to focus on the reskilling, upskilling and employment pathways for job seekers as part of supporting Australia's economic recovery from the COVID-19 pandemic.

The program[7] currently includes: 25 Employment Facilitators across 25 regions, a Local Jobs and Skills Taskforce in each of these regions, a Local Jobs Plan developed for each of these regions, and projects funded through a Local Recovery Fund in each of these regions.

The Local Jobs Program identifies the direction, strategies and actions of the Employment Facilitators. It provides a small number of delivery funds and shared human resources to assist industry and training providers to develop collaborative projects. Whilst the funding amounts are small (each region has access to a $500,000 Local Recovery Fund to be expended between October 2020 to June 2022) it does create the opportunity to leverage funds to deliver regional programs (e.g. Skilling South Australia). The fund encourages collaboration between the commonwealth, state government, business, industry, industry groups, RDAs,

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[7] On 11 May 2021, the Australian Government announced that 'The Government is investing $213.5 million to extend and expand the Local Jobs Program to all 51 employment regions across Australia'.

councils, and provides a collaborative framework to move forward on identifying employment skill formation needs for a particular region.

For South Australia, there are currently three Australian Government employment regions out of five that have the local jobs program. One of the SA regional Employment Facilitators (Upper Spencer Gulf) has an extended role in supporting structural adjustment in the region.

2.3.1 Local Jobs Plan Adelaide North-South Australia

The following are key priorities as identified by the Local Jobs Plan Adelaide North-South Australia, October 2020:

- ❖ Deliver targeted employment and training initiatives to identified areas (geographic and demographic) of high labour disadvantage in the Region.
- ❖ Work with key industries that experience growth post-COVID-19 to partner with education, training and employment providers to deliver the skills and training required to link people into jobs.
- ❖ Provide those who are experiencing unemployment for the first time with the tools necessary to be successful in gaining employment in as quick a time as possible.
- ❖ Create a suite of program activities to support those who wish to explore self-employment as their next career option.
- ❖ Through the Local Jobs task force, ensure that identifiable and cohesive participation pathways are better understood and promoted resulting in increased intellectual capital across all stakeholders.

RDAs play a support role to the program by connecting businesses to the Employment Facilitator.

2.4   PORT PIRIE INDUSTRY TRAINING HUB

The Industry Training Hub tender for Port Pirie was announced as one of 10 places nationally (and the only region nominated for South Australia) and was awarded to the Career Employment Group. It is understood that the total funding for the national program is $50.6 million; it is not known what the funding allocation will be for Port Pirie. It is a two-year program that will look at supporting school students into local VET industry pathways.

Industry Training Hubs aim to improve opportunities for young people in regions with high youth unemployment, targeting Year 11 and Year 12 students. Each Training Hub will be managed by a full-time Career Facilitator, providing an on-the-ground presence while delivering Training Hub services.

Career Facilitators will work with and encourage young people to build skills and choose occupations in demand in their region, creating better linkages between schools and local industry, repositioning vocational education and training as a first-choice option. Through this work, the Industry Training Hubs will help eliminate persistent high youth unemployment in regional areas.

3. REGIONAL REACH OF PROGRAMS

3.1 REGIONAL PROGRAM DELIVERY

Significant government funds at both the state and federal levels are being invested in workforce and skills programs. A significant current challenge is the level of regional reach of those programs and the outcomes being achieved for regions. Consideration of regional delivery and support for existing programs is needed to ensure that a proportionate percentage of program outcomes are achieved in regions. The setting by the government of regional targets for program delivery may also assist in the achievement of outcomes for regions.

Challenges in effective regional reach include the complexity of the landscape (volume of programs, the quantum of information, understanding how to access the programs etc.) plus the complexity of each of the programs themselves. It is noted that Covid provided additional challenges over the last twelve months in terms of regional promotion of programs by the government. It is suggested that consideration by the government of changes to policy and procedures and in the administering of those funds, application of a regional lens over the programs and allowing for place-based placed flexibility would significantly improve the regional reach of program delivery. Anecdotal feedback indicates that there is currently a limited opportunity for consideration of regional perspective and intelligence into workforce and skill program design and development and allocation of available resources.

3.2 REGIONAL WORKFORCE RESOURCES

Adding to the challenges for regional employers and regional people looking for work has been the gradual loss over the last 15 or so years of regionally based Australian and South Australian Government staff working on and in regional economic and workforce development programs. In some cases the positions were removed on the removal of associated programs, in other cases, the positions were centralised back to Adelaide. In the period circa 2006-2010, it is estimated that there was a minimum of between 5 and 10 regionally based positions that were either Australian or South Australian Government funded. These staff were embedded in regions and worked collaboratively with local government, RDAs (or previously Regional Development Boards (RDB)), industry and communities to achieve jobs and investment growth.

Regionally based positions included:

South Australian Government:

- ❖ PIRSA Food Officer
- ❖ (Former) Department of Trade & Economic Development (DTED) Regional Manager
- ❖ DTED funded Business Advisor (employed by RDBs / RDAs)
- ❖ (Former) Department of Further Education Employment & Training (DFEEST) Regional Manager
- ❖ DFEEST funded Skilled Migration Officer (employed by RDBs / RDAs)
- ❖ DFEEST / DIS funded SA Works Regional Coordinator / Manager
- ❖ DFEEST/DSD/DIS Aboriginal Engagement Coordinators
- ❖ DSD/DIS Adult and Community Education Coordinators
- ❖ SATC Regional Tourism Manager + Regional Tourism Officer

Australian Government:

- ❖ Small Business Officers
- ❖ Tradestart Export Advisor
- ❖ AusIndustry Regional Managers

Many of these positions also came with regional allocations of program funding which facilitated the leveraging of further funds to deliver place-based programs that addressed specific regional needs.

Currently, there is one PIRSA Regional Coordinator based in each State Government region and three Employment Facilitators. It is understood that other regionally focused roles such as Department of Trade & Investment regional roles are now metropolitan-based.

3.2.1 Need for additional regionally-based resources

There is currently a lack of regionally-based resources that can assist both employers and workers to navigate the potential help available (what is out there) and how to access it and to increase the uptake of Government programs in regional locations. It is suggested that consideration be made by both state and federal government to allocating a portion of existing program funds to the embedding of regional resources to support program implementation and regional uptake of programs. Having shared regional resources (e.g. as part of the National Partnership Agreement between state and federal government) could achieve economies of scale in applying a regional lens/strategy to implementation of multiple programs as well as being able to make valuable local connections and networks to connect people to those programs. A regional resource can also identify opportunities for complementary program delivery. Government funding of at least one (1.0 FTE) resource per State Government region to act as a conduit for existing workforce programs will assist in meeting a significant current resourcing gap.

3.2.2 Short term nature of program delivery

Challenges present with the short-term nature of workforce, skills, and employment program delivery. For example, the Australian Government-funded Regional Employment Trials (RET) pilot (pre-employment training) program (Yorke & Mid North and Murraylands & Riverland only) was very successful, achieving measurable and long-lasting outcomes. Unfortunately, RET was a limited 2-year pilot and was not continued despite its success. The Local Jobs Program is operating with a similar focus but has limited program delivery funding that has to be spread across a vast geographic region.

Government programs have tended to be reactive at times of crisis or responsive to specific needs e.g. RET responded to very high unemployment levels in regions of high disadvantage nationally, the Local Jobs Program focus is on covid recovery and the Seasonal & Regional Jobs Program is a short-term response to Covid and the seasonal workforce shortage. Whilst these programs are assisting regions, they are not long-term solutions and the ongoing gap in program resourcing that addresses pre-existing barriers to employment (further explored in the Skills section of this report) and extremely high levels of disadvantage (in some regions) remain.

RECOMMENDATION:

It is recommended that consideration be made by both the SA and Australian governments (e.g. as part of the National Partnership Agreement) for the creation of additional regionally based resources that can assist both employers and workers to navigate the potential help available and how to access it, support program implementation and regional uptake of programs.

Funding could be allocated from existing program funds and achieve economies of scale in applying a regional lens/strategy to the implementation of multiple programs as well as being able to make valuable local connections and networks to connect people to those programs. Government funding of at least one additional (1.0 FTE) resource per State Government region to act as a conduit for existing workforce programs is recommended.

4. RESEARCH

4.1 VICTORIAN GOVERNMENT

4.1.1 Jobs Victoria

Jobs Victoria provides services to support and connect job seekers and employers, including advising and providing information to job seekers and working with a network of partners to help people get job-ready through mentoring, training and development. Jobs Victoria works with employers to help identify workforce skills and experience needs to assist in connecting employers to the candidates they need (See website: https://jobs.vic.gov.au/).

The Victorian Government provides a number of programs including:

Program	Details	Funding	Status
Jobs Victoria Career Counsellors	Personalised career guidance to people looking for work, underemployed, or working but looking for a career change.	$18.8m (resources allocated in proportion to population needs)	Jobs Victoria currently seeking applications from organisations to deliver the program
Jobs Victoria Fund	Wage subsidies of up to $20,000 to assist eligible employers who hire eligible job seekers with aim of getting at least 10,000 people into work. At least 60 per cent of jobs will be for women, reflecting the significant impact the pandemic has had on their employment opportunities.	$250m	Opened on 26 March 2021

4.1.1.1 Skills and Jobs Centres

Skills and Jobs Centres are a Victorian government program to help current and prospective students, job seekers and employers. They provide free expert advice and support with:

- ❖ Choosing TAFE and training courses
- ❖ Choosing or changing career
- ❖ Finding and applying for a job
- ❖ Doing apprenticeships and traineeships
- ❖ Getting financial support
- ❖ Getting credit for skills and any past study

Skills and Jobs Centres are closely connected and also to their local TAFEs and training providers. They also offer services to employers looking to upskill or expand their workforce (See website: https://www.skills.vic.gov.au/s/visit-a-skills-and-jobs-centre, State Government of Victoria, No Date).

i) Potential pilot project – SA Regional Skills and Jobs Centres

It is suggested that the Victorian Skills and Jobs Centre model (which are resourced and delivered out of TAFE Campuses) could be used as a template for a pilot project in SA.

The model could, for example, be remodelled around existing regional TAFE sites to develop them into community skills and employment hubs that complement and are aligned to the Regional University Centre model i.e. community-driven, brokering skills and training (i.e. VET) based on local industry needs. Services could be delivered by TAFE SA or private training organisations, including through online delivery. Local

support would be needed to ensure that services are locally driven, informed by industry needs and have close partnerships and linkages with the industry. Resources would be required in terms of coordination, promotion and onboarding students, providing local learning support, placement/work experience brokerage.

This approach would maximise the value of existing TAFE infrastructure in regions, opening up TAFE to more private providers, ensuring VET delivery is aligned to local industry needs, providing a coordinated and consistent approach to support regional students with online and remote learning. This is particularly important post-COVID with more courses going online, and high levels of regional disadvantage meaning additional support is required for regional students. The hubs would support the transition of people from training to work, provide general work/employment support, making it easier for employers to engage through a one-stop-shop model.

4.1.2 Skills First Reconnect

Skills First Reconnect is a Victorian Government initiative being delivered by TAFE Gippsland which supports people who have left school early or who are long-term unemployed. The program is designed to provide support individualised services to eligible participants (young people aged 17 – 19 and adults aged 20-64 who have not completed year 12, have been unemployed for 12 months or more and are not currently enrolled in study or training) to engage in a training and/or work pathway (See website: https://www.tafegippsland.edu.au/study_with_us/fees_And_fee_assistance/skills_first_reconnect).

The program appears to have similarities to the previous Career Services and Tickets and Licences/Individual Assistance programs previously delivered by RDAs under the SA Works/Skills for Jobs in Regions programs. These previous programs provided support and flexible funding to help people overcome barriers to training and employment. Programs were focused on addressing non-vocational barriers, needing a driver's licence, car to be registered in order to get to work etc.

RECOMMENDATION:

It is suggested that discussion be held between RDSA, DESE, Australian Government Employment Facilitators and SA Government to consider the Jobs Victoria programs with particular consideration of opportunities to establish a pilot project 'SA Regional Skills and Jobs Centre' utilising one or more TAFE site in SA.

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CHAPTER 3:

WORKFORCE ATTRACTION

1.   POPULATION GROWTH

1.1 POTENTIAL AND PLANNING

Regional South Australia has been experiencing a significant movement of young people to Adelaide and interstate in search of employment opportunities. This movement can have a negative impact on regional communities, notably through population decline and reducing the future regional leadership pool.

Whilst regions need population growth to be sustainable in the longer term, the impacts of growth need to be well planned and managed. Consultation with RDAs and local government is required to determine the appetite for population growth amongst regional communities (outside of the scope for this project).

With the recent launch by the Minister for Regional Development of the 'Regions Matter' Regional Development Strategy, there may be an alignment of opportunity for those conversations to be held and for the SA government to be included to ensure a collaborative approach to planning for, managing and sustainably delivering growth. The impacts of population growth need to be considered including the capacity of key infrastructure and services, particularly health and education, retail, and other liveability considerations.

It is noted that growth (and workforce attraction) strategies need to consider the current challenges in supporting growth (particularly in terms of housing supply) and plan for and manage growth accordingly.

1.1.1 Regional population targets

Over time, from a population point of view, South Australia has become a highly urbanised, city-centric state. The opportunity exists to potentially set regional population growth targets to redress that balance. Significant job opportunities for regional SA can deliver growth, enabled by increased housing supply and support for employers to attract and engage required staff.

> ### *Case study - Limestone Coast*
>
> RDA Limestone Coast (RDALC) in conjunction with local government has considered population growth in its regional planning. The region has a target to increase population by attracting people to 7750 new jobs (e.g., there is a target to attract 2500 people in healthcare). Targets are set out in a regional growth plan and prospectus (Limestone Coast Local Government Association, 2021).
>
> However, RDALC recognises that there is a need to determine 'what the region wants' in terms of growth moving forward, noting not all local government areas are focused on population growth. RDALC has noted the importance of engaging the community in the conversation to work out whether there is a desire to sustain the population or to grow.

> **RECOMMENDATION:**
>
> It is recommended that RDSA, Department or Premier & Cabinet and the LGASA co-deliver a series of regional discussions to determine:
>
> ❖ the appetite for population growth amongst regional communities
>
> ❖ the potential impacts of population growth on key infrastructure and services, particularly health and education, retail, and other liveability considerations
>
> ❖ the potential setting of regional population growth targets

1.1.2 Impacts of Covid

1.1.2.1 Remote working

The requirement for people to work from home during Covid has changed 'the way we work' on a permanent basis. Employers and managers across many sectors now have hard evidence that productivity can be

maintained (and in some cases improved e.g. by reducing travel time) whilst allowing staff the flexibility to choose to work from home. That permanent change has also become a permanent opportunity for regions in attracting workers who can now consider a remote working arrangement and essentially 'bring their jobs with them' and move to regional Australia.

1.1.2.2 Decentralising Government Resources

As previously highlighted, over the last decade, there has been a gradual withdrawal of public servants (Australian and South Australian Governments) previously embedded (living and working) in regions, being relocated to Adelaide. There is an opportunity for the government to lead by example by having a focus on placing people into roles that can be based in regions. The most logical of those roles are those that have a core regional focus, however, the ability to work remotely now opens up new opportunities for a greater range of public sector roles that could be undertaken by people living and working in regional South Australia.

There is also an opportunity to create new multi-agency offices (similar to that in Mount Gambier and Clare) in key regional centres such as (for example) Port Lincoln with public servants working for a range of agencies based in the region. This suggestion is aligned with the SA Regional Development Strategy.

The future priority actions of regional services:

- ❖ Considering the decentralisation of services from Government where there is a distinct advantage to achieve the outcomes required.

- ❖ Identify more secure public sector jobs available to regional employees to empower local decision making for government programs, services and initiatives.

RECOMMENDATION:

It recommended that the South Australian government consider:

- ❖ opportunities to encourage working from home in regional locations, or to enable jobs to be placed regionally and encourage staff to relocate, or find pathways for local people to be appropriately skilled to take up these roles

- ❖ opportunities to create new multi-agency offices (similar to that in Mount Gambier and Clare) in key regional centres such as (for example) Port Lincoln with public servants working for a range of agencies based in the region.

- ❖ re-instigate requirements for police, nurses, doctors and teachers to work regionally for a set period of time

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1.1.3 Research findings

There is currently a range of initiatives around Australia that emphasises the positive aspects of life in the regional areas. These initiatives aim to attract more people to work and live in the regions, and to ultimately contribute to the prosperity of these communities (RWAG Secretariat, 2021).

The following are key initiatives currently being implemented across Australia:

- ❖ The Seasonal and Regional Workforce mobilisation campaign: Targets specific groups of workers to consider jobs in regional South Australia.

- ❖ Regional Jobs Support and Incentive Program: Caters for students who take up regional job opportunities.

- ❖ Regional Australia Institute's *Move to More* awareness campaign: This multi-million-dollar campaign is supported by the Australian Government and seeks to position regional Australia as an attractive and viable alternative to living in a capital city.

- ❖ Regional Australia Institute's framework (*Strengthening Liveability: A Toolkit for Rural and Regional Communities Looking to Grow*): This framework can help regional areas to identify their key strengths and gaps in liveability and to use this information to develop an action plan to address these gaps. It also provides a practical guide for regional leaders to analyse data to develop an action plan.

- ❖ FIXE Entrepreneurship Strategy (South Australia): Invests in regional entrepreneurship hubs and seeks to support entrepreneurship and innovation in regional areas. This strategy also aims to improve perception around the diverse range of jobs available in the regions.

1.1.3.1 SA Regional Development Strategy

Developing strategies to attract and maintain a skilled regional workforce remains a key priority and ensuring access to education, on the job training, skills development resources are key to this (Government of South Australia: Department of Primary Industries and Regions, 2021). Attracting and retaining the residents and workers needed to support economic growth will help to address a shortfall in labour and skills required to deliver major infrastructure and build industry and enterprise, which in turn, supports liveability. However, in sectors like resources and defence, many of the skills need to be imported. This calls for a renewed focus on education, skills development and training to develop local talent and ensure that higher education and career pathways are made available especially to school leavers.

2. LIVEABILITY

2.1 LIVEABILITY AUDIT

Consultation with RDAs and local government is required to undertake a high level 'liveability audit' to inform the development of a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) for each region (outside of the scope for this project). Identification of threats, weaknesses and opportunities identified can then inform discussion with the three levels of Government and industry to improve liveability in regions. For example, Longridge Olives are currently working with the local Council to help make the town of Coonalpyn more appealing including a push for better technology access in the town (per Murraylands Food Alliance meeting minutes). The information produced will also assist employers in providing a package of information to prospective workers and new community members to attract them to the region and make sure their decision to move to regions is well informed.

2.1.1 Research findings

2.1.1.1 SA Regional Development Strategy

Regional Services:

Identifying and addressing regional service gaps and establishing solutions, including hub and spoke models, for the implementation of critical services for community safety, wellbeing and liveability.

What success looks like:

Regional communities are thriving with increases in regional population and services to support the expansion.

2.1.1.2 Liveability overview

According to McKenzie, there is a need to emphasise the interconnectedness of infrastructure, social functionality and economic efficacy to ensure the liveability and productivity of regional and remote Australia.

The Regional Australia Institute (2021b) has found that some of the factors that have the greatest impact on the liveability of a region include:

- ❖ Health services
- ❖ Education services
- ❖ Cost of living and housing affordability
- ❖ Amenity
- ❖ Connection to community
- ❖ Lifestyle and opportunity

The 2021 National Farmers Federation report confirms that the provision of essential services including equitable access to quality and specialist healthcare, childcare and education as the key to enhancing the liveability of Australia's regional areas. Telecommunications and transport infrastructure are also important. Liveability also includes the many other support services, facilities and entertainment options that are often taken for granted by those living in larger centres. While the benefits of relocating to a regional area are many - from lower cost of housing, more relaxed lifestyle and proximity to employment - research shows that for many this can be outweighed by the compromises, often compounded by remoteness (National Farmers Federation, 2021: 33).

For more information on liveability in regional and remote Australia see the following reports:

- ❖ Regional Australia Institute. (2019b). *Understanding Regional Liveability.* Retrieved from http://www.regionalaustralia.org.au/home/wp-content/uploads/2021/03/RAI_SIP2019-1-2-1_UnderstandingRegionalLiveabilityDiscussionPaper.pdf

- ❖ Regional Australia Institute (RAI). (2021a). *Strengthening Liveability: A Toolkit for Rural and Regional Communities Looking to Grow.* Regional Australia Institute (RAI). Retrieved from http://www.regionalaustralia.org.au/home/wp-content/uploads/2021/03/LiveabilityToolkit_WEB2.pdf

❖ Regional Australia Institute. (2021b). *Liveability in Australian mid-sized towns.* Retrieved from http://www.regionalaustralia.org.au/home/wp-content/uploads/2021/03/Choice_Modelling_Summary_vFinal.pdf

2.2 HEALTH

2.2.1 Regional intelligence

2.2.1.1 Current Services

Access to health services is one of the most important areas for consideration by families and individuals when moving to (and remaining in) regional areas. The tyranny of distance for some regions (in terms of travel) to access health services in Adelaide or larger regional centres can be a challenge in retaining people in the region. Anecdotal feedback indicates that some businesses have lost staff because the region does not have a full suite of medical services available (the offering in many cases is quite limited).

The degree of importance is impacted by where people are in the family life cycle (e.g. Waikerie has lost access to midwifery services which has proven to be a disincentive for young people moving to the town) and age. However, the adequate provision of health services is a significant consideration particularly for people moving from cities to rural areas.

2.2.2 Health professionals and facilities

A number of towns across regional South Australia struggle to attract and retain General Practitioners in particular and health professionals in general. Local government has in some cases had to play a significant role; for example, it is understood that the Kimba District Council on the Eyre Peninsula has a medical clinic (https://www.kimba.sa.gov.au/services/health/medical-centre) and is continuously working to attract and retain core services (to prevent community members from having to travel significant distances to access care).

Flinders Medical School has people placed in the region. This is seen as a positive in terms of a future return to regions by these students. Covid has also introduced the option of telehealth consultations which has assisted in addressing regional service gaps. It is understood that the ability of Keith Hospital to keep operating is dependent on the securing of additional South Australian Government funding.

2.2.2 Research findings

(See the "Skill shortages" chapter) – pgs 30-32

2.3 EDUCATION

(See the "Skill shortages" chapter) – pgs 30-32.

2.4 CHILDCARE

2.4.1 Current regional situation

In some regional areas, there is a lack of childcare facilities and a shortage of placements that are prohibiting both worker attraction and the capacity to increase participation in employment. Childcare across some regions is at capacity, with extensive waiting lists (in some cases 12-18 months). The cost of childcare services can be prohibitive particularly for people in lower-paying or part-time work. There is a significant need to increase capacity in childcare and after school care, particularly in towns that currently have no services available at all. These collective challenges prevent a number of potential workers, often women, from joining or re-joining the workforce in either a full time or part-time capacity.

These challenges are compounded for those looking to enter part-time work given the difficulties in securing part-time childcare places. Many parents returning to work are looking for part-time work, and many industries with jobs in demand are also part-time (i.e. aged, disability care, etc.).

2.4.1.1 Local government delivered childcare

Some councils have recognised the need for childcare delivery in towns where there may not have been the critical mass needed to support commercial childcare delivery (market breakdown). Examples include the Mallee Kids Child Care centre which opened in 2019 and is run by the District Council of Karoonda East Murray. The Southern Mallee District Council Mallee opened two new childcare facilities in February 2020 (Pinnaroo and Lameroo). Other councils such as Port Augusta City Council have been operating childcare centres for some time.

i) Mallee Childcare on the Go

The Southern Mallee Council has a history of delivering Childcare Services and in 1999 through the Commonwealth Government established centres in Lameroo, Pinnaroo and Karoonda which included a joint-use agreement between DECS and SMDC.

- ❖ Lameroo was licensed for 20 children

- ❖ Pinnaroo was licensed for 26 children

- ❖ Karoonda was licensed for 15 children

With the effluxion of time, standards and childcare model this service had reduced by 2020 and they were supplying a mobile childcare service to Karoonda only. The overall service has been operating through an s41 Committee of Southern Mallee Council. A link to the service can be found at https://www.youtube.com/watch?v=dUGvY64tOuU

The Southern Mallee Council has recently expanded these places opening two new building facilities under Mallee COGS in February 2020. The costing for the Pinnaroo Community Childcare Development upgrade was $290,000 and the Lameroo Community Childcare upgrade was $580,000. These were funded to increase childcare places through the Drought Communities Program. As of 7 February, 2020 Lameroo was licensed for 33 approved places and a further 33 approved places at Pinnaroo.

While Mallee Childcare on the Go was still available to Karoonda by 2020 it was a mobile service visiting Karoonda once per week.

In October 2019 District Council of Karoonda East Murray established a permanent facility in Karoonda and provides long day care as well as before and after school care. It is run by the Council.

The total cost of $550,000 was funded through the Federal Government's Drought Communities Program.

In May 2020 the State Government provided a relief package that supported eight council-run child care centres across South Australia, which suffered significant loss of income due to Covid-19. This $700,000 package covered 12 weeks and matched the Commonwealth's support under the Early Childhood Education and Care Relief Package (EECRP) for a period of 12 weeks until 28 June 2020.

The eight identified local government-run Childcare Centres were situated in the following council areas:

- ❖ Norwood Payneham;

- ❖ St Peters;

- ❖ Whyalla;

- ❖ Port Augusta;

- ❖ Robe;

- ❖ Southern Mallee;

- ❖ Wattle Range;

- ❖ Coober Pedy; and

- ❖ Karoonda East Murray.

> **RECOMMENDATIONS:**
>
> It is recommended that the LGASA and SA Government consider potential options for resourcing and delivery of:
>
> - ❖ Childcare supply and demand audits by local government area (where analysis does not already exist) to determine key areas of need (aggregated demand) and opportunities for consideration of solutions.
>
> Initiatives required (e.g. potential co-funding models) to address key areas of critical need as identified in the supply and demand audits (once developed).

2.4.2 Research findings

(See the recommended readings on "Liveability" published by the Regional Australia Institute)

3. COMPETITION WITH OTHER REGIONS

3.1 REGIONAL PERCEPTION

Noting the need for liveability audits and the addressing of identified health and childcare service needs, to generalise, the liveability of regional South Australia (as compared to Adelaide) is considered reasonable. There is often a general perception amongst city dwellers that the liveability of regional areas is poor. It is noted that significant challenges in managing perceptions exist for the more remote regional areas. Geographically, SA is a large state with many small towns, often separated by significant distances (which contributes to feelings of isolation and inequity). Large parts of the state can be seen as dry and remote and township populations are often small.

> ### *Case study – Eyre Peninsula*
>
> Across the health sector, health professionals are needed to fill jobs; however, there is perceived to be little interest in the Eyre Peninsula (EP) region or awareness of the region or what it offers (from a liveability point of view). This situation was recently highlighted with the unsuccessful retention of two migrant doctors in the region who had been recruited (following months of preparation for movement to the EP) to service the towns of Cowell, Kimba and Cleve.
>
> The two doctors ended up only being in the region for one week before returning to Victoria as their in-region experience was not reflective of their expectations/perceptions. This highlighted a lack of awareness by the doctors as to what the towns they were coming into were actually like and the differences they would experience to what life had been like in regional Victoria (where they had previously resided). Support mechanisms had been provided, e.g. doctors in other towns were providing professional support however it was not enough to retain the doctors in the region.

3.1.1 Changing perceptions of 'the regional divide'

The challenge for regional SA is in changing external perceptions of regional Australia in general and regional SA in particular. There is a need to work collaboratively to highlight the benefits of our regions and to work together to address challenges and change external perceptions. For example, there is often a perception of the regions as isolated, and that there is a lack of social activity.

Professional workers may also perceive they will get 'left behind' if they are not in regular direct contact with their peers. Often children go to schools in Adelaide or partners remain working in Adelaide (or elsewhere) so new recruits try to live in the region during the week and commute on weekends (which is challenging). Getting people to move their families to the region and to stay in the region is difficult. A number of employers have lost good staff who have left after a short time as the strain on their families has been too much.

3.1.1.1 Overcoming challenges

Some regional towns, particularly historically industrial towns, face unique challenges in workforce attraction. For example, Port Pirie faces the significant challenge of managing the impacts of lead in blood levels for children, an ongoing challenge in employee attraction and retention.

Despite financial incentives to move to regional areas the levels of uptake from Australian citizens remains low (RWAG Secretariat, 2021). One of the main reasons cited for this low uptake involves the perceptions around moving to a regional area.

3.2 REGIONAL PROMOTION

The regions in SA are competing against every other region in Australia to attract skilled workers and their families. To market the regions well, adequate planning and resourcing are needed. Some regions have developed marketing campaigns and regional identities – others are working towards that aim.

In the development of regional marketing plans, consideration needs to be made that different parts of a region will be attractive to different (and not all) people. I.e. regions cannot necessarily apply a 'whole region

approach to promotion and packaging of the regional offering as different types of people will be attracted to a regional city as opposed to a coastal community or an inland more rural location. This may require the development of sub-regional campaigns aligned to different aspects of a region and different target markets of workers being attracted.

It can be challenging for small towns in a region to meet the expectations of new residents who may be used to living in a city and (for example) used to their children being able to have a choice of schools (for example). In marketing, the region (employers, councils) needs to be open about what the offering will be when people get to the region.

3.2.1 Tatiara 'Stay forever' campaign

"Work, live, stay" campaign to attract workers - videos focus on skilled workers and semiskilled workers that have come into the area (See website: https://www.visittatiara.com.au/stay-forever).

3.2.2 Port Pirie 'Come see change'

A partnership between Port Pirie Regional Council, Nyrstar, Business Port Pirie and RDA Yorke & Mid North (See website: https://comeseechange.com/).

3.2.3 'Love where you live' – Yorke & Mid North

The program is delivered on social media (Facebook page: https://www.facebook.com/rdaymn/posts/1459212097573173).

3.2.4 RDA Mid North Coast - My Workforce Platform

'My Future Workforce' is an online platform designed to link employers, jobseekers and supporting services. It is understood that RDA Mid North Coast created the My Workforce Platform for its use however makes provision for other RDAs to purchase licences.(https://myfutureworkforce.com.au/)

3.2.5 Local jobs platform – USG Jobs

Upper Spencer Gulf Jobs is an online talent community recently launched by CareerCo. Australia provides an innovative digital platform as a coordinated one-stop-shop to careers across Port Pirie, Port Augusta and Whyalla. It aims to connect local people to local jobs and showcase local careers and job opportunities to those living outside the region (See website: https://www.usgjobs.com.au/).

CareerCo. Australia worked collaboratively with regional stakeholders and key employers from October 2019 to March 2021 to develop and deliver the platform and achieved sponsorship funding from industry partners, OZ Minerals and BHP towards its development. They have committed to funding the annual IT subscription fee of the platform till 2023. The total funding provided by Industry for the development of the USG Jobs platform over three years is $70,000.

USG Jobs is owned and operated by Career Co. Australia, which provides in-kind project management. USG Jobs went live on 7 April 2021. As of 23 April 2021, it had 447 jobs available with 80 people registered on the talent community to connect with employers. The platform has diverse capabilities, with a potential future direction to expand into an online Liveability Hub to attract workers and families to live, work, play and stay in the USG region (For examples, please see websites: https://livelaunceston.com.au/ and https://livecapricorncoast.com.au/).

3.2.6 Regional Marketing and collaboration

Consideration is needed around the alignment of tourism marketing with the development of regional identity and promotion of a region to attract workers. Consideration is required of the different target markets, messaging and outcomes required for tourism versus workforce attraction. To attract workers, for example, towns generally need to be marketed as vibrant and 'busy' however for some tourism regions and target visitors, the remote, clean and pristine nature of an area and a small number of residents is a key part of the attraction.

It is suggested that RDAs work closely with the local government, looking at what the region has to offer and how that can be packaged, to attract workers to the region. Consider alignment with identified skills needs/shortages, and therefore opportunities to tailor attraction packages to the required audiences/workers. Consideration of location includes impacts on spouse and family which will be different, depending on the

individuals and location in question. The unique liveability factors of each town and for the region would form part of any campaign.

3.2.7 Government incentives

There are a number of Australian Government programs that support relocation, there are also tax benefits and assistance that are not well understood by people looking to move to regions. Information provision is critical to attracting people to regions. It is suggested that the state government could investigate the potential offering of incentives to attract people to regions.

3.3 WAGE PARITY

3.3.1 Regional intelligence

Certain businesses and industries can afford to pay more to access the staff they need and the competition for staff is increasing. Anecdotal feedback is that metropolitan-based employers are contacting regionally based engineers to try and attract them to Adelaide to work on major projects. It then becomes very challenging for regional employers to retain those staff when the wages offered in Adelaide are substantially higher. This was particularly apparent during the mining boom when local businesses were competing with higher-paying companies e.g., a local welding firm struggles to retain a welder that can be paid four times the amount as a FIFO worker. Businesses are reporting that they are losing apprentices to FIFO mining positions as soon as the apprenticeship is finished.

4. SKILLED INTERNATIONAL MIGRATION

The future success of regional South Australia lays in part in the effectiveness to attract and retain suitably skilled migrants to fill skills gaps and slow the hollowing out of the working-age population. While COVID is currently presenting significant challenges in terms of (essentially) closed international borders, an accessible and responsive international migration program is a key component in meeting regional workforce needs and unlocking regional growth potential. The current migration program presents a number of challenges for regional employers and requires further streamlining to be fit for purpose across all industry sectors.

4.1 CURRENT MIGRATION PROGRAM

The Department of Home Affairs is responsible for the design and delivery of Australia's migration program, granting over 109,000 skilled permanent visas and over 250,000 Temporary Skills Shortage (TSS) (subclass 482) and Working Holiday (subclass 417) visas in 2018-2019 (Department of Home Affairs input to the Joint Standing Committee on Migration inquiry into migration in regional Australia October 2019). The composition of Australia's skilled migrant intake is informed by the various skilled occupations lists. Departmental offices are located in capital cities and at a number of key posts offshore, however, they offer limited face to face engagement with clients, with an emphasis on online information and electronic visa application lodgement.

4.1.1 Skilled Business Migration

South Australia's Skilled and Business Migration program, administered by DIS, provides migrants with a pathway to live, work or establish their business in South Australia through the support of state nomination. The Skilled and Business Migration program provides a variety of services and resources to assist migrants, local businesses and migration agents navigate the migration process. The International Workforce team, within the program, works directly with businesses who want to access a skilled international workforce, supporting them to navigate employer-sponsored visa programs, including the Designated Area Migration Agreements (DAMA) and providing information to employers on what benefits an international workforce can bring to their business.

4.1.1.1 Skilled migration in South Australia

Under the 2020-21 Migration Program settings, nomination allocations are made available to South Australia in the following visa categories:

- ❖ Skilled – Nominated (subclass 190)
- ❖ Skilled Work Regional (Provisional) (subclass 491)
- ❖ Business Innovation and Investment Program (BIIP)[8]

Applicants who are nominated by the State Government lodge their visa application with the Department of Home Affairs. While the State has an administrative role in the migration program, it is the Federal Government that ultimately determines the program settings and makes all visa decisions.

4.1.2 Program Review

4.1.2.1 Regional intelligence

The current migration program presents a number of challenges for regional business owners and employing organisations, requiring further streamlining in order to be fit for purpose across all industry sectors. Of particular concern are the skilled occupations lists and how these can be more responsive to the needs of the regions. It is not the purview of this report to provide an in-depth all-encompassing analysis of the current

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[8] The total allocation for the 2020–2021 year for South Australia is 4,350 places (Interim Report of the Inquiry into Australia's Skilled Migration Program March 2021 (https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024650/toc_pdf/InterimReportoftheInquiryintoAustralia'sSkilledMigrationProgram.pdf;fileType=application%2Fpdf). State nomination is provided for two skilled visa types: the permanent Skilled Nominated Visa (subclass 190) and the Skilled Work Regional (Provisional) Visa (subclass 491) – with a pathway to permanent residency if employment and settlement are undertaken in a regional location.

migration program and the potential for its extensive structural reform, however, some research and current thinking will be explored in this section, highlighting the areas of consistent concern.

4.1.2.2 Challenges

Regional feedback indicates that current challenges and barriers to accessing the migration program include:

i) Complexity

Through conversations with RDAs, a large number of regional business owners and employing organisations have expressed concerns about the complexity of the program. According to feedback received by the RDAs, the current migration program is not responsive or agile enough to meet regional employer needs and address regional skills gaps. The Department of Home Affairs has undertaken a number of reviews with the aim of transforming and simplifying the visa system and to better align it with Australia's long-term economic and social priorities, however, challenges continue to exist.

Noted in submissions received as a part of the Department's previous consultation was a consistent call to increase incentives to live and work in regional Australia and statements that overwhelmingly favoured a migration program in which 'transparency around decision making, reduced processing times and a system that was easier to understand and navigate were important to many contributors'.

RDAs value the re-introduction of the Department of Home Affairs Regional Outreach Officer (ROO) and the support provided by DIS' Skilled and Business Migration section to business operators in the regions; however, there continue to be gaps in support and assistance available. The services of the ROO and DIS are not widely known in regions and businesses are reluctant to engage in the migration program.

Although the DAMA was introduced to provide a solution to regional skilled and semi-skilled workforce gaps, it has not been immediately successful in regional South Australia. Employers have advised that the complexity, cost of the program and the speed at which decisions are made have made it unattractive. (It is noted that DAMA was only in operation for 8 months before COVID border restrictions were introduced, and those restrictions have been in place for the last 14 months. The border restrictions have meant that all visas, especially employer-sponsored visas have been very limited in their ability to address regional skills needs. However, in many cases, the absence and then removal of key occupations from regional skills lists have made the program impractical and essentially redundant for some users.

ii) Cost and time

The Australian Government, through the addition of the Skilled – Nominated (subclass 190) and Skilled Work Regional (Provisional) (subclass 491) visas support regional growth, however, there remain challenges with the current visa offerings and reported shortfalls within the migration program. The costs involved in accessing the migration program are a clear deterrent to small business owners and operators.

Even without using a registered migration agent, the new regional visa (subclass 491) costs $4,045 for the primary applicant. By including dependent family members, the costs are over $8,000 for this temporary visa, not including other associated costs. Costs for a family applying for Temporary Skills Shortage (TSS) (subclass 482) visa is almost the same. Given the majority of regional businesses are very small (i.e. employ 0-4 employees) these costs are significant. Expecting a visa applicant to pay for all the visa costs when they are coming to work in a semi-skilled, lower-paid role under the DAMA for example would likely be unrealistic.

Whilst the role of registered migration agents is important and provides a valuable option for employers who require assistance, the complexity of the current migration program makes the engagement of a migration agent almost essential. For small business owners with critical staff shortages, the cost involved in sponsoring and employing a visa holder can alone be enough of a deterrent to engaging with the migration program. There are numerous examples of employers outlaying costs (up to $15k) with the skilled migrant only staying for short periods, making this a high risk and high-cost option. While it is understood that there are costs associated with the processing of sponsorship or visa application, opportunities to reduce the costs and risks for employers (and therefore improve the accessibility of the program) need to be explored.

The Skilling Australians Fund (SAF) levy was introduced in 2018, designed to support training programs and initiatives for Australians. Depending on the visa subclass and length of stay, the levy can range from $1,200 to $7,400 to the cost of a visa. Currently, refunds are only available in selected circumstances and consideration should be given to extending these, especially for permanent visa holders that leave their employment in the

first 12 months. Calls for greater transparency around how the SAF levy is spent in regions would assist in explaining this cost to employers. Given this cost is seen as a deterrent, consideration could be given to levy reductions for businesses that (for example) have established training programs, have less than $1.5m turnover or less than 19 FTE. Consideration could also be given for SAF levy exemptions for visa applications made under Labour Agreements for regional employers.

Issues around the timeliness of the process are not only relevant to visa processing. Labour market testing and skills assessments are both considered onerous, time-consuming and confusing by employers in the regions. Where there are clearly identified labour shortages in regions, potentially as identified by RDAs through job vacancy data, and where employers have sought assistance with workforce planning, consideration could be given to an exemption from the need for labour market testing. Skills assessments and the accompanying Australian and New Zealand Standard Classification of Occupations (ANZSCO) code system also require further refinement.

Although the DAMA and state nominated visas are eligible for priority processing by the Department of Home Affairs, current visa processing times are a consistent issue raised with RDA by employers, in program reviews, and in submissions to Joint Standing Committee enquiries. According to the South Australian Government's submission to the Inquiry into Regional Migration in Australia (Joint Standing Committee on Migration, Parliament of Australia, 'Skilled workforce needs to be identified by employers are often required in the short term, however, extended processing times can see significant delays in securing a skilled migrant, therefore limiting the sustainability and growth of South Australian businesses'.

Priority processing needs to be a consideration for regional visas, particularly for those applications that have received state nominations.

iii) Responsiveness

There are concerns that the migration program is not responsive enough to meet the needs of the regions as a meaningful, demand-driven solution to workforce shortages. Beyond complexity, cost and time, the ultimate barrier to accessing the migration program is the skilled occupation lists and the ANZSCO code system.

Australia's skilled migrant intake is informed by the skilled occupations lists, with the National Skills Commission (NSC) (sitting under DESE) responsible for providing advice to Government on the skilled migration occupation lists. Traditionally, annual reviews are conducted to ensure the lists are reflective of the genuine skill needs across Australia. The challenge for employers is that these lists are only reviewed every 12 months and there are questions around whether these lists are truly reflective of need. For example, the Priority Migration Skilled Occupation Lists (PMSOL) does not include Diesel Mechanic – a key regional occupation that has a significant role in the supply chain, supporting agriculture (including forestry), transport, energy, and mining. Other in-demand occupations were removed from the lists in 2020, including Chefs and Cooks. At each review, lengthy arguments need to be made by stakeholders for the re-activation of occupations and for the addition of new occupations. There needs to be a mechanism for a more responsive and reflective skilled occupation list.

Matching actual roles to the ANZSCO codes is at times, extremely challenging and the system regularly comes under criticism by regional employers. The occupations do not always accurately reflect current and emerging job roles. The process for adding occupations is also considered to be onerous. It is understood that an update of the system is currently underway, including the development of a new approach to updating the ANZSCO codes. According to the Australian Bureau of Statistics (ABS), 'It will test the feasibility of achieving incremental changes and allow the classification to reflect rapid changes in labour markets'.

iv) Fit for purpose

Regional feedback suggests that consideration is required as to whether the current program is fit for purpose, particularly for the average small business or farm located in rural/remote South Australia. The DAMA is perceived to have provided limited value to date, the regional temporary visas are costly and complex and labour agreements, including the new Horticulture Agreement, are little known by small operators. The impact of the ROO and DIS team is constricted given they are Adelaide based and which limits their local connections to industry and business. Without sufficient resourcing in the regions, employers will struggle to engage with the migration program in its current form.

Feedback indicates that the additions of the Pacific Island Scheme (PLS) and Seasonal Work Scheme to the

visa program have been effective, albeit on a small scale, in filling labour shortages in low and semi-skilled roles, and the Working Holiday program has long filled labour shortfall in regional locations. Consideration should be given to a variation to the PLS and Working Holiday program for visa holders to undertake extended agricultural work or a fit for purpose agricultural visa should be further explored. As with all temporary visas, careful monitoring of these programs would be required to minimise the possibility of exploitation.

It is suggested that, ideally, states and territories would have a greater influence over the design of the program, given their understanding of each region's workforce needs. Examples of where this has been successful include Canada's Provincial Nominee Program (PNP). According to the Government of Canada, the PNP program is 'for workers that have the skills, education and experience to contribute to the economy of a specific province'. In this model, each province has its own 'streams' (immigration programs that target certain groups), designed to meet their specific economic and demographic needs.

It is noted that the State Government continues to advocate for Australian Government consideration for changes to the migration program to achieve closer alignment to regional needs and a more agile, responsive program.

4.2 THE NEED FOR REFORM

There are numerous reports and papers calling for significant structural reform of the current migration program. This section will touch on recent reports and submissions, highlighting the consistent calls for change.

4.2.1 Benefits of Reforming Migration Policies

The South Australian Centre for Economic Studies (SACES) of the University of Adelaide was commissioned by a consortium of businesses and peak bodies to explore national immigration policy in the context of challenges facing economic and business development in the State, particularly for regional South Australia. It specifically focussed on barriers that the then visa regulations may impose on utilising international migration to the benefit of the South Australian economy, and in particular any aspects of the migration system that may be less effective for South Australian businesses relative to those in more populous, higher wage, states.

As a high-level snapshot, some of the recommendations included a new regionally focussed temporary skilled visa (based on the now-defunct 457 and the current TSS (subclass 482)), the restoration of the 'flexibility' of the RSMS Visa (Subclass 187 Regional Sponsored Migration Scheme visa) and the inclusion of region-specific occupations in the skills lists. The report also called for the internal allocation of visa grants between visa categories to ensure that "demand-driven" visas (such as the TSS 482) can be genuinely demand-driven, rather than subject to extreme delays.

It was argued that, if necessary, this could be achieved by shifting places into the demand-driven visa classes from other visa categories such as the General Skilled Migration (GSM) visa categories.

4.2.1.1 Joint Standing Committee on Migration

The Joint Standing Committee on Migration was appointed in July 2019 and thus far has undertaken inquiries into migration in regional Australia and the Working Holiday Maker program. In February 2021, the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, the Hon Alex Hawke MP, asked the Committee to inquire into and report on Australia's skilled migration program. The Committee has issued an interim report outlining 12 recommendations and have held public hearings across March-May 2021.

The recommendations include streamlining labour market testing, removal of the SAF levy until the COVID pandemic is 'over', increasing transparency on the visa processing queue, urgently reviewing the skilled migration occupation lists (specifically the Priority Migration Skilled Occupation List) to include key occupations such as Chefs, Vets and Café and Restaurant Managers, and calling for employer-sponsored visa holders to be given a clear pathway to permanency.

4.2.1.1 i) Inquiry into Australia's skilled migration program - Submission from South Australian Government (April 2021)

The South Australian Government provided a submission into the inquiry (Submission 168, 6 April 2021) that advocates for changes to current migration programs to support greater uptake by regional employers and

increased employment outcomes in regions.

The submission includes support for:

❖ Maintaining the overall national migration planning levels of at least 160,000, with the skilled component being at least 110,000 places

❖ A broad occupation list to ensure skilled migration can support a wide range of sectors and in particular support regional areas in the State having access to a larger occupation list than is available for metropolitan areas

❖ Program settings to incentivise skilled migrants to choose regional Australia (settings should be more favourable than for skilled migrants seeking to settle in the large capital cities of the Eastern States)

❖ Enhanced visa processing capacity to get through the backlog of regional visas and Temporary Skills Shortage (TSS) visas where the sponsor is located in a regional area, and:

▪ cease the prioritisation of Priority Migration Skilled Occupation List (PMSOL) occupations for visa grants and revert to the previous arrangements where regional visa products such as the subclass 494 and DAMAs are prioritised, or

▪ broaden the PMSOL to a wider range of occupations that are critical in regional Australia.

The South Australian Government believe that long-term structural change is required in the employer-sponsored visa system to support Australia's economic recovery and growth.

ii) Inquiry into Australia's skilled migration program - Submission from DIS (March 2021)

Separate to the submission made by the South Australian Government, DIS has also provided a submission (Submission 74, March 2021), stating that 'currently, the barriers, risks, costs and timeframe to sponsor skilled migrants outweighs the benefits for many regional employers, and this is evidenced by the drastic decline in employer-sponsored visa grants in recent, pre-COVID, years. This needs to change urgently if the migration program is to enable businesses to access the skilled workers needed to facilitate economic growth'.

The submission also seeks that the Australian Government:

❖ Review the eligibility requirements to ensure they are not limiting regional businesses ability to sponsor skilled migrants, this includes excessive mandatory Skills Assessment requirements, work experience, or qualification requirements

❖ Review the end-to-end process with a view to simplification, including labour market testing requirements, labour agreement negotiation, and nomination and visa application processes

❖ Revise the Skilling Australia Fund levy to ensure it is not prohibitively expensive for small regional businesses, and reconsider the point of levy collection so regional employers do not have to bear the cost if they do not receive a positive visa grant outcome

❖ Find alternative ways of addressing the limitations of ANZSCO to determine occupation and Skill Level eligibility, to better enable a wider range of contemporary roles at different skill levels to be eligible for skilled migration

❖ Enhance capacity for the Department of Home Affairs to implement and oversee a strong employer-sponsored skilled migration program. This requires a renewed emphasis on resources to maintain integrity over the program, rather than relying on restrictive requirements, costs and processes that effectively limit uptake.

iii) Inquiry into Regional Migration in Australia – Joint Standing Committee on Migration - Submission from the Government of South Australia 2019

The South Australian Government submission into the inquiry provides a detailed outline of the important role that migration plays in South Australia's population retention and growth. The submission provides commentary on the challenges and opportunities for regional migration and noted that not all South Australia's skills needs are being met through the state-nominated skilled migration program as it is currently designed

due to the limitations of the eligible occupation lists. (Parliament of Australia. *Submissions Received by Committee*: Submission 77, 2019).

iv) Inquiry into Regional Migration in Australia - Submission from Business SA 2019

Business SA noted in its submission in 2019 that the ability of South Australian businesses to attract migrant workers is critical to the economic viability of the State and to the businesses that rely on skilled migrants to maintain and expand existing operations. Business SA suggested that the approach to labour shortages much be 'nuanced and specific to regional areas'. Business SA concurs with the State Government when they note that 'national data is not able to provide a true indication of skills shortages and leaves businesses that have unfillable specialist roles or roles that are difficult to fill in that specific region, with the inability to grow and develop'. The submission also calls on the Australian Government to reconsider its fee structure for the Skilling Australians Fund, as it negatively impacts businesses and makes it less financially viable for them to bring in skilled migrants. (Parliament of Australia. *Submissions Received by Committee*:Submission 38, 2019).

RECOMMENDATION:

RDSA continues to advocate Government for changes to Australia's skilled migration program with the following aims:

❖ outcomes are demand-driven and aligned with regional skills gaps and job vacancies

❖ processes are simplified and timeframes, costs and risks reduced for regional employers

incentives are created to encourage migrant consideration of regional South Australia to redress the current imbalance of settlement outcomes in capital cities (including Adelaide)

4.2.2 Regional reach and engagement

South Australia is considered regional in terms of satisfying requirements of the Australian migration program and therefore the regions are competing with the Adelaide metropolitan areas in attracting skilled migrants. Once a new arrival settles in Adelaide, it becomes increasingly difficult to attract them to the regions.

4.2.2.1 Welcome to SA

In 2018-2019, RDA Limestone Coast and RDA Murraylands and Riverland participated in a monthly 'Welcome to SA' presentation, held in Adelaide, to newly-arrived state nominated migrants. The presentation was used to highlight the regions and provide information on employment and liveability opportunities. RDA feedback indicates that providing this information post-arrival was too late as skilled migrants had already commenced settlement in Adelaide.

To be effective, promotion of regional areas needs to be undertaken before migrants arrive in Australia and a coordinated settlement support service needs to be in place in regional areas to provide support pre and post visa grant and pre and post-arrival.

Through the current state nomination program, visa holders that undertake work in the regions for prescribed timeframes are provided with a pathway to state nomination. In order to increase the possibility of visa holders

looking to move to regions, the State Government should consider ways of promoting this opportunity.

4.2.2.2 Access to data

Access to data is key to understanding who is being granted visas, when they arrive and where they are located. An ongoing challenge for the South Australian government is access to meaningful data (as identified in the State Government submission into the Joint Standing Committee on Migration). Having access to data means that the state can make informed decisions about its program and its response to identified needs.

A challenge for the State Government and specifically for DIS is access to data that shows how long migrants stay living and working in regions. Although DIS has data on whether a skilled migrant is residing in a regional area at the time of nomination, it is unknown whether the migrants choose to stay in regions and settle longer-term or whether following the nomination for their visa, they move on. There is potential for the availability of real-time data from the Department of Home Affairs regarding addresses if visa holders are subject to condition 8578 (this visa condition can be applied to subclass 491 but not to permanent skilled visas). However, issues of disclosure of personal information would need to be considered and express consent would need to be given by the visa holder.

To better plan for regional settlement and advocate for changes to the migration program, the development of mechanisms for sharing of available data and intelligence from RDAs and local government to DIS is encouraged, particularly around regional skills needs and job vacancies. DIS consults with RDAs as part of its formal consultation to inform the skilled migration programs, where the RDAs provide valuable anecdotal intelligence and, in some cases, detailed jobs data. However widespread formal data from RDAs would assist in understanding the nuances in the skills needs of different areas of regional SA, and how migration can better address those needs.

RECOMMENDATION:

The South Australian Government continue to advocate to the Australian Government for relevant data to be provided to the Department for Innovation and Skills to enable development and use of trend data to inform policy and program setting.

4.2.3 Migration program regional support

There is a current resource gap to adequately assist employers to navigate the migration program. There is a need for capacity building and knowledge sharing around the visa program and employer sponsorship, with opportunities for immediate action. As noted above, the Skilled and Business Migration section at DIS has staff available to assist regional employers and promote the state nomination program. This limited resource is however required to cover the whole of the state. The Department of Home Affairs through their Regional Outreach Officers, promote the migration programs across South Australia. As welcome as these resources are, they are limited in their reach.

The Limestone Coast Local Government Association (LCLGA) highlighted in their 2019 submission into regional migration that from 2008 – 2013 there was a program delivered through the former Department of Trade & Economic Development – Immigration SA unit to fund Migration and Workforce Development Officers in regional South Australia. The LCLGA submission states that this initiative facilitated economic development in regions through increased attraction and retention of skilled workers and their families. The LCLGA suggested that this State Government initiative was 'instrumental in establishing contacts and building effective relationships with regional employers to understand workforce development issues and employment needs'. The program provided a range of settlement services to support skilled migrants to integrate with the local workforce and engage with systems such as the local housing and education system.

The resource gap could be addressed by providing additional resources across regional South Australia, to assist in building regional knowledge and addressing skills gaps. The need for on the ground resources is not suggesting a replication of the role of registered migration agents as much of the support required is beyond the scope of that role. It is recommending the return of a locally based resource that can assist and support employers as they navigate the migration program, acting as a conduit to DIS, Home Affairs, migration agents and to support services or to other programs that are deemed more suitable for their needs. RDAs are trusted by regional employers and with adequate resourcing, could provide this linkage.

Also lacking is clear, concise, usable written information for regional businesses and employing organisations that are looking to engage with the program. Examples of where this is being done well include New Zealand Immigration, which produces a series of informative and useful guides for key industries, taking employers through the process of employing and working with their visa holders.

> **RECOMMENDATION:**
>
> There is a need for regionally based resources to provide case management assistance to employers looking to engage migrant workers. RDAs are not currently funded to provide this assistance but could host a resource that can support program delivery. A regionally embedded resource can also assist to connect employers to other programs where migration is not necessarily the right solution to their needs.

4.2.3.1 Regional Attraction for Migrant Workers

Some of the challenges in attracting skilled migrants to regions can be attributed to the international trends around urbanisation of populations, with people overwhelmingly preferring to live in cities with access to higher levels of services, amenities, and a perceived 'modern' way of life. The reality is that most skilled migrants are coming from countries such as China and India with large numbers of big cities and as such are expecting or preferring to settle in big Australian cities rather than regions.

For some migrants holding humanitarian or family visas, they may be more interested in living in regions if they have come from a rural or regional environment. The current lack of regional housing and regional public transport and practicalities such as requiring a driver's licence are also significant barriers to regional settlement.

The pandemic has provided an opportunity for the increased internal movement of the population, and the opportunity to attract migrants currently onshore and residing elsewhere to South Australia from interstate cities and regions. There are migrants already living in Australian cities, that may be tempted to move to regions. Secondary migration is a potentially important source of labour for regions. Similarly, with attracting Australian workers and in line with the challenges noted above, there is a range of barriers to overcome when attracting temporary visa holders to rural and regional locations.

4.2.3.2 Supporting migrant settlement

Attracting and retaining migrant workers in regional Australia, as previously highlighted, is complex, multidimensional and extremely challenging. However, recent research provides steps and toolkits that can assist regional communities.

For example:

'The Right Fit: Attracting and retaining newcomers in regional towns' (November 2019) provides a framework for secondary migration based on lessons learned from research undertaken in five countries.

The Regional Australia Institute (RAI) recently produced the 'Strengthening Liveability: A Toolkit for Rural and Regional Communities Looking to Grow' 2021. Although this is not specifically aimed at a migrant population, the steps provide relevant valuable guidance.

Feedback indicates that the challenges around retaining migrant workers in regional communities are just as significant as the challenges in initially attracting them to the community. Employers of migrant workers, by

default, also take on a role as a 'settlement officer'.

Feedback provided to RDAs notes that often although the skilled migrant is happy in a work context, their spouse may be at home feeling isolated in their new community. The worker may find it easier to integrate as they are working and participating as part of the community, learning the language, and building social networks. This highlights the need for the community to embrace and support new arrivals. This is also where a regionally based resource and a coordinated approach can better support new arrivals and improve migrant population retention.

A key challenge in retaining migrant community members in regions is the isolation of smaller communities. New migrants may come into a community where there are (at that stage) no or a small number of other migrants and no cultural support or familiarity. The role of RDAs as a resource and Local Government as a leader can assist in initiating community conversations around building a welcoming community (as further explored below).

Any retention strategy needs to focus on making skilled migrants and their families feel welcome. As noted in *The Right Fit: Attracting and retaining newcomers in regional towns* (November 2019), "One of the most powerful ways to do this is by building social connections between existing community members and newcomers". As well as building community connections, cultural awareness training, ideally supported at the Local Government level, is required for the community to embrace diversity, and welcome migrant workers and families.

i) Community conversations

A critical aspect of workforce attraction is to ensure that we have welcoming communities that:

- ❖ Understand and welcome the opportunities for community and economic growth
- ❖ Understand how they can engage with those opportunities
- ❖ Understand what the key enablers are for growth and how they can be delivered (e.g. housing growth, workforce attraction, infrastructure upgrades etc.)
- ❖ Understand what is being done to manage the impacts of and deliver growth
- ❖ Are engaged in the development process and have an opportunity to participate and contribute to community conversations
- ❖ Understand that the community conversations will be ongoing including reporting back on progress against target outcomes

4.3 SETTLEMENT SERVICES

Further consideration of settlement services and welcoming communities is required for the management of humanitarian migration into regions. Feedback provided to RDAs suggests that people are not receiving the services and support needed when they arrive. For example, shortages are reported about English language tuition, teaching people to drive, and access to trauma counselling.

RECOMMENDATION:

RDSA, LGASA and the Department for Innovation and Skills investigate opportunities for local government to play a lead role, working with regional stakeholders, in developing a framework for engaging communities in discussions around workforce attraction (as outlined in this report).

4.3.1 Research findings

4.3.1.1 Australia: Skilled Migration

A recent report released by CEDA (the Committee for Economic Development of Australia) found that despite the seeming success of the permanent skilled migration program in Australia, nearly a quarter (23%) of permanent skilled migrants in Australia are working in jobs beneath their skill level. The group with the highest

skill match were employer-sponsored workers with only 13% working in a position lower than their skill level. Some of the barriers that migrants encounter when trying to find a position that is congruent with their skill level include a lack of local experience and networks and language difficulties.

One of the main recommendations from the 2021 CEDA report is that a new government-regulated online skills-matching jobs platform be developed to better match skilled migrants to job vacancies that they are qualified for. One of the main critiques of the current system is that due to their lack of knowledge of the local labour market conditions, many migrants move to areas that do not have a demand for their skills. This has a financial implication for migrants and exacerbates the problems in the labour market through underemployment and underutilisation of skills.

Another issue that compounds the shortage of skills in regional areas is that many migrants base their decision to move to a regional area on the availability of opportunities for their families. In their article entitled *Motivations for retention and mobility: Pathways of skilled migrants in regional Victoria, Australia*, Wickramaarachchi and Butt (2014: 195) found that out of three satisfaction indices used in their study, only economic and workplace satisfaction indices demonstrated a significant positive correlation to move. The other two indices included "Social attachment" and "Lifestyle satisfaction".

The study also found that skilled migrants would like to remain in regional areas if they could have the same type of job as they had in a metropolitan area. The marital status of the skilled migrant also plays a role here since migrants showed a significant concern about their partner finding a better job that is in line with their qualifications.

This study supports the literature that highlights the importance of work opportunities rather than amenities, particularly lifestyle, culture and networks. Highly educated skilled migrants are particularly concerned with opportunities available for the whole family since most of these families include a partner with specific skills and career expectations. This study suggests that job opportunities are fundamental to attract and retain skilled immigrants in regional Australia. Furthermore, policies that address regional skilled migrants can promote their long-term retention by providing facilities for the lifestyle needs of international migrants from different cultures, these include the diversity of retailing, social spaces and religious opportunities. This is currently still a controversial issue in some smaller regional cities and towns.

Some of the participants in their study mentioned a lack of options regarding good education facilities in regional areas as a point to be considered if regional areas want to attract more skilled migrants. This study suggests that in order for skilled workers to be retained in regional areas, these areas should strive to meet the career needs of individuals and families beyond the contracted period of regional residency. There is a need to move beyond the initial need to address skills shortages in regional areas and rather to understand skills needs and employment pathways to retain targeted groups in regional Australia.

The 2020 Limestone Coast migration project report on workforce attraction and retention strategy identified key factors regarding skilled migration which are applicable to regional areas of South Australia. These include a significant focus on welcoming new arrivals in ways that support inclusion, respect for diversity and enhancement of social cohesion. Settlement assistance is important, particularly for more recent arrivals and those who may have particular vulnerabilities. The existing community also has an active role to play in welcoming and assisting new arrivals and mechanisms to support this should be put in place (Regional Australia Institute, 2020a: 3).[9]

Some of the key factors to investigate when considering strategies to attract and retain migrant workers in regional areas include council services; migrant resource centres; employment and Centrelink; education; health; transportation; language and interpretation services; cultural, sporting and religious services; and services for women migrants.

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[9] For the full list of recommendations of the 2020 *RAI Limestone Coast Migration Project: Workforce attraction and retention strategy* go to: https://amrc.org.au/wp-content/uploads/2020/05/Primary-Industry-and-Regions-SA-Regional-Australia-Institute-and-AMRC-Limestone-Coast-Migration-Project-Report.pdf

4.3.1.2 Canada

> ### *Case study - An Assessment of Community Services in Attracting and Retaining Immigrants in the South Okanagan Valley, British Columbia, Canada*
>
> Policymakers identified the Okanagan Valley in British Columbia as a region that could benefit from additional immigration. Whether the policy succeeds depends on the presence of:
>
> (a) quality services in a welcoming community;
> (b) affordable, suitable, and adequate housing;
> (c) educational opportunities;
> (d) employment opportunities that offer an adequate income; and
> (e) opportunities to integrate into the community.
>
> The researchers found that immigrants face two major obstacles in their service use: physical access, given the near-absence of an effective public transportation system; and financial instability, as many of the surveyed immigrants, rely on low-paying 'survival jobs' in the cyclical tourism and service industry. These findings have led to recommendations to improve regional socio-economic conditions (Depner & Teixeira, 2012: 72).
>
> *Also see: Provincial Nominee Program (Canada); Atlantic Immigration Pilot; Rural and Northern Immigration Pilot; Municipal Nominee Program; Ontario*

4.3.1.3 Locally-led migration strategies for rural labour

Some of the challenges that regional areas face is the increasing trend of young people leaving the regional areas as well as the high rates of churn of younger workers, particularly those in low and semi-skilled occupations. An example of a regional council affected by these trends is the Naracoorte Lucindale Council in South Australia which has seen a particular loss of semi-skilled community and personal service workers. Migration plays a central role in ensuring a sustainable future for regional areas like Naracoorte Lucindale across Australia.

According to the RAI (Regional Australia Institute, 2018d: 6), there are some industries in remote and regional Australia that find it particularly difficult to recruit local residents. In agriculture, fishery, and forestry (AFF) areas migrant workers can fill the skill shortages for local businesses that cannot attract domestic labour. The survival of these local businesses is important to the livelihood of many rural communities, but many local residents do not deem work at abattoirs and poultry producers as "acceptable employment".

Migrants can benefit from living in rural communities since many of these areas offer employment opportunities that match migrant ambitions and skills. Moreover, employment opportunities are varied and encompass more than the seasonal agricultural work done by temporary migrants visiting Australia on working holiday visas. An enhanced approach to matching migrant skills and aspirations with local industry needs will result in better outcomes for migrants and rural communities alike.

There are some inspiring examples of successful rural settlement initiatives, such as in Nhill, Dalwallinu, Pyramid Hill and Mingoola. In these communities, residents and business owners have come together to identify labour needs and build local capacity to attract and retain overseas-born residents.

4.3.1.4 Australia

Case study - Attracting and retaining migrants in the region - Tatiara Council, South Australia

The Tatiara Council has been playing a leadership role in the region in terms of its approach to welcoming and settling new migrants into its community. This Council has acknowledged the importance of community development and proactively develops strategies and partnerships to improve the migrant experience, particularly to encourage them to settle and stay (Regional Australia Institute, 2020a: 3).

Case study - Incentives to attract and retain workers - Broken Hill, Northern Territory

Goldfields Esperance Development Commission; Broken Hill Chamber of Commerce; Broken Hill City Council and NT Parks and Wildlife Commission worked with Commonwealth & State-based to attract skilled staff to remote areas - target specific skills sets & demographic cohorts from overseas and tailored marketing programs for candidate and family members. When they arrive in a region, they are greeted and introduced to key interest groups (McKenzie, 2011: 359) (RWAG Secretariat, 2021).

Case study - Celebrating diversity to retain migrants in the region - The Naracoorte Lucindale Council, South Australia

This council supports and promotes cultural activities that connect migrants to the local community. Through these initiatives, they are able to develop a deeper role in ensuring that social cohesion and the settlement experience of new arrivals is strengthened in Naracoorte. The Limestone Coast Economic Development Group (subcommittee of the Limestone Coast Local Government Association) is spearheading this work (Regional Australia Institute, 2020a: 3).

4.3.1.5 International skilled visas - Canada and New Zealand

In the tables below the skilled-based migration programs in Canada and New Zealand are outlined:

i) Canada

The Federal Skilled Worker program	Accepted approximately 360,000 migrants in 2019.
	"Economic migrants" make up 195,800 of the 360,000 migrants.
	These migrants represent a combination of federal high-skilled workers, federal business workers, and programs that specifically allow provinces and employers to hire people if it is difficult to find candidates locally.
Criteria / characteristic-based selection system	Minimum number of points required to qualify: 67.3

ii) New Zealand

The New Zealand Residence Programme	Currently suspended due to COVID-19
	Those migrants who have a job offer and who intend to work in an area where skills are needed are prioritised in applications for permanent residency.
Points-based selection system	Minimum of 100 out of 160 is required to qualify

5. SKILLED MIGRATION – 'INTERNAL'

Regions across Australia are currently experiencing significant job vacancies and are competing to attract workers to the regions to fill those jobs. As part of its overall workforce attraction strategy, regional SA needs to attract not only international migrant workers but also workers from metropolitan Adelaide and interstate.

RAI research (outlined below) indicates that more people move from a region to another region rather than from a capital city to a region. It also indicates that people tend to consider a move from a capital city to regions within two hours' drive of their capital city.

It is noted that the RAI national campaign will not be delivered in Adelaide. It is suggested that consideration be made for the development of a promotional campaign to attract people from Adelaide and from interstate regions to regional SA.

In developing a campaign, key considerations include:

❖ Determining the target market (age, life stage, skills, current location etc.).

❖ Exploring and outlining the key industry attractors ('sexy' industries) and specific regional opportunities that may encourage key skilled workers and millennials (e.g., space, defence, education, health, Agtech) to move to regional SA.

❖ Highlighting the unique attributes of each region to tailor the campaign.

❖ Debunking myths about regions.

❖ Creating new narratives to demonstrate the benefits of living in regional South Australia.

❖ Showcasing "success stories" to demonstrate how individuals and families can thrive if they move to regional SA.

❖ Potential collaboration with regional businesses which may have existing collateral / creative, and which may co-invest in marketing and promotional initiatives

Consideration could also be made for undertaking specific market research to explore:

❖ What is the current appetite to move to a regional area in South Australia? (Particularly, targeting people living in metropolitan Adelaide).

❖ What does liveability mean to individuals vs families (tiered approach)?

❖ Which industries ("sexy industries") would motivate people to move to the regions?

❖ How can existing industries be marketed to become more attractive to potential recruits?

5.1 RESEARCH

The 2020 RAI *Big Movers Report* (Bourne, Houghton, How, Achurch, & Beaton, 2020) looks at the way people have moved around Australia between the last two national Census in 2011 and 2016. They investigated where people chose to move to and where they moved from, as well as identifying the communities where they decided to stay. The report provides a picture of population mobility in terms of movement between capital cities and regional areas and also the movement between regional areas.

The report demonstrates that more people moved from capital cities to regional areas than vice versa. Between 2011 and 2016, Sydney, Melbourne and Adelaide experienced net losses to regions with more city dwellers moving to regional areas than those moving from regional areas to the capital city (Adelaide experienced a small net loss to regions of around 1,041 people).

Research shows that the Australian population is highly mobile with more than 39 per cent of Australians changing their address every five years, compared to the global average of 21 per cent (Bourne, Houghton, How, Achurch, & Beaton, 2020). It was noted that between 2011 and 2016 more than 1.2 million people either moved to regional Australia or moved around regional Australia from one location to another.

The report demonstrates the flow of people across different ages to and from regional Australia, and it looked

specifically at the way that millennials (20-35-year-olds) moved to and between regional communities (Bourne, Houghton, How, Achurch, & Beaton, 2020). Furthermore, the report showed that more millennials moved into capital cities from regions than vice versa – with a net outflow from regions to cities of 31,999. However, the report also showed that 207,510 millennials moved between communities around regional Australia (rather than in a capital city) (Bourne, Houghton, How, Achurch, & Beaton, 2020). Regionally based millennials were more likely than city-based millennials to move to more isolated or remote places in general.

Looking at the population as a whole, when people moved from one regional area to another, they were more inclined to stay within the state or territory in which they resided originally. The report showed that the majority of population movement into regional communities was as a result of inter-regional relocation/settlement.

5.2 REGIONAL AUSTRALIA INSTITUTE REGIONAL ACTIVATORS ALLIANCE

The RAI Regional Activators Alliance (RAA) will deliver a national awareness campaign focused on driving regional population growth. The RAA program will span over a three-year period and focus on the development, implementation, and evaluation of an integrated marketing and communications campaign to promote the opportunities of living, working, and investing in Regional Australia.

The research was undertaken by the RAI in 2020 to gauge the sentiment of metropolitan Australians through qualitative research. The RAI commissioned qualitative and quantitative research among more than 1,000 people living in Sydney, Brisbane, Melbourne and Perth who were considering moving to regional Australia. The research was carried out in November and December 2020. The research found that about one in five residents of the country's major capitals is considering a move to the regions. More than two-thirds of those considering moving thought they would move in the next 12 months.

The research also identified that while the 'push' factors motivating people to leave the cities are strong, the 'pull' factors – essentially the appeal of regional Australia — are more powerful motivators.

The research shows the top three factors drawing people to Regional Australia are:

- ❖ Sense of space (77%)
- ❖ Connecting with the natural environment (77%)
- ❖ Overall improved wellbeing (75%)

The pull factors are even stronger for people who have children transitioning from pre- to primary school.

While COVID-19 significantly increased interest in moving for one in five of those surveyed, more than half of all respondents indicated that they were thinking about relocating even before the outbreak of the pandemic.

More than half of the potential movers surveyed said they are considering locations that were no more than a two-hour drive away from their current home. However, 22% of the respondents were prepared to move to regional areas that are up to four hours away from their current home. The most popular locations being considered by metro movers were larger coastal areas. Smaller inland areas held the same appeal as smaller coastal towns with about one-third of respondents indicating an interest in both.

The RAA *Move to More* campaign was launched in March 2021. The campaign framework includes a website (www.movetomore.com.au) and planned advertising (Made the Move TV, radio and digital ads) which will be appearing in the Perth, Brisbane, Sydney and Melbourne markets from 30 May 2021. It is understood that funding for the program has been provided by RAA members and the Australian Government.

The RAI has created a number of campaign assets for use:

- ❖ Move to More TVC – Build Your Best Life: https://drive.google.com/file/d/13MT17-CS1LT38C5YINtBPn_45kOQ2PFb/view
- ❖ Move to More TVC – Ditch the Commute: https://drive.google.com/file/d/1DE-jBCdSWSzVJjxXcG7QTNEoIltoSJ64/view
- ❖ Move to More TVC – Make a Name: https://drive.google.com/file/d/1ePISFsbIAOBvD7kdCqf-uYTWyc9z8ONp/view
- ❖ Move to More TVC – Nature Lessons: https://drive.google.com/file/d/19h3n3bAbP489UtSw5G3Dlk-GaIziW0dH/view

RECOMMENDATION:

It is suggested that RDSA seek stakeholder collaborative support for development of a regional workforce attraction campaign to attract workers (and their families) from metropolitan Adelaide and from interstate (with a focus on people from interstate regions), or seek to be a part of the Regional Australia Institute's "Move to More" promotional campaign aimed at changing the perception of living in regional locations.

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Regional Development
SOUTH AUSTRALIA

CHAPTER 4:

ACCOMMODATION

1. CURRENT HOUSING SHORTAGE

There is a shortage of housing for sale and rent across regional South Australia with some locations having zero supply capacity. To generalise, we have gone from having an abundance of houses for sale and rent in regions (say two to three years ago) to now having very few or no properties for rent and properties selling extremely quickly. (However, it is noted that for some regional towns, a housing shortage has been a significant issue for much longer). Some of the housing stock that is available for rent or purchase in regional locations is not in the right location or at the right level (availability, type, and price) to meet the needs of those looking to move to the town. There is also a shortage of public/social housing, with significantly long waiting lists in some areas (e.g. in the Far North).

There are anecdotal examples of business owners sleeping on their own verandas to free up beds for their staff. There is an example of someone being recruited by Kangaroo Island Council who had accepted a professional role, relocated to the island, and then been unable to secure accommodation and left. On Kangaroo Island, historically, it would take 9 to 18 months for a house to sell, and the property would be provided as a rental in the meantime. That rental market has now evaporated as houses are selling in weeks.

One Eyre Peninsula real estate agent was recently quoted saying for the first time in 16 years there is a lack of homes to sell. "Buyers are all mainly coming from cities and they just want a better life for themselves and their children. They don't want to have to be worried about COVID and lockdowns anymore," (Ray White Eyre Peninsula Principal Chad Kirby)

1.1 SUPPLY

1.1.1 Challenges:

❖ Lack of investment in housing in regional areas over many decades – many towns were established over 100 years ago and in some cases, very few houses have been built in the last 50 years

❖ Age of existing properties impacting on the attractiveness of housing to entice people to leave higher quality housing in metro locations to move to poorer quality housing in the regions

❖ Properties converting to Airbnb over last few years

❖ Lack of one- and two-bedroom dwellings to facilitate single people currently occupying three and four-plus bedroom houses to downsize (and therefore free up houses for rent or purchase by families)

❖ Lack of independent retirement living and aged care capacity – limiting the ability for older people to transition out of existing family homes (and freeing up those homes for families)

❖ Lack of affordable housing for rent or purchase – increased risk of homelessness for vulnerable people

❖ Shortage of timber and wait times for steel frames (anecdotally estimated at around 28 weeks) is delaying new house builds, as is the shortage of available construction services.

1.1.2 Opportunities:

❖ Zoning of land is generally not an issue. In many cases, there is plenty of available land (including government-owned land) available however challenges exist in unlocking that land for sale and development (e.g. due to lack of common infrastructure (and cost of provision), lack of desire of landowner to develop or sell).

❖ There is an existing capacity to increase the density of housing (houses on a double block, capacity for addition of 'granny flats', repurposing of Mainstreet second story building capacity etc.)

❖ Potentially available housing on farming properties (houses vacant / potentially available) and other investor properties currently vacant (or rarely used).

1.2 DEMAND

1.2.1 Impacts of Covid-19

- ❖ Increase in interest in regional real estate for sale - no hard data on who is buying the houses or for what purpose e.g. personal use (holiday house or permanent residence), use as a longer-term rental or short-term rental e.g. Airbnb.

- ❖ Increase in people moving to (or back to) regions (national and international impact of covid) – attractiveness of jobs, housing costs and liveability, relaxed lifestyle, natural landscapes etc.

- ❖ Reports of more people (particularly young people) buying property due to Covid constraints on travel and positive conditions for investment (low-interest rates and other incentives).

1.2.2 Competition for workers

Competition for workers has increased the need for employers to provide the right level of housing in order to attract the right people (an issue at all levels from entry-level to professionals). This is extremely challenging in remote areas such as Marree where some employers are having to supply accommodation at no cost or at very low rates (as well as supplying meals) to attract workers. When people are looking to attract workers now, they are needing to not just think about what the worker themselves will need, they also need to consider the worker's family (spouse, children, grandparents), the liveability of the town and the overall package that the opportunity presents.

1.2.2.1 Increased housing needs of construction gangs

The increased need for temporary (construction) worker accommodation is increasing housing pressure in some areas (e.g. the Far North) where there is a lot of construction work taking place. A significant number of construction workers are taking up available rentals and visitor accommodation (one hotel has 50 construction workers staying for the next 5 months).

> ### *Case study – Bentleys Cabin Park Port Augusta*
>
> A cabin park is being built to provide temporary worker accommodation. People are currently commuting daily from Port Pirie to Port Augusta. These people will relocate to the cabin park as soon as it is open.

1.3 DATA

1.3.1 Data gap

The housing data landscape is rapidly changing and evolving in terms of the gathering of data (particularly for regional SA) and analysis of trends (particularly around rental vacancy rates and housing sales (quantum and median price)). The data that is available in some cases is significantly out of date and out of step with current and emerging trends e.g. where data is based on 2016 Census results (which in many cases is no longer in step with current trends).

Accessing meaningful and useful data to accurately describe the regional housing shortage is extremely complex and labour intensive (very broad data set). Some RDAs are currently capturing numbers of rentals available on a weekly basis (to demonstrate need). However, there is currently no available RDA capacity to capture and analyse the level of housing supply and demand data and information needed.

Renewal SA is currently assisting the Tatiara and Naracoorte Lucindale councils to undertake a high-level housing demand survey to assist in the development and delivery of identified housing needs (further details are provided later in this report).

There is a need for resourcing to be applied in regions to provide hard evidence (and a detailed breakdown) of the demand for housing and the capacity for creating supply. Data gathering can also unearth the 'hidden jobs' – employers who would employ more staff if there was housing available – to demonstrate the regional economic benefits that will flow from the delivery of increased regional housing capacity.

Understanding that RDAs are resource-challenged, it is suggested that whilst funding is pursued (in

collaboration with local government) to undertake local government area-based housing demand and supply studies, some preliminary fact-finding could be undertaken to start to gather data and intelligence. For example, speaking to banks, real estate agents, community housing organisations, local developers, local government and state government to determine the current level (and type) of demand and potential projects (e.g. current development applications). The discussion could also include talking to local tourism organisations about the number of houses that have been converted to holiday homes.

1.3.2 Data available

1.3.2.1 Housing Affordability Demand and Supply by Local Government Area 2018

The SA Housing Authority developed individual Housing Affordability Reports by local government area that describe the extent and general nature of local housing needs. The data includes low- and moderate-income households, household and family types, age of household reference person, housing stress, recent movers, indigenous persons, dwelling prices, tenure diversity, affordable house sales, recent development trends by dwelling type and social housing stock. Reports from 2018 and 2013 are available and utilise Australian Bureau of Statistics data (noting the last Census was 2016).

It is noted that 2021 is a Census year and that when available, the current data will better inform housing supply and demand planning.

1.3.3 Anecdotal/regional snapshot data

Currently, the only available data is anecdotal or limited to sporadic recording of rental availability in some regions. For example:

- ❖ RDAAHFKI - Mar 2021 – a number of council areas across the region are below the state average with Kangaroo Island recording a rental vacancy rate of 0.04 per cent.

- ❖ RDAMR - Mar 2021 - identified 56 rental properties available across 10 townships in the region (36,000km2)

- ❖ RDAYMN - Mar 2021 – Rental vacancy rate Yorke and Lower North region was 0.6 of 1%. Rental stock available in Clare was 4, in Port Pirie was 1, and in Kadina, 6.

1.4 IMPACTS

1.4.1 Economic

The most significant impact is that if you do not already have accommodation in some locations then you cannot move there to take up a job. For example - Wudinna has 21 job vacancies and one house available for rent. Some employers have indicated that they have stopped advertising because without suitable accommodation they cannot recruit staff from outside the area.

There are examples of businesses of all sizes that cannot grow or in some cases operate at full capacity as there is no accommodation available to house the staff they need to attract. The accommodation need is at all levels – affordable, family-style, executive; at all sizes (one – four-bedroom) and quality levels. Consideration is also needed to understand the unique vulnerabilities of certain towns should major employers be unable to find the workers they need because they cannot source the housing needed to recruit them.

As indicated above, there is currently a significant opportunity cost not just for regional South Australia but for the state, in not increasing the supply of housing in regions. Regions have significant job vacancies that cannot currently be filled and there is a significant pipeline of investment moving forward. The delivery of all of these jobs, resultant economic growth in GDP and increase in SA's overall population are dependent on meeting housing needs.

A further challenge for regional South Australia of not delivering housing (and therefore economic and population growth) is the continued ageing and potential decline of those regional communities and economies (that has significant follow on effects for the state). Ongoing funding for infrastructure, health and education service provision, main street vitality, community health and wellbeing – are all dependent on achieving critical mass in terms of regional populations.

1.4.2 Health and wellbeing

Other impacts include displacement of existing community members who are being priced out of rental markets and cannot afford to buy a property (particularly at current prices). There are anecdotal examples of people being forced out of existing rentals who cannot find alternative rentals and have had to leave the town (with some being at risk of homelessness).

People are travelling significant distances to get to work due to not being able to access housing where they need it. This increases the risk of car accidents, impacts on families and on individual health and wellbeing. The lack of family-style housing creates significant challenges in attracting professional people to take up roles such as engineers or medical staff who commonly have families. The quality of available family-style housing can also be a challenge in enticing people to move from (for example) high-quality housing in Adelaide to sub-standard accommodation in a regional area.

1.5   RESEARCH FINDINGS

1.5.1 South Australia

1.5.1.1 Our Housing Future 2020-2030

The South Australian Government's *Our Housing Future 2020-2030* highlights that "Sustainable and affordable housing is currently out of reach for a growing number of South Australians, and systemic change is desperately needed". It also notes that getting housing right – appropriate housing in the right locations – is key to economic growth and supports population retention and growth. The strategy notes that a variety of solutions are required that meet a range of housing needs – "solutions that are accessible, affordable and appropriate for all income levels, all ages, all circumstances".

The needs identified in the strategy include the need to improve the conditions to invest in creative housing solutions across the housing spectrum, and, to focus efforts and resources on solutions that are strategic, adaptive and sustainable. The strategy found that 'incomes have not kept up with house price growth, leading to a greater reliance and competition for private rental; which is not always secure, is subject to price fluctuation and discriminates against lower-income earners and particular demographics' and that 'competition for affordable private rental is driving up costs and reducing overall affordability'.

The strategy notes that "There is a current lack of housing that is appropriate, affordable, safe, accessible, sustainable and secure for low-income households – especially smaller and low-maintenance dwellings, and those designed for lone person households, rural and regional workers and for older people wanting to downsize". And further, "to boost supply into the future, we must attract investment back to the industry and create a progressive housing and planning environment. We need to look at housing as critical infrastructure that requires strategic long-term planning and coordination that will return maximum social, environmental and economic investment".

To drive housing investment from not-for-profit and private industry, the state government has allocated more than half a billion dollars to 2030 including $452m into new social and affordable housing, $75m into public housing and $20m into supporting innovative housing trials (See website: https://www.housing.sa.gov.au/__data/assets/pdf_file/0003/130692/Our-Housing-Future-2020-2030.pdf).

1.5.2 Australia housing shortage

The Commonwealth Government's focus in terms of regional housing shortages is mainly on providing safe, clean, and secure housing to Australians and Closing the Gap on the significant disadvantage that Aboriginal and Torres Strait Islander people face in terms of health, education, and employment.

In 2016 the Remote Housing Strategy (the Strategy) was released and outlined a set of objectives that aimed to reduce significant overcrowding, poor housing conditions and severe housing shortages. In the review of the Strategy, it was said that by 2018 it would have delivered over 11,500 more liveable homes in remote Australia, 4,000 of this figure included new houses and 7,500 included refurbishments. It is not clear whether this objective was reached.

Housing provision in small towns, rural communities and remote areas remain a high priority in Infrastructure Australia's 2021 audit. The Australian Government's 2017 Remote Housing Review some of the asset-related

recommendations that could help address the regional housing shortage:

- ❖ A recurrent program must be funded to maintain existing houses, preserve functionality, and increase the life of housing assets.

- ❖ Best practice fora should be established to share information across the Commonwealth, jurisdictions, regional governance bodies and service providers.

- ❖ Regional sample surveys (using the survey and fix methodology of the Fixing Houses for Better Health program) must form a core part of the regional governance and monitoring strategy.

- ❖ Details about certification of properties (at all stages of building and for life after acceptance and tenanting) should be reported to the governance structure to ensure construction in remote communities is compliant with the appropriate building and certification standards and sub-standard builders are eliminated. The regional governance body should work with local employers to plan how to develop the local workforce and create more local employment.

- ❖ Tenancy education programs should be implemented. Outreach services for tenancy tribunals to improve access in remote communities should be funded.[10]

For the purpose of this document, the housing shortage in regional areas is considered from the perspective of employers and employees. Employers in regional areas find it difficult to attract international and interstate migrants to work in these areas due to a range of reasons, including, a lack of perceived job opportunities, career advancement, education institutions, community acceptance and support, housing, and information on the diversity of jobs. The Regional Australia Institute (2019: 7) encourages local governments and businesses in rural and regional areas to determine what they have to offer to migrants and why migrants should settle there.

This is particularly important in terms of local infrastructure in rural and regional areas. Although migrants settle their families in regional areas because of jobs, many also relocate from cities due to the perceived lower cost of living in these areas. Housing is only one of the factors that migrants consider when deciding whether to move to the region, but it is a significant factor. The RAI (2019: 7) found that if the cost of housing is high in these areas there is a bigger risk that migrants will choose to leave the regions. Even though housing costs play a big part in a migrant's decision to move to a regional area, the size of the available accommodation is equally important.

Cost and size of housing aside, one of the main barriers to attract new residents to regional areas is the lack of housing stock in these areas. Until now there was relatively little interest from commercial developers to shift their gaze to the housing needs in regional Australia, however, given the changes brought about by COVID-19, there has been a significant increase in housing prices in the regional areas. Some regional communities have taken the initiative to refurbish old farm buildings, adapting commercial buildings, or exploring the 'tiny house' phenomena of shipping containers and mobile homes to address the housing shortages and also to allow people to downsize to free up bigger homes.

It is also important to note that housing and jobs are not always the main factor that attracts and retain migrants to regional areas. There is not a 'one size fits all' approach that will meet all the needs of each of the regional areas that seek to fill local labour shortages through migration and secondary settlement. For example, a volunteer from the local settlement group in Tamworth explained that even though housing and jobs are important they are not enough to retain people in the area over the long term.

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[10] For an in-depth look at Regional (SA4) housing need and construction cost data, as well as funding models to address the need see: Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018). *Social housing as infrastructure: an investment pathway*, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, http://www.ahuri.edu.au/research/final-reports/306, doi:10.18408/ahuri-5314301

Case study – Housing supply challenge - Pyramid Hill

Pyramid Hill is located on the northern plains of Victoria, 284 kilometres from Melbourne and 86 kilometres from Bendigo. As of 2018, the population of Pyramid Hill was just over 550. It is a farming area and part of the Loddon Shire. Some of the businesses in this community have made a concerted effort to address the labour shortage.

The Pyramid Hill community has been successful in attracting migrant workers (from the Philippines) to the area to fill jobs in the local businesses. One of these businesses was the Kia-Ora Piggery which has expanded considerably since 2008. Housing is one of the major issues that the community is facing since all the available houses are now full. Some of the new migrants have been able to build new houses, but this is not an option available to all due to financial resources. The community is now looking for solutions in terms of more affordable housing since they would like to create more employment opportunities to develop Pyramid Hill further (Regional Australia Institute, 2018a).

Case study – Unity Housing Model

Unity Housing manages around 3,000 properties across a wide range of housing options, including community, affordable, transitional, disability housing and boarding house accommodation. They are South Australia's largest community housing provider. They are also a Tier 1 housing provider under the National Regulatory System for Community Housing (NRSCH).

In 2014/ 2015 Unity undertook a project which delivered a total of 100 new houses for the affordable housing market at a value of $30M (68 in Yorke and Mid North with a value of $23M). The houses were built in Saddleworth, Laura, Melrose, Booleroo Centre, Peterborough, Burra and Port Pirie and designed to match areas where additional worker housing was required or desirable.

Financial contributions were sourced through three participating councils, in-kind support of two other councils, churches, local private owners and others and were specifically structured to ensure a high proportion of local trade involvement to retain the investment in the region. RDA Yorke and Mid North worked with councils and developers to specifically identify land which would be leveraged into the project in return for Infrastructure Assessment, and in particular in regions where commercial developers would rarely invest due to the lack of comparative return.

The project was underpinned by four major funding programs - the Australian Government Regional Development Australia Fund (the precursor to the current Building Better Regions Fund), Australian Government National Rental Affordability Scheme (NRAS), State Government Housing Construction Grant and DCSI Grant for housing aged and disabled persons.

Essentially the Regional Development Australia Fund provided the capital alongside the Unity Housing contribution with the additional capital contribution being the provision of land. In return, Unity Housing connected services, and this enabled a number of other housing developments. This capital contribution would still be available to apply through Building Better Regions Fund through a competitive process. However, the Australian Government NRAS program was also fundamental and provided a $10K per annum allocation to Unity Housing to subsidise rental returns for 10 years. NRAS has not been continued and did underpin the ongoing viability of providing this housing.

1.5.3 International housing shortages

1.5.3.1 Canada

A recent statistical report demonstrated that 32% (one-third) of Canadians would prefer living in a rural or suburban community and 48% cited that the main reason behind their choice is to live closer to greener spaces (RE/MAX in Verma & Husain, 2020: 5). In 2020 there was an increase in housing prices across Canada and the demand for new houses has also grown during the last year (Verma & Husain, 2020: 5).

It is argued that COVID-19 has changed the way Canadians work and commute which has allowed people to work more remotely. However, the prices were rising prior to the pandemic due to the limited supply available for sale. The rural areas of Canada are vast, under-populated and they have limited access to resources. These areas also encounter additional challenges in accessing and delivering services.

Case study: Alberta, Canada

An example of the challenges that regions face in terms of a lack of housing can be seen in Alberta. The housing market in rural Alberta (Canada) contributes to the homelessness dynamics that are present in this region (Schiff, Schiff, & Turner, 2016: 79). Alberta is primarily a rural province, with large expanses of sparsely populated areas which mainly comprises rangeland, farmland, arboreal forests, and mountainous areas. The economic activity in the regions of this province is dominated by either agricultural, energy (oil and gas), or recreational/tourist characteristics.

In rural Alberta purpose-built rental housing is limited and the rate of development is much lower than that of larger urban/metropolitan centres. In terms of single-family housing, these are usually spread out across large surface areas when compared to the spacing in cities. The lack of public transport in some of these regional areas makes it difficult for lower-income groups to move between places of employment and home. The third type of accommodation in these areas include hotels and motels that are often rented by oil and gas workers for longer periods. Motels and hotels have low vacancy rates and high prices which makes it difficult for families and individuals to make use of this as a long term or permanent housing solution (Schiff, Schiff, & Turner, 2016: 79).

Case study: South Okanagan, Canada

In a Canada-based study, Depner and Teixeira (2012: 83) confirms the importance of well-paying job opportunities and affordable housing in regional areas. Their immigrant participants ranked these two issues higher than the other relevant considerations, including the availability of settlement services. The participants (immigrants and community leaders) continuously emphasised the importance of increased involvement by all levels of government to provide more funding for affordable housing in the regional area (South Okanagan, Canada) as well as improved public transportation. In this particular study the high cost of housing in South Okanagan, increased the lack of appeal of regional areas for immigrants unless they arrived with financial resources and in-demand professional skills.

RECOMMENDATION:

It is recommended:

❖ Undertake housing supply and demand audits by state government region (and broken down by local government area) to determine key areas of need (aggregated demand) and opportunities for developer consideration (supply gaps, available land).

A Roundtable discussion to be held between RDSA, Renewal SA and LGASA to determine the most effective and efficient methodology to deliver the data required and potential funding sources.

2. INVESTMENT BARRIERS

2.1 CONSTRUCTION SHORTAGE

The current housing boom is putting pressure on the capacity of the construction industry to keep up with demand. In some communities, there is a current waiting period of two years to engage a contractor. **Please note:** key skills gaps were explored in the Skills Shortage section of this report.

2.1.1 Ageing workforce

Some contractors are close to retirement and have never been booked out so far ahead. There is a massive gap with tradespeople not taking on apprentices and embedding the next generation into the workforce before they retire.

2.1.2 Access to alternative solutions

The only 'quick fix' solution is transportable housing of various types. However, there are also pressures on the manufacturing capacity of providers in that market with significant backlogs. It is understood that this is being exacerbated by one of the national manufacturers, Jayco (that previously produced transportable buildings including accommodation) now focused on manufacturing caravans.

2.1.3 Impact of COVID-19

COVID impacts have included greater consideration by people in cities moving to regions as well as people in regions deciding to build or renovate houses. First Homeowners schemes have also provided a significant stimulus for housing investment. One council, in particular, indicated that where they would normally process around 60 development applications in a calendar year, they have already had 60 applications in the first three months of 2021 (with only 10 or 12 of those being from first homeowners).

2.2 FINANCIAL ACCESS

2.2.1 Regional LVR ratio

Significant challenges exist in regions with the Loan-to-Value Ratio (LVR) calculations negatively impacting the levels of deposit required to access loan funding. The risk ratios being applied by banks are prohibiting regional access to finance. Bank valuations of new houses consider the market price for existing dwellings. Whilst there are reports of rising house prices in regions, the recorded recent median values may still be at or below the cost of a new build.

There is a significant inequity in equity requirements for lending (city versus regional) with some townships automatically triggering significantly higher levels of deposit based purely on postcode. Some lenders are requiring over 50% deposit for a home loan which people often do not have. Current regional LVR expectations are particularly hard for key worker employment models and key worker housing. There is a perception that "housing is cheap in the country" however that is moot if you cannot actually afford a deposit (in that case it might be, in reality, easier to buy a house in the city than in the country).

Banks need to manage their risk and regional housing development presents very real challenges. For example, a house-and-land package that costs $400k can translate into a real-estate value of $300k as soon as it is built (immediately increasing the bank's risk).

An example from Pinnaroo - a local businessperson reported that they cannot get loan funding as they live in a postcode that automatically triggers a certain level of deposit requirement that they are unable to provide. Other examples include areas such as Penong (Eyre Peninsula) where there are people in high-paying mining jobs being required to have a 50% deposit and even then, getting knocked back on loans because "the risk of lending out there is too great for a bank", even when the person has a secure job at a 70–100-year mine.

> **RECOMMENDATION:**
>
> Advocacy for a national conversation with Australian Financial Institutions to re-evaluate commercial and residential lending practices and the lending requirements applied within regions in order to sustainably deliver housing growth.

2.2.2 Research findings

There is currently a national focus on both research into the current housing shortage in regional Australia and the development of potential solutions. Organisations such as the Regional Australia Institute, SEGRA and CEDA are coordinating forums and research that will further inform this work over the next few months.

2.2.2.1 Australia - Barriers and opportunities - Investment

Housing affordability and the cost of living are key to the liveability of regional areas. The Regional Australia Institute (2021) identified the key areas with the greatest chance of making an impact on improved liveability in regions. These include health services; education services, cost of living and housing affordability; amenity; connection to the community; and lifestyle and opportunity.

Australia recently established a regional development bank for Northern Australia to facilitate infrastructure development in the region. In the absence of a national infrastructure development bank, some regions have responded in innovative ways to the effects of constrained public investment. For example, in Victoria, a local property tax freeze has been in place since 2015 in conjunction with a freeze in Australian Government grants. The Municipal Association has established its own financing intermediary to attract longer-term lower-cost private funds for basic infrastructure.

Furthermore, Australia has the specialist Clean Energy Development Corporation and the National Housing Finance Investment Corporation (NHFIC). The NHFIC will aggregate borrowing demands of community housing organisations (CHOs) and issue guaranteed bonds, coupled with a $1 billion loan facility for housing-related infrastructure. The CEFC and NHFIC can potentially provide efficient development finance and long-term operating finance for social housing, however, government and consumers still fund the costs associated with procurement, and financing costs (Lawson, Pawson, Troy, van den Nouwelant, & Hamilton, 2018: 28).

The National Housing Finance Investment Corporation operates in two spaces (See website: https://www.nhfic.gov.au/):

Affordable Housing Bond Aggregator (AHBA):

- ❖ Provides low cost, long-term loans to registered community housing providers (CHPs) to support the provision of more social and affordable housing.
- ❖ NHFIC funds AHBA loans by issuing its own bonds into the wholesale capital market.
- ❖ The Australian Government has also provided a $1 billion line of credit facility through which NHFIC may advance initial loans to CHPs prior to issuing bonds.
- ❖ The AHBA uses a 'pass-through' model to provide greater funding certainty and lower finance costs to CHPs. This assists them to expand their operations and the supply of social and affordable housing.
- ❖ The AHBA can be used for acquiring, constructing or maintain new housing stock, assisting with working capital requirements and/or general corporate requirements and refinancing existing debts
- ❖ Mixed tenure developments may also be considered subject to lending criteria.

National Housing Infrastructure Facility (NHIF):

- ❖ A $1 billion facility that provides finance for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing.
- ❖ Offers concessional loans, grants, and equity finance to help support critical housing-enabling infrastructure.
- ❖ Can provide finance to help support critical housing-enabling infrastructure including new or upgraded infrastructure for electricity and gas, water, sewerage and stormwater, transportation including roads, telecommunications

❖ Finance can also be used for site remediation, onsite and linking infrastructure

2.2.3 International - Barriers and opportunities to Investment

2.2.3.1 Canada model: Emerging mixed public finance

Funding and Financing Mechanism: New strategy launched public financial intermediary National Housing Co-Investment Fund to provide grants and public loans alongside established housing allowances, heralding the return of national leadership and funding to affordable and social housing policy (Lawson, Pawson, Troy, van den Nouwelant, & Hamilton, 2018: 119).

Canada launched its first National Housing Strategy in 2018. This is a CAD$40-billion, 10-year plan that aims to give more Canadian a home. The plan recognises that affordable housing is a cornerstone of inclusive communities (Kraatz & Jayawardena, 2020: 33). The National Housing Strategy aims to strengthen the middle class and grow the economy by providing affordable housing.

2.2.3.2 New Zealand model: From Income Rent Rebate to Direct Investment

Funding and Financing Mechanism: Recent switch from PFI model utilising income rent rebate subsidies and shares in value uplift from the densification of older public housing to a new program of direct public investment in repair and supply. It is too early to evaluate the outcomes of this strategy.

2.3 DEVELOPMENT VIABILITY

2.3.1 Developers currently 'spoilt for choice'

Developers currently have opportunities to build houses almost anywhere in Australia. The business case for developing houses in regions will currently struggle to stack up against peri-urban or metro-based projects. The levels of risk and complexity of investment in regions mean developers can make more money (and more easily) closer to or in capital cities (size of the development, funding model (including impacts on LVR requirements), cost of delivery, access to labour etc.).

2.3.2 Long term investment returns

The viability of regional housing is dependent on ongoing demand for rental and purchase by local people. Regional towns have ageing populations and in many cases are dependent on major employers. There is a need to de-risk investment in regional housing by sourcing hard evidence of demand (e.g. commitment from businesses to employ staff if housing is delivered) and having some form of financial commitment or underwriting (e.g. agreement to a head lease) from regional employers to ensure the investment is viable.

Without the underwriting or de-risking of the investment, it remains subject to organic market conditions (e.g. where the house is built today for $400k and tomorrow it is worth $200k to sell) – noting impacts of current escalating regional house prices on overall median pricing is yet to be determined. Some areas will be more attractive than others due to the cost of construction, potential return on investment, levels of risk, ease of process etc. For example, the challenges to building a property on Kangaroo Island would be far greater than say at Carrickalinga.

There are additional challenges for towns like Port Augusta where there is a huge need for temporary construction worker accommodation. The existing rental market and visitor accommodation are being impacted with supply almost at zero. The challenge is that the current identified demand for house workers is in the main supporting short-term jobs. A similar issue presents on a permanent basis with FIFO workers in mining. There is a need to quantify the need for housing on a more permanent basis and in the short term to develop temporary key worker housing.

2.4 POTENTIAL SOLUTIONS

2.4.1 Ageing workforce

Current border closures continue to impact skilled migration as a solution to the shortage of construction workforce capacity. As such, there is an urgent need for key stakeholder discussion on the most time-efficient

and effective way to upskill the existing workforce and attract unskilled people into appropriate education and skills pathways to deliver the workforce required. Consideration may include further incentives for ageing construction industry business owners to take on apprentices and trainees to assist in providing a workforce for the future. Key stakeholder input into solution development and delivery is required e.g. TAFE, Housing Industry Association, Master Builders SA, Group Training Organisations etc.

It is noted that the Australian Government Boosting Apprenticeship Commencements program (see website: https://www.dese.gov.au/boosting-apprenticeship-commencements) has been a significant incentive for employers to take on apprentices, paying 50% of their wages for 12 months. However, it is understood that some older tradespeople are still reluctant due to the associated risk, requirement for supervision and a lack of interest in employing staff and managing required paperwork. There is an opportunity to develop a model e.g. SA Government working with Group Training Organisations (which become the employer and host out the apprentice to the business) to address critical trade shortages. There is also the potential to invest in industry mentors to support the uptake.

2.4.2 South Australian Government engagement of trainees and apprentices

Over several decades there has been a progressive divestment by the government of service delivery to the private sector. An unintended consequence of that shift has been a reduction in the pipeline of qualified and experienced trade apprentices and trainees formerly employed and trained by government agencies (conversion of delivery to external build, maintenance, and service contracts rather than direct engagement of in-house labour force). Noting the requirement for independence of government-owned business enterprises, and current contractual obligations of government, it is suggested that government consider what potential policy or program options could be considered to recreate the pipeline of qualified and experienced trade apprentices and trainees to address the current and ongoing skills shortage.

2.4.3 Alternate funding models

2.4.3.1 Banking

The risk profiles of the banks need to be addressed and or new housing finance models developed. There is an opportunity for Australian governments (potentially as part of the National Cabinet) to address that challenge with the banks and or to develop government policy (state or Federal) to consider partially guaranteeing loans subject to certain criteria.

2.4.3.2 Community banks

Acknowledging the current challenges presented by the LVR requirements of the large commercial banks for investing in regional housing, there may be an opportunity to build relationships and explore opportunities with community banks such as Bendigo Bank. Community banks have a different business model and can potentially attract local funds, e.g. through the development of a cooperative-style model, and potentially 'close the gap' on current LVR positioning (which is preventing development). This discussion could also consider the potential for local community and industry investment (e.g. via a cooperative) in housing by improving the potential return on investment and reducing investor risk.

2.4.3.3. Housing Cooperatives

In considering potential regional models to address the shortage of both good quality rental properties and properties to purchase, the potential establishment of regional housing cooperatives could also be explored. Cooperatives may attract private investment to either purchase or build new homes and may assist in unlocking potential land for development where (for example) private landowners are reluctant to develop housing due to associated costs (e.g. of sub-division).

2.4.3.4 National Housing Finance Investment Corporation (NHFIC)

It is understood that NHFIC tends to focus on large project finance requirements ($10m - $100m) and is likely to share similar risk profile considerations as that of the larger banks with regard to regional investment. As such, it may be that NHFIC may be risk-averse to engaging directly with regional developers or councils. It is suggested that NHFIC may prefer to engage directly with the state government and potentially the Local Government Association SA to explore opportunities. For example, an umbrella loan could be set up for the LGASA which could then facilitate the LGA providing loans to councils (subject to criteria). Essentially creating

a level of finance that NHFIC is prepared to consider and the LGASA (or potentially the Local Government Finance Authority) inspiring the opportunity for regional councils to access finance at attractive rates.

2.4.4 Investor incentives

There is a need for stakeholder consideration of what incentives could be provided to encourage private sector investment in property in regions (on a larger scale than current First Homeowner incentives) is further explored in the next section. E.g. providing land for development, with a title provided to the developer (e.g. an NFP) in order to kickstart the development and to secure debt.

RECOMMENDATION:

It is recommended:

❖ Roundtable discussion to be held between identified stakeholders to determine the most effective and efficient strategy to address current and longer-term construction industry capacity limitations (as outlined above).

❖ SA Government advocacy for national conversation with Australian financial institutions to reconsider current lending finance restrictions/requirements placed on regional Australia

Roundtable discussion to be held between identified stakeholders to discuss potential alternate funding models and investor incentives (as outlined above).

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3. UNLOCKING GROWTH

3.1 ENCOURAGING INDUSTRY INVESTMENT

3.1.1 Large employers

Anecdotal feedback indicates that where big businesses used to regularly invest in housing for their workers in Australia, there is now less propensity for the industry to want to invest (presumably in line with the risk concerns of the major banks). Again anecdotally it is understood that internationally however industry does continue to invest in worker housing (subject to further research to confirm).

It is noted that the risk profile for industry investment in housing is subject to the same considerations as any other housing investor including the permanency of the jobs at the employer business (subject to external and internal forces) and the sustainability of the particular town socially and economically (subject to a range of considerations).

There is an additional consideration in terms of the worker capacity to pay rent (if a Build to Rent model was pursued) and also the worker consideration of moving to a region to take up a job (based on individual and family consideration of personal financial and social net benefit). For significant employers (such as large businesses in the meat industry e.g. JBS Australia and Thomas Foods International), particularly those that have a more transitory workforce, there is likely to be a need for them to play a larger role in solving accommodation issues (in a similar way to which the mining industry has done in Australia previously).

Anecdotally, there are examples where employers have purchased houses as an investment and to provide worker housing. This may become unsustainable in future however as real estate prices continue to rise. There are also examples (particularly in remote areas) of employers having to provide free accommodation to attract workers.

3.1.2 Small businesses

A significant percentage of businesses in South Australia have 0-4 employees and have limited financial capacity for capital expenditure. It is unlikely to be economically viable for a small or micro business to be in a position to invest in employee housing.

3.2 PUBLIC-PRIVATE PARTNERSHIPS

Alternative solutions are required to provide housing that supports the attraction of workers to fill job vacancies e.g. private partnerships, or public-private partnerships that could involve different levels of government.

3.2.1 Current investigations

The Tatiara District and Naracoorte Lucindale Councils are each engaging with a range of stakeholders, including Renewal SA, to understand the challenges and opportunities to provide the housing stock needed to support the growth of local businesses.

These stakeholders are currently undertaking a brief survey of local businesses to gather some basic information about current and future staffing needs as well as seeking comments and ideas on the housing challenges (Tatiara SA, 2021). The information gathered will be used to inform possible ways forward in delivering the types and availability of housing stock needed in the region.

Case Study – Warambie Estate, Karratha Western Australia

Warambie Estate provides an accommodation mix of one-, two- and three-bedroom homes, providing subsidised rental accommodation to a restricted market. Businesses and employees can apply for accommodation to a management committee that evaluates the eligibility of applications and is responsible for allocating the properties based on the ranking an applicant receives (based on eligibility criteria). Warambie Estate is a public partnership developed by Lifestyle Villages with rental accommodation initially subsidised by the government for workers who were considered to be critical to the area (teachers, doctors, emergency service workers etc.). Warambie Estate is an example of a private-public partnership focused on alleviating an extreme shortage of affordable accommodation. (https://developmentwa.com.au/projects/residential/karratha/overview)

Case Study – Tatiara District Council

SOURCE: Tatiara District Council April 2021

The opportunity

For the June 2020 quarter, South Australia recorded an unemployment rate of 6.2% and Australia 5.6%, whilst Tatiara had an unemployment rate of 1.8%, meaning that local businesses have to bring in labour from outside the region to fill vacancies. There are currently almost no rentals available (under five (and regularly zero) properties available on any given week). Council indicates that the current waiting time for a builder to build a home in the Tatiara, and Limestone Coast region, is 2-3 years, further challenging the delivery of new housing. A number of employers have the potential to grow but need workers and housing to deliver that growth.

The District Council of Tatiara continues to pursue options to deliver housing to facilitate economic and jobs growth. As demonstrated above, the region is experiencing a critical housing shortage that is providing a significant barrier to growth. Council has identified the need for a range of housing including general rental accommodation (2-, 3- and 4-bedroom homes, both market rent and affordable), affordable workers accommodation (1-bedroom, good quality, low cost) and downsizing and retirement living options for the large number of older residents living alone in homes that have become too big for their needs and abilities.

The opportunity cost

The economic impact of the lack of housing and corresponding restriction on staff recruitment is both direct (loss of potential increased worker incomes and loss of additional business revenue and productivity generated from employment) and indirect (follow-on effect to the rest of the local economy). Given the length of time that housing challenges have existed for the Tatiara region, the impact (and opportunity cost) is also cumulative.

Example - JBS Australia

In June 2020, the Tatiara region's largest employer, JBS Australia required 40 staff to start a new afternoon shift in the packing area. Unfortunately, recruitment proved difficult as did accommodating the additional 40 staff. Without accommodation available to house the additional 40 staff, JBS had to pause its recruitment efforts.

Economic modelling provided by RDA Limestone Coast (Source: National Institute of Economic and Industry Research compiled and presented in the economy.id by .id (informed decisions)) shows that an additional 40 jobs in the Food Product Manufacturing sector of the Limestone Coast region economy would have the following effects:

❖ The combination of all direct, industrial and consumption effects would result in a total estimated rise in Output of $13.71m in the Limestone Coast region economy, representing a Type 2 Output multiplier of 1.62.

❖ The combined effect of economic multipliers in the Limestone Coast region and the wider Australian economy is estimated to be $25.16m added to Australia's Output.

❖ The combination of all direct, industrial and consumption effects would result in a total estimated increase of 63 jobs located in the Limestone Coast region.

❖ The combined effect of economic multipliers in the Limestone Coast region and the wider Australian economy is estimated to be an addition of 103 jobs.

❖ The combination of all direct, industrial and consumption effects would result in an estimated addition in value-added of $4.17m in the Limestone Coast region economy

❖ The combined effect of economic multipliers in the Limestone Coast region and the wider Australian economy is estimated to be $8.96m added to Australia's value-added

Long term challenges

The Council has been seeking solutions to these challenges for many years and a number of reports have been developed to both understand the challenge and suggest solutions. Investigations date as far back as a 1998 Flinders University report '*Shortage of Rental Accommodation in the Mid and Upper South East of South Australia*' and in July 2019, RDA Limestone Coast prepared a report into the Tatiara District Council Housing Stock Availability.

Private sector investment

In its presentation to the South Australian Government Regional Workforce Advisory Group (April 2021), Council made the following observations:

Market forces are not bridging the housing supply gap for reasons that include:

❖ *No capital gains:* Compared to the metropolitan housing market – developers are likely to have a negative balance sheet impact as the cost of building often exceeds the future value of the home built

❖ *Less finance:* In metropolitan areas, banks will often finance between 80-90% of the development, in regions they will often only finance 50%, so developers are required to invest a greater proportion of their own funding into the development

❖ *Higher risk:* Dependence of the rental market on major employers - the area has some large employers which can be seen as both a benefit and a risk for an investor looking to build housing. Whilst large employers are able to create new employment opportunities, dependence on those companies can be challenging for property developers.

Previous initiatives

Council purchased land in Keith in 2007 with the intention of it being developed for residential purposes (23 allotments). Due to the cost of land development, this project has not yet come to fruition.

In 2015, Tatiara District Council, Naracoorte Lucindale District Council, Unity Housing and PIRSA developed a housing proposal to support the attraction of skilled and semiskilled workers. The project was to deliver an initial investment of 100 new homes to meet targeted needs with a combination of long-term affordable rentals, Rent-to-Buy homeownership pathways, and shared appreciation and shared equity homeownership schemes (50%-70% interest-free equity contribution and/or growth-share). The development was to include a Solar PV Community Investment Scheme to reduce tenant/owner electricity bills by up to 50%.

The project proposed that Tatiara District Council would contribute parcels of land in Bordertown and Keith, that would have accommodated 22 new homes. The project was to be delivered as a partnership between key growth employers (e.g. JBS Australia, Teys Australia), State Government (PIRSA), Commonwealth Government, Unity Housing Company Limited, councils, Limestone Coast RDA and private landowners, local business, trades and others. While the project had strong support from all three levels of government and industry, funding from state and federal government was not achieved.

Current initiatives

Council has identified suitable land for sale (both private and council-owned) to encourage private sector development of additional housing. Council has committed residential land in Bordertown and Keith to future housing developments and is working collaboratively to deliver the following projects:

❖ Bordertown Caravan Park:
  ❖ 8 new cabins $1.4m (with funding assistance from Commonwealth BBRF Round 4) - initially visitor accommodation but may act as 'backup' accommodation for new residents unable to find rental accommodation
  ❖ Two lots of four attached accommodation units, workers accommodation (subject to the current application for Commonwealth BBRF Round 5)
❖ Seventh Street Bordertown: Council is partnering with Unity Housing and the South Australian Government in the development of two 4-bedroom affordable homes for rental (funding - MATCH ('More Affordable Tenancies in Community Housing'))

- ❖ Bennett Street Keith: Council has recently revoked the community land status of this parcel of land, enabling residential development. Concepts have been prepared that would see 22 allotments created. However, development costs are prohibitive at approx. $50,000 per allotment. Council is working with Renewal SA, NHFIC and local businesses on development of a business case for subdivision and housing development. Council has identified a number of potential solutions that may assist in addressing challenges including:
    - ▪ Financing - extend NHFIC to private developers (conditional)
    - ▪ Infrastructure funding - affordable housing and unlocking potential sites (e.g. development costs for some larger parcels of land would be substantial ($40,000 per allotment) to connect to CWMS, stormwater, construct internal road etc.)
- ❖ Pilot funding/advice - cooperative establishment

3.2.2 Other housing projects

A number of housing projects are being investigated by local government and industry to unlock housing to support workforce growth including:

- ❖ Naracoorte Lucindale Council
- ❖ Thomas Foods International Murray Bridge
- ❖ Southern Mallee District Council – Pinnaroo and Lameroo (working with the Pye Group)
- ❖ Coorong District Council – Tintinara
- ❖ Burke Urban Murray Bridge

Case Study – PassivePlace – Stawell Housing Development

Background

In 2019, the North Grampians Shire Council in Victoria identified regional market failure in securing investment in the supply of new housing with development costs close to achievable sale prices. The need for new housing construction was also identified as part of the Opportunities Pyrenees Ararat Northern Grampians (OPAN) Project (2019) (an initiative funded by Regional Development Victoria).

Council identified the need to stimulate housing development in the township of Stawell to address a lack of available accommodation, alleviate pressure on the rental housing market and enable future economic growth. Stawell has very low residential tenancy vacancy rates and a projected increase in residents with the delivery of planned economic development projects.

Council attracted expressions of interest from developers to construct a diverse mix of new housing on 8ha of council-owned land (a greenfield site) at Sloane Street in Stawell to attract future residents to live and work in the town. The EOI invited development companies to submit proposals for the purchase and development of the land (at the developer's expense and risk) for residential purposes on terms and conditions satisfactory to the Council. 'The Council believes that the development of this 8-hectare site will increase dramatically the viability of the district, provide quality accommodation for persons seeking employment in the region and increase the population growth faster than has been previously envisaged. It will also provide an enormous injection to the commercial and industrial activities within Stawell and surrounding districts'.
(https://www.google.com/search?q=173+Agreement+sloane+street+stawell&rlz=1C1GCEA_enAU850AU850&oq=173+Agreement+sloane+street+stawell&aqs=chrome..69i57j33i160l3j33i21l2.11139j0j7&sourceid=chrome&ie=UTF-8)

In February 2020, PassivePlace was appointed as the preferred developer to provide up to 140 dwellings and associated accommodation. The dwellings will include a range of models of ownership including shared equity, long term stable rental accommodation (build to rent), and short-term accommodation and holiday accommodation. Application of the PassivePlace model in Stawell will also act as a pilot model for potential further residential

It is understood that a Section 173 Agreement is in place in relation to the subject land which provides a set of agreed deliverables for the project.
(https://www.planning.vic.gov.au/__data/assets/pdf_file/0029/94529/8_Agreements.pdf) It is understood that the agreement for the Stawell development includes parameters around the diverse range of housing typologies and quantity of each type of housing to be delivered and the schedule for delivery (to ensure the land is not banked).

Funding

Northern Grampians Shire Council received a grant of $500,000 from the Victorian Government's (Regional Development Victoria) Regional Infrastructure Fund to extend town infrastructure and utilities to service the Stawell housing development. Council provided $500,000 as a matched funding contribution to further reduce the overall cost and improve the financial viability of the development. The funding will enable the installation of utilities and essential infrastructure including water and sewer infrastructure, footpaths, street lighting, drainage, road, and kerb works and a pedestrian crossing. Works to deliver the essential services to the site began in January 2021.

Current status

The following information has been provided by PassivePlace in relation to the Stawell development.

Planning process

PassivePlace has indicated that it undertook around 18 months of engagement and strategy work behind the scenes and community and business onboarding prior to the project commencing. This timeframe was delayed approximately six months due to the impacts of Covid.

Through a comprehensive analysis of the regional development needs of the Northern Grampians region, PassivePlace confirmed that significant economic growth opportunities are being hamstrung by the following issues:

- Low supply of quality rental housing

- Appropriate diversity of housing and accommodation supply
- Ageing population unable to relocate to appropriate housing
- Insufficient supply of housing for current employment growth and infrastructure pipelines
- Long commuting distances, high costs, and safety issues for those having to travel due to lack of housing supply in areas of employment and project locations
- High energy costs and unsure energy supply
- Increased costs of living

To address the identified housing needs in Stawell and surrounding areas, the PassivePlace Regional Housing Pilot Project aims to deliver a diversified, net zero-carbon, energy positive and water resilient community.

The PassivePlace Housing Ecosystem:

- Transitional rental housing: Short to medium term rentals (quality, professional standard, sustainable, efficient, and low energy)
- Medium-term Rental Housing: Key workers, tourist / seasonal workers, immigrant workers and families, healthcare workers and trainee placements, 'Digital Nomads' and transient workers
- Long term rental – Buy to Rent (BTR): Stable long-term rental for those who will never own their own housing out of choice, co-living cohorts, and project cohorts
- Pathways to housing ownership: Shared equity, First Homeowner Programs, financial literacy, and education
- Housing Ownership: Traditional homeownership, diversity in supply for changing demographics

Project delivery process

PassivePlace will deliver 140 homes and associated accommodation in a staged process. The first stage is the delivery of temporary accommodation which will be in place for five years delivered for key workers of local large employers identified as needing critical temporary accommodation. Subsequent stages will see gradual addition of between 20 to 40 homes at a time. PassivePlace will be encouraging participation by local builders throughout the project – subject to local capacity. Local contractors will have the opportunity to contribute to the delivery of civil works and ancillary construction including the building of carports and garages and delivery of other infrastructure on site. The homes will be built offsite by a local regional partner, Swanbuild, based in Swan Hill and Bendigo. [See website: https://www.swanbuild.com.au/]

Stawell Development Overview
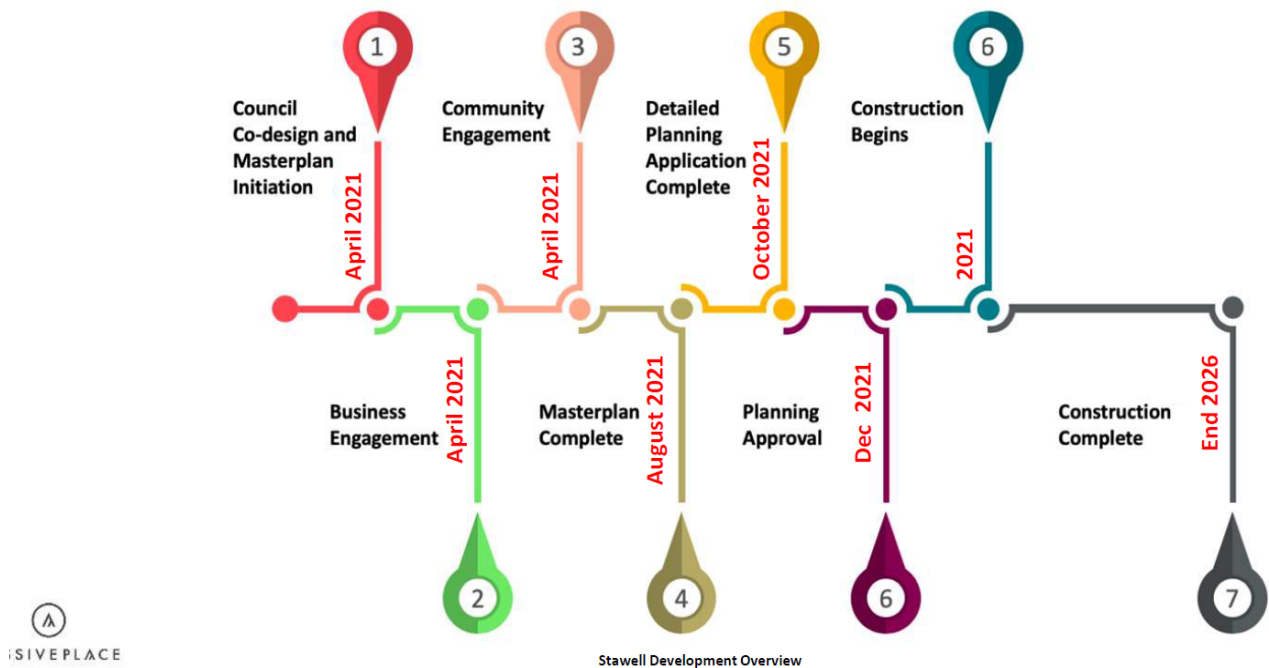
52

Vic Big Build and Community Housing Association Affordable Housing Stage	40 Dwellings	92 (70/30 mix 2Br and 3Br)
Key Worker: Frew Worker Temporary Accommodation	50 Temporary Accommodation	100 (100% 2br)
Shared Equity	40 Dwellings	92 (70/30 mix 2Br and 3Br)
Long Term Rental Accommodation	52 Co-Living Rentals 2 Boarding Rentals 10 Family Dwellings 20 Townhouses Dwelling 20*	146 Co-Liv 20 Board 40 Dwell 46 Town 40
Retirement Villa Units/Cottages	20 Villa Unit Dwellings	40 100% 2Br
Short Term Hotel/Holiday Let Boarding	22 Short Term Accommodation 2 Boarding 20	80 Holiday 30 (50/50 1 & 2 Br) Boarding 50 (70/30 2 & 3 Br)
	Total: 120 Dwellings 20 Townhouse Dwellings* 30 Boarding Rentals 2 Co-Living Rentals	Residential Accommodation x 310 beds Co-Living x 110 Short Term Accommodation x 30 beds

3.3 NEED FOR STAKEHOLDER DISCUSSION

It is suggested that de-risking of housing investment in regional South Australia be the key focus for stakeholder discussion and development of viable solutions to address current and future regional housing needs. There is a range of models that can be considered that provide different mechanisms for reducing investor risk and stimulating regional housing investment. It is suggested that as the stakeholder most embedded and connected in regional South Australia, Regional Development South Australia represents its eight-member RDAs in convening an initial roundtable discussion initially with key government stakeholders to develop a high-level roadmap for increasing regional housing supply.

3.3.1 Potential agenda

Key considerations for stakeholder discussion may include:

- ❖ Engagement with national housing agenda (industry and research activity /discussion) and engagement with Australian Government and other national stakeholders (e.g. Regional Australia Institute).
- ❖ What models are currently being tested and what should be explored for regional SA?
  - ▪ E.g. 'Caravan park' model, 'Rent to buy' model or 'Build to Rent' model (where an employer (generally a large employer) holds a head rental lease and then sub-leases to rent affordable accommodation to workers)
  - ▪ A potential need for more research (subject to research potentially already undertaken by the South Australian Government (to be determined) e.g. in potential models – buy to rent, rent to buy including identification of case study examples nationally
- ❖ Where are there ongoing jobs that can actually have some guaranteed renters or purchasers?
- ❖ Who are the stakeholders that can influence the outcome?
- ❖ Where is there some land that currently is owned by the government that can facilitate development?
- ❖ What policy settings are required to support sustainable housing growth?
- ❖ How can regional construction delivery capacity (contractors, labour, materials etc.) be unlocked?
- ❖ What is the role of each level of government?
- ❖ How can government facilitate housing growth (e.g. facilitating attractive lending rates, consideration of incentives for private sector investment)?
- ❖ What can the role of industry be?
- ❖ What can the role of NFPs be?

3.3.2 Stakeholders

3.3.2.1 Department for Trade and Investment

Engagement with the Department for Trade and Investment will be particularly relevant in discussion around the demand side of the housing equation and also potential consideration of incentives to stimulate investment e.g. some form of capital subsidy or rental subsidy (for investigation).

3.3.2.2 Local government Association SA

Local councils in many cases have the capacity to leverage their balance sheets however are also required to manage a risk profile within acceptable community comfort levels. The local government may be able to balance these requirements by potential donation or use of council-owned land (subject to community land revocation requirements) to facilitate housing growth.

3.3.2.3 South Australian Housing Authority

There is a need to consider the alignment of planning and outcomes with the aims of the SA Housing Strategy and when developed, the Aboriginal Housing Strategy. It is understood that the South Australian Housing Authority (SAHA) has carriage of those strategies and can play a key role in facilitating housing development (e.g. it is understood that SAHA has an existing land bank in the regions).

3.3.2.4 Renewal SA

As a delivery agency, Renewal SA's role would likely be to action agreed by policy levers and contribute to policy development discussion (with the policy itself being developed by other agencies (e.g. PlanSA or Department of Trade & Investment). Renewal SA could potentially suggest policy levers that could be considered to facilitate regional housing growth and suggest a delivery model that would support the implementation of the policy to give it practical application and outcomes.

3.3.2.5 Urban Development Institute of Australia SA

Engagement with UDIA is suggested based on its remit and knowledge. The UDIA SA pursues the following goals (relevant to these discussions):

- ❖ The provision of high-quality information and services to members including developers, builders, industry consultants, government entities and the community
- ❖ Competitive and innovative private-sector involvement
- ❖ Close and timely liaison with the public sector in the strategic and policy aspects of the industry.

3.4 INVESTMENT STIMULATION

3.4.1 Collaborative housing model development

3.4.1.1 Needed Development

Action is needed now to stimulate housing development to deliver houses that deliver workers to fill job vacancies. Regionally embedded resources are needed to work with regional and state stakeholders to develop investment proposals that deliver new regional housing.

3.4.1.2 Local supply and demand

There is a significant planning gap in terms of the availability of local government area-based housing studies and strategies. Local councils do not necessarily have the internal resources (capacity and capability) to develop local housing strategies. There is a need for local and state governments to consider how this vital missing planning piece can be delivered. It is suggested that initial demand and supply analyses be incorporated into the pilot program for areas identified as key in terms of potential economic return (delivery of housing, delivery of jobs and resultant economic impact). The sourcing of evidence-based demand and supply data will support the objective definition of the problem and the development of viable solutions. Analysis that includes an audit of existing township density capacity (e.g. small houses built on double blocks), as well as vacant land for development, will inform the identification of opportunities for housing growth.

3.4.2 Resources

It is understood that Renewal SA has the capability and experience required to assist in the achievement of collaborative projects to deliver housing supply growth in regions – it does not however currently operate in regional areas and therefore does not have sufficient capacity to deliver the support that is needed.

It is suggested that a pilot program be delivered that resources the engagement by Renewal SA of two full time regionally based staff members (one in the north of the state and one located in the south) for two years to facilitate the development of at least two economic proposals for regional housing development. The roles would include working collaboratively with RDAs, industry and local and state government stakeholders to identify potential projects, investment partners and delivery models that deliver new housing stock for regions as soon as possible (e.g. identify local government/crown owned land available and suitable for housing development and structuring an EOI process to release land for private sector / NFP development). The work would also include working with RDAs to quantify the forecast economic impact of delivering the housing – direct and indirect (impact on business capacity to employ and resultant increased GRP contribution from industry).

3.5 REGIONAL INFRASTRUCTURE FUNDING

An additional mechanism available to the government in de-risking and stimulating housing investment in regions is the competitive provision of grant funding for common user infrastructure that supports the development of housing in regional areas. The cost of utility and service connections and augmentation and road infrastructure for residential development can be investment prohibitive, particularly for greenfield sites. It is suggested that consideration could be made for the establishment of a joint local and state government Regional Infrastructure Fund specifically designed to support housing development in regions.

3.6 RESEARCH FINDINGS

For more detailed strategies and plans for sustainable places, communities and economies linked to capital cities see the links below. These plans address the following issues: housing, open space, infrastructure, centres, transport accessibility, and the environment.

Melbourne: Plan Melbourne - 2017 - 2050 (https://www.planmelbourne.vic.gov.au/)

Sydney: The Greater Sydney Region Plan (https://www.greater.sydney/metropolis-of-three-cities)

Adelaide: Living Adelaide - The 30-year Plan for Greater Adelaide - 2017 Update (https://livingadelaide.sa.gov.au/)

Brisbane: Brisbane Vision 2031 (https://www.brisbane.qld.gov.au/about-council/governance-and-strategy/vision-and-strategy/brisbane-vision)

Perth: Perth and Peel @ 3.5 million (https://www.dplh.wa.gov.au/perth-and-peel-@-3-5-million)]

3.6.1 Australia – Opportunities

3.6.1.1 Mingoola

Mingoola is located on the New South Wales/Queensland border, 60 kilometres west of Tenterfield. It is a small rural community with a population of 150. Its most significant industry is agriculture and local farmers produce lucerne hay, herbs, vegetables, stone fruit, and cereal crops. Some farmers are also involved in sheep, wool, beef, and goat production. Mingoola wanted to help African families to settle in the region to meet the labour demand in the area as well as help to keep the local school open. This community wanted to explore how regional settlement could be supported in cash terms, in order to help farmers fix houses so they are suitable for migrant families to live in. In order to address this challenge, the Mingoola Community received support from Habitat for Humanity to help renovate houses for migrant families. By April 2016 there were 29 Africans who called Mingoola home (Regional Australia Institute, 2018c).

Once this phase was completed farmers offered unused cottages on their properties to accommodate new arrivals. The cottages required substantial repairs to be liveable and the Mingoola community worked with Great Lakes Agency for Peace and Development International to renovate these cottages. Once the cottages were renovated the families could move in and remain there on condition that they pay rent at market value or at a subsidised rate (Regional Australia Institute (RAI), 2019).

3.6.2 International - Opportunities

3.6.2.1 New Zealand

The New Zealand housing crisis predominantly refers to housing shortages in urban areas and not regional areas. In an attempt to deal with the housing crisis (lack of affordable housing) in New Zealand the Associate Housing Minister Kris Faafoi explained that the Government (New Zealand) is working to provide pathways and housing initiatives into homeownership. These include making changes to the KiwiBuild criteria (under the KiwiBuild reset) particularly in terms of lower-percentage requirements, development of progressive homeownership, and rent-to-buy schemes (Dickenson, 2020). The housing issue that New Zealand faces is linked to the house price-to-income ratio that has doubled since 1980, making it particularly difficult for people to buy houses.

These initiatives are designed to help more people afford homes and the solution also requires an increase in

supply, which is a problem that New Zealand has been facing for years. Each community has its own housing difficulties and that is why the Government has adopted a "collaborative, place-based approach", working with local councils, other providers to work on local solutions. They have chosen Hastings as the place to pilot some solutions.

RECOMMENDATION:

It is recommended:

- ❖ RDSA lead a stakeholder roundtable discussion to develop a high-level roadmap for increasing regional housing supply.

- ❖ Increase capacity (provide funding) for Renewal SA or another agency to provide two appropriately qualified and experienced staff members for a period of two years to be embedded in regions (one South and one North) to identify potential projects, investment partners and delivery models that deliver new housing stock for regions.

Establish a joint local and state government Regional Infrastructure Fund specifically designed to support housing development in regions.

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Regional Development
SOUTH AUSTRALIA

CHAPTER 5:

MIGRATION REFORM

1. CURRENT TRANSPORT GAPS

1.1 LACK OF REGIONAL PUBLIC TRANSPORT

The lack of access to public transport has been consistently and repeatedly identified as a significant barrier to regional prosperity and growth over many years. In terms of addressing regional development challenges, transport has continued to be relegated to the 'too hard basket' due to the complexity of the challenge. Regional South Australian townships do not have the population density / critical mass required to make public transport provision viable.

Transport from Adelaide to larger townships in the state can generally be made by bus and flights are available to some locations. The current reality from there however is that in regional South Australia unless your journey to work can be made on foot, or on a bicycle, the only means of transport within or between most regional towns is by vehicle. Most towns have some level of taxi service however regular use of taxis as a method of transport to get to work is likely to be cost-prohibitive. The ability for most people in regional South Australia to get to work requires them to have both a licence and access to a vehicle.

There are some community bus options in some towns however services are generally limited. There are examples of private sector transport provision (in addition to taxis). For example, Barossa Backpackers Hostel in Tanunda provides free access to a minivan to assist people to access employment in the region.

The greatest opportunity for a meaningful extension of public transport is in the peri-urban areas of the RDA Adelaide Hills, Fleurieu and Kangaroo Island (RDAAHFKI) region. RDAAHFKI has undertaken considerable work in this area through its Adelaide Hills - Fleurieu Peninsula Regional Public Transport Study Strategic Directions and Public Transport Action Plan Final Report (April 2019). The report contains a detailed action plan which RDA Adelaide Hills, Fleurieu and Kangaroo Island are seeking to pursue with State Government.

This work is currently being refreshed, led by RDAAHFKI, and supported by RDA Adelaide and RDA Murraylands & Riverland through a robust consultation group consisting of key private and public transport providers, SA Department of Infrastructure & Transport, RAA, private consultants, the SA Freight Council, and local councils. The aim is to develop a series of recommendations that RDAAHFKI is seeking to pursue with all levels of government and key stakeholders. This should be available by September/October 2021.

1.2 CHALLENGES TO GAINING A VEHICLE LICENCE

1.2.1 Lack of individual financial capacity

Challenges in gaining a driver's licence in regions include the need to have the financial capacity to afford to buy a car, the need to have access to a car to learn to drive and the financial means to pay for driving instruction. There are a number of people, particularly young people, for whom these requirements are prohibitive. As previously noted, the need to have access to a licenced driver is a significant barrier, particularly in areas of high disadvantage. A drivers' licence is a key criterion for regional employment, not just in terms of getting to and from a workplace, a number of industries require a licence to undertake work, particularly in the health and agriculture sectors.

A number of RDAs across the state have facilitated programs to assist people in gaining their licences including various L2P programs.

Case study – Murraylands L2P Program

RDAMR understands that since program commencement, 28 participants have completed the required driving hours to achieve SA Learners Permit requirements. The program has continued to provide an affordable option for disadvantaged local people seeking a driver's license. The L2P Murraylands program has evolved from a funded model, during the pilot phase, to a community based operational model, resourced from the Murraylands community. The L2P concept has also been expanded through seed funding into the Riverland under the Riverland Driver Assist program, commencing in May 2021. It is anticipated that the success of the L2P model will be transferable to the Riverland with community support built during the pilot program phase. Funding for the pilot phases of these programs was delivered through the Australian Government RET program. See website: https://www.l2p.org.au/)

Case study - Peterborough Driver Trainer Project - RET

The Peterborough Driver Training Program has been developed to support 36 disadvantaged job seekers to gain their licence and/or progress towards gaining their licence. Transport has long been identified as a significant barrier to gaining employment for people living in Peterborough and surrounding areas. There is a significant need for this program due to Peterborough's remote location, limited employment opportunities locally and limited transport options available. These along with the demographic of Peterborough and the costs associated with gaining a licence are significant barriers to employment.

This project was delivered by the District Council of Peterborough through its Youth Centre s41 committee - council had a car which was adapted for driver's licence testing by RDAYMN's Peterborough Community Development Officer (equipped under a previous grant obtained by Council).

It is understood that this project is also working with two local residents to support them to be upskilled as driver training instructors to increase community capability to offer driving lessons within the town. At the time of this driver trainer program commencing, the closest driving instructor was in Port Pirie (a two- and half-hour round trip). For someone with no licence, no access to a vehicle within their support network and no public transport, this presented a significant barrier – particularly noting that many people requiring the lessons were challenged just to pay for driving lessons (let alone capacity to fund transport to and from Port Pirie).

1.2.2 Lack of access to driving instruction

Case study – Greenlight 2 Work

Greenlight 2 Work involved 40 unemployed young people aged 17-24 years living in the Yorke and Mid North region who face challenges in gaining employment as they do not have a driver's licence. The 12-month program includes industry visits to raise awareness of job opportunities in the local area, a planned pathway to a realistic and achievable employment goal, achievement of Learner's Permit and progress towards a Provisional Drivers Licence and individual support to connect with other services for improved employment and personal wellbeing. This was based on a model Employment Directions had undertaken in the Murraylands and Riverland with highly dis-engaged participants and was sub-contracted for delivery on ground to RDA Yorke and Mid North.

One of the impacts of Covid-19 has been the significant delays in access to driving instruction in regional areas (some areas are reporting a current three-month wait). These challenges are particularly significant for the regional migrant population.

Some areas have reported a lack of volunteer support to help learner drivers reach their minimum required number of hours.

1.2.3 Driving instructor shortage

There is a shortage of qualified driving instructors. Some instructors have advised they are unable to take on any new clients. Instructors have advised that the process to become an accredited instructor is difficult and expensive, which is contributing to the shortage.

1.3 RESEARCH FINDINGS

1.3.1 Australia

Access to available and affordable transport plays an important part in the liveability of regions and whether an individual or family will stay in a regional community. Even though someone might enjoy the community and lifestyle, adequate infrastructure facilities in regional areas are a deciding factor in whether a person will stay or leave. There is an additional challenge regarding remote infrastructure in that migrants from metropolitan areas expect city-centric infrastructure and it is not always possible to meet these expectations. There is a further perception that roads in regional areas are less safe than those in urban areas.

The lack of public transport is frequently mentioned as a barrier to and difficulty of living in regional Australia (Regional Australia Institute, 2020a: 36). In regional areas, it is a necessity to be able to drive and to own a car and this could be difficult due to individual financial constraints or not being in possession of a driver's licence.

Case study – Regional bus transport in South Australia

In South Australia, the state government has made $2 million available to support regional bus transport to help non-government school students. The focus is particularly on the Catholic and Independent school sector to enable fairer school bus access for families in regional areas (Gardner, 2020).

Case study – Transportation: Limestone Coast Migration Project

Access to services –The Tatiara District Council has purchased a Red Cross vehicle to help the community access specialist health appointments. However, it is not clear what the level of awareness is of this service amongst migrants in the area (Regional Australia Institute, 2020a: 35).

Assistance with attaining a driver's licence – Volunteers from the Rotary and Lions in Naracoorte have supported at least one woman in completing her training hours and applying for her licence (Regional Australia Institute, 2020a: 36).

Road safety information session – The Bordertown Migrant Resource Centre partnered with the Royal Automobile Association in February 2020 to deliver an information session on road safety to participants of Afghan, Bhutanese, Burmese, Congolese, Filipino, Pakistani, and Liberian backgrounds. The aim was to increase understanding of Australian road rules, increase confidence regarding driving, increase awareness and engagement with road safety, promote understanding of the process of applying for a driver's licence and increase knowledge on the benefits of driving (Regional Australia Institute, 2020a: 36).

1.3.1.1 Driver education

A particular issue that young people face when obtaining a driver's licence is that they are not always able to meet the 75 hours driving experience requirement (see website https://mylicence.sa.gov.au/road-rules/the-drivers-handbook/provisional-licence). This could be due to the fact that they do not have access to a vehicle and/or a person (with a licence) who can supervise their driving. In response to this issue, various initiatives have taken shape to enable young people to obtain their driver's licence. A driver's licence has the capability of building a person's capacity to access education and employment opportunities. It further helps to reduce isolation by allowing a person to independently access community connections.

RDAs also note that there are Community Passenger Transport Networks throughout regional South Australia, funded through a combination of Australian, State and Local Governments. They have varying models of service delivery and governance including through local government and independent not-for-profit organisations. They are underpinned by volunteers and medical needs however it is suggested that options still be explored as to any potential regions that might look at the expansion of activities to incorporate worker transport.

Case studies – Driver education

Australian Government: Department of Infrastructure, Transport, Regional Development and Communications - Keys 2 Drive

This is a government-funded program that provides learner drivers and their parents/supervisors a free lesson with a Keys2drive accredited driving instructor. [MORE INFORMATION AVAILABLE AT: https://www.keys2drive.com.au/default.aspx]

Victoria - Fit2Drive Foundation

This foundation offers a variety of programs and information sessions on personal safety and responsibility, and strategies to young people to ensure they are safer on the road. [MORE INFORMATION AVAILABLE AT: https://www.f2d.com.au/feature-pages/our-programs/129]

Victoria - Bendigo - The L2P Program

This program is offered by the Salvation Army Bendigo to provide an opportunity for young people who face a significant barrier (social, economic, etc.) to successfully obtain their licence with the help of a skilled local mentor. [MORE INFORMATION AVAILABLE AT: https://www.yobendigo.com.au/services-groups/local-services/driver-education]

Victoria - Bendigo - Anglicare Victoria

Anglicare Victoria matches a volunteer Driver Mentor to young people between the ages of 15 years and 9 months to 21 years who want to obtain a driver's licence. This organisation works in partnership with the Salvation Army who delivers the TAC L2P program in Greater Bendigo.

1.3.2 Canada

The regional areas in Canada face a similar issue in relation to transport when compared to Australia. In their study on attracting and retaining immigrants in the South Okanagan Valley in Canada, Depner and Teixeira (2012: 82-83) found that a lack of accessible and affordable transportation represents a significant barrier for many. Immigrants in particular are not able to access services since the regional areas often lack an effective transportation system and they cannot afford a private vehicle.

This can be incredibly frustrating to those who have newly arrived in regional areas particularly if services are not centralised. In many cases, the responsibility falls on individuals to find a solution unless the community takes the initiative to assist those without access to available and affordable transportation. In some communities there are particular groups who might volunteer to arrange shuttles for those who cannot access important service centres, however, this becomes more difficult the further away one is from the main regional centres.

1.3.3 New Zealand

A recent statistical report released by New Zealand found that people who live in rural areas were inclined to rate their neighbourhood attractiveness higher than those living in urban areas (1 in 4 - 24.4% - rating it 10 out of 10, compared with 1 in 10 people in major urban areas -10.1%) (Stats NZ, 2020: 91). Even though people enjoy living in rural areas access to public transport is an issue that many faces. Public transport was the least accessible, with almost a quarter of the population finding it difficult or very difficult to access. Over two-thirds of people in small urban areas said this was because there was no public transport available (Stats NZ, 2020, 93).

2. POTENTIAL SOLUTIONS

2.1 UNLOCKING EXISTING TRANSPORT CAPACITY

Regions have identified potential opportunities to tap into underutilised regional transport capacity including:

❖ LinkSA buses – small diversions could be made from current routes to increase use (matched to worker needs) or investigate access to school buses when not in use

❖ Potential use of community buses – use as a dedicated workforce bus that moves people from key locations to key places of employment – potential pilot program in targeted areas of need (e.g. Murray Bridge and Swanport areas) – provide a service that is low cost to workers.

2.1.1 Increasing regional driving instructors

It is suggested that opportunities be explored to (safely) fast-track the process for driver instructor accreditation and promote the opportunity in regional areas.

As previously noted, there is a significant process for accrediting driving instructors (Please refer to https://www.sa.gov.au/topics/driving-and-transport/industry-services/driving-instructors/motor-driving-instructor-s-licence).

There are two different classifications for driving instructors:

❖ Motor Driving Instructor (MDI) Licence: For driving instruction - required to train any driver for a fee or reward

❖ Authorised Examiners: Appointed by the Registrar of Motor Vehicles to conduct practical driving tests and issue certificates of competency for drivers to obtain or upgrade their licence

In order to be granted a Motor driving instructor's licence, applicants are required to have a Certificate IV in Transport Logistics – Road Transport – Car Driving Instruction. Information sourced from the National Careers Institute indicates that the average course fee is $4,380 and the course takes an average of seven weeks to complete. However, there are significant challenges in South Australia for people to achieve the Certificate as it is understood that it is not currently subsidised by the South Australia Government (through the Subsidised Training List). Additionally, Regional Transport Training Services (RTTS), is currently the only company in South Australia that can deliver driving instructor training. Information sourced from RTTS indicates that they are currently at capacity and are not able to take on any students until next year. It is understood that the course costs approximately $10,000 and takes about 6 months to deliver. (It is noted that there are also additional costs for regional people to access the training such as travel and accommodation). It is understood that RTTS has a significant backlog of students, due in part to Covid restrictions last year.

There is currently a Moratorium on appointing authorised examiners for class C (car) in South Australia. Per the website, "The registrar of motor vehicles has determined as a matter of general policy not to make further appointments of authorised examiners for class 'C' (car) at this time. This policy will not be applied inflexibly. Motor driving instructors may still apply to become an authorised examiner and can submit reasons in writing why the general policy should not apply to them".

2.1.2 Solutions

2.1.2.1 Driving instructor regional audits

Opportunity exists to undertake a supply and demand audit for existing driving instruction (driving instructors and authorised examiners) in each State Government region to determine servicing gaps (and therefore opportunity) and to assist in targeting investment in upskilling of new driving instructors. Opportunities could then be promoted and interested people assisted to gain driving instructor accreditation. A potential project could be developed, and funding sought to deliver the course in regions and subsidise training to attract people to become driving instructors in regional SA. This could be a workforce planning project for potential funding under the DIS Training Priority List program, noting currently eligible applicants are currently restricted to private RTOs and there is currently only one approved driving instructor RTO in SA.

2.1.2.2 Developing instructor micro-credentials

Develop a micro-credential for volunteer driver instructors. A micro-credential is shorter than a qualification and certifies the learning of a defined set of skills, knowledge and attributes through a bite-sized course endorsed by the Training and Skills Commission.

2.1.2.3 Instructor training subsidies

Consideration by DIS of a subsidy for the achievement of a micro-credential (for volunteer driving instructors) and /or for the Certificate IV in Transport and Logistics (Road Transport – Car Driving Instruction) TLI41218 (for driver instructors) to enable upskilling and increase driving instructor capacity in regions.

Consider upskilling more driving instructors with the Certificate IV in Training and Assessment (TAE) through a subsidised training program, to support the training of more volunteer and driving instructors in regions of high demand (based on the audit suggested above).

2.1.2.4 Regional driver's licenses

Opportunities need to be explored to increase the capacity for regional people (particularly those who are disadvantaged) to gain their driver's licence e.g. via an expansion and extension of the Equipped for Work initiative (which was aimed at new apprentices and trainees signed up before 12 March 2021) to allow VET students access to up to $1,000 to undertake driving lessons. This initiative could be linked to students studying in skills shortage qualifications or courses that enable a pathway to traditional trade. It is noted that this will further increase the need for an audit of driving instructor capacity to ensure supply can meet demand.

2.1.2.5 Community programs

Subsidising community-led programs to help people get their driver's licence (please refer to the case studies of previous programs provided earlier in this report).

2.1.2.6 Volunteering to pay fines

Programs could be explored that allow individuals to pay off driving fines through volunteering. For example, in New South Wales, Work and Development Orders (WDOs) are created by Revenue NSW for participants to clear unpaid fines through a wide range of activities or treatment programs. Participation in the WDO program is voluntary. Individuals who are experiencing serious financial, medical or other personal problems can apply for a WDO. Eligible individuals may have a mental illness, intellectual disability or cognitive impairment, addiction to drugs, alcohol or other substances, be experiencing homelessness or extreme financial hardship. An individual that is eligible for a WDO, can pay off or reduce a fine by doing unpaid work, taking a course or receiving treatment.

Queensland has its own WDO program which requires eligible applicants to have an established relationship with an approved hardship partner who agrees to support their work and development activity and apply to the State Penalties Enforcement Registry for an order on the individual's behalf.

A similar program, the Work and Development Permit scheme is in place in Victoria, that allows people suffering from acute financial hardship, family violence, homelessness, mental disabilities and/or addiction to potentially work off fines.

2.1.3 Industry/government solutions

Solutions may include industry-funded or subsidised transport, and potentially State Government-funded options to help end regional transport disparity.

Case study – Keoride SA

Keoride on-demand transport in regional locations, by a range of leading transport organisations, lead by Keolis Downer. [See website: https://www.keoride.com.au/]

2.2 RESEARCH FINDINGS

2.2.1 Australia

Recent developments in transportation technology like on-demand transport services and autonomous vehicles could offer a potential solution to the transportation issues that some regional communities face. The growing trend to share cars is also growing in popularity across Australia and globally. Most of these developments have occurred in the context of increased urbanisation and very little research has looked at transportation issues in regional areas.

In a 2018 article Dr Geoffrey Clifton, senior lecturer in transport and logistics at the University of Sydney, told Government News that while self-driving bus technology is not far off from real-world implementation, the adoption of the technology would require whole-of-government support. The main issue is that government intervention is required to ensure that road infrastructure is maintained and designed to facilitate the widespread adoption of these types of technologies. Even though there are challenges linked to these technologies they possess the potential to solve some of Australia's most significant transport issues.

The car-sharing and on-demand transport services could be difficult to implement in regional areas due to these areas being less densely populated. People in the regional areas are traditionally more dependent on car travel since these types of services are too spread out and public transport is less convenient. However, there are opportunities in regional areas where unused vehicles can be matched to people with licences who require transport.

Case studies – Driving instruction programs

PCYC Queensland Breaking the Cycle

PCYC Queensland Breaking the Cycle (BTC) is a volunteer driver mentor program designed to support learner drivers without access to a supervisor or registered vehicle to complete their logbook hours. The aim of the program is to provide young people with increased employment opportunities, community connection and driver education. Participants are matched with a specific volunteer from PCYC's driver mentor network. Mentors provide encouragement and help young people improve their self-esteem and develop positive road safety attitudes. With support from the Queensland Government (Motor Accident Insurance Commission), community and corporate partners, BTC is currently offered at 42 PCYC clubs across Queensland (https://www.pcyc.org.au/youth-and-community/personal-and-leadership-development/braking-the-cycle/).

Licence to work RAA, SA

Licence to Work aims to help at least 90 young people get their licence over 3 years and is currently offered at Le Fevre, Seaton and Findon high schools. The program is a joint initiative by RAA, Western Futures, Anglicare and the Wyatt Foundation, that helps young people complete the mandatory 75 hours of supervised driving required to get their provisional driver's licence (https://samotor.raa.com.au/driven-to-succeed/).

Driver Licensing Access Program, NSW

The Driver Licensing Access Program (DLAP) (https://roads-waterways.transport.nsw.gov.au/roads/licence/driver/driver-licence-access-program/index.html) aims to remove barriers that prevent Aboriginal people and other disadvantaged communities in NSW from getting a driver's licence. The program enables people to gain on-road driving experience, progress to a provisional licence or regain a licence. Support provided is culturally appropriate, is free for eligible participants and includes assistance such as interacting with government agencies, literacy, numeracy and computer skills to prepare for the licence tests and access to roadworthy vehicles for driving practice.

DLAP supports groups that may benefit from help with licensing, including:
- ❖ communities with limited transport, with a focus on remote communities
- ❖ Aboriginal communities with low levels of licence attainment
- ❖ refugee and resettlement communities identified by Multicultural NSW
- ❖ disadvantaged communities
- ❖ vulnerable young people (such as those leaving out-of-home care).

Learner driver mentoring is an important part of the program. Volunteers supervise students to help them gain on-road driving experience.

Driver Mentoring, Tasmania

Driver Mentoring Tasmania (DMT) assists eligible people to obtain their provisional licence (https://drivermentoringtasmania.org.au/) and is the peak body representing Learner Driver Mentor Programs in Tasmania (17 member programs make up the group). Learner Driver Mentoring Programs match learner drivers with volunteer mentors to gain supervised driving experience. The purpose of DMT is to engage with community groups, government and non-government organisations, private enterprises and grant providers to ensure the future of its members and allow them to continue their work in the Tasmanian community.

Case studies – Transportation technology

New South Wales – In 2017 ten (10) on-demand bus shuttles were trialled in metropolitan Sydney. The launch of these shuttles was made possible through a partnership between Transdev and Transport for New South Wales. The goal of this project was to deliver better customer service outcomes, reduce congestion and offer the Government value for money (Fitzgerald, 2017).

New South Wales – In 2019 Via launched a self-driving bus that serves the Marian Grove Retirement Village in Toormina, a suburb of Coffs Harbour. In order to hail the autonomous BusBot directly from a smartphone iOS and Android users can download the BusBot app. The autonomous BusBot was released by a company called Via who has more than 70 launched and pending deployments in more than 15 countries (Wang, 2019).

Western Australia – In 2020 the RAC WA Intellibus (Navya Arma level 4 High Automation vehicle) completed its eight (8) month trial in Busselton. It has now been connected with its next regional town, Geraldton. The Intellibus is open to members of the public and will operate on a 2.8-kilometre route from the Intellibus Hub near Stow Gardens along the Batavia Coast Marina, and back (Fitzgerald, 2020).

RECOMMENDATION:

It is suggested that the LGASA lead a Roundtable discussion with RDSA and the Department of Transport & Infrastructure to determine potential initiatives to address regional transport gaps.

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CHAPTER 6:

BUSINESS HUMAN RESOURCE MANAGEMENT AND CAPABILITY

1. BUSINESS CAPACITY AND CAPABILITY

1.1 FOUNDATIONAL BUSINESS MANAGEMENT CAPABILITY

Anecdotal feedback is that there is generally a lack of foundational small business capability with many businesses operating day-to-day 'in the business rather than on the business'. Recent events such as the bushfires and Covid has highlighted foundational capability gaps amongst businesses of all sizes including business preparedness (planning), management (financial, risk, human resource, legal (e.g. business structures)) which impacts a business' ability to manage through significant changes.

Particular challenges in small businesses in terms of human resource management include poor quality of job ads, no job descriptions, lack of knowledge and understanding of legislation, awards etc. (how much they need to pay and current rules of engagement). There is often also, a reliance on local networks/knowledge for recruitment sources, a lack of robust induction and on-boarding of new staff, and potentially unrealistic expectations around staff capability (i.e. looking for a 'perfect' staff member).

1.1.1 Current assistance

1.1.1.1 RDA

RDAs provide a base level of on-ground assistance to micro and small businesses across a range of sectors. Assistance is resource-constrained however includes peer review of business plans, B2B service support (subsidised fee-for-service) and linkages to grant and externally funded programs and resources. RDAs have previously facilitated forums for regional businesses to access information around workforce management including presentations from the Small Business Commissioner, Australian Taxation Office, Centrelink and Fair Work Australia.

During Covid, all RDAs collated and disseminated information to businesses across the region (via existing database and communication mechanisms) including dedicated website resources and linkages to support available.

Case study – Upper Spencer Gulf

USG Employment Facilitator Lisa Brock is coordinating small business forums to be held in Port Augusta, Whyalla and Port Lincoln in May 2021 with support from RDA staff – also participating will be Fair Work Australia, the ATO and the Small Business Commissioner to provide information and assistance.

1.1.1.2 SA Government

It is understood that the DIS Small Business team currently provides the following support to small businesses.

i) Assistance to bushfire affected businesses

DIS has been providing case management support to bushfire affected small businesses over the last twelve months including direct case management (Kangaroo Island and Adelaide Hills). Business hubs were established to support businesses on a one-to-one basis and a business recovery officer has assisted to build business capability including the development of programs.

ii) Small Business Week

The South Australian Government event, Bizweek, comprised a week of workshops and seminars designed to support South Australia's small businesses, from 27-30 April 2021 (available in person and online). The program included foundational capability and knowledge building content with around 30 different sessions run over 4 days via a range of delivery mechanisms including virtual and some hybrid events.

iii) Website

It is understood that DIS is also redeveloping its small business website which will include a focus on building base foundational capability with the provision of templates and interactive ways to increase business capacity and capability.

iv) Covid case management assistance

A base level of case management services has also been made available to businesses throughout Covid e.g. in navigating government support, linking to services and general assistance. It is understood that case management assistance has been provided to nearly 6,000 businesses since March 2020. It is not known what level of case management will be delivered in the future (post-Covid and post bushfire recovery).

1.2   HUMAN RESOURCE MANAGEMENT CAPACITY & CAPABILITY

1.2.1 Small businesses

Many small businesses are reluctant to take on new employees (particularly their first employee) as the legal and regulatory framework for employment and associated risks can be extremely daunting. Adding to that challenge is the recent and ongoing changes to 'the nature of work' (further explored below). There is extensive research that can be found (outside of the scope of this project) that will support the step-change impact that can be achieved for micro and small businesses from engaging staff (in terms of impacts on potential growth).

With the number of small businesses operating in regional SA, if each business employed just one additional person, the regional job and GRP growth would be enormous. It is suggested that the need to unlock that growth will continue to increase as the impacts of the loss of JobKeeper and reduction in the JobSeeker allowance begin to be understood. Small business also plays a key role in innovation and entrepreneurship which adds a further imperative to unlocking small business workforce growth. It is noted that a number of new small businesses emerged during Covid that were extremely innovative and could be showcased to highlight the importance of the small business sector to the state economy.

1.2.2 Training and mentoring assistance

There is currently a gap in regional support for small businesses in terms of training, case management and mentoring assistance to help small businesses recruit and manage staff including navigating the vast amount of information and assistance available. There is also a challenge for service providers in engaging micro and small businesses in professional development e.g. business planning and professional development activity that builds business capacity and capability. Programs that seem to achieve the strongest results do so by combining delivery mechanisms including some face-to-face delivery (e.g., one-to-many style workshops), with online learning (webinars, video content and online workbooks) with remote (e.g., via Zoom or phone) or in-region mentoring.

It is suggested that RDAs and the DIS Small Business team could work together to identify examples of best practice course content and delivery methodologies that work and develop a framework and delivery model. The program could be delivered on a subsidised basis to make it affordable for business whilst still requiring a small investment by the business to ensure a strong level of engagement and commitment to doing the work. It is further suggested that given the high level of impact and uncertainty that Covid continues to present to the tourism sector, that the Tourism Industry Council SA be included in the discussion around the development and delivery of this program. Other stakeholders that could potentially be engaged include Business SA and other industry associations that have a significant number of small businesses amongst their members.

The potential for industry peer support could also be considered. It is understood that the RDAYMN regional team previously coordinated an HR resource sharing initiative through its Industry Leaders Group some time ago where larger businesses in the region shared HR resources (tools, policies procedures etc.) so that they could be used and adapted by small business (a peer-to-peer sharing model).

2. EMPLOYER OF CHOICE TRAINING

It is suggested that to be considered an 'employer of choice', an employer needs to have a good understanding of what their workforce needs are, what they are offering employees (workplace conditions, valuing staff contribution, their value of training, development of attraction packages etc.) and what the pathways are for people to engage with the business.

An employer of choice also needs to have good human resource management capacity and capability including the ability to recruit and manage staff well, as well as an understanding of and abiding by legislative requirements.

2.1 EMPLOYER PACKAGING JOBS

Employers can no longer simply advertise a job and automatically attract people to that job and the region. People from outside the region need to be able to understand what the lifestyle that goes with that job will look like e.g. available accommodation, education and health offering, community and social aspects. Jobs now have to be recruited and marketed well to compete for workers.

Case study – Limestone Coast

RDALC is working on a project to assist businesses to be an 'employer of choice' when attracting someone to the region by developing an information pack or at least some base information about what the offering will be, including information about the region. Information needed is dependent on the target market the business is attracting e.g. information might include schools available, sporting options, facilities that offer entertainment, restaurants and cafes – a range of aspects about the liveability of the area.

RDALC is increasingly working with employers to promote the need to describe the liveability package realistically (i.e. not overselling the offer) whilst highlighting the positive opportunities (e.g. engagement as part of a close community, open spaces etc.) versus what the new residents might perceive they are losing.

Many employers have no information to provide to prospective new employees and for those that do, the promotional material is in some cases very outdated. For example, a range of businesses in Bordertown have committed to working with the local council and business association to develop a package of information.

2.1.2 Targeting retrenched workers

If a business is considering redundancy of 15 or more staff, employers must give written notification to Services Australia of the proposed dismissals (https://www.fairwork.gov.au/ending-employment/redundancy). It is understood that Services Australia contacts the Department of Education, Skills and Employment about the retrenchments.

Through the national network of Employment Facilitators (which is expected to expand to all 51 employment service regions following the recent Federal Budget announcements regarding the expansion and extension of the Local Jobs Program), there is an opportunity to develop a more systematic approach whereby the workforce skills associated with large scale retrenchments can be matched with regional skills and occupations in demand. In addition to the benefits to the retrenched workers who can make informed decisions about relocation options, this approach will help target regional workforce attraction initiatives so they can be targeted and tailored to specific regions/cohorts that may have excess workers/skills. An opportunity exists for the national RDA network and State Government to work with the Department of Education, Skills and Employment to explore avenues to better match large scale retrenchments with regional occupation and skills shortages from a whole of State or whole of regional SA perspective.

2.1.3 Changes to the nature of work

Changes to the nature of work include the need for employers to understand how to maximise the value of their engagement with Millennial and Gen Z staff as well as more recent transition and preference for working from home and opportunities for remote working away from a head office-style environment.

2.1.3.1 Training Development

Noting the increasing competition for good staff and the changes to the nature of work, a number of RDAs have identified the need to investigate options for the development and delivery of Employer of Choice accreditation for regional businesses. Accreditation would be aimed at improving recruitment outcomes, increasing workforce attraction and participation and increasing staff retention and performance.

Case study – Murraylands and Riverland

RDA Murraylands & Riverland (RDAMR) has prepared a background paper that will be tested with selected regional employers. From the concept phase, RDAMR will seek an opportunity to develop a deeper understanding of Employer of Choice and the impact this concept can present to improve workforce retention for local employers. Within the next phase, RDAMR propose to advance industry to industry connection to broaden acceptance. RDAMR also propose that the Murraylands and Riverland be selected as a region for an Employer of Choice pilot program.

RDAMR views Employer of Choice as the opportunity to structurally change the recruitment practices for local employers. This could also demonstrate pathways to refocus attention on engaging the local workforce, reimage positions and position descriptions and redirect organizational human resource practices to the development of human capital, minimizing ongoing onboarding and recruitment costs.

Proposed project outline - RDAMR collaboration with Murraylands Food Alliance

Background
RDAMR proposes to investigate the regional employment barrier of staff retention by regional employers, primarily focused on members of the Murraylands Food Alliance (MFA) (https://www.murraylandsfoodalliance.com.au/) noting that workforce is an area of current focus for group members. Through the delivery of previous successful employment and training programs, RDAMR has collated evidence of the opportunity to address workforce challenges via assistance to businesses to be recognised as Employer of Choice organisations.

RDAMR has identified that a constant financial impost to business is staff turnover, rolling recruitment and what has been termed a 'burn and churn approach to employment' implemented by some regional employers and that these recruitment strategies are unsustainable to business.

Defining Employer of Choice
Employer of Choice (EOC) has typically been associated with recruitment and strategies to retain staff. Many other singular visions for EOC include company reputation, family-friendly work policies, employment awards and conditions and social and community practice. RDAMR has chosen this succinct definition for the employer of choice: 'An employer who has explicit and transparent processes for all aspects and operations of the business confirming for an employee this is the type of employer I want to work for'.

Progressing Employer of Choice Concept
Many intangible factors comprise a complete framework for EOC and the introduction to any organisation will require a self-examination of current human resource and management practices. This includes MFA members own perceptions of EOC. RDAMR propose to focus on the following indicators in introducing the concept of EOC and consider the focus of any program development should also centre on the development of human capital.

The key leading indicators in achieving EOC status could be identified as:
- ❖ High-quality leadership (team leader/ supervisor to senior management)
- ❖ Developing the talent of employees
- ❖ Inspiring and maintaining a passion for achievement and utilising this culture to create a positive employment experience for employees
- ❖ Reputation management

A substantial number of the successful drivers of EOC are intangible and include factors such as the employee's desire to stay, their enjoyment and the energy they put into an organisation. These key factors form what is termed the psychological contract.

Next Steps
High-level organisational acceptance and a funding platform is required to further understand how EOC can be shaped under a program training framework (pilot) to benefit MFA members. From this position, RDAMR can facilitate regional industry to industry connection, co-design collaborative partners and seek program design interest from identified EOC expertise.

> **RECOMMENDATION:**
>
> It is recommended that:
>
> ❖ RDAs engage with the DIS Small Business Team to identify the current gaps in regional support for small businesses in terms of training needed, case management and mentoring assistance, including help for small businesses to recruit and manage staff and access the vast amount of information and assistance available.
>
> ❖ RDAs and the DIS Small Business team work together to identify examples of best practice course content and delivery methodologies that work and develop a framework and delivery model.
>
> ❖ Create training programs, nuanced by sector, with Industry Groups (ie. TICSA and Business SA).
>
> Fund RDAs to develop and deliver an 'Employer of Choice' micro- credentialed program supported by training and case management in regions

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APPENDICES

APPENDIX 1: RDALC JOB ADVERT ANALYSIS (APRIL 2021)

RDALC - Job Advert Analysis (April 2021)

February	March	April	Total
432	**461**	**439**	**1332**

Location				
Total	**%**	**Council**		**% Change***
278	63	City of Mount Gambier		+7
51	12	Tatiara District Council		+2
32	7	Wattle Range Council		-3
31	7	Naracoorte Lucindale Council		-1
21	5	Kingston District Council & District Council of Robe		-1
17	4	Limestone Coast		-3
9	2	Grant District Council		-4

*From previous month

Industry				
Total	**%**	**ANZSIC Division#**		**% Change***
100	23	Health Care and Social Assistance		+3
64	15	Other Services		-3
62	14	Accommodation and Food Services		0
52	12	Retail Trade		+5
44	10	Agriculture, Forestry and Fishing		+4
33	8	Administrative and Support Services		-3
27	6	Manufacturing		0
12	3	Transport, Postal and Warehousing		-3
12	3	Education and Training		0
12	3	Financial and Insurance Services		0

*From previous month
#These results make up 97% of all roles advertised on the Limestone Coast, the top 10 ANZSIC division categories are listed.

Minimum Quals			
Total	**%**	**AQF Level**	**Typical time to complete**
176	41	Level 1 - (Certificate I)	0.5 - 1 year
92	21	Level 3 - (Certificate III)	1 - 2 years
63	14	Level 7 - (Bachelor degree)	3 - 4 years
49	11	Level 4 - (Certificate IV)	0.5 - 2 years
33	8	Level 2 - (Certificate II)	0.5 - 1 year
9	2	Level 10 - (Doctoral degree)	8 - 10 years
9	2	Level 5 - (Diploma)	18 months - 2 years
8	2	Level 8 - (Grad.Dip) - Post Graduate Study	12 - 18 months

RDALC - Job Advert Analysis (April 2021)

Employment Type			
Total	**%**	**Employment Type**	**% Change***
208	47	Full-Time	+2
139	32	Casual	+7
52	12	Part Time	-1
27	6	Contract/Temporary	-3
7	2	Apprentice	0
6	1	Traineeship	-1

*from previous month

Notes:
- 12% of all job advert roles from April had been previously readvertised in March.
- 27% of all job adverts occur on a Thursday, Friday was next with 21%.
- The RDALC website is busiest on Thursdays and Fridays getting 37% of total page views.
- 439 job adverts came from 352 different postings.

New Job Adverts Sources		
Websites	**Facebook Job Boards**	
1. Seek 2. Indeed 3. Jora 4. I Work for SA 5. LinkedIn	6. Jobs in Mount Gambier or Employment wanted 7. South East Job Seekers - WORK WANTED 8. Naracoorte Job Network 9. Job Vacancies -Millicent and Surrounds	10. Tatiara Employment and Training 11. Jobs in Robe SA 12. Limestone Coast Pathways 13. Group Training Employment 14. Gramac Corporate Services 15. Kingston South East Employment

APPENDIX 2: RDAMR JOB ADVERT ANALYSIS (APRIL 2021)

Regional Job Mapping Database

Filters

Month
- January
- February
- March
- April
- May
- December

Hours
- Apprenticeship
- Casual
- Contract
- Full-Time
- None
- Part-Time
- Traineeship
- (blank)

Salary
- $0 - $60k
- $101k +
- $61k - $80k
- $81k - $100k
- (blank)

Region
- Murraylands
- Riverland
- (blank)

Qualificati...
- Certificate
- Certificate, Li...
- Certificate, Li...
- Certificate, Li...
- Certificate, T...
- Certificate, T...
- Certificate, T...
- Certificate, T...

Row Labels	Count of Region
Murraylands	138
Riverland	150
(blank)	
Grand Total	**288**

Row Labels	Count of Month
January	347
February	355
March	309
April	289
December	191
(blank)	
May	67
Grand Total	**1558**

Row Labels	Count of Industry
Healthcare, Social Assistance	58
Agriculture	48
Retail Trade	37
Accommodation, Food	28
Other Services	16
Education & Training	15
Manufacturing	15
Public Administration & Safety	11
Wholesale Trade	10
Arts & Recreation	8
Transport, Postal & Warehousing	8
Construction	8
Information, Media & Telecommunications	7
Professional, Scientific, Technical	5
Financial & Insurance	4
Rental, Hiring & Real Estate	4
Administration, Support	3
Electricity, Gas, Water, Waste	3
Recruitment Agencies	1
Grand Total	**289**

Industries

Total

APPENDIX 3: SEASONAL WORKFORCE NEEDS

PIRSA REGIONAL PROFILES – AGRICULTURAL WORKFORCE DEMAND

In its work in late 2020 to identify the current seasonal worker shortages across the state, PIRSA developed a regional profile for each State Government region. Each profile provides forecast regional workforce numbers and forecast potential available workforce (number of people receiving Jobseeker payments or a Youth Allowance).

The profiles also highlighted the top priorities, and concerns for each region about obtaining seasonal labour needs – outlined below.

Adelaide Hills Fleurieu Kangaroo Island

Variable seasonal labour demand within primary production sectors of cherries, wine grapes, strawberries and apples and pears align to create the regions peak labour demand.

Adelaide Hills and Kangaroo Island continue to experience challenges in the aftermath of bushfires, construction across the board appears to be very busy with supply chain issues now appearing.

Compounding labour shortages in the South Coast is an increasing demand within the aged care sector, anecdotal advice indicates this sector employs staff from Adelaide.

Kangaroo Island is facing challenges in other sectors, such as Tourism, with some vacancies not receiving any applicants. Factors such as cost of living, accommodation availability and isolation must also be considered.

Significant numbers of people received JobSeeker in this region, however, "Potentially available workforces" do not meet latent demand across the region.

Barossa Gawler Light Adelaide Plains

Seasonal labour attraction advantages for these regions include close proximity to Adelaide, with demand peaking over the summer period. The numbers of JobSeeker and Youth Allowance recipients are significantly less than the required seasonal workforce – assuming a 100% mobilisation. Barossa and Light Region have a high demand for vineyards and winery hands, this would normally attract overseas labour looking to gain Australian experience, however, this is not possible this year. Compounding the Barossa region currently has a high demand for tourism/hospitality workers, with demand expected to continue with tourism campaigns aimed at the local experience.

Eyre Peninsula

Whyalla and the Eyre Peninsula have a relatively stable Primary Industries initiated workforce requirement, with seasonal fluctuations increasing by 400 staff during grain harvest. On-farm harvest positions require experienced machinery operators and do not favour the majority of overseas workers. However, work within the supply chain especially grain receivables do optimise this labour option. JobKeeper was welcomed by many businesses in this region, who were also coming out of an unprecedented dry. JobSeeker though has a limited bounce back through the lack of mutual obligation and requirement on job seekers to look for employment. Intra State tourism has supported a faster recovery, yet also identified new labour force requirements.

Far North

Limited labour force variability is noted in the Far North region with the majority of primary production focused on livestock production. The Far North has a significant reliance on mining with some wider implications on the labour market, in particular wages & salaries. There are 1,233 businesses in the Far North region, 58% are sole operators, 38% employ between 1 and 19 people, 3.6% employ between 20 and 199 and 0.24% employ more than 200 employees. From its availability Job Keeper1 payments were utilised by 30.9% of businesses in the region.

Limestone Coast

The Limestone Coast boasts a variety of industry sectors, most requiring a consistent permanent labour force. Seasonal increases in Grape growing and winemaking, Wool and Forestry increase labour demand, with January, February and March peaking.

Meat processing has had a traditional reliance on 457 Visa holders, this sector had over 100 positions vacant (at time of writing), and there does not appear a way forward for this industry sector.

The relatively small number of JobSeeker1 payments highlight positive employment in the region, reinforcing the difficulties facing employers across all industry sectors in attracting and retaining staff.

The tourism and hospitality sectors are facing unprecedented challenges in attracting staff, with all major towns in the region having multiple vacancies.

Regional Development Australia Limestone Coast Disability Hub members have also indicated challenges in recruiting staff. Over 90% of respondents to a recent survey indicating recruitment as a concern, with over 40 vacancies at one point in time from support workers/personal assistants to Managers.

Murraylands & Riverland

Citrus SA notes that high numbers of Seasonal Worker Programme and Working Holiday Maker visa holders are utilised in this industry and believe it is important that the Seasonal Worker Programme and Working Holiday Maker visa is kept in place. The current job-seeking requirements provide no incentive for local job seekers to pick fruit, without activation of the local job market retaining the Holiday Maker Visa entitlements will be essential.

The Riverland has created a new sub-industry, with a bundled service for both workers and property owners that capture Seasonal Worker Programme labour and vertically integrate all services. While this model has provided a secure workforce for many of the larger citrus providers, COVID travel restrictions placed additional pressure on the labour markets, and in turn, reinforced the lack of mobilisation of local labour/jobseekers.

Murraylands meat processors and vegetable sector rely heavily on Visa holders to fulfil workforce gaps, many of these positions are not seasonal, however are still undesirable to current local job seekers.

The Riverland, in particular, has benefited from a buoyant local tourism market and while restrictions on-premises have reduced turnover many operators have optimism for the future if there can be a mobilisation of the workforce to meet the pending summer season.

Trades continue to be in short supply across both regions, with the number of apprentices in the building sector increasing. Of particular concern will be construction workers availability in the Murraylands with a number of significant developments including the rebuilding of Thomas Foods.

Yorke & Mid North

Most smaller businesses experiencing issues with filling job vacancies. The region faces a stable workforce requirement; however, it may be that the extent of staffing needed in the Mid North in particular in the Grape Growing and Wine Making sector is not accurately accounted for.

There are a lot of entry levels positions that are challenging to fill at the moment, particularly with the increase in Job Seeker payment which employers are reporting is resulting in fewer applicants and fewer people wanting to take up work for entry-level positions until their payments drop. These include harvest, labouring, construction, cleaning, aged/disability care, horticulture, etc.

There has also been an issue with major projects and work shutdown – i.e. companies are unable to bring in interstate labour. Trades, in particular, continue to be challenging –local companies (i.e. Nyrstar, contractors, etc) are continuing to have issues recruiting and appear to poach people from other businesses which are not ideal. COVID has certainly impacted with reduced worker mobility (i.e. contractors for major projects and shutdowns, backpackers, etc).

There are difficulties gaining staff in areas that rely heavily on tourism (so particularly hospitality roles) where they have previously lost a lot of staff, but the recent increase/demand for intra-state travel has left employers without workers.

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