

# **Employment White Paper Consultation**

**Submission**

**Bendigo Business Council Limited**

**Trading As Be.Bendigo**

***30<sup>th</sup> November 2022***

## **Introduction**

Bendigo Business Council Limited, trading as Be.Bendigo, is the Chamber of Commerce operating in the City of Greater Bendigo, Victoria. We are the inheritors of a proud heritage of business community representation in this City, that dates from the creation of the Bendigo Chamber of Commerce and Industry in 1886.

Our organisational vision is to support businesses to create a vibrant and successful Greater Bendigo, by driving connections and creating programs and events that develop leadership and business capacity for a stronger community and more successful local economy.

We exist to support Greater Bendigo businesses to be successful, sustainable and innovative, operating within a values-based framework of integrity, inclusiveness and innovation.

We provide this brief paper as a submission to your Consultation Process with an optimistic belief that there is currently an extraordinary opportunity to reimagine, reposition and reinvigorate regional areas of Australia to build a stronger and better Australia – where there is a broader and more decentralised opportunity for participation and achievement – for social and economic success to be achieved for more of the people who are the core of our communities.

Be.Bendigo does not claim to have a ready check-list of the solutions to realise these ambitions, but we believe that being deeply embedded within our community, and with the advantage that our Board, staff, partners and members represent and can articulate perspectives from across that community. Those insights are what we hope will be of benefit in informing your deliberations.

As one of the host locations for the Commonwealth Games 2026, we have an ideal opportunity to reset community ambition, and to utilise that aspiration to reimagine what our city could become.

We would welcome the opportunity to discuss these and other matters further with your panel, and urge you to find the time to visit and spend some time experiencing our great regional city to understand the opportunities that are before us, and the policy settings and actions that will make a real contribution to realising that nascent potential.

## **Current and near-term issues**

The impact of the Covid pandemic and the process of recovery from it, has exacerbated some issues that have been recognised in the past, but have been more intermittent and isolated, and have, perhaps, been allowed to roll along without the appropriate attention.

### **Skills Shortages**

With many local employers telling us that there is a shortage of professional and highly skilled technical staff available in Bendigo, and high vacancy levels across a wide range of industries, we need to understand and takes steps to encourage more people to move to Bendigo as they build their careers, rather than view relocating to a regional City as a “step away” from a “serious” career, and a move that is motivated by “lifestyle” considerations above all else.

In this we are very fortunate, since the Regional Australia Institute has undertaken some significant research into the question of “What do people need around them to call a place home?” While relating to “mid-sized towns” (population between 5,000 and 50,000), it seems reasonable to assume that many of the factors would also be relevant to those moving from Metropolitan areas, to larger Regional cities such as Bendigo.

The factors will come as no surprise to most people:

- Access to, and quality of, Health Services;
- Options for primary and secondary schooling, and access to post-school learning through vocational training or university;
- Balance between employment remuneration, affordable housing and living expenses;
- The natural, physical and cultural attributes of a place;
- Feeling socially included and connected in a friendly, welcoming community, and;
- Lower commuting times and increased leisure time.

On the above list, Bendigo stands up brilliantly as a tree-change location with the only significant impediment on this list being a current shortage of “affordable” housing.

These, also, are the things that we hear people talking about when we watch all the “Moving to the Country” TV shows, or read the “Special Features” that run in the Real Estate Guides in metropolitan newspapers.

This image, however, sells us short in many respects, and does us a disservice in attracting the “hungry to succeed” people in the earlier parts of their careers – the ones who’ve been identified as missing from our current skills mix

With the slogan “Where ambition finds opportunity”, the recently released INVEST Loddon Mallee website ( [www.investloddonmallee.com.au](http://www.investloddonmallee.com.au) ) provides a wonderful overview of the exciting industries and companies that are established, expanding and relocating to the area, and the annual Bendigo Business Excellence Awards provide a showcase of exciting businesses, operating, innovating and thriving in the region.

We need to use these as a template to help with a slightly different message – one that adds a little bit extra to “liveability”? That Bendigo is also a great place to build and have a career!

Much can be done with a perhaps slightly more complex way of “marketing” our region (as with “Invest Loddon Mallee” cited above), since the city is of a size and sophistication where significant careers are possible in a range of occupations, across a web of employers.

As a Destination City, Bendigo has been very successful in promoting our Cultural assets, such as the Bendigo Art Gallery, and has a thriving Tourism and Hospitality sector that will further leverage the City’s more recent recognition as a UNESCO City of Gastronomy.

What we, perhaps, could do with a little more intensity, is to find ways in which to spread the message more broadly about the great and innovative businesses, that we have; the significant campus of La Trobe University (around 5,000 students) that acts as an attractant for young people (generating an atypical regional demographic profile) and a Higher Education opportunity for career-change, career-advancement and post-graduate study; and the connectivity of our City via a 1.5 hour train / motor vehicle trip to Melbourne, and a two hour direct flight to Sydney.

In the range of more immediate responses though, we believe that there are a range of measures – some of which are already in train or have been partially addressed – that can have a profound impact on local labour force participation and supplementation.

In response to the ongoing staff shortages, many businesses have become more creative in adapting their operations to reduce the barriers making workforce entry difficult for some people. Noting that lack of available and affordable childcare is a serious impediment for many, some local manufacturers and hospitality venues have been able to restructure production and other operations to provide shifts fitted around the school day is an example of localised responses to particular circumstances and needs.

While business flexibility is important, other identified changes that will assist in increasing workforce participation, and which would address the urgency of the crisis include:

- Provide ongoing incentives for those on Aged-pension and other Government benefits to increase work hours without loss of benefits
- Increase access to affordable childcare through targeted rebates and increased provision
- Increase the current time period applying to Work and Holiday Visas without needing to reapply - and extend eligibility to these visa types to people over 30.

## **Affordable Accommodation**

Covid has created an element of “flight from the city” for a lot of people, privileging those who are able to work remotely for all or a significant part of their time. The impact of this on cities such as Bendigo – within a two hour arc of the Metropolitan Capital – has been to stimulate property price rises, and reduce the level of both affordable and total accommodation available in the market, both for rental and purchase. This obviously reduces opportunities for worker mobility, and we know of instances where sourcing workers from outside the area has been frustrated by the lack of available and affordable local accommodation options.

While it is not yet clear what impact the current rising interest rate environment will have on house prices and the balance between owner-occupied and investment properties, there is evidence that there has been a reallocation in some areas of long-term rental accommodation into short-stay holiday accommodation. We understand that some Local Government Areas are investigating the use of rating mechanisms to discourage this practice and we have previously made – as a member of the Victorian Regional Chambers Alliance - representations the Victorian Government to provide local authorities with the ability to regulate how rental accommodation is used.

In addition, looking at Stamp Duty concessions for empty-nesters seeking to down-size their residential property may assist in increasing turnover of family-sized properties, and is something that Be.Bendigo believe should be investigated by the Victorian Government, and about which we have previously made representations.

## **Medium Term Issues**

Be.Bendigo is of the view that the short and near-term issues identified above are not likely to be transient, but actually represent the core of the ongoing issues that need to be addressed, if regional cities such as Bendigo, are to realise their potential to become Regional Capitals, and contribute appropriately to a stronger, better and more equitable and successful Australia.

### **Education and Skills**

Be.Bendigo has direct involvement with others working on the Victorian Department of Education and Training's Bendigo Education Plan (BEP). We continue to develop strategies and interventions in order to lift aspiration and achievement of local students, in order to ensure that all local students have the opportunity to realise their potential for economic and social participation and achievement.

Our work, utilising the evidence of consistently replicated studies, is developing changes to approach that will enable a significant and entrenched lift in outcomes across all students, but with a particular emphasis on those demographic cohorts whose outcomes are below average State levels and reasonable expectations.

Strategies are currently being developed to lift the knowledge and efficacy of students, parents, business operators and staff, and teachers in being able to understand the range of employment and career opportunities available to them locally, and the processes and educational steps that will provide them with the opportunities to pursue such careers.

In undertaking this work, we are informed by workforce needs forecasting undertaken by the Victorian Skills Authority, as well as by specific detailed work done in relation to the Regional Engineering and Advanced Manufacturing needs, Regional Health Workforce needs, and will also incorporate future work on the Tourism and Hospitality Sector.

An area highlighted for particular attention is to ensure that Careers Teachers in regional Secondary Colleges have sufficient informed context for advice that they provide to students regarding opportunities and career potential.

In this, we are working toward the goal of a coordinated local approach – involving a broad range of industry and business, as well as a broad range of employment services, community-focused Not for Profits and other service providers, as well as the Government, Catholic and Private School sectors, to ensure that information is consistent, comprehensive and accessible to all those who are making decisions and can derive benefit from it.

We recognise that there is existing, excellent work being done in this area, but there is widespread acknowledgement that it is happening as somewhat disconnected activity, and lacks the pervasiveness required to both maximise the choices and options for students, and contribute the necessary future-focused skills network to address local needs and opportunities.

The need for an adaptable, more flexible workforce is one that has also been brought into stark relief by the impact of the Covid pandemic.

For all of us, the last three years have been “unprecedented”, and most of us have had to “pivot” so many times that our heads might still be spinning. Although an extreme period, what the last three years has highlighted for everyone, is how rapidly our work can change, and how quickly we must be able to learn and relearn – to adapt and develop new skills – if we are to continue to succeed in our careers or businesses.

Be.Bendigo recognises that this is not an entirely new situation. The Foundation for Young Australians started research in 2015, that explored the ways in which automation, globalisation and flexibility were changing the way people work, and the implications of these shifts for young Australians. Covid simply brought all of this together, all at once, for all of us, making manifest Alvin Toffler’s 1970 prediction that the “illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn”.

Our problem – now highlighted – is that even though it is increasingly obvious that careers (and lives) are no longer linear, we have an education system that largely retains the model from when they (mostly) were.

So we have the challenge, not just of what education should look like for the young, but how the system may need to be reformed, to ensure that everybody has opportunities to acquire the skills they will need to achieve their potential and continue to participate fully in the economy.

Employees often receive on-the-job training and have access to professional development because employers realise the value of ensuring their staff have up-to-date knowledge and capacity to use new systems and processes. But how do we ensure that those who are out of employment can continue to update skills, or obtain training to enter a new field, at a cost that will be economically positive for them and the community?

Our post-compulsory education system, while focused on quality of outcomes to support a complex qualification system, is predicated very much on a hierarchical structure of linear progress, most often assuming that continuing study will be at increasing higher levels in a cognate field to existing qualification.

In many cases, this is starting to demonstrate that it is increasingly less fit for purpose, particularly where industry skills needs and employment opportunities are changing at an accelerating pace.

The provision of an increasing number of free TAFE programs (at least in Victoria) recognises that career change decisions in later life will be subjected to a personal, rational cost-benefit analysis. Since the cost of education to facilitate a change, will often limit the potential for uptake by individuals, it is appropriate that there is public funding support to reduce the incidence of decisions that might be sub-optimal for both the community and economy.

There is scope – and a need – for us to look further into how we can embed the concept of life-long learning into the qualifications framework, so that people can efficiently move sideways or “back” over time, as they seek to acquire professional and technical skills they need “right now”, or “next”.

The logical extension of this proposition is that we also need better articulation between the TAFE (and private training) sector and universities, with micro-credentials and professional skills modules that provide necessary skills now, but are “stackable” into recognised, coherent qualifications that will provide greater benefit to students, as well as provide quality capability assurance to employers.

As the host community for a La Trobe University Campus of approximately 5,000 students, Bendigo has access to a substantial supply of Higher Education graduates to contribute to its highly skilled and professionally qualified labour force needs.

To optimise the opportunities before us, however, there is a need for a substantial increase in graduates in this market, since it has long been apparent that local graduates need to be supplemented by increasing numbers of graduates from other localities.

In order to continue to grow local opportunities, Be.Bendigo contends that policies will continue to be needed to provide a positive incentive for international students to study in Regional centres (including scholarships and post-graduation work-rights), as well as ensuring that university funding models provide some regard to thinner student markets, and enable universities to continue to provide or support essential programs in regional areas, in preference to being driven to consolidate programs to achieve cost-efficiencies.

### **Affordable Accommodation**

The medium term opportunity profile for succeeding Regional Capital cities such as Bendigo will require a significant increase in the number of skilled and highly skilled workers in numbers that can only be met by attracting an increasingly mobile domestic and international workforce.

The Covid-related housing issues have highlighted the narrow margin that currently exists between supply and demand in this market, and long waiting lists for public housing have highlighted the fact that some increased Government intervention is required to address imperfect market capacity to meet shortfalls.

Whilst still relatively compact, there remains an ongoing tendency in regional cities, including Bendigo, for the cheapest land, and therefore, the cheapest homes, to be on the periphery of the urban area, or in surrounding towns and villages.

From a service accessibility and workforce efficiency, the impact of this, is that the lowest paid workers are likely to require the furthest commute; be worst served by public transport, and; be most reliant on individual private transport.



Policy is needed to address this – the site identified for the 2026 Commonwealth Games Village will provide an opportunity to construct legacy public and affordable housing on a land-parcel that is conveniently situated within the relatively central urban footprint of the city, however this is a relatively rare, significantly sized parcel of land with such characteristics.

Be. Bendigo believes that part of the solution to increasing capacity to house people within a contained urban footprint, is to permit increased opportunities for gentle densification of the inner-urban area, and of development adjacent to existing (and redeveloped) transport nodes. Indeed, viewing the inner-urban area as a “Downtown” with substantial increased residential accommodation, rather than a “Central Business District”, will provide, in addition to housing benefits, the potential to reinvigorate an area that has suffered from a decline of traditional, historic retail activity and occupation.

## **Long term**

Be.Bendigo is excited and supportive of the leading activity of the Business Council of Australia (BCA), as articulated in its “Strong Australia Network” strategy proposal for regional Australia, as detailed here:

[www.strongaustralia.net](http://www.strongaustralia.net)

We hosted and participated in a well attended, well-regarded BCA panel discussion in June 2022, which provided a powerful and positive future vision for Bendigo.

We commend that vision to you as a possible goal, as we believe it assists greatly in providing a framework for the steps we need to take in building our vision of supporting businesses to create a vibrant and successful Greater Bendigo.

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