

Mallee Regional Skills Demand 2020 - 2022 Pulse Check

EXECUTIVE SUMMARY

The Mallee region has undergone a period of significant growth since 2017. While it is too early to assess the recent impact of COVID on economic output, value add has increased by around \$700 million with almost 2,000 new jobs created between 2017 and 2020, despite the region operating at close to full employment. Growth has been achieved through mobilisation of the local labour force as well as attraction of migrants from overseas into skilled and unskilled roles. The next three years (aside from one off COVID impacts) offers similar potential for growth. However, without support the region will struggle to meet anticipated industry demand for workers placing future growth at risk.



Growth estimates indicate a potential shortage of 500-1,500 workers in three years' time.

Employers expect recent growth to continue with the potential for between 1,000-2,500 jobs to be created over the next three years and an additional 2,000 workers required to replace expected retirements. In the full report the Task Force estimates outlined in Table 1 represent an order of magnitude for future skills demand and are not intended to be precise. They are informed by the views of local employers and validated by the taskforce.

Employers report that students are often unaware of local employment opportunities and believe they must leave the region to find work. At least 48% of university students leave to study outside of the region and businesses report difficulty finding the 25-35 year olds who will stay in the region for them to develop,

Local employers expect strong growth to continue despite COVID-19

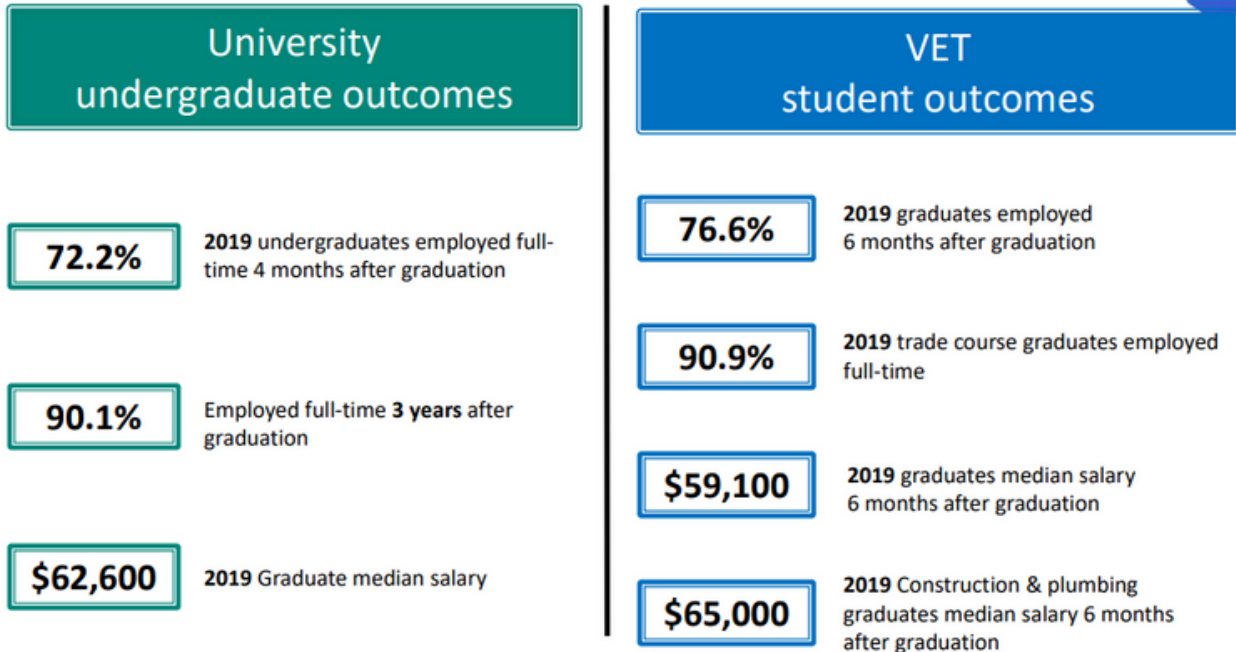
Local employers are optimistic about future growth in the region and believe most industries will continue to grow at rates close to those experienced historically despite the impact of COVID-19. If these growth estimates are realised it will result in 1,000-2,500 new jobs being created in the region with an additional 2,000 workers required to replace expected retirements. A breakdown of forecast growth by key industries is presented below in Table. Estimates outlined in Table below represent an order of magnitude for future skills demand and are not intended to be precise. They are informed by the views of local employers and validated by the taskforce.

Preliminary outlook on job growth by industry, 2020-22 (inclusive)

Industry	Current number of jobs (2019)	Taskforce estimate of 2020-22 workforce CAGR	Expected new jobs	Expected retirements
Horticulture	2,736	2.0% to 3.0%	+150 to +250	~150
Sheep, Grains, Beef, and Dairy Cattle	2,697	-0.8% to 1.3%	-50 to +100	~150
Hospitality and tourism	2,586	-0.5% to 2.0%	-50 to +150	~150
Construction	2,700	1.5% to 3.0%	+100 to +250	~150
Manufacturing	2,383	0.0% to 2.5%	0 to +200	~150
Transport and logistics	1,665	-0.1% to 0.0%	-50 to 0	~100
Retail trade	4,689	-1.2% to -0.5%	-150 to -50	~250
Healthcare and social assistance	5,262	1.0% to 2.0%	+150 to +300	~300
Education and training	3,385	0.6% to 3.5%	+50 to +350	~200
Other industries ¹	9,935	~3.0%	+850 to +950	~500
Total	38,038	1.4% to 1.8%	+1,000 to +2,500	~2,000

The region's strongest economic growth is expected to occur in the horticulture, healthcare and social assistance, and education and training sectors. High horticulture prices and exports are expected to continue, although relations with China may require an emphasis on new markets. The land committed to horticulture is not expected to increase, which means economic growth will come through increased productivity and job growth will be strong but not as strong as the last three years. The region has an ageing population which will increase the demand for health and social assistance services, and the continued expansion of NDIS provision will further contribute to growth in this sector

University is obviously a good option for some students...however, VET also has strong outcomes



Source: Graduate Outcomes Survey 2019 (percentage of undergraduates who were looking for employment and found it); 2019 Graduate Outcomes Survey – Longitudinal (Undergraduate results for 2016 graduates); NCVET, VET student outcomes, 2019

National Skills Commission, August 2020

The nature of roles required to be filled varies across the region although generally fall into three categories, each with their own specific challenges:

Specialised roles require professional qualifications but total local demand is relatively small. Only specific organisations require these roles and typically only need a few people to fill them. Specialised roles usually require years of experience that is difficult to acquire with a single employer in the region, and once the role is filled it may be a long time before a similar one arises. Thin markets make it difficult to secure specialised professionals to the region. Employers report shortages of GPs, Allied Health professionals, irrigation experts and Agronomists.

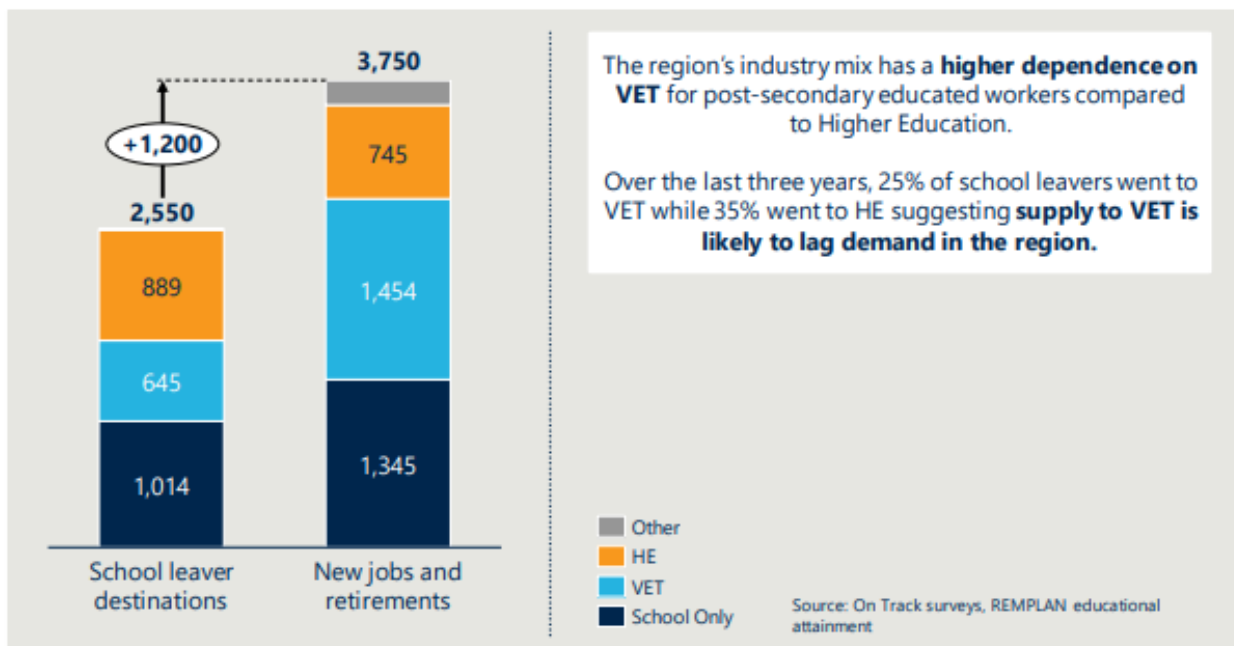
High volume roles are a large and steady demand for workers. Employers are regularly looking for new workers with multiple opportunities per employer. If school leavers follow the right pathways **they will find work in the region**. High volume roles represent the majority of jobs in the region. Employers of high-volume roles such as carpenters, teachers and truck drivers compete for scarce local labour. The lack of awareness of the range of possible jobs among school leavers means many roles face serious supply challenges to local business.

Seasonal roles which typically involve manual work and are required for short periods during the year on a regular cycle. They are predominantly found in horticulture and grain cropping where additional labour is required at harvest time. Demand is usually met by transient workers such as backpackers or temporary visa holders. Seasonal labour is vulnerable to ongoing travel restrictions, with the horticulture industry concerned about the ability to harvest crops in 2021 if other labour sources are not found.

Employers of high-volume roles compete for scarce local labour

High volume roles are in significant demand and employers are competing for scarce local labour. Aligning school leaver destinations with industry demand is crucial to preventing labour shortages but this has not occurred historically. Most high volume roles require vocational training, but opportunities exist at all levels of education. Shortages are anticipated to be greatest for VET qualified workers as demonstrated below although strong demand also exists for unskilled and for higher educated workers as many school leavers who go on to higher education do not return.

School leaver destinations and job requirements, 2020-22 forecast



The wide range of high demand opportunities in the region offers school leavers diverse career pathways. High volume roles range from plumbers and electricians to nurses and social workers, from bakers and retail assistants to drivers, diesel mechanics and teachers. Schools and training providers however, are not necessarily aware of the industry demand for specific jobs and do not showcase the range of roles within industries, which skews students to more popular professions such as carpentry over painting.

NMLLEN is part of the Mallee Regional Skills Demand Profile Task Force.
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References:

2017 Regional Skills Demand Profile - The Mallee

Website: www.vsc.vic.gov.au

Nous Group | Mallee Regional Skills Demand Profile Sept 2020

Available from the NMLLEN