



**Local Jobs  
Program**

**Local Jobs Plan**

**New England and North West**

**New South Wales**

October 2020

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*The Department of Education, Skills and Employment acknowledges the traditional ownership, custodianship and ongoing connection to country of the Traditional Owners of the lands known as the New England North West – the Kamilaroi, Ngarabal, Gumbainger and Nganyaywana. We pay our respects to their people, cultures and their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander people in the New England North West region.*

## Preface

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 in 25 regions, as part of supporting Australia's economic recovery from the COVID-19 pandemic.

This Interim Plan ('the plan') identifies the key priorities for the New England North West region ('NENW'), NSW, with a focus on **creating employment opportunities**, meeting local **employer demands** and **better skilling** local job seekers.

The Plan identifies the direction, strategies and actions to be undertaken to address these priorities. The Employment Facilitator will have responsibility for enabling and ensuring agreed strategies are implemented.

The purpose of the plan is to bring together local jobs market data and analysis, and an understanding of the gaps and opportunities for enhancing and increasing local employment, to ensure that government, business and workers are acting in concert to create the best outcomes for the region and its people in relation to employment.

The plan is intended to provide an initial set of priorities for the Local Jobs Program. The plan is flexible and can be amended to respond to changes in local opportunities and circumstances. It will be fully reviewed at least every six months.

## Local Jobs Program: Key Priorities - Summary

1. Maximising the extent to which employment opportunities arising from growth sectors such as Agriculture and Agribusiness, Health Care and Social Assistance as well as key infrastructure projects, including the emergence of the region as a renewable energy hub, the Inland Rail, are filled by local job seekers, including through **creating pathways into growth sectors** using existing Australian and NSW Government programs.
2. Facilitating and supporting the **transition to other employment, including self-employment**, for people whose roles have ceased or been reduced due to the COVID-19 pandemic.
3. Reducing the labour market disadvantage of **Indigenous Australians** in the region including through maximising opportunities for **Indigenous youth** who form a relatively high proportion of the Indigenous population.

A full description of these key priorities and the strategies to address these can be found at Attachment A.

# Overview of the New England North West Employment Region

The New England and North West Employment Region is inland from the North Coast Employment Region and the upper part of Mid North Coast Employment Region. In the north its boundary runs along part of the Queensland border. The western half of the region includes the towns of Narrabri (with a population of 7300 plus 4800 in Narrabri Region), Wee Waa, Boggabri, Moree (8300 plus 5500 in Moree Region), Mungindi, Boggabilla, Toomelah and Warialda. These have high Indigenous populations and high levels of disadvantage associated with isolation and limited access to transport, training and support services.

The eastern half of the region includes the towns of Tamworth (43,200 plus 19,100 in Tamworth Region), Gunnedah (9600 plus 4000 in Gunnedah Region), Quirindi (7900), Walcha (3200), Armidale (24,600 plus 10,600 in Armidale Region), Inverell (11,900 plus 11,500 in Inverell Region), Glen Innes (8900) and Tenterfield (6600). Compared to the rest of the Employment Region they have more diverse opportunities for job seekers, including closer proximity to a greater range of training and education options and support services.



Most of the largest urban areas within the region are located along the New England Highway.

There is a variety of agriculture within the Employment Region. For example, the Armidale area has wool, fat lamb, beef, dairy and horticultural activities while in Moree there is cotton, pecan nuts and wheat growing. Neighbouring cropping hub, Narrabri is home to major research bodies and the nationally significant Santos CSG operation. In Inverell, there is wheat, barley and grapes while Costa has large scale tomato growing operations at Guyra. The Tamworth district boasts a

large poultry industry, both egg and broiler farms.

Armidale is an important educational centre, having the main campus of the University of New England.

The healthcare and social assistance industry is prominent in the Employment Region with many nursing homes and several hospitals. Other industries within the Employment Region include tourism (including the popular Tamworth Country Music Festival), the equine sector, retailing, professional services, coal mining, meat processing (with four large-scale employers) and other secondary industries, from grain mills to a leather processor.

The Tamworth area has optimal flying conditions and has various flight training institutions and other aviation related activities. Engineering and manufacturing businesses cater for local and global markets. The renewable energy sector has made hundreds of millions of dollars of investment since 2010. There is also a burgeoning technology sector.

Inverell hosts a significant export abattoir which is also investigating biogas from beef cattle, another investment in renewable energy in the region,

The Employment Region was severely impacted by bushfires in the 2019-20 fire season which had been preceded by four years of severe drought. COVID-19 is a third wave of adverse impacts on the region.

## Key challenges in the New England North West region

Key challenges within the Employment Region include:

- The incidence of unemployment among Indigenous Australians. At the 2016 Census, the proportion of unemployed persons that comprised of Indigenous Australians in the labour force (19.7 per cent) was the second highest (after Far West Orana) among NSW employment regions.
- The relatively high unemployment rates across the region even prior to the pandemic.
- Due to the predominance of agricultural businesses in the region, a large part of the workforce is reliant on seasonal work; when these industries affected by drought are not employing seasonally as usual, then the traditional workforce finds it difficult to transition to other industries.
- Ensuring that those in the impending group of school leavers who are unable to secure employment are able to engage in activities that improve their employability, including through gaining a greater understanding of labour market and training options.
- There is a large refugee population within the area with associated employment challenges as well as opportunities. The Australian Government carefully selected Armidale as a settlement location for refugees, joining other regional resettlement hubs such as Coffs Harbour and Wagga Wagga.
- Labour force participation rates in the region are amongst the lowest in the country. Unemployment, including for youth, is well above average.
- The region has a comparatively low socio-economic profile, compared with NSW and Australia. There are high rates on income support/jobactive caseload.
- Educational attainment rates are lower than the national and state averages, with 59 per cent completing year 12 (compared with 79 per cent for Australia).
- The region has an ageing population with a lower than average population growth, with net migration numbers showing a negative value. Overall, more people are migrating away from the region than arriving.

# Relevant General Information

## Large employers

Some of the major employers in the employment region include: NSW Health, Local Governments, aged care providers (including McLean Care in Inverell and Bupa Care in Armidale and Tamworth), the University of New England (especially in Armidale), Teys Australia (Tamworth, beef abattoir), Thomas Foods International (Tamworth, sheep abattoir), Baiada (Tamworth, poultry processor), Bindaree Beef (Inverell, beef abattoir), UniPlan (Armidale, factory built homes), Proten Chicken Farms (Tamworth), Obieco Industries (Tamworth, truck body builders), Costa Tomatoes (Guyra), Essential Energy, Transgrid, GrainCorp, Manildra Flour Mills amongst other grain milling businesses, Naomi Cotton, Whitehaven Coal (Gunnedah, Maules Creek and Narrabri) amongst other coal mining operations, large clubs and accommodation facilities and Naomi Logistics and the associated Australian Recycled Plastics.

National retailers such as Coles and Woolworths have a substantial presence in the region. Big W will be closing its Armidale store in January 2021, though the company claims that with such closures it “will explore every redeployment opportunity” within the group, which for Armidale staff would be to Woolworths supermarkets or liquor stores. Armidale and Narrabri are among the centres losing a Target store but Narrabri is gaining a Bunnings, which is a larger employer.

## Selected Major Projects

Major projects underway, or with planning significantly progressed, in the region include:

- Stage 1A of the \$60 million Inverell Hospital Redevelopment was completed in May 2020. Stage 1B includes the refurbishment of the existing hospital to house Community Health and will be completed in 2021.
- \$53 million redevelopment and upgrade of Gunnedah Hospital, due to commence before 2023.
- In June 2020, the Australian Government announced funding for 61 access and safety upgrade projects across Regional Australia as part of the Regional Airports Program. These include \$1.4 million for Tamworth, \$1.2 million for Armidale, \$0.3 million for Narrabri, \$0.2 million for Inverell and \$0.2 million for Gunnedah.
- On 22 May 2020, the Australian Government announced a new \$500 million Local Roads and Community Infrastructure Program (LRCI Program) to help local councils deliver priority projects to support jobs and boost the resilience of local economies in recovering from the COVID-19 pandemic. The funding for local councils ranges from \$592,000 for Walcha to \$2.7 million for Tamworth and included \$1.8 million for Moree, \$1.5 million for Narrabri and \$1.4 million each for Armidale Regional and Inverell.
- The 1700km Melbourne to Brisbane Inland Rail project is the largest rail infrastructure project in Australia.
  - The Narrabri to North Star (N2NS) section entails upgrading around 186km of track and construction of approximately 2.3km of new track. This project crosses the Gwydir, Narrabri and Moree Plains local government areas. Construction is planned for 2020-2024 and will involve engineering and metal fabrication skills. It is anticipated to create approximately 680 jobs in the region.

- The Narromine (Far West Orana Employment Region) to Narrabri (New England North West Employment Region) section is the longest within Inland Rail. Information is being gathered for the upcoming Environmental Impact Statement as is the case for the North Star to NSW/QLD Border section of approximately 39km.
- Associated with the Inland Rail, in September 2020, the NSW Government announced \$16.8 million funding for stage 1 of the proposed Northern New South Wales Inland Port at Narrabri, which will present major investment opportunities for transport and logistics operators, manufacturers, agribusiness and service businesses.
- In October 2019, the Australian and NSW Governments announced that Dungowan Dam near Tamworth will be replaced. WaterSecure - a joint venture comprising KBR and Aurecon is the key partner. This \$480 million project will attract employment opportunities in the construction industry. The timeframe is approximately four years from construction commencement in October 2021.
- Initial work on the \$85 million upgrade of the New England Highway between Belford and the Golden Highway started in early 2020. As at July 2020, Transport for NSW was planning to invite tenders to build the upgrade in the second half of 2020.
- The NSW Government has announced a decision to establish a new Department of Regional NSW office in Armidale, creating approximately 100 jobs in the region.
- The Australian Government has committed \$7.8 million towards construction of a 1.8km rail siding with slip road infrastructure to facilitate rail loading and storage capability of the NSW Inland Port Logistics & Freight Hub. Construction is expected to commence in late 2020 and be completed by mid 2021.
- The Oven Mountain Pumped Hydro Project is a \$1.2 billion project to construct two reservoirs, tunnels and an underground power station in northern NSW near George's Junction, between Armidale and Kempsey. During the 3-year construction phase of the project, around 600 direct jobs plus supply chain jobs spanning a wide range of skills will be created, plus a significant upgrade of local roads will be required for access. Once constructed, around 30 operational jobs will be required to support the project over its 50+ year lifespan.
- Armidale Regional Airport Business Park has received \$6 million funding from the NSW government, and it is expected that more than 200 jobs will be created through the park's development.
- The Narrabri Coal Seam Gas project has been approved by the Independent Planning Commission, with Santos delivering the \$3.6 billion project, anticipated to create up to 1300 construction and 200 operational jobs, without harming water resources or the environment.
- Shenhua Watermark Coal is developing a new coalmine at Watermark, 25km from Gunnedah. Whilst this project is still in the initial development phase, there will be significant employment opportunity once the mine goes into production.
- In July 2020, the NSW Government announced a \$79 million plan for staged development of a second 8000 MW Renewable Energy Zone (REZ) in the New England region. It is claimed that this will attract \$12.7 billion in investment, support 2000 construction jobs and 1300 ongoing jobs. The REZ footprint includes the Tenterfield, Inverell, Glen Innes, Guyra, Armidale, Uralla and Walcha council areas.

Renewables projects in the Employment Region include:

- Phase Two of CWP Renewables' Sapphire Renewable Energy Hub with the Sapphire Ridge Wind Farm to be augmented by a planned 200MW of solar power plant and 35MW of battery storage. Construction is expected to begin in late 2020, with completion in late 2021. ([www.cwprenewables.com/our-projects/#sapphire-renewable-energy-hub](http://www.cwprenewables.com/our-projects/#sapphire-renewable-energy-hub), accessed 2-9-2020)
- UPC Renewables Australia approved 720 megawatt solar farm near Uralla, with a grid connection agreement Transgrid having been agreed. Construction is planned to begin in late 2020, once project finance is obtained. ([www.newenglandsolarfarm.com.au/](http://www.newenglandsolarfarm.com.au/), accessed 26-6-2020 and *Sydney Morning Herald* 10-3-2020)
- Adding 48 turbines to the White Rock Wind Farm. Pre-construction is underway with the aim of starting construction late 2020 or early 2021. (<https://whiterockwindfarm.com/>, accessed 26-6-2020)
- Canadian Solar's approved 146MWdc Gunnedah Solar Farm, construction of which has yet to begin. (<https://gunnedahsolar.com.au/>, accessed 2-9-2020)

## Local Stakeholders and Opportunities

Key stakeholders within the area include unemployed and underemployed local people, the 12 Local Governments, the New England Joint Organisation (covering seven councils), Namoi Unlimited (covering five councils), NSW Health (the Hunter New England Local Health District, other NSW Government Departments, RDA Northern Inland, the New England North West NSW Business Chamber, the (Brisbane head-quartered) Australian Rail Track Corporation, AusIndustry (whose Regional Manager also covers the Orana and Central West) and other Australian Government entities, Australian Government funded providers of employment services and major employers (see earlier for examples).

As implied by the above list, the span of operations of some major stakeholders is not limited to the Employment Region. Other stakeholders include Registered Training Organisations, with TAFE being the provider for the Department's Skills for Education and Employment program in the region.

There are eight Australian Government **employment programs** delivered by nine employment service providers in the region including three jobactive providers. (BEST Employment Limited, Jobs Australia Enterprises Ltd and Joblink Plus). Apart from jobactive employment services in the region include ParentsNext (PNX), Transition to Work (TtW), New Enterprise Incentive Scheme (NEIS), Career Transition Assistance (CTA), Harvest Trail Services and Employability Skills Training (EST). In addition, the Department's Online Employment Service assists many job ready job seekers.

**Other Australian Government programs** include DES (both the Disability Management Service and the Employment Support Service), the National Disability Insurance Scheme (NDIS), the Australian Apprenticeship Support Network and AusIndustry services.

The not for profit Aboriginal Employment Services was founded in Moree though its headquarters are now in Sydney. New England North West is home to the University of New England.

Local employment opportunities include those associated with the continued pre-eminence of agriculture and agribusiness in the region, the emergence of the region as a hub for renewable energy and the Inland Rail.



## Bushfires and Drought

Severe fires in late 2019 extensively damaged property (including fencing) and crops in New England North West. Many houses were destroyed, notably 75 in Glen Innes Severn LGA, 54 in Tenterfield LGA and 22 in Walcha LGA. Across the region more than 200 outbuildings were destroyed.

Laing O'Rourke Australia is the lead contractor for the clean-up funded jointly by the NSW and Australian Governments (with a focus on including local subcontractors and small businesses). The NSW Government also appointed a Bushfire Recovery Coordinator, Euan Ferguson.

In January 2020, the NSW Government announced \$1 billion over the next two years to rebuild bushfire impacted communities across NSW. The priority will be repairing and rebuilding vital infrastructure, such as roads, rail-lines, bridges, schools, health facilities and communications facilities.

After four years of severe drought, partial recovery in agricultural conditions has occurred in the area and only the north western tip is currently classified as being in "drought" and none of the region is classified as being in "intense drought". However, much of the area is "drought affected (intensifying)" with a smaller proportion classified as "recovering" and some patches that are not in drought. (NSW Department of Primary Industry drought map 31 August 2020)

## Business Impacts of COVID-19

The New England North West region has been heavily impacted by the COVID-19 pandemic. Labour market conditions in the region have deteriorated significantly since March 2020, the month in which Australia recorded its 100<sup>th</sup> case of COVID-19 and just prior to the shutdown of non-essential services and when trading restrictions took effect.

The extent of the economic impact continues to evolve but is expected to be substantial, and in some areas potentially devastating. Over the coming months, businesses, other than those who have been able to capitalise on the changes, will continue to operate in a climate of reduced revenue, reduction in capacity to employ staff and supply chain sovereignty issues that will all affect the rate and capacity of economic recovery.

What is known is that economic impacts will not be evenly distributed across the country and across industries. This means some sectors and communities will be more disrupted than others.

There is no doubt that the immediate and responsive economic stimulus packages, including JobKeeper and JobSeeker, assisted in managing what could have been a much more catastrophic event for rural, regional and remote Australia and obviously, Australia more broadly.

Experts have indicated that industries at high risk since the onset of the pandemic include Travel, Leisure and Hospitality. Medium risk industries include Motion Pictures, Retail Trade and Other Services. Both the high and medium risk categories are focused around tourism and creative industries (Mark Zandi, Chief Economist from Moody Analytics).

For the New England North West region, tourism and creative industries are significant job providers, as they are in many regional communities. These industries are driven mainly by the private sector and are therefore highly susceptible to market forces. Tourism and creative industries play an essential role in the employment of regional people, employing 221,592 and 95,660 regional people respectively in 2016. Tourism and creative industries, and the jobs they provide, are already facing significant disruption which will worsen as COVID-19, and its economic fall-out, spreads across the country (Regional Australia Institute).

In May 2020, Regional Development Australia Northern Inland (RDANI) conducted a survey to gather data about the reality of the effect of COVID-19 for local businesses. It was found that the pandemic and consequent health preservation measures removed over 5,000 full-time equivalent jobs (an

estimated 7,500 jobs including part-time and casual positions) from the Northern Inland economy, increasing the strain on the local economy after a horrific bushfire season and the worst drought ever recorded in our region.

The data from the survey shows what effect the pandemic has had on our economy as well as how business owners have managed their costs and viability.

It is clear that regional Australia should expect a tougher, slower recovery than larger cities because of the 'triple whammy' of crises that have been faced and economic dependence on the agricultural sector, which has seen relatively little assistance in comparison to industry in general.

The businesses most directly impacted by COVID-19 restrictions were hospitality, service and retail enterprises. However, the impacts have also flowed on across all sectors. Whether impacted directly or indirectly, more than three-quarters of local businesses have taken a moderate hit or worse. Almost 50 per cent of surveyed businesses lost over 50 per cent of their income compared to the previous quarter, and 67 per cent do not have enough income to cover operating costs. We also saw that three out of four would have coped with the pandemic better had they not already endured tough times due to drought and bushfires [<http://www.rdani.org.au/projects/covid19-impacts-on-businesses.php>].

Effects of COVID19 on the New England North West Region:



# Attachment A: Local Jobs Program: Key Priorities for the New England North West Region – Full Description

***Priority One:** Maximising the extent to which employment opportunities arising from key infrastructure projects, including the emergence of the region as a renewable energy hub, the Inland Rail and other growth sectors such as Health Care and Social Assistance are filled by local job seekers including through creating pathways into growth sectors, using existing Australian and NSW Government programs.*

As demonstrated in the section titled Selected Major Projects above, there is significant upcoming opportunity for employment in the New England North West region across a wide variety of industries and fields. This will have two major positive effects on the region in relation to employment:

1. Increased opportunities for local job seekers to gain employment locally which will likely slow the “brain drain” to metropolitan areas; and
2. Increased migration to the region, which has ongoing effects on the economic prospects of local business.

An important requirement for the government funding for many of these projects is for tendering contractors to agree to utilise local resources and workers as much as possible in staffing and supporting their project. It will be essential to continue to leverage this requirement and maintain engaged relationships with head contractors and authorities to maximise opportunities for local businesses and workers.

Education and training will form a key part of these strategies and will require the Employment Facilitator to both maintain up to date information about existing Australian and NSW Government programs designed to create pathways into work and upcoming availability of work including labour hire in the region. Both can be achieved through development and maintenance of excellent relationships with all major stakeholders.

Regarding growth sectors, there is significant opportunity to continue and build on partnerships with local community organisations and RTOs who can provide vital training and work experience, particularly to young people and the long-term unemployed. The ageing population of the region will lead to an increased need for care facilities and services, which is a high labour sector. It also means that encouraging the employment of mature workers will be increasingly important.

Strategies:

- Further engage with relevant stakeholders in major projects to encourage recruitment of local job seekers where possible. This will include leveraging existing government requirements for engagement in the local community by employing local contractors and associated businesses. A mechanism is required for local accountability about local job creation to ensure that these goals are actually met.
- Work with local RTO and group training organisations to ensure that local job seekers have and can develop relevant skills to enhance their employment prospects for upcoming major projects, including consideration of appropriate course numbers and offerings available. This

also involves bringing together stakeholders to commit to place based initiatives that draw on integrated solutions covering employability skills, vocational education, employment experiences, employer involvement, community support and other enabling actions.

- Collaborate with relevant local businesses to provide support and community integration for any workers moving or considering moving into the region for these projects, such as relocation specialists, real estate agents, employment services for spouses and family members, education options etc.
- Educate project managers, stakeholders, local business and local job seekers about existing programs to create pathways into growth sectors and actively target specific employers to bring together resources from multiple stakeholders to focus around support and outcome.
- Research growth areas and future employment opportunities in the region.
- Improve and maintain awareness of skilled migrant options. Where needed skills cannot be sourced locally, skilled migrants can add to the functionality of a business and enable further business and jobs growth.

***Priority Two: Facilitating and supporting the transition to other employment, including self-employment, for people whose roles have ceased or been reduced due to the pandemic.***

The triple whammy of drought, bushfires and now COVID-19 has significantly affected employment in the New England North West region, with a large number of businesses either reducing staffing significantly or shutting their doors. While this has been devastating in the short term, it has created opportunities for entrepreneurs and small family businesses to develop in an atmosphere of lower costs, collaborative partnerships and greater government assistance.

Addressing this priority will require two intertwining approaches:

1. Increasing access to education and training for those workers who require a change of industry, job or skill in order to re-enter the workforce at the level of employment they require. This does not necessarily involve increasing training places (although it might) but could just be increasing knowledge in the community about the opportunities available.
2. Leveraging support and engagement programs at all levels of government to support fledgling small business and self-employment for workers who have this capacity. It will be essential to the long-term economic success of the region that as many new business opportunities that commence in the current circumstances are sustainable.

There will also be education and training applicable to entrepreneurs, and government programs available for retraining/upskilling workers.

Increasing employment opportunities has the potential to boost the economic prospects of the entire region, with the benefits of retaining people in the area (reduced outward migration), encourage new inward migration from other areas, increased requirement for services and retail, etc.

Strategies:

- Urgently advertise to and educate local businesses, particularly in agriculture and horticulture, about the Australian Government's new entrant traineeships and wage support available. This is a time limited program, and wage supported workers undertaking accredited training to create higher skilled workers creates a clear opportunity for the region.
- Partner with local RTOs, educational institutions and other training organisations to ensure there are suitable and attractive skill increase or transfer opportunities for those whose roles have ceased due to the pandemic.
- Hold education sessions for local workers who are seeking to transition to other employment, including collaboration with relevant stakeholders.
- Build connections between the newly self-employed and business services to enable access to good advice support as it is required.
- Encourage the uptake of new programs - such as the NSW Government Reskilling for Recovery program and Skills Broker role, the Australian Government's JobMaker apprentice and young people wage subsidies, and the Local Jobs Recovery Fund.

***Priority Three: Reducing the labour market disadvantage of youth and Indigenous Australians in the region including through maximising opportunities for youth and, in particular, Indigenous youth who form a relatively high proportion of the Indigenous population.***

The New England North West Region has a high number of Indigenous Australians who suffer significant labour market disadvantage as well as the fourth highest rate of youth disengagement of NSW Employment Regions.

In the New England and North West Region:

- The youth unemployment rate was 13.1 per cent in August 2020, above the 11.7 per cent recorded for New South Wales
- The youth unemployment rate has increased by 0.9 percentage points since March 2020
- At the 2016 Census, 18.9 per cent of 18-24 year old's in the region were not in work or training, versus 12.4 per cent in New South Wales and 13.2 per cent in Australia.

As noted above, at the 2016 Census, the proportion that unemployed persons comprised of Indigenous Australians in the labour force (19.7 per cent) was the second highest (after Far West Orana) among NSW employment regions.

It will be key to ensure that those in the impending group of school leavers who are unable to secure employment are able to engage in activities that improve their employability, including through gaining a greater understanding of labour market and training options.

The intention for this priority area is to build on existing partnership and strategies developed as part of the Regional Employment Trials with local community organisations and RTOs to further increase participation, identify barriers and enhance outcomes for youth and Indigenous job seekers, particularly Indigenous youth.

While fully addressing barriers to participation in employment by Indigenous Australians is beyond the capacity of the Local Jobs Program, there is a role here to play in educating vulnerable groups and facilitating connections with relevant organisations and support networks.

In a regional area, transport can be a key barrier to participation in employment. Part of all of the strategies listed below will be to include this factor in planning and preparing projects for this demographic.

Strategies:

- Engage in partnerships with local Indigenous-led organisations to ensure community consultation and better understanding of issues and opportunities. One possibility would be to develop an Indigenous Led Employment Capacity Building Program as Indigenous leaders have excellent insight into the barriers faced by Indigenous youth and can break these down.
- Promote all project opportunities across the network of stakeholders who are directly engaged with vulnerable groups.
- Build on existing partnerships and projects targeted at Indigenous job seekers and particularly Indigenous youth.
- Ensure that local organisations engaged with Indigenous Australians have access to targeted information about relevant education and training programs and have the opportunity to provide feedback about structural barriers that can further inform strategic development.

- Actively solicit projects targeted at Indigenous populations, including partnerships with organisations with experiences of Indigenous-specific barriers to employment and participation.
- Investigate establishing work experience programs across the region to enable qualified young people to develop the experience required to increase employability.
- Continue to promote the value of the Employment Capacity Building programs as part of the school curriculum. This could build the capacity of youth to understand the labour market and employment.



# Attachment B: Labour Market Update

## October 2020

Labour market data for New England and North West been volatile in recent years, which has made discerning underlying labour market conditions difficult. It is worth noting, however, that the region has some history of labour market disadvantage with the unemployment rate averaging 6.4 per cent over the last five years and around one in four people aged 15-64 in the region are on income support. That said, employment growth averaged 2.2 per cent over the last five years, above the state and national averages, although there is considerable labour market disparity within the region.

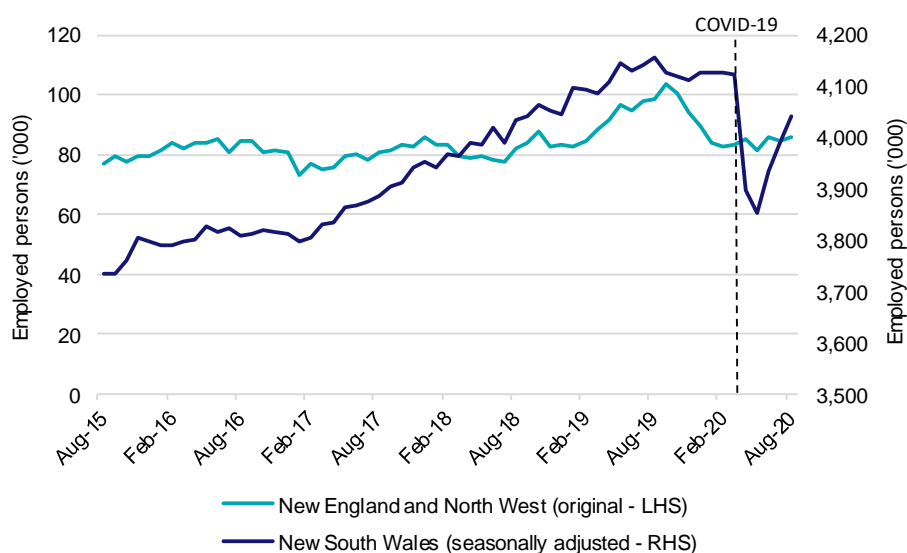
Throughout this labour market update, unless otherwise stated, data are for the SA4 of New England and North West, which is a good proxy for the Employment Region. Data are the latest available at the time of writing. Note that regional monthly ABS Labour Force Survey (LFS) estimates are highly volatile and should be viewed with extreme caution.

ABS Labour Force Survey regional estimates show that labour market conditions have been mixed in the New England and North West region since March 2020, when Australia recorded its 100<sup>th</sup> case of COVID-19.

### Employment

- There were 85,700 employed people in the New England and North West region in August 2020
- The number of employed people has increased by 2,400 (or 2.9 per cent) between March and August 2020.

#### Employed persons aged 15 and over (five years to August 2020)



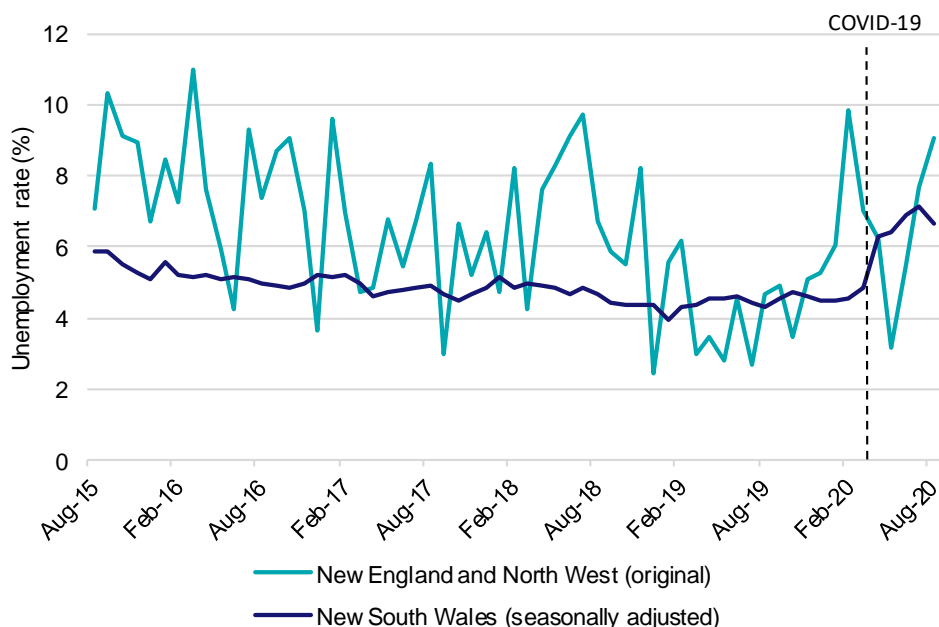
Source: ABS, Labour Force, Australia, Detailed, August 2020



## Unemployment

- The region's unemployment rate stood at 9.0 per cent in August 2020, up by 2.0 percentage points since March 2020, and is well above the 6.7 per cent recorded for New South Wales.
- Over the last five years, the unemployment rate in New England and North West has averaged 6.4 per cent, significantly above the 5.0 per cent recorded for the state.

### Unemployment rate time series (five years to August 2020)



Source: ABS, Labour Force, Australia, Detailed, August 2020

Considerable labour market disparity exists within the New England and North West Employment Region. Latest available *Small Area Labour Markets* data show that, in the March quarter 2020, the Statistical Area Level 2s (SA2s) of Armidale Region – South and Walcha both recorded unemployment rates of 2.7 per cent, while the SA2 of Tamworth – West recorded an unemployment rate of 11.5 per cent.

Data for SA2s are sourced from the National Skills Commission, *Small Area Labour Markets*, March quarter 2020, smoothed estimates. Labour market data at the regional level can display significant variability and should be viewed with caution.

## Participation Rate

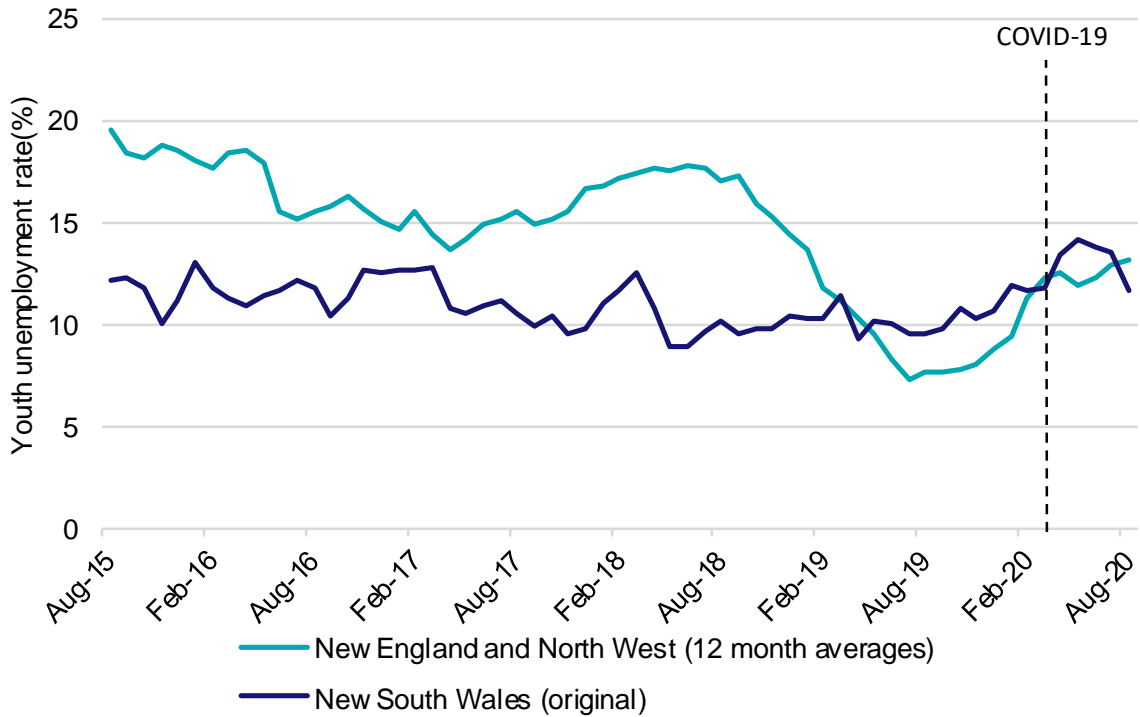
- The participation rate in the region increased by 3.3 percentage points between March and August 2020 to stand at 63.3 per cent, which is slightly below the 65.2 per cent recorded for New South Wales.
- The share of the adult population aged 55 and over in the region is high for the state, at 48.4 per cent, compared with 34.7 per cent for New South Wales and 34.4 per cent recorded nationally.

## Young People

- The youth unemployment rate in the New England and North West region was 13.1 per cent in August 2020, above the 11.7 per cent recorded for New South Wales.
- The youth unemployment rate has increased by 0.9 percentage points since March 2020.

- New England and North West has the fourth highest rate of youth disengagement of New South Wales Employment Regions.
- At the 2016 Census, 18.9 per cent of 18-24 year old's in the region were not in work or training, versus 12.4 per cent in New South Wales and 13.2 per cent in Australia

**Youth unemployment (five years to August 2020)**

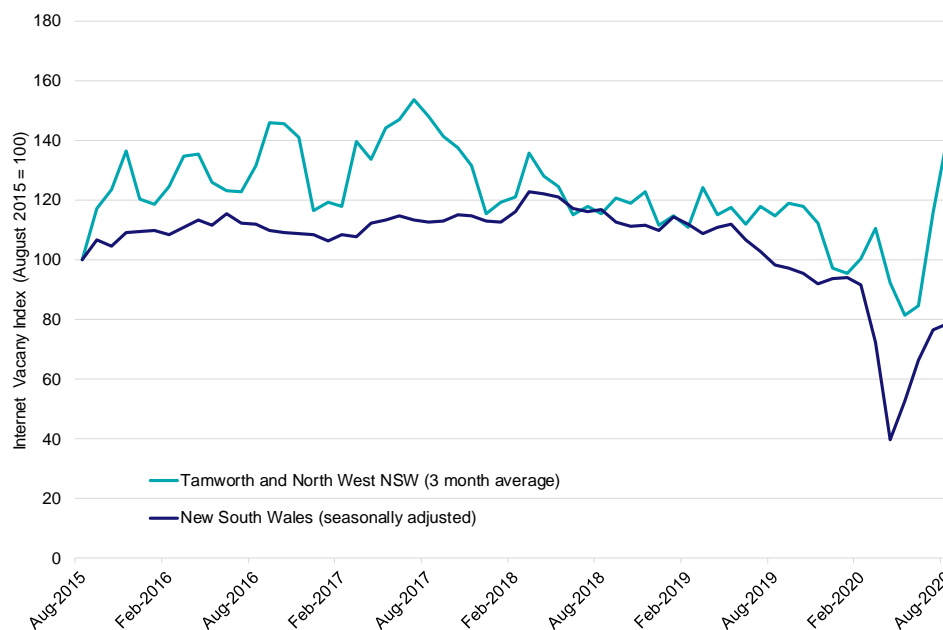


Source: ABS, Labour Force, Australia, Detailed, August 2020

## Vacancies and job advertisements

- The level of vacancies in the Internet Vacancy Index Tamworth and North West NSW region declined by 26.4 per cent over the two months to May 2020, before increasing again to August 2020 (up by 74.4 per cent from the lowest point).
- With this recent increase, vacancies in the region are 41.3 per cent above pre-COVID levels (February 2020).
- Note, due to the low numbers of vacancies in the Tamworth and North West NSW region, the data can exhibit significant fluctuation.

### Online job advertisement time series (five years to August 2020)



Source: National Skills Commission, Internet Vacancy Index, August 2020. Data for Tamworth and North West NSW is a three-month moving average, and data for New South Wales is seasonally adjusted; both have been indexed to August 2015.

### Top 10 advertised occupations (August 2020)

ANZSCO Occupation
Sales Assistants (General)
General Clerks
Registered Nurses
Welfare, Recreation and Community Arts Workers
Other Miscellaneous Labourers
Motor Mechanics
Commercial Cleaners
Aged and Disabled Carers
Truck Drivers
Child Carers

Source: National Skills Commission, Internet Vacancy Index, August 2020. Raw data are used for analysis. Note: the Tamworth and North West NSW region is the best fit from the regions available from the contributing job boards and does not precisely correspond to the New England and North West Employment Region.

Skilled migrants have contributed significantly to the region's hospitality sector labour needs, in occupations such as cooks and chefs. Many of these workers had to leave the region when the

COVID-19 lockdown occurred. As restrictions ease and hospitality businesses attempt to regrow, the skilled labour shortage is a barrier.

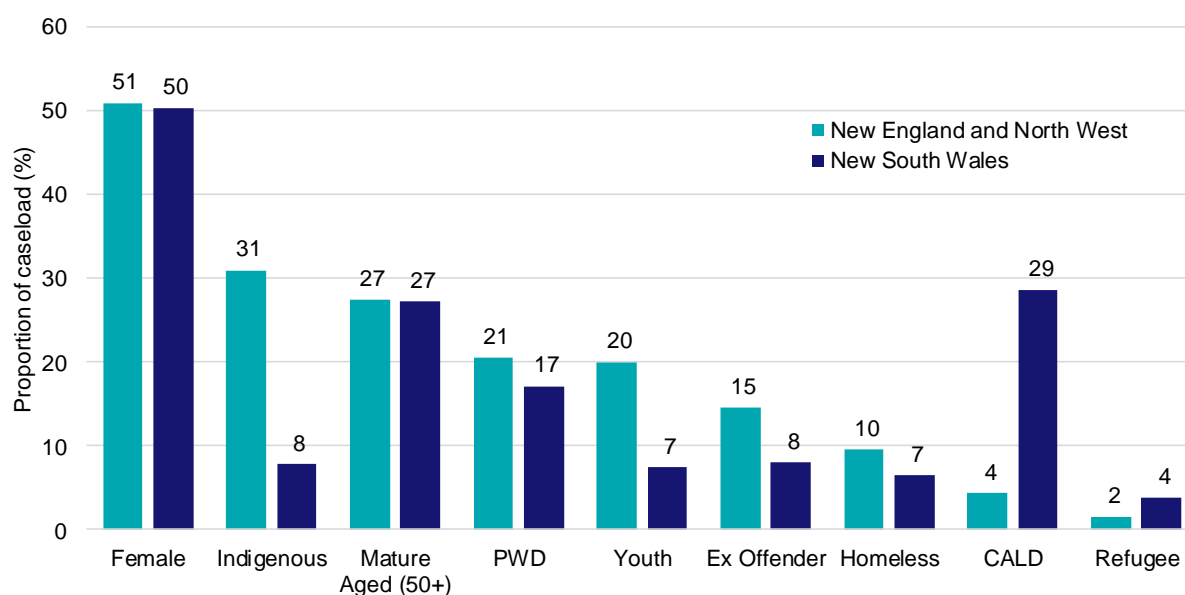
It should also be noted that there are many jobs available that do not get advertised because the employers have recruitment fatigue. Metal trades, such as fabricators, welders, boiler makers and fitters are regularly needed by close to a dozen employers in the region and they are not constantly advertising.

## Employment services caseload characteristics

As at 31 August 2020,

- The caseload in the New England and North West Employment Region increased from 8,361 people in March 2020 to 12,314 in August 2020, a rise of 47 per cent.
- This compares with an increase of 142 per cent for New South Wales and 93 per cent for Australia.
- The caseload in the region has substantially higher proportions of Indigenous Australians, youth and ex-offenders, compared with New South Wales.
- The New England and North West Employment Region also has a lower proportion of culturally and linguistically diverse (CALD) people compared with New South Wales.

### Employment services caseload for selected cohorts (August 2020)



Source: Department of Education, Skills and Employment, administrative data, August 2020.

PWD = Persons with disability. CALD = Culturally and Linguistically Diverse.

## Income Support

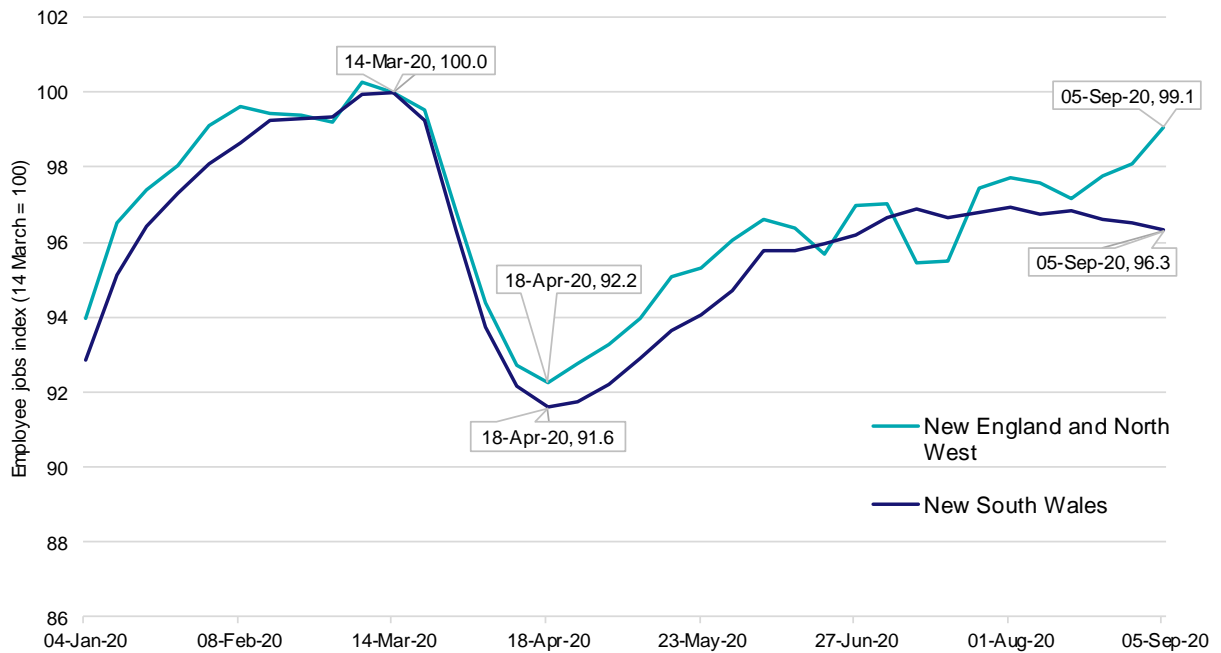
In August 2020, the proportion of the working age (15-64 years) population on income support in New England and North West stood at 25.5 per cent, one of the highest rates of all Employment Regions, and well above the 15.3 per cent recorded in New South Wales and the 16.3 per cent recorded nationally.

## ABS weekly payroll data

The ABS weekly payroll data show that between 14 March 2020 and 5 September 2020:

- The number of employee jobs in the New England and North West SA4 fell by 1.0 per cent, compared with a 3.7 per cent decline for New South Wales
- There has been some improvement over the four weeks to 5 September, with employee jobs in the region increasing by 1.5 per cent, compared with a 0.5 per cent decline for the State

### Employee jobs 4 January to 5 September (14 March 2020 = 100)



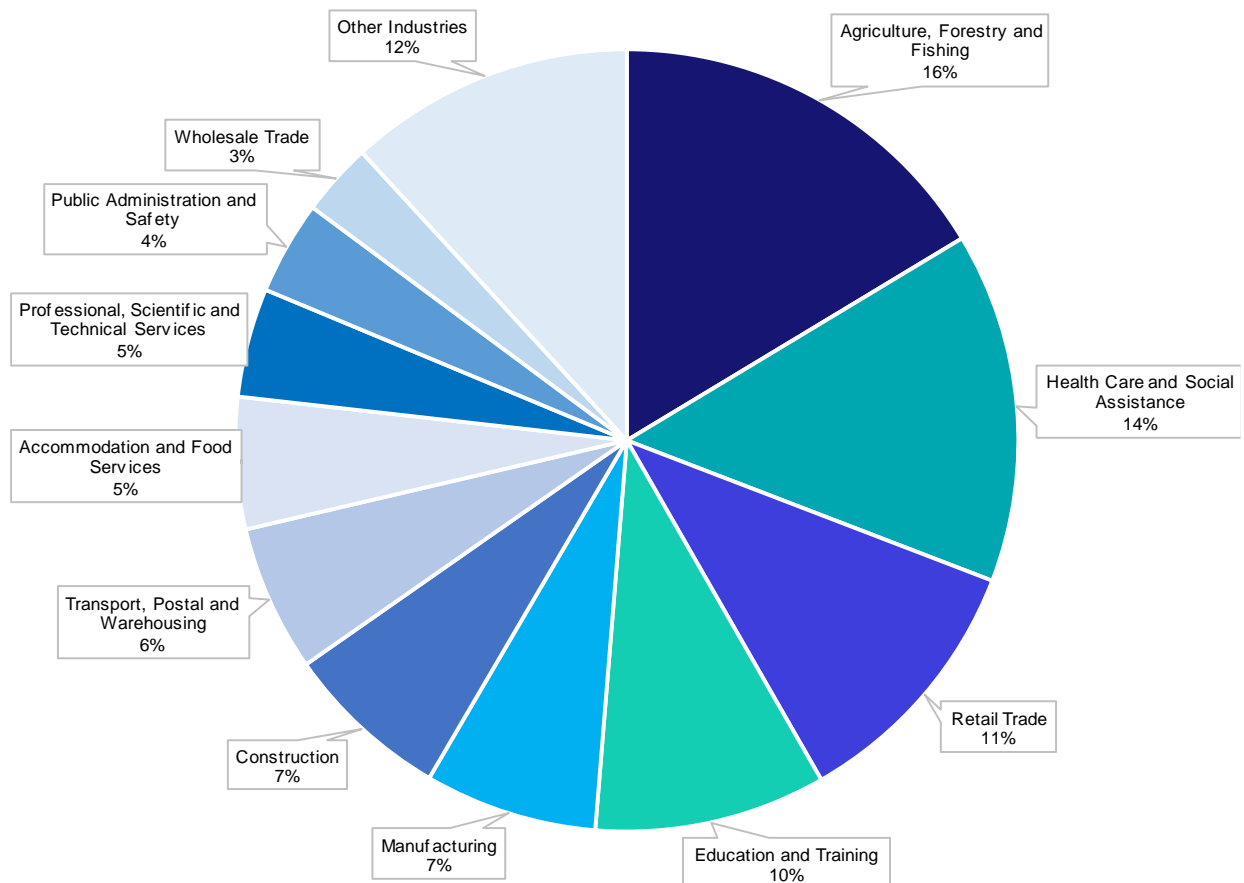
Source: ABS, Weekly Payroll Jobs and Wages, Week ending 5 September 2020

## Industry profile

As at August 2020, the largest employing industries in New England and North West were Agriculture, Forestry and Fishing; Health Care and Social Assistance; and Retail Trade. Education and Training was also a large industry, with an employment share of 10 per cent.

Regional industry employment data is in four quarter averaged terms, which means it is not responsive enough to pick up the impact of COVID-19. This section is intended to present the more medium-term trends in industry employment for the region.

### Share of employment by industry in New England and North West, August quarter 2020



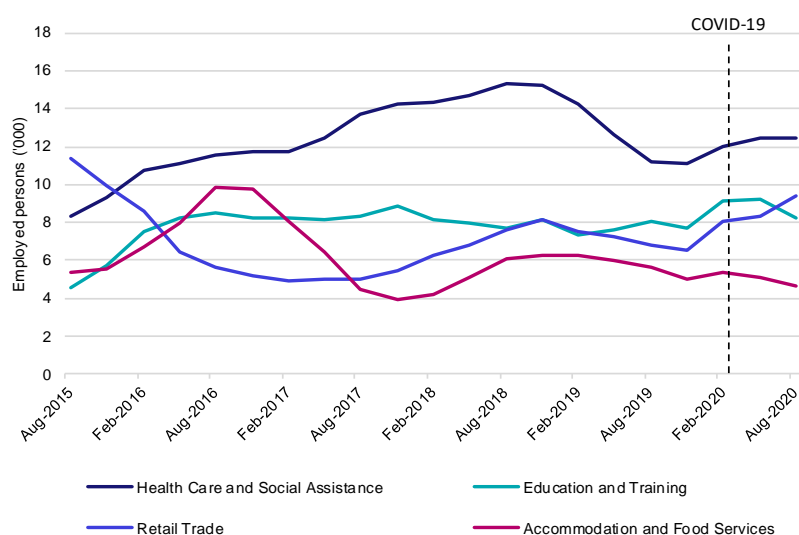
Source: ABS Labour Force, Australia, Detailed, August 2020. "Other industries" includes: Other Services; Mining; Administrative and Support Services; Financial and Insurance Services; Information Media and Telecommunications; Electricity, Gas, Water and Waste Services; Arts and Recreation Services; and Rental, Hiring and Real Estate Services.

## Employment trends (for selected industries)

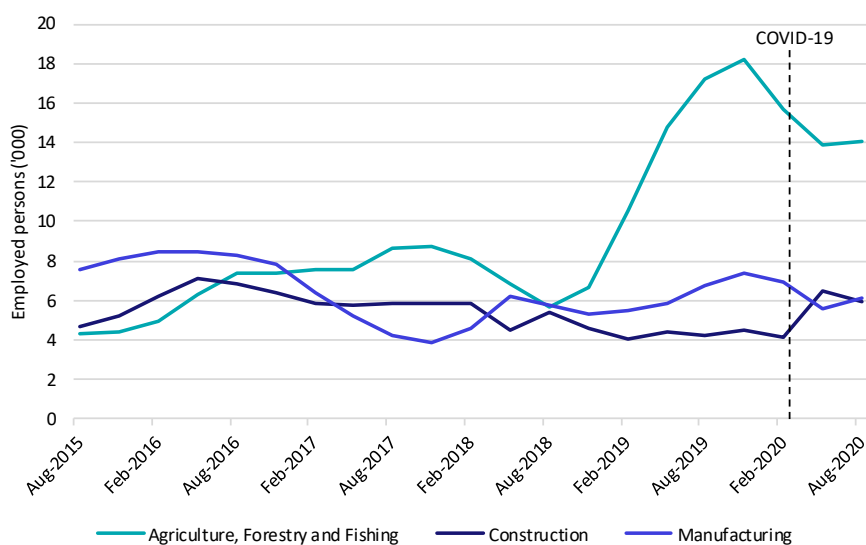
Although COVID-19 has affected some industries more than others, it is important to consider longer term employment trends to understand where current and emerging opportunities may be in this region. In recent years, employment in New England and North West:

- increased significantly in Agriculture, Forestry and Fishing, despite recording a fall between November 2019 and May 2020
- increased in Health Care and Social Assistance, despite recording a fall in the year to November 2019
- decreased in Manufacturing, however, employment in this industry has grown from a low point in November 2017
- increased in Retail Trade since the beginning of the COVID-19 pandemic, although remains down from levels recorded in August 2015.

### Employed persons in select 'services' industries, five years to August 2020 ('000)



### Employed persons in select 'producing' industries, five years to August 2020 ('000)



Source: ABS Labour Force, Australia, Detailed, August 2020

**Notes on the data**

It is important to note that unemployment statistics collected as part of the Labour Force Survey can vary considerably from income support statistics and jobactive caseload numbers.

A person is considered employed by the ABS if they are aged 15 years and over and work for an hour or more during the Labour Force Survey reference week. The ABS also classify someone as employed if they have taken any kind of leave or were paid for some or all of the previous four weeks (including via the JobKeeper Payment).

In addition, employees who were away from their jobs for less than four weeks without pay but still believed they had a job (i.e. were temporarily stood down) would also be classified as employed. A person is considered unemployed by the ABS if they are not employed, have actively looked for work at some time in the last four weeks and are currently available for work.