

FUTURE WORKFORCE

MELBOURNE'S NORTH FINDINGS
NORTHERN MELBOURNE SCHOOL INDUSTRY
ROUNDTABLE

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Networking for Economic Development

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Partners



Background

Project commenced mid-2021, Northern Metropolitan Partnership funding:

- 7 Industry Roundtables – 250 people
- 35+ organisational/individual consultations

The report provides an **evidence base** for understanding the internal and external changes which will affect **industry, skills and employment in the short to long term future** in the nominated industry sectors.

2 reports; a Strategic Summary and comprehensive Evidence Report

<https://northlink.org.au/future-workforce-2022/>

Key Findings – COVID-19 Impact

1. The COVID-19 economic impact was more severe in Melbourne's North than other regions, with lower skilled and casual workers hardest hit – City of Hume had an unemployment rate of over 14 per cent in mid-2021
2. Residual impact on Melbourne's Inner North due to unemployment of tourism, hospitality and creative professionals and the permanent loss of employees of these industries in some cases
3. The pandemic reinforced existing disadvantage, with those required to work and/or study from home often lacking the technology or the space to do so effectively
4. Many students relying on work placements couldn't finish them due to lockdowns, or students chose to not take up highly practical courses.
5. High levels of disengagement reported - concerted action on the skills and employment front is required to avoid a "lost generation" of for some study and employment groups and cohorts

Key Findings – COVID Recovery

1. Transport or its absence is a major issue for some young people seeking work
2. A lack of higher tech jobs in Melbourne's North, leads those with such skills to travel outside the region to work.
3. Melbourne's North has less jobs than workers living within the region. This outflow of workers is forecast to continue. For the gap between local jobs and resident workers to be closed, a further 182,000 local jobs would be required by 2031.
4. Immigration at historically low levels has been the best time for an out-of-work local resident to find a meaningful role, this is likely to change with new immigration and returning international students.
5. Developers are planning for increased office space and co-working space in suburban commercial developments so white-collar workers can work closer to home

Hours worked by Industry

How does your area compare with Australia's average?

**Table 1.12 Hours worked, by industry – Melbourne's North and selected comparison regions, 2019
(as a percentage of total hours worked)**

Industry	Melbourne						Sydney		Australia
	Melb's N	Outer N	Inner N	Outer SE	Outer W	Central	Mid W	Outer SW	
Agriculture and food	3.4	4.2	2.2	4.1	4.1	1.1	3.1	2.3	5.2
Mining	0.1	0.1	0.1	0.1	0.1	0.6	0.2	0.1	2.3
Non-food manufacture	10.5	13.2	7.8	14.8	9.4	2.0	14.7	13.2	5.9
Logistics	9.1	11.9	5.3	9.3	12.0	4.1	11.3	9.1	5.7
Office services	12.1	10.3	16.2	10.3	8.9	40.9	9.2	12.3	20.4
Money services	2.4	2.1	3.0	3.3	2.4	13.6	3.2	3.1	5.7
Visitor services	7.6	6.3	9.7	6.3	6.2	9.3	6.9	7.9	8.8
Distribution	19.7	19.6	18.9	21.6	26.3	8.8	22.0	19.9	15.7
Construction	12.1	13.2	9.3	13.3	13.2	7.0	11.3	12.1	10.7
Area services	22.9	19.1	27.5	16.9	17.5	12.5	17.9	19.9	19.6

Source: NIEIR.

Growth of Industry

How does your area compare with Melbourne's north average?

Table 1.11 Rate of growth of employment by industry, 2009-2019 – Melbourne's North LGAs (per cent a year)

Industry	Melb's North	Banyule	Darebin	Hume	Mitchell	Moreland	Nillumbik	Whittlesea
Agriculture	0.2	-	-	2.9	-0.5	-	-0.9	0.8
Mining	-1.0	-	-	-	-	-	-	-
Manufacture	0.2	-2.5	-1.8	1.1	-2.0	-2.6	-2.3	0.6
Construction	3.9	0.2	-0.2	5.1	8.4	1.1	1.7	4.0
Logistics	3.4	-2.5	-1.0	2.0	1.1	-1.9	-2.6	4.0
Distribution	2.5	0.0	1.2	4.2	0.5	1.7	-0.7	5.5
Visitor services	2.6	1.1	2.6	3.8	1.8	4.2	1.9	5.2
Office services	3.0	1.1	2.4	3.9	1.0	2.8	0.8	5.2
Money services	2.5	-1.8	2.0	1.8	1.8	-0.9	-0.6	5.9
Area services	4.7	2.2	3.9	5.3	1.9	4.5	1.8	6.1
TOTAL	2.9	0.9	1.5	3.3	1.7	2.0	0.8	4.4

Source: NIEIR.

Key Findings – where the jobs are

- In 2019 the region provided enough jobs to employ only 70 per cent of its resident workers. Of course, many of these jobs are filled by people out of the area - **regionally we need to build many more jobs.**
- For Melbourne's North, **the fastest growth in business registration** in 2020 occurred in **Transport, Postal and Warehousing** (1,209 new businesses); **Construction** (521 new businesses) and **Professional, Scientific and Technical areas Services.**
- Health and community services is the largest employing sector with over 58,000 workers and will continue to grow as our population ages.
- Manufacturing still provides many direct and indirect jobs with high investment coming from government and private sector to boost manufacturing sovereign capability and attractiveness to younger generations. Growth in food and beverage manufacturing has offset the decline in motor vehicle manufacture.

Table 1.10 Employment by ANZSIC industry division as a percentage of total employment, place-of-work basis – Melbourne’s North LGAs, 2019

Industry	Melb’s North	Banyule	Darebin	Hume	Mitchell	Moreland	Nillumbik	Whittlesea
Agriculture, Forestry and Fishing	0.6	0.1	0.2	0.5	4.5	0.1	1.1	1.1
Mining	0.2	0.1	0.3	0.1	1.3	0.0	0.0	0.2
Manufacturing	✓ 12.7	6.0	10.2	19.2	5.1	9.9	3.4	13.3
Electricity, Gas, Water and Waste Services	0.9	0.3	0.5	1.5	0.8	0.4	0.5	1.3
Construction	✓ 11.2	8.3	7.7	12.8	14.5	9.5	16.1	13.0
Wholesale Trade	3.8	1.9	4.5	4.1	1.4	3.7	1.4	5.0
Retail Trade	✓ 10.4	9.7	13.0	7.8	11.5	10.9	10.6	12.9
Accommodation and Food Services	5.7	5.3	6.5	4.7	8.6	6.8	8.2	5.2
Transport, Postal and Warehousing	9.4	2.0	3.7	21.1	4.1	4.0	2.4	5.2
Information Media and Telecommunications	0.8	0.7	1.2	0.6	0.3	1.3	0.8	0.7
Financial and Insurance Services	1.1	1.2	1.7	0.7	1.0	1.1	1.4	1.3
Rental, Hiring and Real Estate Services	1.1	1.2	1.5	1.0	1.1	1.1	1.5	1.1
Professional, Scientific and Technical Services	4.1	6.3	5.8	2.0	3.3	5.7	7.9	3.2
Administrative and Support Services	3.0	2.8	3.1	3.2	2.7	2.6	3.2	3.0
Public Administration and Safety	5.1	5.3	5.8	4.9	12.9	5.4	4.1	3.4
Education and Training	9.1	10.1	13.7	5.4	10.1	10.3	13.5	9.2
Health Care and Social Assistance	✓ 14.3	32.5	13.5	5.8	11.8	18.5	13.3	15.3
Arts and Recreation Services	1.6	1.7	2.0	0.9	1.8	2.5	4.4	1.3
Other Services	4.6	4.6	5.3	3.5	3.3	6.4	6.4	4.3

Manufacturing

- Hume
- Whittlesea

Construction

- Nillumbik
- Whittlesea
- Mitchell
- Hume

Transport, Postal and Warehousing (logistics)

- Hume

Professional, Scientific and Technical Services

- Nillumbik
- Darebin
- Banyule
- Moreland

Health Care and Social Assistance

- Banyule – Massive growth
- Moreland
- Whittlesea

Australia's skill requirements

- the skills of workers and individuals in the region need to be more closely aligned to the needs of the labour market
- importance of linking skills development through education and training with industry clusters
- the gender differences in skills held in the economy continue to be striking
- in the early stages of employment, the majority of employers consider employability skills to be as important, if not more important, than technical skills.
- an ongoing shift towards services
- over the 20 year period before the impact of COVID-19, employment in STEM occupations grew by 85 per cent, more than twice the rate of non-STEM occupations, which grew at 40 per cent over the period
- a shift to higher skilled jobs and hence the importance of further education and training
- the resilience of non-routine and cognitive jobs in the face of automation; and
- the opportunities and new jobs being created by technology. Information and communication technologies (digital and data) and the Internet are key drivers of innovation, growth and labour productivity adaptability, flexibility and lifelong learning are three critically important components of skills formation

Solutions:

Training & Skilling

- Encourage student placement programs at secondary and tertiary level to provide students with the opportunity to build workplace soft skills before they graduate and thus improve their chances of employment
- Double down on career education at secondary level to provide students with a line of sight on where the jobs are
- Encourage vocational mentoring programs so that younger people have better sources of advice about career and employment – those who are disadvantaged have fewer networks
- More industry-specific, tailored targeted employment programs targeted at disadvantaged groups finding it harder to get traction in the workforce.
- Encourage entrepreneurialism programs to support those who wish to take the self-employed path

The Future:

Health and Social Assistance: High cluster strength benefit

Melbourne's North will continue to have a large resident workforce employed in Health and Social Assistance and will reach over 100,000 workers by 2031. This industry accounts for 14.4 of resident workers in 2021 and increases to 16.4 per cent by 2031.

Jobs growth by sector over next ten years

- Health and Social Assistance will require an additional 21,100 trained health care workers;
- Whilst only expecting slow growth of 0.2%, Manufacturing employs almost as many people as Health Care and provides over 12% of all jobs employment. Technology is key to growth in this area.
- Professional, Scientific and Technical Services will require an additional 10,395 workers;
- Transport, Postal and Warehousing will require an additional 8,138 workers;
- Public Administration and Safety will require an additional 7,783 workers; and
- Education and Training will require an additional 7,014 workers.

Chapter 15: Industry and occupation forecasts by Local Government Area

- Hume and Whittlesea will remain the largest LGA economies within Melbourne's North over the next ten years. These two LGAs will add the most jobs to the region.
- The resident workforce is much larger than place-of-work employment within each LGA with the exception of Hume (C), which will continue to have more jobs than local workers.
- The inner northern regions of Banyule (C), Darebin (C) and Moreland (C) will each continue to have significantly more resident workers than local jobs given better access to employment opportunities within the CBD and surrounding areas of Melbourne.
- Banyule (C) and Whittlesea (C) will both benefit from a strong demand for health care workers. In addition, there is expected to be significant growth in health jobs within Hume (C).
- The Construction industry within most regions will be steady or in decline over the next ten years. Mitchell (S) and Nillumbik (S) will fair slightly better than other regions in terms of growth, but will still retain relatively small workforces compared to larger regions.
- Professional occupations within Melbourne's North are expected to grow by 27,977 jobs by 2031 with Banyule (C), Hume (C) and Whittlesea (C) having the largest workforces.
- Technicians and Trades will grow by only 3,286 new jobs out to 2031 with the most scope for new growth in Whittlesea (C), Mitchell (S) and Nillumbik (S).

Further information

Questions and contact

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The Future Workforce Report
<https://northlink.org.au/future-workforce-2022/>

