

Whole of Government Response to the Recommendations of the Parliamentary Inquiry into Retaining Young People in Rural Towns and Communities, conducted by the Rural and Regional Services and Development Committee of Parliament.

APRIL 2007

Whole of GOVERNMENT RESPONSE

Parliamentary Inquiry Into Retaining Young People in Rural Towns and Communities

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1. BACKGROUND TO THE INQUIRY

On 17 January 2006 the Rural and Regional Services and Development Committee of the Parliament of Victoria (the Committee) received Terms of Reference by resolution of the Legislative Assembly to inquire into retaining young people in rural towns and communities.

In undertaking the Inquiry, the Committee was asked to:

- identify and examine factors that influence young people in deciding to remain in or leave the rural community in which they reside;
- identify and examine factors that influence young people in deciding whether or not to return to the rural communities in which they have previously resided following the completion of study, travel or other fixed or short term activities in other places; and
- develop strategies and recommendations on steps that might be taken to increase the number of young people who decide to remain in or return to rural towns and communities.

In undertaking the Inquiry, the Committee interpreted:

- “young people” to mean Victorians aged between 18 and 35 years of age (approximately). The Committee also recognised the significant impacts and implications of rural migration on people below 18 and older than 35.
- the notion of “retention and return” to mean:
 - in-migration to rural areas of people from an urban background;
 - the relocation of rural youth between non-metropolitan areas of Victoria; and
 - the relocation of young people to rural areas other than where they were raised.

The Committee was asked to report to Parliament by 15 June 2006, later extended to 4 October 2006.

2. POLICY CONTEXT OF THE INQUIRY

The broad range of recommendations contained in the Committee’s Report demonstrates that the policy context of the Inquiry was interpreted broadly. As noted by the Committee:

“The nature of youth migration touches on, and is caused by, a range of factors regarding the perceptions of rural living, service delivery issues, and the overall local amenity of rural communities. Complex issues of education, employment, and transport have an impact on the extent to which rural communities are seen as viable places for young people to invest their lives”¹.

In its report the Committee made reference to a number of key Government policy statements. These include:

- **Respect**: the previous Youth Policy of the Government;
- **A Fairer Victoria**: a policy statement which aims to tackle disadvantage in Victorian communities;
- **Moving Forward in Provincial Victoria**: the Government’s investment strategy for non-metropolitan Victoria; and
- **Beyond Five Million**: the population policy of Victoria.

Future Directions

The Victorian Government’s response to the Committee’s recommendations is provided in the context of *Future Directions: An Action Agenda for Young Victorians (Future Directions)*.

¹ Inquiry into Retaining Young People in Rural Towns and Communities, September 2006, P5.

Future Directions is the Government's youth policy launched in August 2006, shortly before the release of the Committee's Report. The policy seeks to co-ordinate Government action and takes a community strengthening approach to youth policy development for all young people across the state. It contains a strong action agenda and funding commitments for programs that are now being implemented or funded to proceed over the next four years. The key themes of **Future Directions** are relevant to the Committee's suggestions for ways to retain young people in and return them to small towns and communities. The following vision for all young people in Victoria is set out in the document:

"All young Victorians have a strong sense of belonging, are motivated to create and share in opportunities, and are valued for their contributions and influence in their communities".²

Many of the recommendations in the Committee's report are resonant with the findings of the extensive consultation undertaken by the Government in 2006 to develop the **Future Directions** policy statement. Much of the Government's consultation took place in the same period the Committee was producing its report, at the conclusion of its own extensive consultation and hearing process.

The Committee's recommendations show the importance of the Government continuing to work to achieve each of the five **Future Directions** outcomes in rural and regional Victoria. **Future Directions** aims to support all Victorian communities so that more young people are:

1. **Contributing and make a difference:** Young people are valued in their communities for their contributions. Young people have opportunities, and are acknowledged and supported, to participate in meaningful ways.
2. **Achieving potential through informed life choices:** Young people are engaged with school, training or employment. They have options for staying connected to learning and are valued for their creative expression.
3. **Having resources and make connections:** Young people are resourced to build and gain access to networks in their communities. Services and resources are easier for young people to access.
4. **Managing healthy, active and diverse lives:** Young people choose healthy lives in communities that are inclusive and welcoming of their diversity.
5. **Being safe and promoting safe behaviours:** Young people feel safe in environments that matter to them and are able to negotiate decisions about their own safety.

The importance of retaining young people in rural Victoria, and of encouraging them to return, is a key principle accepted by the Government. The community context within which young people make the choice to leave, remain or return to rural towns is at the heart of this issue. The Government takes a community strengthening approach to the development of youth policy and understands that young people will be more likely to remain in and return to rural and regional Victoria if they have a sense of belonging and opportunity to participate in the communities within which they grow up. Opportunities for education, skill development and acceptance of diversity are key elements affecting young people's choice making when deciding to leave or stay in rural towns. The current drought has affected young people in rural communities with the associated structural adjustment have significant social, economic and environmental impacts.

² Future Directions: An action agenda for Young Victorians, P4.

Current Government activity

The Committee's 22 findings and 56 recommendations will provide valuable assistance to the Government in continuing to formulate policy and program responses to the needs of rural communities, including how best to retain young people.

In addition to the outcomes focus of ***Future Directions***, significant action reflecting the recommendations of the Committee is already underway. In particular, the recently released skills announcement, ***Maintaining the Advantage*** also contains a strong action agenda and funding commitments for programs which are now being implemented or are funded to proceed over the next four years.

The recent announcement of dedicated Ministerial portfolios for **Mental Health** and **Skills** underpin the importance the Government places on key issues raised by the committee.

The Government has also demonstrated its strong focus on rural and regional Victoria in the ***Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest*** and ***Beyond Five Million*** and ***A Fairer Victoria*** policy statements.

In addition, the ***Provincial Victoria Growth Fund***, the ***Regional Infrastructure Development Fund*** and the ***Small Towns Development Fund*** each assist with social and economic development in small towns and work to support communities provide options for all residents, including young people.

The work of the Department for Victorian Communities in supporting the Government's Community Strengthening agenda is closely aligned to many of the Committee's recommendations.

Community Engagement Teams have been expanded in all regions and are working in partnership with communities to build community resilience and support community capacity building projects. ***The Indicator's of Community Strength*** project will provide valuable data on the level of community strength in local areas across the state.

The Departments of Sustainability and Environment; Innovation, Industry and Regional Development ; Primary Industry and Human Services each have a strong commitment to rural and regional Victoria and provide significant skill development and employment opportunities for young people from small towns. Across Government, departments recognise that community strengthening activity needs to be tailored to individual community circumstances, planning regimes and resource allocation.

Regional Management Forums have been established in each rural region bringing together Local Government Chief Executive Officers and Regional Managers of State Departments and Victoria Police. Each forum is chaired by a Victorian Departmental Secretary to develop proposals for addressing priority issues in each region that involve integrated planning and service delivery.

The Government congratulates the Committee for undertaking a thorough approach to assessing issues around retaining young people in rural towns and looks forward to working to progressing the Committee's findings.

The following section provides the Government's specific response to each of the Committee's 56 recommendations. Subject to the normal budget process and resource allocation mechanisms of the Government, 39 of the Committee's recommendations are supported and 17 are supported in part.

3. GOVERNMENT RESPONSE

The Government welcomes the opportunity to consider and respond to the recommendations made by the Parliamentary Inquiry. Detailed responses to each recommendation are set out below.

Recommendation 1: That the State Government work collaboratively with Federal and Local Governments to develop a comprehensive, long-term rural population and development policy for Victoria in order to facilitate rural business development and growth to deliver employment opportunities for people in their home communities.

Recommendation 2: That the State Government expands the role of the Provincial Living initiative to further promote a positive image of rural Victoria, and highlight the employment and lifestyle opportunities that are available in rural areas.

Recommendation 3: That the State Government provides financial assistance and technical support to rural Local Governments for the purpose of encouraging economic development and employment. This should be co-ordinated with current State Government initiatives to promote provincial Victoria.

These recommendations are supported.

The Government works closely with Local Government in the development of population and growth policies for rural and regional Victoria.

Comprehensive policies, such as *Moving Forward: Making Provincial Victoria the best place to Live, Work and Invest* and *Beyond Five Million: The Government's Population Policy* have already been adopted by Government to facilitate business development and improve employment opportunities.

These policies have produced programs that support rural business development and growth. They include the *Provincial Victoria Growth Fund* and the *Regional Infrastructure Development Fund*.

There are a range of programs that promote business and employment opportunities in regional Victoria. These include the *Provincial Economic Partnerships Program*, the *Regional Innovation Clusters Program*, the *Community Regional Industry Skills Program (CRISP)* and the *Regional Business Investment Ready Program*. The Business component of the CRISP is administered by Regional Development Victoria (RDV). CRISP has played a strong role in building skills capabilities in regional areas and has attracted strong support from regional businesses and Local Government. As a result of the success of the program \$5.5 million from the *Provincial Victoria Growth Fund* is being invested to extend CRISP Business and expand into new areas, including:

- support to businesses to enhance business skills, including marketing and promotion, managing change, and training as an aid to investment support; and
- one off grants to Local Government, businesses and community groups to help attract workers to meet specific skills shortages or fill specific positions.

The Government has also been working closely with Local Government during the development of policies and programs for provincial Victoria. The Municipal Association of Victoria (MAV) has a key delivery role in the Government's *Small Towns Program*. Support is also provided to Local Government to manage growth and plan for the future through the *Provincial Living* initiative.

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The Government also works closely with representatives from the Commonwealth Government and other State, Territory and Local Governments through the Regional Development Council (RDC) announced by the Council of Australian Governments (COAG) in 2001. The RDC is comprised of Commonwealth, State and Territory Ministers responsible for regional development in their jurisdiction, as well as the President of the Australian Local Government Association. The aim of the RDC is to facilitate more effective cooperation across all spheres of government in order to achieve sustainable economic, social and environmental outcomes for regional Australians.

The Government announced in the *Moving Forward* policy statement the extension of *the Make it Happen in Provincial Victoria* campaign. This initiative provides \$12 million for promoting provincial Victoria and encouraging people to move there to live, work or start a business.

The campaign includes:

- a website, TV and radio advertisements;
- marketing activities by local councils;
- a new *Investing in Provincial Victoria* campaign to showcase successful regional businesses to the rest of the state; and
- a *Provincial Victoria Sponsorship* program that provides sponsorship for key regional events that will drive economic growth and development and contribute to local business growth.

Through Employment Programs within the Department for Victorian Communities, the Government works in partnership with Local Government in regional Victoria to promote economic development and employment by helping to address regional skills shortages. The *Workforce Participation Partnerships* (WPP) program provides funding to local and regional partnerships to assist jobseekers facing barriers to employment find sustainable employment in industries experiencing skills and labour shortages. As at December 2006, just under 50 per cent of the partnerships created have been in rural and regional Victoria.

Additionally, the aim of the *Regional Migration Incentive Fund* (RMIF) is to assist eleven targeted regions attract and retain skilled migrants and help meet identified skills shortages by matching skilled migrants with job opportunities in rural and regional Victoria. Both the WPP and the RMIF programs are delivered in consultation with Regional Development Victoria (RDV) and have links with the RDV *Make it Happen in Provincial Victoria* campaign.

In 2006 - 07, the Department of Human Services (DHS) funded a new initiative *Region of Choice* (RoC). RoC is an allied health recruitment and retention service that has been set up in each of DHS's five regional areas (Hume, Barwon South-Western, Gippsland, Grampians and Loddon-Mallee). RoC aims to build capacity within regional Victorian by enhancing the recruitment and retention of allied health professionals. The program promotes existing employment opportunities and enables the direct recruitment of allied health professionals to specific job openings. The program has been developed in consultation with the Department for Victorian Communities, including the *Regional Migration Incentive Fund*.

DHS is currently investigating opportunities to expand the service to include the medical and nursing workforces.

Recommendation 4: That the State Government makes funding available to support existing rural and regional mentoring programs where available and new programs where not available in order to develop the “real life” skills of young people.

Recommendation 5: That the State Government develops a program, in conjunction with local government and other community organisations, to develop the leadership skills of rural young people. These should be linked to programs which aim to achieve representation.

These recommendations are supported.

The Government accepts this recommendation and is investing in rural mentoring, leadership development and youth representation. The development of “real life” skills is a key component of this work. Local Government is a key partner in much of this work.

The Government commitment of \$2.9 million over three years to the *Mentoring and Capacity Building Initiative* (MCBI) has supported mentoring programs for young people disengaged from education, training or employment. The program has a significant rural component and is being delivered in Mildura Shire, Strathbogie Shire, and in Ballarat across the Grampians Region through Lead On. The Gippsland Mentoring Alliance is funded to develop a rural regional mentoring network which is providing valuable information about how this initiative is working in rural locations. The Gunditjmarra Aboriginal Co-operative is delivering a program for Indigenous young people in the Warrnambool area, which will inform the future development of mentoring in rural areas.

In 2006 - 07, the Department of Human Services (DHS) implemented *Mentoring Works*, a mentoring program for rural and remote allied health professionals to support new graduates in rural Victoria in the first two years of their career. The aim of the program is to improve the recruitment and retention of allied health professionals in rural areas by meeting the individual needs of graduates. The program focuses on a broad and holistic approach to personal and career development that goes beyond clinical skill development.

The Government announced the continuation of the *Advance* program in the 2006-07 State budget with funding of \$6 million over four years. The *Advance* program is currently delivered in 385 schools, 48 per cent of which are in rural Victoria. Leadership development is a key component of the program. Last year 1,400 local partnerships with over 800 community organisations were established to support “real life” skill development projects and volunteering activities led by young people.

The *FreeZA* program assists young people from across the State develop organisational and leadership skills through organising musical events. Forty four *FreeZA* projects were funded in rural and regional Victoria in 2006.

A commitment of \$4.5 million over four years has been made to a new initiative, *Youth Foundations Victoria*. The initiative is a partnership between State and Local Government, community and the Community Enterprise Foundation of the Bendigo Bank that will allow young people in disadvantaged communities operate to drive local social and community development activities. Fifteen *Youth Foundations Victoria* projects are being developed over the next four years.

The Government funds the Youth Affairs Council of Victoria (YACVIC) which is the peak body and leading policy advocate on young people’s issues in Victoria. To hear the voice of young people and achieve youth representation the Government has committed to establishing an advisory mechanism to the Minister with responsibility for Youth Affairs, *Young People Direct*. The process to develop the advisory group of young people will commence in 2007.

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The 2006-07 State budget committed \$2 million over five years to the *Provincial Leaders* program.

This initiative will ensure that young people will benefit from opportunities to build effective leadership skills in a new *Provincial Leaders* program that will provide funds for leadership projects. These projects will build on regional specialisation and activities that promote leadership training, networks, skills, and resource and knowledge sharing.

The Government also funds the Victorian Indigenous Leadership Strategy which targets young Indigenous people and facilitates the development of skills and competencies. This adds to the capacity of individuals and groups to participate in civic life and contribute to the cultural strength and sustainability of their local communities and organisations. The Strategy currently supports seven locally-based leadership projects funded for two years including projects in Ballarat, Shepparton, Gippsland and Heywood.

Recommendation 6: That the State Government provides financial assistance for Local Government or relevant community organisations to implement mechanisms to maintain contact with young people who have left a rural area.

This recommendation is supported in part.

The Government agrees that it is important for Local Government to facilitate ongoing contact with young people and their community of origin, however provision of specific additional financial assistance is not supported at this stage. Strong communities are the best mechanism for young people to remain connected to rural towns. The Government already works in partnership with Local Government to develop strong and cohesive communities in which young people will have a sense of belonging and participation that will ensure their ongoing connection to the community.

The Government's internet based initiative for young people, *youthcentral*, provides locally based service information and participation opportunities to young people in rural and regional communities across Victoria.

In partnership with key local organisations and Local Government, this place-based model is being enhanced to enable more young people to participate in a range of web based activities and access improved local content about services, employment, training and participation opportunities in their community.

Recommendation 7: That the State Government provides funding to expand the coverage of rural and regional programs aimed to address issues of discrimination and intolerance against people on the basis of race, gender, cultural differences or sexual practice.

This recommendation is supported.

Government policy recognises that diversity is an important social and economic asset and identifies that valuing diversity is a key imperative to assist rural and regional Victorian towns prosper and grow and is investing in expanded programs which will increase coverage.

The Government recently announced increased annual funding for two peak organisations; the *Ethnic Communities Council of Victoria* which represents over 170 multicultural organisations across Victoria and the *Centre for Multicultural Youth Issues* (CMYI) which undertakes valuable work across the state, providing advocacy and support to communities to work against discrimination and intolerance.

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The Government has also announced:

- an additional \$2 million over two years to support community harmony initiatives. One of the initiatives identified is a *Multifaith Multicultural Youth Network* that will strengthen youth participation, leadership and community linkages for newly arrived migrants throughout Victoria; and
- an additional \$1 million per annum towards the Victorian Multicultural Commission's *Community Grants Program* which provides support to culturally and linguistically diverse community organisations and projects, including support for regional organisations and youth related projects.

In July 2006 the Government held a *Multifaith Multicultural Youth Forum* to promote ongoing dialogue between young people from a range of backgrounds and beliefs to explore strategies for the future. The Forum Report, released in October 2006, outlined a number of initiatives to be progressed by the Department for Victorian Communities and the Forum partners, including:

- a multifaith, multicultural section on the *youthcentral* website including content, podcasts and digital stories to be developed by young people who attended the *Multifaith Multicultural Youth Forum*;
- exploration of avenues for young people to participate in leadership and mentoring opportunities in government, community, faith and corporate organisations and;
- a series of forums on specific topics to continue multifaith and multicultural issues relevant to young people and another *Multifaith Multicultural Youth Forum* in 2007.

Young people from rural locations will be provided with opportunities to participate in these initiatives through peak bodies, the *Regional Youth Affairs Networks* and other recognised consultative mechanisms, such as the *Multifaith Multicultural Youth Network*.

The *Equal Opportunity Commission of Victoria* continues to operate an Indigenous Program which includes a range of initiatives to identify and tackle systemic discrimination. These include the development and delivery of community education strategies to increase community awareness of protections afforded by Equal Opportunity legislation and of impacts of new legislation, including the Racial and Religious Tolerance Act 2001.

In addition, the Government has provided \$10.8M over four years through the 2006 Budget to establish new representative and community engagement arrangements for Indigenous Victorians following the Commonwealth Government decision to abolish ATSIC. The new arrangements include the development of Local Indigenous Networks in approximately 23 regional and rural communities across the state. Local Indigenous Networks will engage in community development which will forge stronger relationships between Indigenous and mainstream communities; build Indigenous leadership including support for potential youth leaders, improve employment opportunities for young Indigenous people, and build respect in the mainstream community for Indigenous culture and people.

Recommendation 8: That the State Government addresses funding for youth-oriented services in rural areas, through a model which reflects the higher cost of service delivery of youth programs in areas of low population density, with a view to ensuring continuity of service supply.

This recommendation is supported in part.

Many government programs are already weighted for rural and regional disadvantage or include adjustments for rural isolation in their targets. For example, the *Youth Participation and Access* (YPA) program includes rurally isolated young people among its target groups. The program helps young Victorians aged 12 to 25 years who face barriers to participation in community life. It increases their access to and participation in social, learning and cultural opportunities in the community, and helps them manage issues in the transition to adulthood, such as social isolation and family conflict. YPA achieves state-wide coverage, with funding directed to 48 regional program providers. Outreach models of service delivery are also used in many rural locations to overcome isolation and cover areas of low population density.

Recommendation 9: That the State Government, through the Department for Victorian Communities and relevant stakeholder groups, provides material and professional assistance for the development of community planning processes in rural towns.

Recommendation 10: That the State Government assists Local Governments areas to develop municipal young persons plans to guide provision of State Government grants for young people.

These recommendations are supported in part.

The Government supports the involvement of young people in Local Government planning. It is a Local Government responsibility to determine how that involvement is achieved. The *Future Directions* policy statement foreshadowed that the Office for Youth will be working in partnership with the Municipal Association of Victoria (MAV) to support the implementation of the *Local Government Youth Charter* to develop and expand Local Government engagement of young people in decision making and planning at the local level. This work will focus strongly on rural Local Government.

The Government works collaboratively with Local Government; however the allocation of State funds is determined by a range of factors including regional and national distribution and service delivery arrangements. Local Government planning and resource contributions are taken into account in planning by State departments in allocating resources.

The Department for Victorian Communities (DVC) is currently supporting Local Government to improve their planning capability, including funding to councils for data collection and community participation in planning processes under the *Local Area Planning Support* program. Improved data analysis will assist Local Government to engage their communities in decision making that affects the local area. These Guidelines were released in January 2006 and grants are currently being distributed to Local Government.

Furthermore, coordination of local and state government activity and information occurs in each of the eight administrative regions in Victoria through *Regional Management Forums* on which all relevant Local Government Areas are represented.

DVC, through Local Government Victoria, is also developing a *Victorian State-Local Government Agreement* to enact the principles in the national *Inter-Governmental Agreement Establishing Principles to Guide Inter-Governmental Relations on Local Government Matters*. This Agreement was signed by all State and Territory and Commonwealth Ministers for Local Government and the

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Australian Local Government Association in April 2006. The Victorian agreement will promote coordinated approaches to community needs and establish guidelines for communication and consultation between State and Local Government. There are existing agreements between State Departments and Local Governments, such as Victoria's *Local Sustainability Accord* which will in the future seek to incorporate better community engagement tools and approaches. *The Municipal Association of Victoria and the Department of Human Services Partnerships Protocols* also acknowledge community consultation as an area of mutual interest.

Recommendation 11: That the State Government continue to pursue the development of a national rural mental health strategy through the Council of Australian Governments as a matter of priority.

This recommendation is supported in part.

The Government has played a leading role in the national Council of Australian Government Reform process. The mental health needs of young people across Victoria, including those in rural towns and communities, figure prominently in key action plans. These include the Department of Human Services publications *Next Steps: Victoria's suicide prevention forward action plan 2006* and the *Planning framework for public rural mental health services: A framework to guide the enhancement of public rural mental health services over the next five years (2006)*. A key achievement to date is the establishment of a *Youth Early Psychosis Service* in every rural region of the State. Through its Inter-Departmental Committee on Mental Health, the Government will continue to strengthen services and support networks to assist young people in rural towns and communities in accordance with the national Council of Australian Governments (COAG) reform agenda.

Victoria will continue to support a national approach to mental health through COAG. The further development of mental health programs needs to recognise the diversity of rural communities and develop models of service provision that are responsive to local need. Victoria will continue to work towards a more targeted and integrated approach at the local level as part of the COAG reform agenda for mental health.

Recommendation 12: That the State Government systematically increase regional development initiatives in the following areas: Health service hubs; Mental health services; Rural youth workers; Childcare services; Transport; Education; and Youth-friendly public spaces and recreational activities.

Recommendation 13: That the State Government support the development of hubs for health and community services with the objective of enhancing service offerings, lowering the cost of provision and increasing user anonymity in order to encourage young people to access services that are appropriate to them.

These recommendations are supported in part.

These recommendations are very broad and impact across a wide range of Government policy objectives and programs which are already funding service delivery and infrastructure in rural locations.

The Government supports the co-location of services in hubs and, upon completion of infrastructure and services planning, has funded many services of this nature. Recent long term commitments such as the *Youth Transition Support* program, the *Transport Connections* projects, creation of rural *Youth Early Psychosis Services* and the expansion of services under the *Youth Homelessness Action Plan* will increase services and co-ordination in rural towns.

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The Department for Victorian Communities administers the *Victorian Community Support Grants* program which assists in local planning, community strengthening and building community infrastructure.

The *Rural Directions for a Better State of Health* policy statement is the Government's plan for sustaining a contemporary health system in rural and regional areas. The strategy is based on the provision of high quality and appropriate health services in the best setting, as close as possible to where people live. As outlined in the policy a contemporary health system for rural Victoria is one where services are integrated and focused on the needs of patients and families. As one strategy to support this, future service planning is being undertaken on an area basis, involving all care providers and looking at opportunities to integrate or co-locate health services where possible.

Co-located services will provide a health focal point in the community, a critical mass of health services and professionals and enhanced continuity of care. Co-locations could bring together two or more providers or similar service components such as ambulatory services onto a shared site.

Recommendation 14: That the State Government continue its commitment to improving public transport services and service interconnectivity in rural areas so that young people can access education, training and leisure opportunities.

Recommendation 15: That the State Government, in conjunction with relevant Local Governments, investigate options for increased use of community transport facilities for a full range of community needs.

These recommendations are supported.

The Government acknowledges that access to public and community transport is a particularly significant issue for young people in rural Victoria, contributing to isolation, increased levels of stress and depression. Consequently the Government has made a significant commitment of \$510 million over ten years to improving transport in rural and regional Victoria. *Meeting Our Transport Challenges* contains significant service enhancements that will strengthen service availability in provincial cities.

Through *Meeting Our Transport Challenges* the Government will provide \$90 million for improved regional bus services and connections, \$20 million to expand the rural school bus program, \$50 million to upgrade the Mildura rail line, and \$350 million on new and refurbished trains. In addition, the Government is committed to supporting better taxi services in regional communities.

The \$18 million *Transport Connections* program takes a collaborative approach across Government that will provide flexible transport responses including regional and rural Victoria and the Melbourne metropolitan fringe. The *Transport Connections* program will provide local solutions to the transport needs of community members including young people. These solutions will focus on more efficient use of existing transport resources including school buses, community transport vehicles and taxis, to better service rural areas and other isolated communities. Information on local transport options, and demonstration of new demand responsive services, will also be supported through local *Transport Connections* projects.

Recommendation 16: That the State Government should continue to expand the use of, experimentation with and innovation in the provision of flexible learning systems for rural and remote education and training institutions.

This recommendation is supported.

The Government will continue to expand the use of flexible learning systems for rural and remote education of students through initiatives such as the *Leading Schools Fund* program. Leading Schools in clusters in five rural and regional areas are working together using high quality videoconferencing, collaborative technologies that allow sharing of content and interactive whiteboards.

The Distance Education Centre of Victoria is continuing to expand its online learning environment which enables students to undertake courses whilst being retained in their home town. The Centre has also been working with a number of Local Learning and Employment Networks on assisting students at risk to stay engaged with education.

The Adult Community and Further Education (ACFE) Division of the Department for Victorian Communities provides funding for both accredited and non-accredited programs in the adult community education (ACE) sector to improve the capability of individuals and the capacity of communities. Programs are delivered via two adult education institutions, *Adult Multicultural Education Services (AMES)* and *the Council for Adult Education (CAE)*, and nearly 400 ACE providers across nine ACFE Regions. ACE program categories are adult literacy and numeracy; vocational education, employment skills; and the Victorian Certificate of Education (VCE) and Victorian Certificate of Applied Learning (VCAL). The *Youth Guarantee in ACE (YGA)* and *Youth Pathways Program (YPP)* are targeted to young people who have left school without completing a Year 12 qualification.

The *Youth Transition Support* initiative (\$10 million over four years) announced in the *Future Directions* policy statement will provide 24 transition workers focused on areas of disadvantage to assist young people aged 15 to 19 who have become disengaged from education, training or employment to navigate the existing government services and education and training opportunities available to them. Five of the twelve funded projects are in rural and regional Victoria.

The Department of Human Services' (DHS) *Statewide Allied Health Workforce Education Program* is being implemented in 2007 to support the professional development needs of Victorian allied health practitioners and will be delivered through innovative and flexible mediums to ensure that the greatest number of rural practitioners have access to the information. Allied health practitioners will be able to access the sessions either face to face as a member of the live audience in the designated rural area, via videoconference technology utilising the rural health alliance networks that are established in each of Victoria's regions or streamed from the web via the internet as the session is occurring live in another location. All sessions will also be filmed and available for download and streaming from the web via the internet at any time for an indefinite period, or will be available via CD ROM where necessary. Virtual chat rooms are also being established to facilitate professional networking following each session. In 2005 DHS developed the *Clinical Skills Centres in Hospitals* project to provide opportunities for Victorian medical, nursing and allied professionals to acquire and develop clinical skills through simulation-based training. Simulation-based training allows health students and professionals reach a level of competence and safety before procedures are attempted on patients.

During 2005-06 DHS provided over \$1.5 million in funding to 29 hospitals to purchase simulation-based clinical skills equipment to establish, or enhance existing, clinical skills centres.

In 2006-07 DHS will consolidate this initial investment in simulation-based training by undertaking:

- a systematic review of research into simulation-based training and assessment of clinical skills; and

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- the development and delivery of a ‘train-the-trainer’ course to equip hospital clinical educators with the skills and knowledge required to deliver simulation-based training the development of simulation-based training programs to teach clinical skills.

As part of its contribution to national health workforce reforms being led by COAG, the Government has also committed over \$60 million over the next four years to support growth in undergraduate medical training via three regional based programs in Gippsland, Western Victoria and Northern Victoria. This includes over \$7.25 million over four years to help meet the costs associated with clinical teaching in rural health services and over \$30 million to support infrastructure costs associated with supporting this growth.

To improve access to and quality of undergraduate clinical training for health students into the future, DHS has funded a series of projects piloting innovative ways to organise and deliver such training, including three rural specific and five statewide projects.

Recommendation 17: That the State Government support the implementation of bonded scholarships in rural and regional areas for the following fields: high school, technical trades and tertiary education.

Recommendation 18: That the State Government encourage the Commonwealth to expand the existing HECS reimbursement scheme to recognised areas of skills shortage with the objective of encouraging more students to live and work in rural communities following graduation.

Recommendation 19: That State Government assist public, private and non-government sectors to provide rural scholarship programs.

These recommendations are supported in part.

Government policy aimed at returning rural young people or encouraging urban graduate immigration is focussed on encouraging people to make the choice to live and work in regional and rural Victoria. For example, a recent approach to maintaining the teaching workforce in regional and rural areas aims to encourage people to experience the lifestyle by offering a living allowance to student teachers undertaking their practicum in these areas. There is also a retention benefit available for teachers at the end of their third year of teaching in a regional or rural school.

Other initiatives such as the Department of Primary Industries (DPI) graduate program provides opportunities for young people to undertake a two year training and development program that enables them to work at two or more DPI locations around Victoria. The program is open to recent graduates of science, agriculture, natural resource management and related professions and enables them to undertake specific training and development activities alongside normal project work. The program also exposes the graduates to policy, research and extension (where appropriate) in addition to gaining specialist skills and training which will enable them to develop a supported career with DPI.

In addition, the Government *Graduate Recruitment and Development Scheme* (GRDS) incorporates a structured learning and development program throughout the year. Training is aimed at equipping graduates with the tools necessary for jobs and careers in the public sector such as knowledge of government structure and processes, skills in policy development, project management and communications.

Research and practice shows that there are a number of reasons why many health professionals do not choose to work, or stay working long term, in rural areas. The most common reasons health professionals leave rural areas relates to their limited access to professional development

opportunities, feelings of professional isolation, limited experience in a rural environment, burnout and factors relating to spouse, family support and opportunities.

Financial incentives appear to have little influence in the decisions students and professionals make about where they live and work. Furthermore, placing conditions on their study and capacity to make decisions regarding their location of work does not appear to be conducive to retaining the rural workforce in the longer term. Creating attractive and supportive working environments that encourage students and qualified health professionals to come to study, work and stay in a rural area is seen to be a more successful strategy.

Bonded scholarships have recently been used by the Commonwealth Government for the training of doctors, however the effectiveness of this scheme in affecting the long term supply of medicine graduates is not yet known. Further research is required to establish whether, and in what circumstances, the bonded scholarships approach leads to a longer-term commitment to working in rural and regional areas beyond the immediate term of the bonding arrangements.

In an attempt to increase the numbers of allied health professionals working in rural areas, the Department of Human Services is implementing a *Rural Allied Health Scholarship Program* (RAHSP) that seeks to address the key barriers to rural recruitment and retention. The program comprises undergraduate and postgraduate scholarships for rural allied health.

The *RAHSP* seeks to encourage Victorian or Victorian border town students with a rural background to participate in undergraduate allied health studies in a metropolitan or rural location. It does this by providing financial assistance to these students to help them in meeting the additional costs that they may face while making the transition into undergraduate studies. This program focuses on encouraging rural students to study an allied health discipline, and does not place and bonding requirements on scholarship recipients.

The overall aim of the *RAHSP* is to improve the retention of allied health practitioners working in rural Victorian locations. To meet this goal, the program supports rural allied health practitioners who have demonstrated their involvement in, and a commitment to, rural allied health practice to improve their skills and practice expertise through postgraduate studies. By encouraging and supporting rural allied health practitioners to undertake postgraduate study, it is anticipated that the quality and retention of qualified practitioners working in rural Victoria will be improved. The financial support provided to practitioners through the scholarship program will assist them in meeting the additional expenses (such as travel, accommodation, and IT support) often borne by rural practitioners accessing professional education.

Under the Commonwealth Government's HECS reimbursement scheme, participants who undertake training or provide medical services in designated rural and remote areas of Australia have one fifth of their HECS medical fees reimbursed for each year of service. While the number of participants in this scheme has increased by 67 per cent nationwide from 2003-04 to 2004-05, the extent to which it has attracted practitioners to regional Victoria who would not otherwise live there is not known.

Expansion of the scheme into other areas may be a way to address regional skills shortages in the medium to long term. This is a good way of targeting expenditure and Victoria will assert a role for the State in determining which skills and which locations through the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA). It is important for these initiatives to focus on occupation areas and skills sets in which extreme and significant skill shortages are predicted. In recent research, the State Services Authority has identified occupations relating to the health and aged care, TAFE, water services, community services and schools sectors, as well as skills in infrastructure project management, science and ICT, as being particularly vulnerable to labour shortages, especially in rural and regional areas.

The new *Make Your Career Happen in Provincial Victoria* campaign is investing \$5.2 million in attracting skilled younger workers to regional areas and making secondary and tertiary students and graduates aware of study, employment and lifestyle opportunities in provincial Victoria. This

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campaign includes a graduate recruitment summit for regionally based employers, unions, universities, businesses and industry organisations to develop a regional graduate recruitment program.

The new *Provincial Leaders* program complements this initiative by funding *Provincial Leadership Fellowships* to help young regional leaders meet the costs of interstate or overseas travel to attend leadership programs or undertake study.

The Government maintains that in order to meet local skills shortages and employment needs of rural areas, a place-based approach and selection criteria need to be developed to guide decisions on the type and extent of assistance.

Recommendation 20: The State Government should commit increased funding to technical education programs to maximise the availability of trade-specific educational resources.

Recommendation 21: The State Government should work to cluster specialised training facilities to maximise the provision of, and availability of, specialised training facilities in rural Victoria.

Recommendation 22: In further funding school-based VET the State Government must ensure the availability of ongoing funding to support access to VET clusters by students from rural schools to ensure fair and equitable access to these services.

These recommendations are supported.

The Government supports the provision of specialist training and trade education and notes that significant progress is being made in this area. An additional funding amount of \$32 million to establish four *Technical Education Centres* (TECs) was announced as part of the \$241 million Skills Statement, *Maintaining the Advantage: Skilled Victorians*. TECs will be distinctive facilities linked to Technical and Further Education (TAFE) Institutes.

They will provide:

- cutting edge facilities in areas of local industry priority for established and emerging industries;
- high quality and industry relevant teaching;
- environments appropriate for young people; and
- strong links to local industry.

The TEC's rural locations are Ballarat and Wangaratta.

The Government has also announced \$50 million for technical education wings and equipment upgrades for all other government secondary colleges to ensure students can access high quality trade facilities.

In addition, the *Skill Centres for School Students* program, funded by the Commonwealth Department of Education, Science and Training (DEST) through the Infrastructure Program, provides around \$800,000 each year to rural and metropolitan schools for the establishment of skill centres that provide VET in Schools facilities and equipment. The program, managed by the Victorian Department of Education, adds resources to school based technical and trade training in high priority industry areas.

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The Government supports the provision of adequate funding for VET in schools, including supporting access to VET clusters by providing funding to supplement VET in schools delivery, and provided a rural loading of \$500,000 from 2004 to 2007 for government schools in non metropolitan areas. The Government's initiative to modernise thirty Tech wings at secondary colleges and renew equipment at all government secondary colleges will further support clustering arrangements in schools.

Recommendation 23: The State Government should work with relevant stakeholders to increase employer awareness of School-based New Apprenticeships, with the objective of increasing participation in their design and implementation.

This recommendation is supported.

The Government supports this recommendation and notes that significant work is currently being undertaken to increase employer awareness of school based apprenticeships, including through publications, forums and Local Learning and Employment Networks.

To facilitate the uptake of post-school apprenticeships, the Department of Innovation, Industry and Regional Development has approved a number of qualifications in 34 trade areas as pre-apprenticeships programs. Students who successfully complete these programs and decide to continue their training as apprentices in the industry will have a reduction in nominal duration of their apprenticeship training contract.

Additionally Employment and Learning Coordinators in Neighbourhood Renewal areas (13 of which are located in rural and regional areas) provide a dedicated local resource to link the community to education, employment and training programs; foster partnerships between agencies; attract investment to the community; and work with local employers to expand job opportunities and develop local enterprises.

Recommendation 24: That the State Government, through the Department of Education, works closely with the Commonwealth to ensure the development of Technical Colleges is co-ordinated with existing technical education facilities and local skills needs.

This recommendation is supported.

The Government supports this recommendation and is currently working with the Commonwealth to support establishment of the Australian Technical Colleges.

Recommendation 25: That the State Government introduce a range of metropolitan and rural exchange student programs, ranging from short stay programs to longer periods of placement for older students.

This recommendation is supported.

The *Regional Industries Student Visits* (RISV) program is part of the *Make Your Career Happen in Provincial Victoria* campaign. The RISV program takes secondary and tertiary students on visits to regional companies with the aim of attracting higher numbers of young people with specialised skills to industries in regional areas including the food, environmental technology and advanced manufacturing industries.

Recommendation 26: That the State Government investigate the need for new and expanded school student accommodation in metropolitan Melbourne to facilitate the provision of “city camps” to all rural students.

This recommendation is supported in part.

The Government continues to invest in camping opportunities for all rural students. The Department for Victorian Communities will continue to monitor demand for camping experiences and advise the Government in relation to possible expansion of metropolitan camping experiences.

Recommendation 27: The State Government, through additional resources and training via the Department of Education, should enhance the role of career advisors in secondary schools to ensure the alignment of careers advice with local employment opportunities, promote a wider range of pathways to training and employment and increase the degree of individual advice and support given to school leavers.

Recommendation 28: The State Government, through the Department of Education, should continue to improve the relationship between school career advisors and local employment opportunities with the objective of better aligning career advice to available local and regional employment, in order to increase awareness of the presence and nature of local employment opportunities, and thus focus career advice on areas of local skill requirements.

Recommendation 29: The State Government, through the Department of Education, should provide resources for annual career fairs, with the participation of local employers.

Recommendation 30: The State Government, through the Department of Education, should support rural career advisors with regionally-based support staff in order to address increased demands on career advisors.

Recommendation 31: The State Government, through the Department of Education, should ensure the provision of relevant career information to all students from Year 9.

These recommendations are supported.

The Government acknowledges the importance of ongoing support to careers advisors and provides regional staff that are available to support careers advisors. Work is also occurring to further link career advisors to industry opportunities through the *Industry Placement* program being implemented by the Department of Education in 2007 and 2008. The program is designed to increase the awareness of careers teachers in government schools of local employment opportunities and enhance their capacity to provide accurate careers information including local skill requirements.

To provide better information about career pathways and training opportunities, thirteen *Skills Stores* will open in shopping centres and mobile locations across Victoria. The *Skills Stores* will provide public access points for information and advice on education and training options.

Local Learning and Employment Networks (LLEN) have been established to build local partnerships that provide a link between education and local employment opportunities, including links to additional resources supported through the Commonwealth Government’s *Local Community Partnerships*. Online resources relating to careers and transition developed by the Department of Education also provide comprehensive and integrated educational, occupational and labour market information on a full range of career pathways. These online resources can be accessed by students, careers coordinators and teachers, parents and community agencies. The resource links with existing resources and provides new material, with a particular focus on vocational pathways.

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Careers Fairs are another mechanism that the Government supports to disseminate information to students. The fairs are further supported through the participation of local employers, local government, schools, community agencies and the LLENs.

The Government supports the provision of career information to all students and has embedded it into the *Victorian Essential Learning Standards* (VELS). The VELS provide an opportunity for students to develop essential knowledge, skills and behaviours to prepare for further education, work and life. Schools have responsibility through VELS to embed key elements of career education and pathway planning in curriculum, particularly for years 7-10.

Through the *Managed Individual Pathways* program, young people aged 15 and over in Government schools are provided with information on education, training and employment options and support to develop an individual pathways plan.

The Department of Education is working in partnership to raise the profile and awareness of primary industries through schools. The Primary Industries Ministerial Council (PIMC) is currently considering a paper relating to progress on the development of a national approach to the promotion of primary industries/agriculture to the education sector. In April 2006 the PIMC resolved to encourage State and Commonwealth Government involvement in promoting primary industries in schools, rather than just agriculture – including conveying a balanced appreciation of the role, responsibility and values of primary industries and promoting effective links between schools, industry, training and tertiary education sectors. This national approach will build on current activities run by *Rural Skills Australia* and *Primary Skills Victoria*, which promote agriculture/primary industries to students as a career.

The Government website for young people, *youthcentral* provides access to careers and employment information to all students. Through the *youthcentral* website the Department of Education and Department for Victorian Communities are working in partnership to ensure that students receive current and relevant information online.

In 2006 - 07, the Department of Human Services developed the initiative *Human Services Careers Program*, that promotes career pathways in the health and community services sectors to rural secondary school students. Both higher education and vocational education and training (VET) career pathways are promoted. The program aims to increase the number of human services workers with a rural background practising in the publicly funded health and community service sectors in rural areas of Victoria.

The *Gateways to Justice Program* is an initiative of the Victorian Aboriginal Justice Agreement, Koori Recruitment and Career Development Strategy and has been developed as a recruitment tool to attract Indigenous staff to justice related fields. An annual calendar and the *Koori Job Fairs* comprise the two key components for this program.

The *Koori Job Fairs* promote engagement with Indigenous communities throughout Victoria and have broadened to encompass a range of opportunities and partnerships within departments and agencies across State, Commonwealth and Local government, together with proactive private sector employers and education providers. *Koori Job Fairs* provide the opportunity to promote employment, educational and vocational opportunities as a coordinated approach led by the Department of Justice, appealing to a broad cross section of interests held by Indigenous community and job seekers.

Recommendation 32: That the State Government, through the Department of Education, expand the collection of outcome-related information for rural students within the “On Track” annual student survey. This data should be collected over three years after graduation to enhance the relevance of this program for supporting the transition of rural students into study, training or employment.

This recommendation is supported.

The Government supports this recommendation and a longitudinal study of rural students who defer a tertiary place is planned to commence in 2007 is being managed by the Youth Affairs Council of Victoria (YACVIC) in conjunction with regional local Learning and employment Networks (as it is beyond the scope of *On Track* to conduct additional longitudinal surveys).

The *On Track* destination data project has published a detailed analysis of the education, training and employment transitions of rural students from data collected over the last four years (2003-06). Additionally, the project has two longitudinal components which follow cohorts of students who are the focus of policy initiatives for four years after exiting school.

Recommendation 33: The State Government examine the benefits of selectively providing part-time employment for high school students through local public enterprises for rural areas of Victoria where these opportunities are currently absent.

This recommendation is supported.

The government supports this recommendation and current policy recognises the benefits of managed part time employment for high school students. The Government will ask departments that have a significant rural presence to identify and promote any part time employment opportunities for high school students in rural and remote areas of Victoria where this arrangement would be of mutual benefit for both the department and the student.

There are currently twenty two social enterprises associated with Neighbourhood Renewal, funded through the Department of Human Services Office for Housing. Thirteen of these are located in rural and regional Victoria and provide sustainable supported work and training opportunities for many residents to gain work experience, accredited training, work readiness, self confidence and self esteem. Each of the enterprises involves cross sectoral collaboration that includes the non government sector, business, local government and philanthropic sectors in their development.

Recommendation 34: That the State Government urge the Commonwealth to introduce a variant of the Youth Allowance payment which provides the necessary funding to overcome the higher cost of university study for rural young people.

This recommendation is supported.

The Government recognises that investment by the Commonwealth Government in higher education provision in regional and rural areas does not reflect the true cost of higher education for regional and rural students, nor does it acknowledge that students from regional and rural areas are more likely than their metropolitan counterparts to move away from home to study. The Government will raise this issue with the Commonwealth through the Ministerial Council on Education Training and Youth Affairs (MCEETYA).

Recommendation 35: That the State Government encourage the Commonwealth to ensure that all new Commonwealth-funded higher education places be allocated to regional campuses.

This recommendation is supported.

The Government has consistently urged the Commonwealth Government to increase the share of Commonwealth Supported Places allocated to Victoria, particularly where there is high demand. The Government is committed to ensuring broad access to universities across the State and strongly supports higher education provision in regional Victoria.

Recommendation 36: That the State Government works with the tertiary education system to increase opportunities for TAFEs to provide some first-year programs for regional and metropolitan universities.

This recommendation is supported.

The Government supports the recognition by the higher education sector of attainment in the vocational education and training sector. Credit transfer and articulation arrangements are being developed in a number of institutions, and are supported by the Government.

Recommendation 37: That the State Government trials the expansion of the Youth Employment Scheme to not-for-profit agencies in rural Victoria to determine its value in stimulating youth employment and improving participation levels in training and employment.

This recommendation is supported in part.

The *Youth Employment Scheme* (YES) provides traineeship positions in Government agencies, including schools, TAFE providers and hospitals. Since the introduction of YES in 2000, almost 47 per cent of traineeship positions have been in regional or rural areas. The expansion of YES to organisations outside the Victorian Public Sector is not planned at present. However the *Workforce Participation Partnership* (WPP) program currently provides funding for both public and private organisations to deliver skills, training and employment programs for disadvantaged jobseekers, including young people in regional areas.

There is scope to expand uptake of the WPP in smaller towns, and the Government has asked Employment Programs within the Department for Victorian Communities to provide advice on the best approach to this issue.

Recommendation 38: That the State Government encourages providers of all traineeships in Victoria to ensure that transition planning begins at least three months prior to the conclusion of each program, to ensure the most effective transition from traineeship to future employment. Where appropriate this should involve a range of local groups, such as Local Learning and Employment Networks, local employers and local employment agencies.

This recommendation is supported.

The *Youth Employment Scheme* (YES) encourages participating Government agencies to consider the retention of trainees and apprentices once the YES funded component of the training is completed. If ongoing employment is not feasible, prior to the completion of a placement, the employer is encouraged to actively support and assist the trainee or apprentice to find alternative employment or undertake further education or training. This support and assistance may include providing access to a structured exit program including exploration of career options, preparation

of resumes and job applications, interview techniques and job search skills. Further options include linking the trainee or apprentice with groups such as the Local Learning and Employment Networks, or with an advertised job vacancy.

Contract conditions noted in the tender documents for the Department of Human Services Office of Housing Minor Works Contracts in Neighbourhood Renewal areas require Community Works Enterprise Employees to have an individual learning plan, which includes personal development planning as well as employment planning skills.

Recommendation 39: That the State Government trial an incentive scheme, such as the exemption from payroll tax for apprentices, in order to expand the number of apprenticeships offered in rural Victoria.

This recommendation is supported in part.

The payroll tax exemption on the wages of apprentices and trainees for recognised not-for-profit *Group Training Organisations* (GTO) acknowledges the role they play in supporting apprenticeships and traineeships for Victorians. Employers can benefit from this by employing apprentices and trainees through not-for-profit Group Training arrangements. There are currently 30 recognised not-for-profit GTOs of which about one half are located in regional and rural Victoria.

The Government does not support the reintroduction of a general payroll exemption for apprentices and trainees which was abolished in the 2003-04 budget. The Government considers that schemes such as the current *Completion Bonus*, which replaced the general payroll tax exemption and the *Trades Bonus*, also provide effective and targeted incentives for employers to recruit and retain trainees and apprentices. These schemes focus on rewarding employers for taking and keeping apprentices and trainees on to completion of their apprenticeships or traineeships, as well as rewarding apprentices and trainees for continuing their training.

Recommendation 40: The State Government, in conjunction with the Commonwealth, should increase the promotion and marketing of the range of available apprentice and trainee schemes to employers in order to increase business participation rates. Specific emphasis should be given to wider participation by small business in rural areas.

This recommendation is supported.

Additional investment of \$15.5 million has been provided over the next four years to significantly increase the provision and marketing of vocational education and training in areas that are critical to future regional economic growth. This investment will include new places in expanded training courses, apprenticeships and traineeships, and pre apprenticeship and pre vocational courses in areas of high regional demand, including transport and distribution, electro technology, building and construction, and horticulture. A coordinated package of assistance to fill skills shortages gaps in the power industry, including additional apprenticeships and a graduate engineers program will also be introduced.

In addition the Government detailed in the *Moving Forward* policy statement the implementation of five new planning cadetships and five planning assistant traineeships in regionally based councils. Strategies are also underway for filling vacancies in two key industry sectors: manufacturing in Western Victoria and transport and distribution in the North East. This involves \$3.3 million over three years for targeted initiatives to recruit skill up and secure work for disadvantaged job seekers in regional areas. Under these initiatives jobseekers will be able to access assistance with training, transport, mentoring, counselling and housing.

Recommendation 41: That the State Government provides targeted funding in areas of skill shortage to accommodate smaller class sizes in regional areas in order to increase the range of locally-relevant TAFE courses provided and to enable more rural young people to train in their home community.

This recommendation is supported.

The Government recognises that in regional areas additional expenses are incurred as a result of operating with small class sizes, extra travel and higher communication costs. Consequently whilst the same basic rate per hour of training is provided, the nine regional institutions receive an additional premium (Regional Differential) of \$0.35 per government funded student contact hour. Recently, regional TAFE institutions have been given greater flexibility in maintaining the delivery of courses when negotiating agreed targets, taking into consideration small class sizes.

Recommendation 42: That the State Government undertake a detailed assessment of the private rental accommodation market for rural young people as a matter of priority to determine what action, if any, should be taken to address concerns regarding housing availability for rural young people.

This recommendation is supported in part.

Through *Creating Connections: Youth Homelessness Action Plan Stage 2: 2006-2010* the Government has outlined an integrated response for homeless young people.

The Government currently monitors the private rental market through the Office of Housing's Rental Report. This monitoring provides intelligence on the affordability of private rental accommodation for all households in metropolitan and non-metropolitan areas. *Creating Connections* has identified the need for accommodation options for young people as a priority for further work. While housing affordability remains a concern for low income households, it is worth noting that the Government's provision of social housing in rural and regional Victoria is already above the metropolitan level.

Recommendation 43: That the State Government investigate ways to encourage "block release" study components of the TAFE element of apprenticeship programs to reduce the costs associated with travel and accommodation for rural students.

This recommendation is supported in part.

Whilst the Government supports access to apprenticeship programs for rural students, the block release of study components may suit some students but not all. Therefore decisions about modes of training delivery to apprentices are most appropriately left to training providers in response to demand from students.

Recommendation 44: That the State Government reviews the effectiveness of accommodation support measures introduced in the State Budget on apprenticeship and traineeship retention rates to determine the impact of increased nightly allowances on access to temporary study accommodation by rural young people undertaking TAFE.

This recommendation is supported in part.

The Government will closely monitor the impact of the recent accommodation support measures to support apprentices. It is important to note however that apprenticeship and traineeship retention rates are impacted by a range of factors. For example, enterprise recruitment and retention of employees and an individual's life circumstances (including job satisfaction) may also be important contributing factors.

Recommendation 45: That the State Government assists Victorian universities to support young people with accommodation when seeking university vacation work or placements in rural areas.

This recommendation is supported.

The Government is currently assisting some Victorian universities to support access to accommodation for students needing to reside in rural areas; an example of this is the *Victorian Student Teacher Practicum Scheme*. Support for practicum in other areas which could benefit from students undertaking rural experience could be considered.. For example, courses such as the Bachelor of Forest Science at the University of Melbourne which includes a compulsory regional component.

Recommendation 46: That the State Government undertake to monitor the impact of labour market changes on rural communities, with specific regard to ensuring that negative structural impacts are not falling disproportionately on rural communities.

This recommendation is supported.

The Government currently monitors the Victorian labour market and has recently released the *Regional Skills Shortage Survey Reports*. The report provides information on the nature and extent of recruitment difficulties at a regional level. They also identify skills in demand and labour supply issues, and occupations that employers may be experiencing difficulty filling. The Government will consider repeating the *Regional Skills Shortage Survey* in the future.

Most of the labour market changes currently occurring in rural and regional Victoria are the result of broader changes in labour markets, brought about by the development of (for example) improved technologies for agricultural production, changing work practices, the changing profile of industry activities at a national and global level, and increased population mobility.

As a whole regional and rural Victoria are benefiting from Victoria's growing economy. Since 1999, 111,700 jobs have been created in regional Victoria and the unemployment rate has declined 2.7 per cent since 1999 to 4.4 per cent in November 2006. The Government acknowledges that not all regions have benefited from this growth. The *Workforce Participation Partnerships* (WPP) program (refer to recommendation 3) targets places with higher levels of unemployment.

While the larger regional centres and small towns close to those centres are experiencing strong growth, small towns in Victoria's more remote rural areas face challenges as a result of isolation, changes in agricultural production and the consolidation of services to larger centres. The Government's approach to these changes is to help small towns explore new and innovative ways to maintain their communities and lifestyle while also adjusting to new industrial and labour market conditions.

Enterprises Grants of up to \$25,000 from the *Provincial Victoria Growth Fund* is an example of provision of Government support to rural communities to adjust to changes in labour market conditions.

Recommendation 47: That the State Government, through the Department of Innovation, Industry and Regional Development, improve the promotion of rural job availability by expanding the *Make It Happen in Provincial Victoria* website and examining partnerships with related public and private employment services.

Recommendation 48: That the State Government continue to examine greater means by which public sector employment can be decentralised to both regional centres and into rural communities.

Recommendation 49: That the State Government investigate the use of appropriate incentives to attract health, education and community services professionals to isolated communities. These incentives should be implemented where these communities are experiencing difficulties recruiting these key professionals.

These recommendations are supported.

The *Make it Happen in Provincial Victoria* website (www.provincialvictoria.vic.gov.au) contains a link to the Victorian Public Sector e-recruitment website, the major public sector recruitment portal which provides information about public sector vacancies across the state. In addition, the *Moving Forward* statement provides \$5.2 million for the *Make Your Career Happen in Provincial Victoria* campaign, administered by Regional Development Victoria (RDV). This includes investment to attract skilled younger workers to regional areas and make secondary and tertiary students and graduates aware of study, employment and lifestyle opportunities in provincial Victoria

As part of the *Make Your Career Happen in Provincial Victoria* initiative, RDV is working with DPC and the State Services Authority to develop a system that will enable the existing Provincial Victoria website to be a source of vacant jobs in provincial Victoria. It is proposed to develop partnerships with regional employment agencies and regional newspapers to source private sector jobs. The site will also contain all Victorian Public Service jobs vacant in provincial Victoria. Since the launch of the *Make it Happen in Provincial Victoria* campaign, the website has attracted more than 600,000 hits and generated 450 enquiries to local councils.

Many Government departments have a strong regional focus. For example regionally based Regional Development Victoria (RDV) staff currently comprises approximately 40 per cent of the total organisation staff numbers. The relatively recent decentralisation of the Transport Accident Commission (TAC) and the State Revenue Office (SRO) to regional areas provide examples of the Government's activity in this area.

The *Make Your Career Happen in Provincial Victoria* campaign, administered by RDV includes investment of \$5.2 million to attract skilled younger workers to regional areas and make secondary and tertiary students and graduates aware of study, employment and lifestyle opportunities in provincial Victoria.

The *Teaching and Research Program in Community Health* (TARPCH) is an initiative of the Primary Care Branch of the Department of Human Services. It aims to provide a more coordinated and systematic approach to student placements and research opportunities in the community health sector in Victoria. The TARPCH aims include:

- encouraging recruitment to rural and isolated communities through a coordinated undergraduate and post graduate student placement system at Community Health Services for a variety of health and medical disciplines;
- addressing recruitment and retention in isolated and rural communities through the provision of increased education and research opportunities in community health sites; and

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- encouraging health professionals to consider work in rural and isolated communities through promoting the value and benefits of community based, interdisciplinary care provision.

A *Consortia Training Model* has been introduced for specialist medical trainees to link metropolitan and rural hospitals and allow young medical trainees to gain a supported and positive training experience in rural and regional health services.

In addition, financial support is provided for rural and regional health services who are able and wish to employ young doctors in their final years of specialist training through the joint Commonwealth and State governments' *Advanced Specialists Trainee Placement in Rural Areas* program.

This year, the Department of Human Services is implementing a *Statewide Allied Health Workforce Education Program*, which aims to support the continuing professional development needs of Victoria's allied health workforce. A key component of the program will be the facilitation of team management and leadership skills training courses for rural allied health practitioners, to provide them with the skill set required to become leaders in the health sector. The training will be available to all allied health practitioners, and is especially targeted at supporting new graduates working in rural health services. It is hoped that this encouragement and provision of additional support early in their careers will increase the likelihood that they will be retained within rural health services.

A further example of a successful Government initiative is the Skilled Migration Strategy which aims to further increase Victoria's intake of skilled and business migrants, particularly in regional Victoria. The strategy included *A Regional Migration Incentive Fund* to provide support to regional communities to develop and implement local strategies to attract, receive and retain skilled and business migrants (\$3 million) and targeted programs to help local communities attract and settle skilled and business migrants in industries and regional communities with skill needs (\$1 million).

The Rural Workforce Agency Victoria (RWAV) is an organisation jointly funded by the Victorian and Commonwealth governments to address the shortage of rural doctors and has developed a range of strategies and programs that support medical professionals and their families to move to, and remain in, rural and regional Victoria. RWAV provides a potential model for such partnership arrangements.

Recommendation 50: That the State Government, through the Council of Australian Governments, work with other jurisdictions to develop a protocol to prevent or limit the extent of inter-jurisdictional competition for key service personnel with the objective of ensuring the recruitment cost of these individuals does not become excessive.

This recommendation is supported.

A partnership approach, across jurisdictions and between the three levels of government operating within Victoria, is likely to provide the public sector with opportunities to be more competitive in areas where the private sector represents a major employer of particular skills (for example, project management or engineering). By collaboratively employing individuals, governments in partnership may, if not become competitive on salary, become competitive in terms of job variety.

For example the Department for Primary Industries (DPI) is currently engaging in cross-jurisdictional partnerships to secure agreement to specialise in certain science areas and to share intellectual property. This partnership approach and the lessons learned from it could inform the protocol development as recommended.

Recommendation 51: That the State Government promote opportunities for public servants to undertake rural work rotations and to adopt enhanced use of public sector rural traineeships to provide professional development opportunities for Victorian public servants working with rural communities.

This recommendation is supported.

The commitment of the Government to support stronger connections with community has meant that public sector employment in regional and rural communities is growing. The success of traineeships in regional Victoria suggests that there is a place for continued training and work experience programs in regional Government departments.

Currently approximately 40 per cent of the total staff employed through Regional Development Victoria are located in regional areas. The Department for Victorian Communities has decentralised staff in local teams. Of the eight local teams, five are located in regional and rural communities.

The Government is committed to actively connecting with the Victorian community. This policy direction has informed a number of government actions which are of direct benefit to rural and regional Victoria, including Government departments pursuing options for regionally-based staff wherever possible. For example, the Department of Primary Industries (DPI) has an extensive presence in rural Victoria, with over 2600 staff across 86 locations, 60 per cent of whom are located in rural and regional Victoria. In some cases this commitment to connecting with the community has meant relocating offices from metropolitan Melbourne to regional areas such as the relocation of the Transport Accident Commission to Geelong.

There may be benefit from offering existing Victorian Public Sector (VPS) employees the opportunity to participate in direct rural experience, for example through study tours and/or awareness-raising learning and development programs. Given the purpose of such programs is to increase the number of public sector staff interested in living and working in rural and regional Victoria, there is a need to fully understand what motivates different individuals to seek and remain in rural and regional areas. This would allow better tailoring of program resources to activities with a greater likelihood of success.

The development of any rural experience programs would also benefit from an evidence based approach which would enable effective targeting to those localities or disciplines where there is a gap in rural policy making, or where there are significant skill shortages, thereby ensuring appropriate public sector employees are invited to participate.

Regional areas are already the greatest user of the traineeship system, with just over half of all traineeships in the VPS taking place in regional areas. Completions of 12-month traineeships are higher in regional than metropolitan areas.

Recommendation 52: That the State Government, through Regional Development Victoria, provide expanded support for establishing new business incubator and entrepreneurial training projects throughout rural Victoria. These projects should be co-ordinated to take note of programs conducted at the national and local levels, and – as appropriate – promote access to alternative business development programs where this best meets the needs of rural young people.

This recommendation is supported.

The Government is already addressing this recommendation through a number of state and Commonwealth initiatives. These initiatives include AusIndustry's *Small Business Entrepreneurship Program* and several programs and initiatives administered by the Office of

Small Business in Department of Innovation, Industry and Regional Development, administered through Regional Development Victoria offices.

AusIndustry's business incubator and entrepreneurial training projects include:

- *Small Business Entrepreneurship Program* which aims to foster entrepreneurship through projects that enhance the business skills of small business owners through training, mentoring and incubation. Grants are provided for Business Skills Development, including general skills development and mentoring services for small business owners and managers with a current focus on 'Young Entrepreneurs'.
- *Training and Mentoring projects* which are oriented toward developing the skills of the entrepreneur. Grants are available for initiatives designed to provide access to skills development in small business owners and managers.
- *Incubator services* provided through small business incubators to assist new and growing business to become established and profitable.
- *Building Entrepreneurship in Small Business* which is a suite of four competitive merit-based grant initiatives supporting a new culture of entrepreneurship by providing grants focusing on the ongoing improvement of Australia's small business operating skills. This includes training and mentoring, and incubators.

The Office of Small Business in DIIRD is also responsible for a number of programs and initiatives that relate to business incubators and entrepreneurial training projects throughout rural Victoria.

Key programs and services include the following:

- *Small Business Counselling and Mentoring Program*): Provides access to experts to help start a small business or to improve the performance of an existing enterprise. The Small Business Counselling Service Inc. delivers this program. (www.sbcs.org.au)
- *Grow Your Business Program*: Provides assistance, including grant subsidies, to financially viable Victorian businesses who can demonstrate a commitment to productivity gains, increased exports or import replacement, application of new technologies and innovative practices. (www.business.vic.gov.au/gyb)
- *StreetLife Program*
Encourages small business and economic growth through innovative local strategies in regional centres, small towns and metropolitan commercial and industrial precincts. (www.business.vic.gov.au/streetlife)

In addition, Victorian Business Centres (VBCs) based throughout regional Victoria allow people across the whole state to access small business services provided by RDV and DIIRD, including the *VicStart Technology and Commercialisation initiative*. This initiative supports commercialisation resources, capabilities and networks for Victoria's innovative science and technology businesses.

Recommendation 53: That the State Government assist Victorian local governments to identify rural areas that lack professional networking organisations and stimulate the development of these associations.

This recommendation is supported.

The Government supports networks of like minded professionals to collaboratively address common issues and develop complementary strategies to maximise outcomes for young people. The strong role played by business and social networks, such as the Young Farmers, in supporting and developing local communities and providing opportunities for participation by young people is acknowledged.

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The Regional Youth Affairs Networks (RYANs) are an example of this. The RYANs are a network of state and local government and non government representatives that are supported by the Department for Victorian Communities and provide a forum for discussion of emerging themes for young people at a local level. The Department of Sustainability and Environment also facilitate a network of planning practitioners through the *Planet* professional development program.

The Department of Human Services' Statewide *Allied Health Workforce Education* Program is being used as a basis for the development of professional networks for rurally based allied health practitioners. The program seeks to bring together allied health practitioners from all over the state, either in person or in a virtual environment, to access professional development and support through a structured program. It is expected that a key impact of the program will be the development of professional networks through the contact made between practitioners. This should occur informally, as well as through formal means such as the establishment of an online chat room for the discussion of issues raised through professional development sessions.

Recommendation 54: That the State Government encourage the Commonwealth to collect more data on the provision of rural childcare services through their annual *Census of Childcare Services*.

Recommendation 55: That the State Government monitor the supply of family day care in rural areas to ensure that the availability of these services is continued in rural areas.

These recommendations are supported.

As the Commonwealth Government holds responsibility for the collection of data through the annual Census of Childcare Services, the Government supports the recommendation to encourage the Commonwealth Government to collect more data on childcare services generally and rural childcare services in particular. The Commonwealth Government currently undertakes the Census biannually with the data available after two years. The Commonwealth Government is investing in a new National Child Care Management system to provide information on childcare supply, usage and demand and the Government would encourage collection of information on rural services through this mechanism as well.

The Department of Human Services (DHS) has recently published the *Report of the Childcare Taskforce October 2006* which estimates levels of unmet demand for childcare including rural local government areas. The Government has committed to the establishment of a centralised statewide register and DHS has engaged the Municipal Association of Victoria (MAV) to explore issues related to its development.

The Commonwealth Government maintains responsibility for access to Family Day Care. Through partnership arrangements with the MAV, the Government monitors concerns about Commonwealth policy affecting childcare services through DHS. DHS has advocated on behalf of the MAV for stronger recognition of the role that local government plays in the delivery of early years services including Family Day Care.

Recommendation 56: That the State Government, through the Department of Human Services, work with relevant service providers to continue to expand the level of investment in independent living facilities for older Victorians in rural areas, in order to free up family accommodation in rural towns and communities.

This recommendation is supported in part.

Whilst the Government supports this recommendation it is noted that the wording may be misinterpreted as focusing on shifting older people simply in order to make their homes available for family accommodation.

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The Government acknowledges that facilitating a range of housing options for older people is a worthwhile objective, however it has limited capacity to do so, given the nature of housing investment. The Department of Human Services Office of Housing does have a role in relation to public housing; however other independent living options are often private market driven.

The best form of independent living initiatives for older people is in the form of adaptable housing that is suitable for the delivery of support services to frail people and people with disabilities and can provide benefits when built close to services and activities.