Skilling the Bay - Geelong Regional Labour Market Profile

Briefing Report One

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About the Project

This project is part of the 'Skilling the Bay' program which 'aims to assist Geelong transition to a more diverse economic base by facilitating the development and implementation of an education and training led model of business growth and job creation. Providing the current and future workforce with higher-level skills will be central to ensuring the economy makes a successful transition'.

This project will develop a baseline profile of the regional labour market with a specific focus on industries and workforces in transition. The geographic scope of the profile will be the City of Greater Geelong local government area, which accounts for the majority of the regional population and economic output.

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Introduction

This briefing is an element of the research being undertaken by the Centre for Sustainable Organisations and Work (CSOW) as part of the broader 'Skilling the Bay' program. This brief brings together data and analysis from a range of reports on the current economic status and economic future of the Geelong region. It presents a description and critical analysis of data surrounding the labour market in the Geelong region and provides a contextual overview for the larger CSOW project. The brief outlines sectors that are currently identified as experiencing employment growth, sectors that have been highlighted as potential growth areas, and sectors that are confronting significant challenges and are considered in transition or decline. The report discusses what these trends mean for economic diversification and changing employment and skill requirements.

Key findings

- There is significant consistency across a variety of reports on the economic future of the Geelong region.
- Areas of employment growth are consistently identified as: health and social services, retail trade, education and training, and construction.
- In terms of work and employment, many of the reports rely on 2006 census data and therefore may not accurately describe current trends in the region.
- The economic diversification of the region may be somewhat overstated in a number of existing reports and there is a need to better understand how changes in the manufacturing, smelting and other traditional industrial sectors will be actively facilitated.
- The region's skilled labour force is not fully acknowledged as a 'driver' of the region's economy.

Background and scope

For the purposes of this project, the Geelong region is defined as the City of Greater Geelong local government area (LGA), which accounts for the majority of the regional population and economic output. The estimated population of the LGA in 2010 was 220,068 people (CoGG 2012) and most of the labour force live and work within the region (AEC Group 2011). While the core focus of the study will be around the Greater Geelong LGA, the nature of the overall labour market makes it appropriate to locate the study within the broader region defined by the Geelong Region Local Learning and Employment Network (GRLLEN) area. This area includes the City of Greater Geelong, the Surf Coast Shire, the Borough of Queenscliffe, and the Southern end of Golden Plains Shire. This is also roughly the same area defined as the 'G21 region' by the Geelong Region Alliance (http://www.g21.com.au). The estimated population of this larger region in 2010 was approximately 289,813 people and the area has an annual population growth rate of about 1.6 per cent (ABS 2009).

Existing reports claim that the economy of the Geelong region is increasingly becoming a diversified one. These reports consistently identify propulsive and priority industries in the region as: health and community services, retail trade, education and construction. That is, the region now has a predominantly service-based economy and is shifting away from an historic manufacturing economic base. A number of reports, however, tend to characterise Geelong's economy as being still largely defined by 'heavy' or 'dirty' manufacturing (e.g. AEC Group 2011). While manufacturing does still account for a significant part of the region's economy, in particular, in terms of output and value-add (CoGG 2011a), it is a sector in decline, particularly in terms of employment. Thus, there is an understanding that the Geelong economy is in transition and may be on the cusp of major change. Indeed, with traditional employers in the region such as Alcoa, Ford and Avalon Airport, planning or enacting cuts to their production and/or workforces (Best 2012), there is an increasing need to identify emerging industries, and to assess future skills and training needs.

Current growth areas

Most of the reports on the economy of the Geelong region still rely predominantly on data from the 2006 census (e.g. AEC Group 2011; BSWEAP 2011a, 2011b; GRLLEN 2012; Neville, 2011). The REPLAN data, referenced by some (e.g. GRLLEN 2012), also relies on an analysis of data from the 2006 census. As a result, many of the trends reported are from 2001-2006 period and, thus, cannot be assumed to present the current situation. While there is general agreement that manufacturing is in decline in the region, there is less certainty about areas experiencing growth. Until the release of comprehensive data from the 2011 census, due in late October 2012, it will be difficult to fully analyse and understand current trends.

It is also important to note that distinction should be made between areas experiencing growth in output or profit, and areas experiencing employment growth. This distinction is critical as, in some instances, a sector may experience growth and increases in efficiency due to the use of new technologies, which may actually *decrease* the number of people employed.

In terms of employment growth, the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR), using more recent (non-census)

Australian Bureau of Statistics (ABS) data from 2006 to 2011, identifies retail trade, health-care and social assistance, as well as construction as key areas for the Geelong region (Neville 2011). The **health-care and social assistance** sector is also highlighted by other reports (e.g. DEECD 2011) as an employment growth area and the trend is expected to continue as the region, in keeping with larger State and nation-wide patterns, has an aging population. The growth in health care and social assistance is also confirmed, to some extent, by employer surveys regarding skill needs. Almost half of all existing and anticipated employment shortages fall within the health care and social assistance sector (CoGG 2011b). It is also worth noting that Barwon Health is currently the largest single employer in the Geelong region (see Table 1).

TABLE 1: Major Employers in the Barwon Region in 2008-2011.

Sector	Employer	Employees (FTE) 2008/9	Employees (FTE) 2010/11
Health and Social Services	Barwon Health	3479	3602
Education and Training	Dept. Education and Early Childhood Development	2333	2398
Education and Training	Deakin University	1399	1595
Manufacturing and Processing	Ford Motor Company	1374	1251
Public Administration and Safety	City of Greater Geelong	1357	1449
Manufacturing and Processing	Avalon Airport	1275	1280
Retail and Wholesale Trade	Safeway	1183	1213
Education and Training	Catholic Education System	1027	927
Retail and Wholesale Trade	Target Aust. (Head Office Operations and Retail)	964	946
Health and Social Services	Transport Accident Commission (TAC)	763	752

Source: 2008/9 data from City of Greater Geelong (2009) *Economic Indicators Bulletin 2008-09*. 2010/11data from City of Greater Geelong (2011a) *Economic Indicators Bulletin 2010-11*.

Retail trade experienced a significant growth period in terms of employment between 2001-2006, overtaking manufacturing as the largest single employment sector for the Greater Geelong region (see Table 2). The number of jobs in retail trade jumped 12.9 per cent over that five-year period, to total 14,325 in 2006 (see Table 2). The sector also accounts for two of the top ten major employers in the region (see Table 1). Some reports predict continued growth, mainly as a result of predicted population increases in the Geelong area (e.g. GRLLEN 2012). Latest census data will give a more accurate indication of recent trends in the sector.

The Victorian Department of Education and Early Childhood Development (DEECD) singles out **education and training** as a key sector for strong employment growth (DEECD 2011). While there is little rationale or data provided for this assertion, the REMPLAN data from Greater Geelong shows that the number of jobs in education grew by 14.5 per cent between 2001 and 2006 (see Table 2). This sector also accounts for three of the top ten major employers in the region (see Table 1). In addition, the Barwon South West Education Attainment Project (2011b) frames the education and training sector in terms of Commonwealth Government and Council of Australian Governments (COAG) targets to lift year 12 completion rates, double the number of diploma and advanced diploma completions, and to lift, to 40 per cent, the proportion of people (between 25 and 34) who hold a first degree. In order to meet these targets there will need to be an expansion of education and training facilities and resources, particularly in areas with lower than average completion rates. As year 12 and tertiary study completion rates in the Barwon South-West region are lower than the State average, it is a reasonable conclusion that there will need to be expansion in the education and training sectors in the region to meet these goals. However, as the recent TAFE cuts in Victoria and subsequent job losses at The Gordon Institute of TAFE in Geelong (Fowles 2012a) demonstrate, government intervention can have serious effects on predicted trends. Predictions about continued growth in all sectors generally rely on a "business as usual" approach, which cannot account for sudden changes in policy or funding arrangements.

The **construction** sector does not have a major employer in the region as it is made up mostly of small employers and owner-operators. The construction sector saw notable growth in jobs between 2001-2006, with a 25.2 per cent increase to 4,596 (see Table 2). Moreover, the REMPLAN industry sector data from October 2011, shows a total of 6,120 jobs in construction in the G21 region (BSWEAP 2011a), so the sector is still expanding. Thus, construction is highlighted as a significant growth area in a number of reports, including the Geelong Region Local Learning and Employment Network (GRLLEN) *Environmental Scan* (2012) and the Barwon South West Education Attainment Project (2011a), which both list it as a "propulsive industry". It can be problematic, however, to see construction as a propulsive industry rather than one that is indicative of broader economic and population growth. It may be more accurate to understand construction as a "priority industry" (BSWEAP 2011b) that is important to employment but cannot necessarily provide an economic base for the region. In addition, employment in the construction sector is highly vulnerable to peaks and troughs in the general economy. It is likely that the strength of the construction industry may have weakened since the publication of these reports due to the completion of major infrastructure projects and the recent downturn in the domestic housing market.

Finally, GRLLEN *Environmental Scan* identifies **transport, warehousing and logistics** as a promising growth area (GRLLEN 2012). Again, the 2001-2006 census data shows considerable jobs growth in the transport and storage sector, with an increase of 18.4 per cent (see Table 2). There is also increasing demand for training in transport, postal and warehousing (DEECD 2011). In addition, the potential for increased use of the land and sea-side port facilities in Geelong may further enable continued growth (AEC Group 2011).

TABLE 2: Jobs and Employment Growth in Greater Geelong by Sector.

Sector	**Jobs (2006 census)**	**Growth 2001-2006 (%)**
Health and Community Services	10,202	20.7
Retail Trade	14,325	12.9
Education	7,198	14.5
Construction	4,596	25.2
Transport and Storage	2,504	18.4
Manufacturing	12,029	-1.7

Source: REMPLAN analysis of ABS data, taken from City of Greater Geelong (2012a) *Economic Indicators Bulletin 2010-11*.

The categories and skill sets of workers employed in these sectors are notably different. Education sectors and health and community services maintain a high proportion of professional, clerical and administrative workers, and community and personal services workers, while technical and trades workers, machinery operators and labourers dominate manufacturing, construction, and transportation and storage industries. The dominant occupational categories in the retail sector are sales workers, managers and labourers. Changes in the contribution of each of these sectors to Geelong's overall employment will have significant implications for skills demand within the region. However, it is important to note that current skill shortage areas are not directly aligned with employment growth areas. Despite the decline in manufacturing, for example, employers within the sector appear to find it difficult to attract needed technicians and trades worker (CoGG 2011a, 2011b).

Manufacturing and economic diversification

Most of the reports about Geelong's economic future highlight new growth areas and increasing economic diversification. A number also seek to "rebrand" the G21 region and lament the persistent characterisation of Geelong as have a "heavy" manufacturing base (e.g. AEC Group 2011; 2012). However, as Table 2 shows, it is not an entirely inaccurate characterisation; while manufacturing is in decline in the region, it is still a critical sector for employment. Manufacturing also still accounts for the highest single industry contribution to gross regional product (AEC Group 2011). Furthermore, manufacturing is an established industry in the region and the skills base of a large section of the regional labour force is connected to it.

TABLE 3: Major Manufacturing Employers in the Barwon Region in 2011.

Sub-Sector	**Employer**	**Employees (FTE)**
Transport Equipment, Metals and Engineering	Avalon Airport (all activities)	1,280
	Ford Motor Company of Aust.	1,251
	Alcoa World Alumina Aust.	610
Chemicals, Minerals and Wood Products	Shell Refining (Aust.)	458
	AKD Softwoods	237
	Timbertruss Geelong	225
Food	Golden Farms (Turi Foods)	496
	Bulla Dairy Foods	400
	MC Herd	214
Textiles and Printing	Godfrey Hirst Aust.	470
	Riverside Textiles	99
	Express Promotions Aust.	81

Source; City of Greater Geelong (2011a) *Economic Indicators Bulletin 2010-11*.

The *G21 Economic Development Strategy: Background paper* (AEC Group 2011) and the *Draft Economic Development Strategy* (AEC Group 2012) both emphasise Geelong's growing service sector and diversification away from manufacturing but there is little discussion, in any of the reports, about how this transition will be facilitated in the future. Given the decline in manufacturing on a "business as usual" prediction, and the increased pressure on the sector with the introduction of carbon pricing, planning for this continued transition will be crucial. To illustrate, there is a need for details on how workers still employed in the large manufacturing sector will be assisted in finding new work, upskilling, or re-training to work elsewhere. The skill sets required in manufacturing are markedly different from those required in the growing service sectors, and it cannot be assumed that workers will be able to make the transition without targeted programs for training and employment.

What is also unclear from these reports is the extent that manufacturing is expected to decline and in what specific sub-sectors. As Table 3 shows, transport equipment, metals and engineering still dominate employment in the manufacturing sector, with food manufacturing second. While employers like Ford and Alcoa in the transport equipment, metals and engineering manufacturing sub-sector, are under increasing pressure and are cutting employment, there may be possibilities to expand sub-sectors like food manufacturing.

There is also the possibility of revitalising some aspects of the manufacturing and processing sector through a shift to "green manufacturing", either in terms of using green energy to help make existing manufacturing operations more viable or to create a manufacturing sector that specialises in "green" products (AEC Group 2011; Climate Works 2011). Again, such a shift would affect various sub-sectors in different ways. It is therefore important to consider manufacturing through the lens of the sub-sectors rather than as a whole.

Challenges and opportunities

The background paper to the G21 Economic Development Strategy states that the 'economic development needs of the region are likely to centre on leveraging and connecting existing assets and organisations in order to maximise potential' (AEC Group 2011, p. ii). In terms of overcoming challenges in the region, this appears to be a logical course of action. In terms of realising some new opportunities, however, there may need to be more significant, targeted intervention. Such realisations have led to the development of a range of economic growth and stimulus plans. As a starting point for many of these plans are attempts to identify 'drivers' of growth and how best to build upon them. The G21 Regional Growth Plan, for example, identifies a range of investment and growth 'drivers' and interventions and initiatives needed to support them. These include:

- Ensuring that the region's transportation infrastructure is well integrated and connected to Melbourne and surrounding regions;
- Creating an efficient and vibrant infrastructure;
- Ensuring available land supply for commercial, industrial and housing sectors;
- Striking the right balance between economic, environmental and social considerations so that natural and social assets are preserved;
- Ensuring the CBD is 'healthy and vibrant' (G21 2012, p. 26).

These ‘drivers’, which are also highlighted in other reports, are usually seen to be the key to managing and sustaining economic growth and job creation. The identification and use of the ‘driver’ concept, however, appears to relate more to regional assets and ‘enablers’ for economic growth rather than stimuli. One of the ‘drivers’ which does not appear to be reflected upon sufficiently is the way the region’s skilled labour force has underpinned the region’s economy and attracted employers to the region. Building upon the region’s skills advantages and developing a broader skills base will be vital to creating a robust economy into the future.

Challenges

The region faces three sets of challenges:

Areas of significant disadvantage

The Geelong region compares relatively well with Victorian averages for employment and unemployment but there are pockets of geographically-bounded, socio-economic disadvantage that fall well below these averages. The areas of Corio/Norlane and Wittington are singled-out in a number of reports as suffering from significant disadvantage in terms of lower educational attainment, higher unemployment and increased reliance on government support (AEC Group 2011; Altegis 2009; DPCD 2011).

The Victorian Department of Planning and Community Development (DPCD 2011) identifies three main issues that are currently compounding the issue of socio-economic disadvantage in these areas:

- The appearance of new “skilled jobs” where currently there is “unskilled labour”;
- The changing population composition and related restructuring of businesses;
- Rising house prices.

These developments effectively lock those on lower wages into areas with low service availability and less economic opportunity (DPCD 2011). The *Draft G21 Economic Development Strategy* (AEC Group 2012) highlights the importance of addressing disadvantage in order for the Geelong region to prosper. In particular, it emphasises the need to build “worker capabilities” for those in “low-income and low skill categories”, as well as the need to identify and overcome barriers to employment and training for those in disadvantaged and remote areas.

Lower levels of educational attainment

Another challenge for the region is the lower than State-average levels of year 12 completion and post-secondary qualifications. According to 2006 census data, the Victorian average for year 12 completion in people aged 35-34 years is 73 per cent. The average for the Geelong region is 64 per cent and in the area of Corio-Inner, this drops to 54 per cent (Neville 2011). In the years since the 2006 census, it is believed that the region of Greater Geelong is actually losing ground against the Victorian average in terms of year 12 (or equivalent) completion (BSWEAP 2011b). Given these lower rates of attainment in the Geelong region, it is not surprising that there are also lower levels of participation in tertiary education, particularly at university-level study (BSWEAP 2011b). In addition, the Barwon South-West Educational Attainment Project report notes that much post-secondary training (at TAFE and other providers) is still focused on a 'small number of trades: automotive trades, carpentry skills, commercial cookery, sheet metal work and hairdressing' (BSWEAP 2011b, p. 24). All of these elements will limit the potential for renewal and successful restructuring in the region. As the Geelong Region Local Learning and Employment Network report notes: 'Lower levels of educational attainment are a major concern for a labour market…transitioning into "smart" industries such as advanced engineering, carbon fibre and advanced manufacturing' (GRLLEN 2012, p. 5).

Public transport

The lack of a comprehensive and reliable public transport system in the Geelong region is mentioned in a number of reports (AEC Group 2012; Altegis 2009; BSWEAP 2011a). It is noted that gaps in public transport can impact upon both educational and employment outcomes. One of the barriers to employment identified by jobseekers themselves, particularly those from areas of socio-economic disadvantage, was not having a car or not having a valid driver's licence (Altegis 2009). A lack of accessible and reliable public transport therefore becomes a barrier to employment. The Barwon South-West Educational Attainment Project (2011b) also mentions transport as a barrier to better educational attainment, making it difficult for people to travel to high-schools, training facilities, TAFE campuses and universities. The *Draft G21 Economic Development Strateg*y supports this conclusion and emphasises the 'poor public transport across the region and particularly serving key assets such as the Geelong CBD and the Waurn Ponds campus of Deakin University' (AEC Group 2012, p. 7).

Opportunities

Current reports identify a number of opportunities for the region. Some of these opportunities appear to have been driven by individual employers (e.g. biotechnology), industry associations (e.g. advanced manufacturing) or employer bodies (G21) seeking to develop a longer-term strategic plan for stimulating business activity within the region. This work is complemented by local and State government reports that have sought to identify regional growth opportunities.

Tourism

Tourism is identified by some reports (BSWEAP 2011a, 2011b; DEECD 2011) as a possible sector for expansion, both within the Geelong region and using Geelong as a base for tourism in the wider Barwon-South West area, particularly as a gateway to the Great Ocean Road. International visitor numbers to the Great Ocean Road are expected to double between 2010 and 2030, and a number of projects in Geelong—including an upgrade to Avalon Airport and a proposal for a Geelong Convention and Exhibition Centre—have been highlighted by Regional Development Australia as linked to this increase in tourism (Fowles 2012b). In addition, the region's tourism industry has benefited from major festivals and events. The City of Geelong alone hosted 23 major events in 2010/11 estimated to have generated $118.6 million and supporting 948 full-time jobs (CoGG 2011a, p. 37). There has also been noticeable growth in the number of people studying for Certificates III and IV in Tourism and Hospitality (BSWEAP 2011b). This suggests that tourism is perceived as a growth sector in the region and may provide more employment in the short to medium term.

Education

The educational attainment challenges in the Geelong region also provide opportunities, particularly with regard to expansion of the education and training sector. This sector will play a critical role in assisting workers in re-skilling and upskilling as the region's economic and industrial transition progresses. There is clearly a need for targeted intervention in the provision of education and training to ensure increased rates of year 12 completion and tertiary education participation, especially given new government (COAG and Commonwealth) targets to lift year 12, diploma, advanced diploma and bachelor degree completions (for more information see 'Current growth areas' section).

There are signs that the region's education and training providers are also positioning themselves to capture research and development opportunities associated with new and emerging industries (e.g. carbon fibre manufacturing and health sciences). The presence of Deakin University, two CSIRO divisions, Barwon Health and The Gordon provide opportunities for advancing research and development within the region. The proposal to establish a 'global knowledge centre' around these educational assets is an important development. However, as noted by the *G21 Economic Development Strategy*, the participation and support of major local employers, along with government support, will be critical to developing world class research facilities in the area (AEC Group 2012). If successful this approach should stimulate the growth of professional jobs, open up opportunities for tertiary graduates and assist in attracting additional tertiary education students to the area.

Advanced manufacturing

Advanced manufacturing is perceived as one way for the Geelong region to retain and build upon the strengths of its manufacturing industry and its highly skilled and specialised workforce. Manufacturing and engineering design companies, such as Austeng, which manufacturers innovatively-designed wind turbines developed by Renewable Energy Solutions Australia (see austeng.net.au) are considered local leaders in this field. The Federal and State Governments are generally supportive of assisting the expansion of Geelong's advanced manufacturing sector and associated research and development. Co-operation and joint funding arrangements between the Federal Government, Victorian Government, The Victorian Centre for Advanced Materials Manufacturing and CSIRO provided $102.8 million for the establishment of a carbon fibre research facility at Deakin University, forecast to accommodate up to 300 additional staff and students (CoGG 2011a).

Health (and related industries)

The health care and social assistance sector is Greater Geelong's third largest industry, employing over 10,000 workers. Employment is expected to grow in the years ahead. The expansion of existing operators, such as Barwon Health (representing the region's single largest employer), is expected to account for much of this job growth. However, new investments, such as those proposed by Melbourne-based Epworth HealthCare to establish a 256 bed private hospital at Deakin's Waurn Ponds Campus, are also expected to contribute to significant job growth. In these respects, demand for medical, nursing, allied health professionals and administrative support staff is likely to remain strong. Health Professionals, Health and Welfare Support Workers and Carers and Aides are identified in several reports as either current or probable future skill shortage areas (see BSWEAP 2011a; CoGG 2011a, 2011b). Nonetheless, meeting these skills demands may prove challenging.

Agriculture and food

As acknowledged by the *Draft G21 Regional Growth Plan*, 'Geelong operates as a "food portal" providing major food processing activities and related distribution through its regional saleyards, Geelong Port, Avalon Airport and the road and rail freight network' (2012, p. 15). The distribution activity along with the local agri-food industry is likely to grow as agricultural production increases within and outside the region in response to climate change and food security concern, and as the international demand for agricultural products increases. Protecting and enhancing agricultural lands along with attracting state-of-the-art food manufacturing, processing and packaging industries will be critical to realising these opportunities. The Geelong Food Co-products Cluster provides a strong basis on which to attract additional agri-food industries to the region, while strengthening the capacity of local agri-food industries to benefit from inter-organisational collaboration.

Port of Geelong

The Port of Geelong is the second largest port in Victoria. In 2010/11, the Port was estimated to have contributed $404 million in output to the Barwon economy, with associated employment of around 1,250 jobs (EconSearch 2012). Trade through the Port is principally based on crude oil and petroleum products, woodchips, fertiliser and grain. In recent years there has been considerable interest in expanding the level of port activity. As Melbourne port facilities become increasingly congested, the Port of Geelong has sought to position itself as part of a solution to these problems. Nonetheless, overcoming the barriers of distance, limited capacity and environmental concerns associated with channel deepening have proven challenging. Proposals to export automobiles out of the Port of Geelong, for example, have been considered but rejected by the current Victorian government and the automobile industry. The Port of Geelong, however, will remain a major asset for years to come with prospects for growth and thereby provision of work for ship operators and loaders, storage and land transport workers, as well as administrators.

Alternative energy (and related industries)

The Geelong Geothermal Power Project is part of the growing potential in the region to develop alternative energy sources and to diversify into green manufacturing. The *Low Carbon Growth Plan for Greater Geelong* (Climate Works 2011) and the Barwon South Educational Attainment Project report (2011a) mention that there is potential for geothermal power in the region. Such measures may help achieve the transition of the manufacturing sector to a low carbon future. There is also the possibility of building on an existing base of strong trades, manufacturing and engineering expertise in the region to transition to a hub for "sustainability related industries" centred on green manufacturing (Altegis 2009). Such a transition cannot be built on a "business as usual" approach to expansion; it would require significant targeted intervention as part of a holistic approach to diversification.

Holistic approaches to diversification

International comparisons suggest that there has not yet been a wholly successful transition program put in place in industrialised economies to compensate regions experiencing downturns (see report on international developments in Fairbrother *et al*. 2012). Many areas that have experienced significant economic restructuring still struggle with higher than average unemployment as well as underemployment and associated negative social consequences. In many ways Geelong can be seen as a success story. Despite the continuing decline of manufacturing, the region still has only a slightly higher unemployment to the Victorian average (Neville 2011). However, ongoing restructuring and the continuing decline of manufacturing may adversely affect the Geelong region.

In circumstances of regional industry decline in Australia (e.g. automotive plant closures in South Australia, steel plant closures in New South Wales, privatisation of electricity and downsizing in Victoria) the outcomes remain fairly consistent: about a third of workers directly affected (generally those who are younger, more skilled and socially connected) will find jobs fairly quickly (Weller *et al*. 2011). About a third of those directly affected will eventually find inferior employment (for example, part time, low paid and /or insecure work). The final third (mainly older workers who opt for early retirement, or give up looking for work after a period of unemployment), will not work again. If these outcomes are to be improved, new approaches must be sought for regions undergoing economic diversification.

Fairbrother and others (2012) as well as Weller and colleagues (2011) point to the renewal strategies put in place in the Ruhr region of Germany as one of the most successful international examples of transitions away from old manufacturing and energy sources to new green technologies and the enhancement of research and training. This transition involved significant state intervention, facilitated by all levels of government, as well as intense collaboration between employers, unions and education facilities. The process is therefore an active form of restructuring rather than a more passive, market-driven restructuring. It has been associated with more positive outcomes than comparable restructuring efforts in the United Kingdom and the United States.

The approach taken in the Ruhr has been much more holistic than simply offering support to workers directly affected by the closure or decline of a particular industrial sector. It is a regionally-based renewal program, which aims to assist existing industries to 'adapt to the new market conditions created by changes in regulatory mechanisms, such as the introduction of emissions trading schemes' (Weller *et al*. 2011, p. 72) and to 'regenerate the area in line with ecological and sustainability concerns' (Fairbrother *et al*. 2012, p. 99). Like the Greater Geelong region, the Ruhr has seen an increase in the service sector but, instructively, in the Ruhr this has not fully offset the employment losses from the manufacturing sector.

One of the improvements suggested by Fairbrother and colleagues (2012) is that government interventions should be made *prior to* significant economic restructuring, rather than focusing only on amelioration strategies *after* the planned decline or closure of a particular industry. A further implication of the analysis is that there is a critical role in this process for educational and training programmes focused on reskilling and upgraded skilling measures, as part of an holistic approach to labour market change and development. There is currently the potential for such an approach in the Geelong region.

There have already been some moves in the Geelong region to adopt a holistic approach to renewal, particularly around linking education and training to work. The proposed Career and Development Skills Service (CDSS), is a prime example. The CDSS project came about as a result of the recognition that the Geelong's economy is undergoing a "fundamental change" (Altegis 2009). The proposed service is based on a "one-stop-shop" approach; a 'centralised support mechanism for career and skill development' (Altegis 2009, p. 2). The CDSS would bring together employers, job seekers, and education and training facilities. This is important as a co-ordinated response to training, skills and employment can be critical in times of restructuring (Fairbrother *et al*. 2012). The CDSS project, however, lacks funding from the Victorian State Government and has not yet come to fruition (AEC Group 2012).

There is already significant interest in the Geelong region regarding economic diversification and a transition away from manufacturing, as the sheer number of reports written in the last three years testifies. Fortunately, many of these reports emphasise the importance of a regionally-based solution and some also advocate an holistic approach to change, incorporating changes to work and employment, training and education, and attention to inequality and disadvantage as well as culture and social support (e.g. AEC Group 2011). In others words, there is already some indication of the use international best practice for economic diversification and restructuring. One of the notable absences in the relevant reports at this stage, however, is the lack of recognition of all participants to regional economic development and the aspirations of workers in relation to skills and career opportunities. While the needs of employers have been canvassed more thoroughly, it is important to appreciate workers aspirations, and also how workers and their representatives understand the process of economic diversification. Neglect of this dimension is likely to result in partial measures and result in displaced workers and a disaffected workforce. This project will address the current gap in worker perspectives and seek to recognise how these groups can actively help facilitate a fair and successful transition.

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