Skilling WA: the Western Australian workforce planning and development model

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WESTERN AUSTRALIAN WORKFORCE PLANNING & DEVELOPMENT

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The Department of Training and Workforce Development
Workforce Planning and Development
**Workforce planning**
The identification of:
- a region’s, industry’s, or employer’s current workforce capability and capacity
- the forecast workforce capability and capacity required to meet future economic needs.

**Workforce Development Planning**
- Informed by the outcome of workforce planning.
- Determines the workforce development planning instruments (i.e. policies and strategies) required to address the workforce capability and capacity gap identified by the workforce planning process.

**Workforce Development.**
- The implementation of the instruments derived from the workforce development planning process and aims to maximise the availability of appropriately skilled workers.
Western Australian Workforce Planning and Development Model

Key considerations

1. Deduce a workforce development need
2. Identify a regional contribution
3. Provide stakeholder engagement
4. Validate goals through analysis of data and modelling
5. Refine the goals with stakeholder input
6. Stocktake all current and recent workforce planning and development activities
7. Identify solutions to goals not currently being addressed
8. Implement solutions
9. Evaluate initiatives and review workforce needs

Best practice framework

Outputs – Skilling WA planning framework

Skilling WA

Regional Workforce Development Plans

Industry Workforce Development Plans

Training together working together

Project Focused Workforce Development Plans

State Training Plan

Western Australian Skilled Migration Strategy

Best practice principles

Purpose:
1. Workforce plans should encompass a balance of activities. This includes, but is not limited to, labour market programs and social amenities such as housing and transport.

Structure:
2. The division of geographic areas into workforce planning and development regions should be organized around commonly understood areas of economic and workforce activity.
3. Workforce planning and development regions should be intertwined with other existing structures.

Alignment with other plans:
4. Workforce plans should set goals that are correlated with state and national workforce goals.
5. Workforce planning and development should be integrated with other existing planning and development activities in a strategic, responsive and coordinated manner, and be tailor made to address the economic challenges of Western Australia.

Stakeholder involvement:
6. Workforce planning and development should be led by local stakeholders.
7. Workforce planning and development should engage a broad cross-section of stakeholders and be underpinned by open, transparent and effective two-way communication.

Data:
8. Workforce planning networks and alliances should be resourced with data from a single contact point.
9. Workforce planning should be evidence-based and informed by contemporary practice and reliable, tailored data, including projections of future supply and demand.

Resourcing:
10. Workforce planning and development should be resourced adequately through investment by government, industry and community stakeholders.

Evaluation:
11. Workforce planning and development should be routinely monitored and evaluated to review both the effectiveness of the initiatives and the changing workforce challenges.

Adapted from the National Regional Workforce Planning and Development Report (2013), available at www.dtf.wa.gov.au. Note in this context refers to the real or virtual boundaries used for planning and administration of geographic areas. It includes metropolitan areas.
Skilling WA – A workforce development plan for Western Australia

- First released 2010
- A whole-of-government Cabinet endorsed plan which supports workforce development in Western Australia.
- Strategic Goals:
  1. Workforce Participation
  2. Skilled Migration
  3. Attraction and Retention
  4. Skills Development
  5. Planning and Coordination
Skilling WA Achievements:

**Strategic Goal 1 - Participation**

- Industry Facilitation and Support Program - Department of Commerce
- Future Skills WA
- Training together – working together

**Strategic Goal 2 – Skilled Migration**

- State Nominated Migration Program
- Overseas Qualification Unit
- Migrant Career Development
- Skilled Migration Policy Development
Skilling WA Achievements:

**Strategic Goal 3 – Attraction and Retention**

- Infrastructure development (Pilbara Cities, Supertowns, Service Worker Accommodation)
- Regional Allowances
- Workplace Essentials

**Strategic Goal 4 – Training and Education**

- Future Skills
- Training Infrastructure
- Overseas Students
Skilling WA Achievements:

**Strategic Goal 5 – Planning and Coordination**

- State Government workforce development networks
- CEO Performance Agreements
- Regional workforce development plans
- Integration with State Government planning processes
Skilling WA Review
Skilling WA Review

Key Issues:

- Workforce participation of those traditionally under-represented in the workforce (esp. youth, aboriginal persons, mature aged)
- Need for a demand driven immigration system that provides flexibility for employers to recruit overseas workers when local skills cannot be found.
- Continued investment in infrastructure to further develop attractive communities
- Language, Literacy and Numeracy
Skilling WA Review

Key Issues:

• Pathways to work, education and training
• Regional education and training
• Understanding and implementation of workforce planning at the enterprise level
• Coordination of workforce planning and development through each level of government
• Engagement of industry and community stakeholders in workforce development
Michael Eckermann
Manager, Economic and Labour Market Analysis
Department of Training and Workforce Development
Ratio of job vacancies to unemployed

(Source: ABS, cat 6202.0 and 6354.0)
WA Employment By Industry (4 Pt Moving Averages)
February 2013 - February 2014

Source: ABS 6291.0.55.003, November 2013
Looking Ahead…
## Headline Forecasts for the State’s Labour Market

<table>
<thead>
<tr>
<th>FORECASTER</th>
<th>Employment growth (%)</th>
<th>Unemployment rate (%)</th>
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WESTERN AUSTRALIA'S TOTAL AND FORECAST POPULATION GROWTH RATES

Source: ABS cat. no. 3101.0 for historical data; WA Treasury for forecasts
Projected **YEARLY CHANGE** in total WA resource sector employment levels, by region *(base case scenario, unless otherwise indicated)*

**Source:** Modelling employment demand and supply in the resources sector - Deloitte Access Economics, November 2013
Prediction is very difficult, 
…especially about the future.

Niels Bohr (attributed), Danish Physicist, 1970
The Economy and Labour Market

• Things are not bad, but certainly not ‘boom times’ either,
• The WA labour market is an ‘ever moving beast’,
• The labour market is very competitive for applicants at the moment – much more so than in recent history,
• Workplace based experience is a critical factor for most WA employers,
• Skills mix is very dynamic – changes quite quickly at times, or for some areas
• Even with moderation in the State’s labour market:
  • Resource projects moving into their production phase and require a different mix of skills.
  • The current level of unemployment suggests the supply of skills is not suitably matching the types of skills that are in demand.
State priority occupation list (SPOL)

The State Priority Occupation List (SPOL) is an annually-produced list of jobs that are considered critical to the State and/or have demonstrated significant unmet demand.

A priority occupation is defined as an occupation: ‘… where specialised skills are learned in formal education and training is needed at entry level, and the impact of market failure is potentially significant.’
Purpose:
- Planning for Vocational Education and Training
- Skilled Migration
- Workforce development planning more broadly

Inclusions:
- Critical Occupations
  - where specialised skills are learned in formal education and training is needed at entry level, and the impact of market failure is potentially significant.
- Unmet demand
  - Where there is evidence that supply is not meeting demand
- Non-market / policy reasons
  - For example, where there are new licensing regulations or qualification requirements

Principles / Requirements:
- Valid data
- High levels of skill
- Clear pathways
- Occupational impact
Data sources

– ABS:
  • Census 2006 and 2011 data,
  • Monthly and Quarterly labour force data,
  • State Final Demand / Gross State Product data,
  • Average Weekly Earnings data;

– DTWD:
  • AVETMISS enrolment and delivery data,
  • Training Record System data,
  • EVAC submission information,
  • Training Package implementation and advice (as provided by Training Councils),
  • Regional Workforce Development Plan information;

– State and Federal Treasury forecasts

– C’wealth Government admin data:
  • Higher education data
  • Skilled migration data
  • 457 Visa data
  • Consolidated Skilled Occupation List information
  • Survey of Employers who have Recently Advertised
  • Survey of Employers’ Recruitment Experiences
  • Small Area Labour Markets data

– National Skills Needs List
– Monash University:
  • Centre of Policy Studies’ CGE forecast data;
  • Centre for the Economics of Education and Training net replacement rate data;

– Pitcrew Reports
– HIFG Report on Forecast Dwelling Commencements in WA
– AWPA Specialised Occupation List
– Deloitte Access Economics:
  • Scenario Planning data
  • Forecast data
– KPMG’s Clarius Skills Index;
– CME State Growth Outlook
– CCI (WA) Trendline
– And many others used on an ‘as needed’ basis for Quality Assurance
Methodology

• Quantitative (‘top-down’ analysis)
  – Primary demand indicators:
    • employment level;
    • employment growth (including net replacement rate);
    • average age of employed;
    • average weekly ordinary time wages for full time adult employees; and
    • average weekly ordinary time wages growth.
  – Primary supply indicators:
    • Higher education completions;
    • VET completions;
    • 457 migration; and
    • Other migration;
  – Standard deviations
    • To allow comparison of ‘apples’ and ‘oranges’
    • Weighted standard deviations used to calculate Occupational Priority Index (OPI) scores
    • Occupations ranked according to OPI

• Qualitative (‘bottom-up’ analysis)
  – Industry Workforce Development Plans
  – Regional Workforce Development Plans
  – Environmental scanning (see previous page)

• State Priority 1, State Priority 2, and Priority 3 Occupations
Gordon Duffy
Manager, Workforce Development and VET Planning
Department of Training and Workforce Development
Skilling WA

- Skilling WA is a whole-of-government plan which supports workforce development in Western Australia.
Strategic goals of *Skilling WA*

- Growing the workforce – participation
- Growing the workforce – skilled migration
- Attraction and retention of skilled workers
- Skills development and utilisation
- Planning and coordination
Regional Workforce Development Plans

Objective

• To identify current and future workforce development and skills needs and develop strategies to ensure that these needs can be addressed

• This involves:
  – an assessment of regional economic and demographic dynamics, and the associated implications;
  – an examination of labour market characteristics;
  – an assessment of the factors affecting the supply of labour; and
  – the preparation of a workforce development action plan for the region
Regional Workforce Development Alliances

• Alliances are established in each of the nine regions of WA.

• Provide leadership and oversight for the development and implementation of regional workforce development plans.

• Alliance membership includes representation from local business, industry groups, local governments (representing community aspirations), relevant government agencies and the local State Training Provider.

• Leadership and support to the Alliances is provided by the State Government through the local Regional Development Commission and the Department of Training and Workforce Development.
Progress to Date

• Six regional workforce development plans developed and being implemented.

• Three regional plans currently being developed.

• Nine regional alliances (comprising more than one hundred alliance members).

• Over three hundred priority actions to address workforce development issues targeted at more than eighty lead agencies, for example:
  
  • Departments of Health, Aboriginal Affairs, Education, Training, Commerce, Housing, Training and Workforce Development;
  • City of Bunbury, Shires of Manjimup and Augusta-Margaret River.
  • Kalgoorlie-Boulder Chamber of Commerce and Industry;
  • Great Southern Institute of Technology;
  • Pilbara Development Commission;
  • Commonwealth Department of Industry, Innovation, Climate, Science, Research and Tertiary Education;

• Over six hundred individuals and thirty Aboriginal communities consulted.
<table>
<thead>
<tr>
<th>Region</th>
<th>Timing</th>
<th>Report Status</th>
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<td>Goldfields Esperance</td>
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<td>Wheatbelt</td>
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<td>Gt Southern</td>
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<td>South West</td>
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Regional workforce development plans

Released: Goldfields-Esperance (Nov `12), Wheatbelt (Dec `12)  
Great Southern (April `13), South West (May `13), Pilbara (July `13) and 
Kimberley (Nov `13)

A copy of each plan that has been released is available to view at 
New train and retain scheme for workers

By KEN MATTS
senior journalist

A PLAN to train, attract and retain skilled workers in the Great Southern has been launched.

Training and Workforce Development Minister Terry Redman said skills shortages were one of the major challenges facing the State.

He said the problem was expected to grow in regions such as the Great Southern.

Mr Redman said the Great Southern Workforce Development Plan 2013-2016 would play a key role in shaping future workforce needs, being a significant reference point in building, attracting and retaining skilled workers.

"Western Australia is experiencing strong economic and employment growth and, according to current reports, there will continue to be strong demand for skilled workers into the future," Mr Redman said.

"The plan highlights a steady population increase in the Great Southern during the past few years, with major ventures such as Xstrata's project near Kambalda likely to have a significant impact on the region's economy."

It is the third of nine regional plans to be announced throughout the state and has a four-year time frame.

While the region is now in "full employment" it is hoped major drivers to the economy will be attracted, creating more jobs.

This includes work for aboriginal people, many of whom have become sidelined since work-for-the-dole programmes ended.

Mr Redman said 28 priority actions were outlined to address key workforce challenges.

They target the areas of skills development and utilisation, migration, workforce participation, attraction and retention.

CHALLENGE: GSVD, Workforce Development Manager, Director General Dr Ruth Spence

Rising youth unemployment and skills shortages were identified at the Goldfields-Esperance Workforce Development Alliance board meeting on Tuesday as key issues facing the regional labour market.

The board discussed a presentation by the Department of Training and Workforce Development showing lower than expected levels of qualification amongst those in the Goldfields-Esperance region.

According to 2011 census data, 21,016 people in the region aged 15 years and over are without qualification.

A recent marked increase in WA's youth unemployment rate, which is now higher than the rest of Australia, was also a key point for board.

GEWDA chairman Ron Mosby said it is important for the future of the region to address the link between skills shortages and youth unemployment, by placing further emphasis on training and education to reduce unemployment.

"We thought our region would be an exception to the State average (for youth unemployment)," Mr Mosby said.

"But we feel if we can get people into qualifications sooner and get them in our region, even though we don't believe we're a part of that trend as deeply as Perth is, we can pre-empt any flow on effects from metropolitan unemployment and keep our region out of this sharp rise.

"That's what we've got to guard against and that's the point of having GEWDA to look at workforce development in the region and ensure from an employer's point of view we've got people adequately skilled to go into the workforce, and from a community point of view, that we don't have a lot of unskilled youth who are unable to be employed."

MICHAEL DULANEY

Business leaders tackle future workforce issues

CLARE NEGUS

A STATE Government-driven plan to help tackle future workforce issues in the South West has been launched last week in front of industry and community stakeholders at the Quality Lord Forrest Hotel.

The South West workforce development plan 2013-16 aims to build, attract and retain a skilled workforce to meet the region’s future economic needs and ongoing development.

Initiatives outlined in the plan include school-based training, employee mentoring, capitalising on growth in the resource sector and building on the region’s hospitality industry.

Training and Workforce Development Minister Terry Redman said the South West was experiencing a surge in economic and employment growth.

"The region is expected to become a population hotspot in the next 15 years, with investment projects worth more than $1 billion already underway or committed to," he said.

"This growth brings a number of challenges, particularly in meeting current and future workforce demands."

"We can deal with these challenges by focusing on teaching skills to the local workforce, attracting new employees and retaining existing workers."

South West Development Commission CEO Don Punch said the region had a diverse economy with enormous opportunities and the plan would help tackle changes in the coming years.
INDUSTRY TRAINING COUNCILS

1. Community Services, Health and Education Industry Training Council Inc
2. Construction Training Council
3. Electrical, Utilities and Public Administration Training Council Inc
4. Engineering and Automotive Industry Training Council Inc
5. Financial, Administrative and Professional Services Training Council Inc
INDUSTRY TRAINING COUNCILS

6. Food, Fibre and Timber Industries Training Council (WA) Inc

7. FutureNow: Creative and Leisure Industries Training Council Inc

8. Logistics Training Council Inc

9. Resources Industry Training Council

10. Retail and Personal Services Industry Training Council Inc
Training Councils’ Service Agreement

Department entered into individual Service Agreements with the ten Training Councils for a period of five years beginning in 2010/2011.

A key deliverable contained in the Service Agreement is the development of an Industry Workforce Development Plan. The Industry Plans provide the Department with:

• Critical occupational information – to inform the development of the State Priority Occupations List, the State Training Plan and the Western Australian Skilled Migration Occupation List;

• Information relating to major issues impacting workforce development within the Training Councils area of responsibility and priority actions to address these issues); and

• Information and advice which contributes to Department policies, plans, reports and briefings.
Industry Workforce Development Plans

The plans include:

- information on the industries under the Training Councils scope of coverage (e.g., a profile of the industries, a description of the industry characteristics and drivers of change);

- the major workforce development challenges and issues facing the industries;

- recommended strategies to address these issues.

- a workforce development action plan, which identifies specific agencies which have ‘lead’ responsibility for coordinating the strategies and projects stemming from the plans.
There are jobs that are in high demand or considered industry critical in all industry areas.

All industry plans have highlighted some key challenges that relate to attracting young people into their industries where skill shortages exist. These challenges relate to the:

- relevance and quality of VETiS delivery;
- quality and relevance of career advice in schools; and
- poor image of certain industries amongst many parents, teachers and careers advisors, coupled with the widespread view that academic careers are better than vocational careers.

Some emergent themes from the regional and industry plans
Some emergent themes from the regional and industry plans

• A number of the regional workforce development plans point to the competition between the regions for skills and labour.

• All regional plans have highlighted that, in the context of a tight labour-market, increasing the participation of under-represented groups is critical to addressing their skills and workforce development needs over the coming years.

• All regional plans have identified issues around housing availability and affordability.
Some emergent themes from the regional and industry plans

- A number of regional plans raise the challenge of attracting and retaining young people in their communities and therefore their workforce.

- All plans have identified the lack of language, literacy and numeracy standards as a concern for employers.

- Some regional plans indicate that there is a lack of childcare workers within the regions and/or sub-regions.

- The plans have highlighted that engaging small to medium sized enterprises in addressing workforce development issues continues to be a challenge.
Some regional examples of initiatives the Department has taken lead agency responsibility for:

- Working in collaboration with regional industry and training providers, to investigate and develop strategies to further improve the uptake and completion rates of apprenticeships and traineeships in the Kimberley;

- Putting arrangements in place to support a number of forums in the Wheatbelt that aim to promote apprenticeships and traineeships to Wheatbelt employers.

- In collaboration with local industry and the other key stakeholders to further identify priority workforce and skill needs of Katanning as a sub-regional centre and designated SuperTown. A major focus of this work is school aged youth and how they can be helped to transition from school to work and be more job ready.
Initiatives by other Government Departments

• The regional office of the Department of Education to investigate the year 12 completion rate of Aboriginal students attending schools in the Great Southern with the view to developing ‘best practice’ participation and retention strategies, which include addressing issues associated with transition from school to employment/further education and training.

Statewide Initiative

• The Department of Training and Workforce Development has developed a web portal which aims to support small to medium enterprises with the engagement, attraction and retention of employees (including under-represented groups such as youth and Aboriginal workers).
Sustainable training options for students with barriers to learning

CATHIE BONNER
Newton Moore Education Support Centre

LOV Beauty Winner for WA Training Awards VET in Schools Excellence 2013 at the WA Training Awards.

RODNEY BUCKENARA
Hampton Senior High School
Virtual workplace simulations

CHRIS WINTER
Training Sector Services | Department of Training and Workforce Development

Reforming our apprenticeship system

DAVID GARNER
Australian Skills Quality Authority (ASQA)

Conventional or creative? Recipes for an innovative two-way learning journey

JACKY CHENG
Kimberley Training Institute

Student engagement: the next step
And bringing our teachers along for the ride…so they ultimately lead the way

PAULINE FARRELL
Box Hill Institute