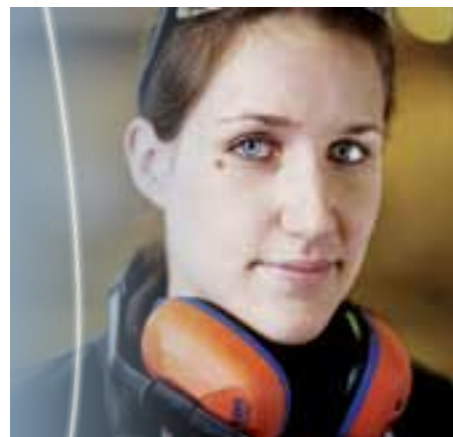




Government of **Western Australia**
Department of **Training**
and **Workforce Development**

Skilling WA –

A workforce development plan
for Western Australia
Executive Summary





TITLE: *Skilling WA — A workforce development plan for Western Australia*

Executive summary

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Minister's message



Western Australia is on the brink of another period of significant economic activity and is well positioned to enter the next decade with confidence.

The State was not immune to the effects of the global financial crisis, yet we have fared better than many other developed economies.

The economic slowdown has provided a small window of opportunity for the State Government to work with industry, the Australian Government and other stakeholders to plan for the future.

As the lead agency for workforce planning, the Department of Training and Workforce Development was asked to develop a whole-of-government plan that will enable all Western Australians to both contribute to and benefit from the opportunities that come from sustainable economic growth.

Research commissioned by the Department indicates this growth will result in the creation of many new jobs. To maximise the opportunity, we must be prepared.

Much of this growth will be driven by the construction activities created by major resource and infrastructure projects such as the Gorgon, Ord Stage II — East Kimberley Expansion project and the Oakajee Industrial Estate and Port and Rail project.

As we learned in the last period of accelerated growth, a strong resources sector can lead to other industries being crowded out of the labour market when they try to recruit staff.

This makes our commitment to a strategic and integrated approach to workforce planning more important than ever.

To meet the challenges of increased demand for skilled labour, the State Government has developed *Skilling WA — A workforce development plan for Western Australia (Skilling WA)*, a framework to build, attract and retain a skilled workforce and ensure that Western Australia has the capacity and capability for continued economic success.

This first edition of *Skilling WA* is a dynamic document and will be regularly reviewed and updated. It focuses on growing the workforce through increased participation, targeted skilled migration and attracting and retaining a skilled labour force in Western Australia's regions.

I commend *Skilling WA — A workforce development plan for Western Australia* to you and encourage you to work with us to enable more Western Australians to participate in the workforce by removing barriers and adopting a coordinated approach to resolving issues that impact on the State's workforce.

A handwritten signature in black ink, which appears to read 'P. Collier'. The signature is stylized and fluid.

Hon Peter Collier MLC
Minister for Training and Workforce Development



“The Chamber of Minerals and Energy commends the Department of Training and Workforce Development and the State Government on Skilling WA. It is a timely response to the increasing demand for skills and labour, driven by the continued growth of the State’s resources sector.

As the peak industry body for the sector, the Chamber of Minerals and Energy looks forward to working with the State Government and its other stakeholders to help contribute to achieving the goals of Skilling WA.”

Reg Howard-Smith,

Chief Executive

Chamber of Minerals and Energy of Western Australia

“Our state’s economy is one of the strongest in the country, and we are preparing for a new wave of growth and prosperity.

However, we run the risk of being victims of our own success. The biggest challenge facing employers of all sizes and in all sectors across the State is labour shortages.

Employers are already finding it harder to get the workers they need. And upward pressure on wages is compounding the problems for business.

CCI research shows that WA needs almost half a million extra workers over the next decade, but we will fall short by more than 210,000 workers.

WA needs strategies to grow our population, boost flagging productivity and lift participation rates.

CCI looks forward to working with the Western Australian government to help grow the local workforce. The Government’s Skilling WA strategy is a step in the right direction.”

James Pearson

Chief Executive

Chamber of Commerce and Industry of WA

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Economic and employment forecasts

Forecasts of population levels, labour requirements and skills requirements made in this document are based upon rigorous economic modelling. This modelling, undertaken by organisations such as Access Economics and Monash University, is based on sets of assumptions about a range of contributing factors, including current State and Australian Government policy, global economic conditions and economic growth projections.

These factors are continually changing and therefore may significantly affect the reliability of the modelling.

The number of years into the future that a forecast is made also impacts on the reliability of forecasts. The greater the

timeframe relating to an employment forecast, the less confidence we can have in its accuracy, as there is more potential for policy changes or changes in economic conditions to impact on labour supply and demand. Further, differences in assumptions regarding global, national and State economic growth forecasts, as well as numerous other economic inputs, result in differences in projections.

The projections included in this document are best considered as a guide to what the future labour market **may look like** and are best used to inform public and industry policy towards a range of potential future labour market scenarios.

Executive summary and recommendations

Skilling WA — A workforce development plan for Western Australia is a response by the State of Western Australia to the increasing demand for skills and labour by the State's industries, which recognises the impact the major resources and infrastructure projects have on the State's labour market and is aimed at building, attracting and retaining a skilled workforce to meet the economic needs of the State.

The development of the State's workforce is critical to the continued economic growth of the Western Australian economy. The opportunities presented to the State through the ongoing demand for our natural resources will only be harnessed if the State's industries have access to a highly skilled and diverse workforce.

Skills deepening, increasing workforce participation and increased productivity will be essential to maintaining the State's competitiveness in an increasingly global marketplace.

However, an ageing population and competition for labour from other states and developed and developing countries put the State at risk of experiencing labour and skill shortages. As we emerge from the global financial crisis, some employers are already reporting difficulties in attracting and retaining skilled staff.¹

There is the potential that this trend will continue, with a number of recent labour market forecasts suggesting that the State will experience significant jobs growth over the coming decade. Access Economics and Monash University forecast that employment will grow by 222,000² and 239,000³ jobs respectively between 2010 and 2017, while the Chamber of Commerce and Industry Western Australia (CCIWA) suggests the State will require an additional 488,500 workers between 2010 and 2020.⁴

While there is some variation between these projections, due in part to the use of different data sets and modelling assumptions, they all suggest there will be significant growth in employment over the coming decade.

Added to this is the forecast that over half of all jobs predicted to be created between 2010 and 2017 will be in higher skilled categories including professionals, managers and technicians and trades workers. Consequently the demand for higher level qualifications is expected to increase, with over 87% of forecasted new jobs requiring Certificate III level qualifications or higher.⁵

In addition to the 222,000⁶ to 239,000⁷ workers required to fill the new jobs expected to be created by 2017, approximately 186,000 additional workers are expected to be required to fill jobs vacated by current workers leaving the workforce through retirements and permanent emigration.⁸

² Access Economics June 2010.

³ Monash University September 2009.

⁴ Chamber of Commerce and Industry Western Australia, June 2010, *Building Western Australia's Workforce for Tomorrow, Discussion Paper*, p 3.

⁵ Monash University September 2009.

⁶ Access Economics June 2010, *Business Outlook*.

⁷ Monash University September 2009

⁸ Based on analysis of Centre for the Economics of Education and Training, Monash and ABS data by the Department of Training and Workforce Development.

¹ Chamber of Commerce and Industry Western Australia, June 2010, *Building Western Australia's Workforce for Tomorrow*.



This results in an estimated 408,000 to 425,000 new workers required in Western Australia by 2017.

Recent analysis by the Department of Training and Workforce Development indicates approximately 275,000 workers will be provided through natural population growth and migration. This suggests that Western Australian employers may experience a deficit of between 133,000 and 150,000 workers by 2017. This finding is supported by recent research by the CCIWA, suggesting Western Australia will experience an estimated shortage of 210,000 workers by 2020.⁹

While the forecasts discussed above are based on complex modelling and forecasting principles, they are subject to variation and change as the underlying assumptions of government policy and economic conditions change. However, all recent forecasts suggest that Western Australia can expect a significant increase in the demand of the skill level of its workers, as well as an increase in the demand for workers. There is, therefore,

a need to increase the level of labour availability, through increased workforce participation and migration, as well as increasing skill attainment.

Skilling WA — A workforce development plan for Western Australia seeks to address the issues impacting on the State's workforce today and in the future. The plan provides the framework for maximising the availability of skilled labour by developing the State's workforce through increased labour force participation, providing flexible, responsive and innovative education and training, increasing the State's participation in the national migration program and by attracting and retaining a skilled labour force to Western Australia, especially in regional areas.

An integrated approach

Skilling WA recognises the significant impact Western Australia's regional communities, diverse range of industries and multicultural population have on the State's economy, while also acknowledging the unique challenges this presents.

⁹ Chamber of Commerce and Industry Western Australia, June 2010, *Building Western Australia's Workforce for Tomorrow*, p 3.



To meet these challenges, the Department of Training and Workforce Development has developed an integrated workforce planning and development process.

This integrated process (as illustrated above) will ensure that the specific needs of industries, regions and those under-represented in the workforce, as well as major projects and enterprises are addressed.

Governments, industry, community, education and training providers, enterprises, new job seekers and workers all have a role to play in meeting the workforce development needs of the State. Only in partnership with these stakeholders will the State address the skill and labour demands of our industries and provide the opportunity for all Western Australians to benefit from our growing economy.

Developing the Western Australian workforce

In developing *Skilling WA* the Department of Training and Workforce Development engaged in an extensive consultation process involving business, peak industry groups, the community and State Government agencies. A series of workforce development discussion papers were published providing stakeholders with the opportunity to submit formal responses. In addition, a number of information exchange sessions and forums were held. This consultation process identified a range of key issues impacting on the development of the State's workforce. Analysis of these issues led to the establishment of the following five strategic goals.



Strategic goals

Strategic goal 1

Increase participation in the workforce particularly among the under-employed and disengaged, mature-aged workers, Aboriginal and Torres Strait Islander and other under-represented groups.

Strategic goal 2

Supplement the Western Australian workforce with skilled migrants to fill employment vacancies unable to be filled by the local workforce and address those factors which support a growing population.

Strategic goal 3

Attract workers with the right skills to the Western Australian workforce and retain them by offering access to rewarding employment and a diverse and vibrant community and environment to live in.

Strategic goal 4

Provide flexible, responsive and innovative education and training which enables people to develop and utilise the skills necessary for them to realise their potential and contribute to Western Australia's prosperity.

Strategic goal 5

Plan and coordinate a strategic State Government response to workforce development issues in Western Australia.

The strategies and priority actions needed to achieve these goals are set out on the following pages.

The priority actions have been categorised as either short term or medium to long term, with the agency, agencies or stakeholders responsible for implementing them identified as lead agencies.

Strategies and priority actions

Strategic goal 1

Increase participation in the workforce particularly among the under-employed and disengaged, mature-aged workers, Aboriginal and Torres Strait Islander and other under-represented groups.

Strategy 1.1

Provide leadership in increasing participation in the Western Australian workforce.

Recommended priority actions

Short term	
1.1.1	Industry leadership Industry will take a leadership role in promoting and facilitating an increase in participation of target groups within enterprise workplaces. [Lead groups/associations: Peak employer groups and industry associations]
Medium to long term	
1.1.2	Public sector participation The State Government will implement a range of initiatives to: <ul style="list-style-type: none"> increase the employment of under-represented groups in the public sector; and provide best practice examples of workplace flexibility. [Lead agencies: Public Sector Commission and Department of Commerce]
1.1.3	State Government contracting The State Government will include requirements in its contracting of works and services for the employment of Aboriginal workers. [Lead agency: Department of Treasury and Finance]

Strategy 1.2

Provide incentives and support to encourage greater participation in the workforce.

Recommended priority actions

Short term	
1.2.1	Training funding The Department of Training and Workforce Development will give priority to the packaging of funding streams and programs (including partnerships) for the engagement and training of those groups under-represented in the workforce. [Lead agency: Department of Training and Workforce Development]



1.2.2	Training participation The Department of Training and Workforce Development will focus a proportion of its group training funding as an incentive to increase participation of target groups in apprenticeships and traineeships.
	[Lead agency: Department of Training and Workforce Development]
Medium to long term	
1.2.3	Workplace flexibility The Department of Commerce will develop and implement the Workplace Flexibility and Participation Program to promote flexible work practices in enterprises, which will assist in reducing the barriers to workforce participation and attracting and retaining workers.
	[Lead agency: Department of Commerce]
1.2.4	Career development The Department of Training and Workforce Development will develop a proposal for its Career Centre and metropolitan and regional Workforce Development Centres to take on a 'case management' role to support increased workforce participation of under-represented groups.
	[Lead agency: Department of Training and Workforce Development]
1.2.5	Youth mentoring The Department for Communities will promote the mentoring of Western Australian youth to help their transition into training, higher education and employment.
	[Lead agency: Department for Communities]
1.2.6	Workforce participation of under-represented groups The Department of Training and Workforce Development will partner with community and government organisations to develop and implement a range of initiatives to attract and retain under-represented groups in the workforce. These organisations will include the Western Australian Council of Social Services, Council on the Ageing, People with Disabilities (WA), the Department for Communities, Disabilities Services Commission, Office of Multicultural Interests and Mental Health Commission.
	[Lead agency: Department of Training and Workforce Development]

Strategy 1.3

Facilitate removal of barriers to participation in the workforce.

Recommended priority actions

Aboriginal workforce development	
1.3.1	<p>Training together — working together</p> <p>The State Government will implement <i>Training together — working together</i> (Aboriginal workforce development strategy) which aims to improve the employment and training outcomes of Aboriginal people in Western Australia. This includes initiatives to establish Aboriginal Workforce Development Centres, an Aboriginal workforce development website and a State-wide mentoring program.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
Medium to long term	
1.3.2	<p>Childcare services</p> <p>The State Government will develop and implement initiatives to increase the capability and capacity of providers to deliver appropriate childcare, out of school care and vacation care throughout Western Australia.</p> <p>[Lead agency: Department for Communities]</p>
1.3.3	<p>Regional workforce development alliances</p> <p>The Department of Training and Workforce Development will establish regional workforce development alliances in the State's non-metropolitan regions to lead workforce development initiatives in regional areas and to address barriers to workforce participation. This will be facilitated through the development and implementation of regional workforce development plans.</p> <p>[Lead agencies: Department of Training and Workforce Development and Regional Development Commissions]</p>
1.3.4	<p>Government collaboration</p> <p>The Western Australian Government will work with the Australian Government to foster collaborative engagement between State agencies and publicly funded employment service providers to maximise employment outcomes.</p> <p>[Lead agencies: Department of Training and Workforce Development and Department of Premier and Cabinet]</p>



Strategic goal 2

Supplement the Western Australian workforce with skilled migrants to fill employment vacancies unable to be filled by the local workforce and address those factors which support a growing population.

Strategy 2.1

Implement the initiatives outlined in the Western Australian skilled migration strategy to deliver a responsive migration program for Western Australia.

Recommended priority actions

Short term	
2.1.1	<p>Western Australian skilled migration occupation list</p> <p>The Department of Training and Workforce Development will develop and use a <i>Western Australian skilled migration occupation list</i> to address the State's skill needs through the State sponsored General Skilled Migration program.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
2.1.2	<p>State sponsored skilled migration</p> <p>The Department of Training and Workforce Development will review the administrative processes for State sponsorship of applicants to the General Skilled Migration program to improve processing times and migration outcomes.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
2.1.3	<p>Recognition of overseas qualifications</p> <p>The Department of Training and Workforce Development will investigate alternative models for processing the recognition of skilled migrant qualifications to improve timeliness and outcomes for business and migrants.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
2.1.4	<p>Migrant career development</p> <p>The Department of Training and Workforce Development will expand the role of the Western Australian Career Centre and Workforce Development Centres to provide support to migrants and employers. This support will be focused on improving the skills and workforce participation of migrants, particularly in regional areas of Western Australia.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
2.1.5	<p>Skilled migration strategy review</p> <p>The Department of Training and Workforce Development will establish an industry reference group to regularly review skilled migration strategies and initiatives.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>

Medium to long term	
2.1.6	<p>Regional workforce development alliances</p> <p>The Department of Training and Workforce Development will establish regional workforce development alliances to lead workforce development initiatives in regional areas.</p>
	[Lead agencies: Department of Training and Workforce Development and Regional Development Commissions]
2.1.7	<p>Integrated planning</p> <p>The <i>Western Australian skilled migration strategy</i> and regional workforce development plans will inform the work of the Western Australian Planning Commission's Infrastructure Coordinating Committee in the planning of physical and social infrastructure in Western Australia.</p>
	[Lead agency: Department of Training and Workforce Development]
2.1.8	<p>Skilled migration information portal</p> <p>The Department of Training and Workforce Development will establish a Western Australian skilled migration information portal that supports employers and prospective migrants.</p>
	[Lead agency: Department of Training and Workforce Development]
2.1.9	<p>Marketing Western Australia to the world</p> <p>The Department of Training and Workforce Development will work with Tourism Western Australia, other State Government agencies and industry to develop a comprehensive marketing program to promote Western Australia as the destination of choice for potential migrants.</p>
	[Lead agencies: Department of Training and Workforce Development, Tourism Western Australia, Small Business Development Corporation, Office of Multicultural Interests, Department of Regional Development and Lands and Regional Development Commissions]
2.1.10	<p>Regional building programs</p> <p>The State will support regional building initiatives such as Pilbara Cities that provide for the formation of sustainable regional communities and which deliver the amenities required for skilled workers to both work and live in regional Western Australia.</p>
	[Lead agencies: Department of Planning, Department of Regional Development and Lands and Department of Housing]
2.1.11	<p>Immigration processing</p> <p>The State Government will work with the Australian Government to influence the streamlining and improvement of immigration processes.</p>
	[Lead agencies: Department of Training and Workforce Development and Department of Premier and Cabinet]



2.1.12	Western Australian migration settlement program <p>The State Government, in conjunction with the Australian Government, will develop a Western Australian migration settlement program to provide a range of support services to facilitate permanent and temporary worker settlement in the community and the workplace.</p>
	[Lead agencies: Department of Training and Workforce Development, Department of Premier and Cabinet, Office of Multicultural Interests and Small Business Development Corporation]
2.1.13	Skilled migration program flexibility <p>The State Government will advocate for policy changes that encourage greater flexibility in the national migration program to meet the needs of Western Australia.</p>
	[Lead agencies: Department of Training and Workforce Development, Department of Premier and Cabinet, Office of Multicultural Interests, Small Business Development Corporation and Department of Commerce]
2.1.14	State sponsored skilled migration allocation <p>The Department of Training and Workforce Development will advocate for a skilled migration allocation, through the Memorandum of Understanding on the State sponsored General Skilled Migration program, that better meets the specific needs of Western Australian employers.</p>
	[Lead agencies: Department of Training and Workforce Development and Department of Premier and Cabinet]
2.1.15	Awareness of employment opportunities for migrants <p>The Department of Training and Workforce Development will promote a greater awareness of the State's employment opportunities, the availability of high quality skilled migrants and visa pathways to prospective migrants and employers to enable improved utilisation of the national migration program and better employment outcomes.</p>
	[Lead agency: Department of Training and Workforce Development]

Strategic goal 3

Attract workers with the right skills to the Western Australian workforce and retain them by offering access to rewarding employment and a diverse and vibrant community and environment to live in.

Strategy 3.1

Promote and facilitate flexible and inclusive work practices and attraction and retention measures.

Recommended priority actions

Short term	
3.1.1	Industry leadership Industry, with the support of Government, will take a leadership role in promoting and facilitating flexible working arrangements within enterprises.
	[Lead group/association/agency: Peak employer groups, industry associations and Department of Commerce]
3.1.2	Enterprise attraction and retention The Department of Training and Workforce Development will identify, publish and share information through workforce development forums on best practice initiatives aimed at assisting enterprises to attract and retain skilled workers. This will be done in conjunction with the Department of Commerce, industry and other relevant organisations.
	[Lead agencies: Department of Training and Workforce Development and Department of Commerce]
Medium to long term	
3.1.3	Impact of major projects The Department of Training and Workforce Development will work with industry, State and Australian Government agencies to undertake and publish research to identify the impact of major resources and infrastructure projects on the Western Australian labour market and implement a range of initiatives to address industry specific labour and skill needs. This will include those industries which become crowded out or lose labour directly to major projects.
	[Lead agency: Department of Training and Workforce Development]



Strategy 3.2

Build diverse and vibrant communities

Recommended priority actions

Short term	
3.2.1	<p>Planning leadership</p> <p>The WA Planning Commission in conjunction with the Department of Planning will be the lead Government agency for physical and social infrastructure planning, with coordination to be undertaken by the Infrastructure Coordinating Committee.</p> <p>[Lead agencies: WA Planning Commission and Department of Planning]</p>
3.2.2	<p>Infrastructure planning</p> <p>Issues of physical and social infrastructure (including the vibrancy of Perth and the regions) will be addressed through the planning processes of the WA Planning Commission (<i>State Planning Strategy, Directions 2031</i> and regional planning strategies).</p> <p>[Lead agency: WA Planning Commission]</p>
3.2.3	<p>Integrated planning</p> <p>The WA Planning Commission's Infrastructure Coordinating Committee will be informed by the <i>Western Australian skilled migration strategy</i> and regional workforce development plans, when planning physical and social infrastructure in Western Australia.</p> <p>[Lead agency: WA Planning Commission]</p>
3.2.4	<p>Office of Land and Housing Supply</p> <p>The coordination of the planning for land and housing supply in Western Australia will be undertaken by the Department of Planning's new Office of Land and Housing Supply.</p> <p>[Lead agency: Department of Planning]</p>
3.2.5	<p>State affordable housing strategy</p> <p>The Department of Housing will develop a State affordable housing strategy which will focus on strengthening social housing, improving the supply of affordable housing to the wider market, including service/key workers, non-government organisation workers and students, and supporting the transition of people through the housing system.</p> <p>[Lead agency: Department of Housing]</p>
3.2.6	<p>Leveraged funding</p> <p>The State Government will leverage funding for housing and other social and physical infrastructure through the Australian Government's Australian Infrastructure Fund and other avenues of funding.</p> <p>[Lead agency: Department of Treasury and Finance]</p>

Medium to long term	
3.2.7	<p>Worker accommodation</p> <p>The Department of Housing will pilot alternative models of ‘appropriate’ housing for workers in regional areas, including consideration of community based lifestyle accommodation.</p>
	[Lead agency: Department of Housing]
3.2.8	<p>Service worker accommodation</p> <p>The Department of Housing will increase the availability of affordable accommodation for service/key workers in areas of high demand where market rental rates prevent access to market properties and transitional housing for those who are moving into employment and would normally lose housing benefits.</p>
	[Lead agency: Department of Housing]
3.2.9	<p>Student accommodation</p> <p>The Department of Housing in conjunction with other agencies will undertake a feasibility study on the provision and management of vocational education and training student accommodation in regional Western Australia.</p>
	[Lead agency: Department of Housing]
3.2.10	<p>Attraction and retention in regional Western Australia</p> <p>The Department of Training and Workforce Development will work with industry stakeholders and regional alliances to improve attraction and retention strategies in regional areas. This will be facilitated through the development and implementation of regional workforce development plans.</p>
	[Lead agency: Department of Training and Workforce Development]
3.2.11	<p>Regional building initiatives</p> <p>The State will support regional building initiatives such as Pilbara Cities that provide for the formation of sustainable regional communities which deliver the amenities required for skilled workers to both work and live in regional Western Australia. This will require the development of policy and frameworks which support the attraction and retention of skilled workers to regional Western Australia through the availability of social infrastructure and services.</p>
	[Lead agencies: Department of Regional Development and Land, Department of Planning and Landcorp]
3.2.12	<p>Regional allowances</p> <p>The State Government will investigate further allowances, incentives and benefits to attract and retain labour and skills in regional areas, and where appropriate advocate with the Australian Government.</p>
	[Lead agency: Department of Commerce]



Strategic goal 4

Provide flexible, responsive and innovative education and training which enables people to develop and utilise the skills necessary for them to realise their potential and contribute to Western Australia's prosperity.

Strategy 4.1

Increase participation in education and training.

Recommended priority actions

Short term	
4.1.1	<p>A flexible, responsive and resilient apprenticeship and traineeship system</p> <p>The Department of Training and Workforce Development will investigate and pilot models for a more flexible, responsive and resilient apprenticeship and traineeship system to respond to changing economic cycles.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
4.1.2	<p>Education and training pathways</p> <p>The Department of Training and Workforce Development will publish and promote education and training pathways for targeted priority occupations and provide career advice on these occupations. This will be done in conjunction with industry, employer and registered training organisations.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
4.1.3	<p>Funding for high priority training</p> <p>The Department of Training and Workforce Development will focus funding towards high priority occupations (based on the <i>State priority occupation list</i>) and particularly those impacted by major resource and infrastructure projects.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>
Medium to long term	
4.1.4	<p>Investment in education and training</p> <p>The State Government will work with the Australian Government to determine the appropriate level and type of investment in education and training required to develop the State's future skilled workforce.</p> <p>[Lead agencies: Department of Premier and Cabinet, Department of Training and Workforce Development, Department of Education, Department of Education Services and Department of Treasury and Finance]</p>
4.1.5	<p>Training WA</p> <p>The Department of Training and Workforce Development will continue to implement <i>Training WA: Planning for the future 2009–2018</i> strategies to improve participation in training in Western Australia and the skills of graduates.</p> <p>[Lead agency: Department of Training and Workforce Development]</p>

4.1.6	Public sector training The State Government will investigate the targeted expansion of apprenticeships, traineeships, cadetships and graduate programs within the State public sector to increase the availability of skilled labour in Western Australia.
	[Lead agency: Public Sector Commission]
4.1.7	Deferred payment scheme The State Government will work with the Australian Government to investigate the establishment of a deferred payment scheme for vocational education and training (VET) fees, to encourage greater participation in training.
	[Lead agency: Department of Training and Workforce Development]

Strategy 4.2

Increase skills development and utilisation in the workplace.

Recommended priority actions

Short term	
4.2.1	Industry leadership in training Industry, with the support of Government, will take a leadership role in promoting the value of skills development, skills utilisation in the workplace, education and training, and foster the take-up of workforce planning and development in enterprises.
	[Lead group/association: Employer peak groups and industry associations]
4.2.2	State workplace language, literacy and numeracy strategy The Department of Training and Workforce Development will work with industry to develop initiatives and targeted programs to improve the level of adult literacy and skills development in the workplace. This will be implemented through the development of a State workplace language, literacy and numeracy strategy.
	[Lead agency: Department of Training and Workforce Development]
Medium to long term	
4.2.3	Existing worker training The Department of Training and Workforce Development will work with industry to develop programs to increase the take-up of skills development of existing workers in Western Australian enterprises, building on the success of the existing worker traineeship program.
	[Lead agency: Department of Training and Workforce Development]



Strategy 4.3

Enhance the flexibility, responsiveness, capability and capacity of the education and training system.

Recommended priority actions

Short term	
4.3.1	<p>Training funding</p> <p>The Department of Training and Workforce Development will revise its funding models to better deliver on the State's training priorities and provide greater flexibility and packaging of programs to meet the needs of industry, enterprises and the community.</p>
	[Lead agency: Department of Training and Workforce Development]
Medium to long term	
4.3.2	<p>Training infrastructure and resources</p> <p>The Department of Training and Workforce Development will work with its partners to build the capacity and capability of the training system through a review of its infrastructure and resource allocation planning.</p>
	[Lead agency: Department of Training and Workforce Development]
4.3.3	<p>Vocational education and training staff</p> <p>The Department of Training and Workforce Development will identify targeted initiatives to attract and retain skilled vocational education and training staff, in particular those to be engaged in the training of the occupational groups identified in the <i>State priority occupations list</i>. These initiatives will be implemented through a vocational education and training workforce development plan.</p>
	[Lead agency: Department of Training and Workforce Development]
4.3.4	<p>Training working groups — under-represented groups</p> <p>The Department of Training and Workforce Development will establish targeted working groups to provide advice on the training priorities for those sections of the community which are under-represented in the workforce.</p>
	[Lead agency: Department of Training and Workforce Development]
4.3.5	<p>Higher education in regional Western Australia</p> <p>The State Government will explore the use of collaborative approaches between Western Australian universities and State training providers for the strategic use of training infrastructure to provide higher education in regional and remote Western Australia.</p>
	[Lead agencies: Department of Training and Workforce Development and Department of Educational Services]

4.3.6	The need for green skills Department of Training and Workforce Development, in association with the State Training Board, will monitor the need for green skills to be embedded in existing training packages and the development of new green skills qualifications.
	[Lead agencies: Department of Training and Workforce Development and State Training Board]

Strategic goal 5

Plan and coordinate a strategic State Government response to workforce development issues in Western Australia.

Strategy 5.1

Develop an information framework to enable accurate and timely market analysis and labour supply and demand forecasting.

Recommended priority actions

Short term	
5.1.1	Workforce development information and data Overseen by the Ministerial Taskforce on Approvals, Development and Sustainability, the Department of Training and Workforce Development will work with other agencies to enhance and streamline the collection, sharing and use of workforce development data across State Government.
	[Lead agency: Department of Training and Workforce Development]
5.1.2	Workforce forecasting The Department of Training and Workforce Development will take the lead role in the State Government in forecasting and publishing information on labour market trends, skills shortages and workforce development issues.
	[Lead agency: Department of Training and Workforce Development]
Medium to long term	
5.1.3	Workforce development portal A State Government workforce development portal will be developed to provide comprehensive information on a range of labour market and workforce development issues. This will involve input from a range of State Government agencies and industry organisations.
	[Lead agency: Department of Training and Workforce Development]



5.1.4	Industry workforce planning data The Department of Training and Workforce Development will work with industry organisations, enterprises and other partner organisations to share data and intelligence on workforce development.
	[Lead agency: Department of Training and Workforce Development]

Strategy 5.2

Develop a workforce development planning and accountability framework for Western Australia.

Recommended priority actions

Short term	
5.2.1	Cross government planning and coordination Cross government planning and coordination of workforce issues in Western Australia will be overseen by the Ministerial Taskforce on Approvals, Development and Sustainability.
	[Lead agency: Department of Training and Workforce Development]
5.2.2	Workforce development planning and accountability framework A workforce development planning and accountability framework, which complements other State Government planning, will be developed to guide and govern the State's response to workforce development issues within Western Australia. This will be overseen by the Ministerial Taskforce on Approvals, Development and Sustainability.
	[Lead agency: Department of Training and Workforce Development]
5.2.3	Australian Government engagement The State Government will continue to maintain strong links with the Australian Government's workforce development planning framework and initiatives, including the Ministerial Council for Tertiary Education and Employment's Workforce Development Committee, Skills Australia and the National Resources Sector Employment Taskforce.
	[Lead agency: Department of Training and Workforce Development]
Medium to long term	
5.2.4	Best practice in workforce development The Department of Training and Workforce Development will engage with the Australian Government and other state and territory governments to discuss and share approaches, initiatives and lessons learned in relation to workforce planning and development.
	[Lead agency: Department of Training and Workforce Development]

5.2.5	<p>Enterprise level workforce development</p> <p>The Department of Training and Workforce Development will work with the Department of Commerce, Small Business Development Corporation, peak employer groups and training councils to provide workforce planning and workforce development information, tools and advice to small to medium enterprises.</p>
	<p>[Lead agencies: Department of Commerce, Small Business Development Corporation and Department of Training and Workforce Development]</p>
5.2.6	<p>Promotion of workforce planning and development</p> <p>A promotional campaign will be developed to market and promote workforce planning and development to all enterprises.</p>
	<p>[Lead agencies: Department of Commerce, Department of Training and Workforce Development and the Small Business Development Corporation]</p>
5.2.7	<p>Workforce development in State Government planning</p> <p>Consideration of workforce development issues will be embedded in all State Government planning processes and linked to budget cycles.</p>
	<p>[Lead agencies: Department of Treasury and Finance and all Western Australian Government agencies]</p>



The way forward

The strategies and priority actions outlined earlier will be critical to planning for and developing the Western Australian workforce. They will need to be responsive to changes in labour market supply and demand and be updated and modified as economic and social conditions dictate.


Skilling WA will be regularly reviewed and updated by the Department of Training and Workforce Development. The Department will continue to engage with Western Australian industries, government agencies, workers, the education and training sector and other key stakeholders to identify emerging trends and issues impacting on workforce development. Further, the Department will work with these stakeholders to identify and implement strategies to address these issues.

The Department of Training and Workforce Development will be responsible for the regular review of economic and labour market data. The Department will also continue its ongoing consultation with key workforce development partners to monitor the State's progress in achieving its workforce development goals and priority actions.

The status of the outcomes will be the subject of ongoing review, with progress reported to the Ministerial Taskforce on Approvals, Development and Sustainability on a quarterly basis.

These rigorous measures will ensure that *Skilling WA* remains up-to-date and relevant, and that it achieves its objective of planning for the current and future workforce development needs of Western Australia.





Economic and labour market snapshot

The Western Australian economy is entering a new period of sustained economic expansion fuelled by the growth of the State's resources sector. This growth will further add to Western Australia's status as a leading contributor to the national economy, with 42%¹⁰ of national merchandise exports and 63% of all inbound mining industry investment in 2009–10.¹¹

The economic catalyst for this economic growth is the many resource and infrastructure projects under development in the State. During the June quarter 2010, there was reported to be \$217.2 billion worth of economic infrastructure projects under construction or consideration in Western Australia.¹² Of those projects, \$111.8 billion had commenced or were committed, representing an increase of 56.6% over the year.

Highlighting the importance of Western Australia to the national economy, the Australian Bureau of Agricultural and Resource Economics, report that the State is home to \$86.4 billion worth of advanced major minerals and energy projects — representing 79% of all advanced minerals and energy projects in Australia.¹³

While these projects are expected to underpin significant growth in the mining and construction industries at 33% from 2010 to 2017, growth in the non-mining and construction industries is also expected to be significant at 29% over the same period.¹⁴

As a measure of this expected industry growth, the Department of Treasury and Finance has forecast Western Australia's economy to grow by 3.75% in 2009–10, then accelerate to 4.5% in 2010–11 and 4.75% in 2011–12, well above the long-run average growth rate of 4.1%.¹⁵

10 ABS, Cat. 5368.0, *International Trade in Goods and Services*.

11 ABS June 2010, Cat. 5625.0, *Private New Capital Expenditure*.

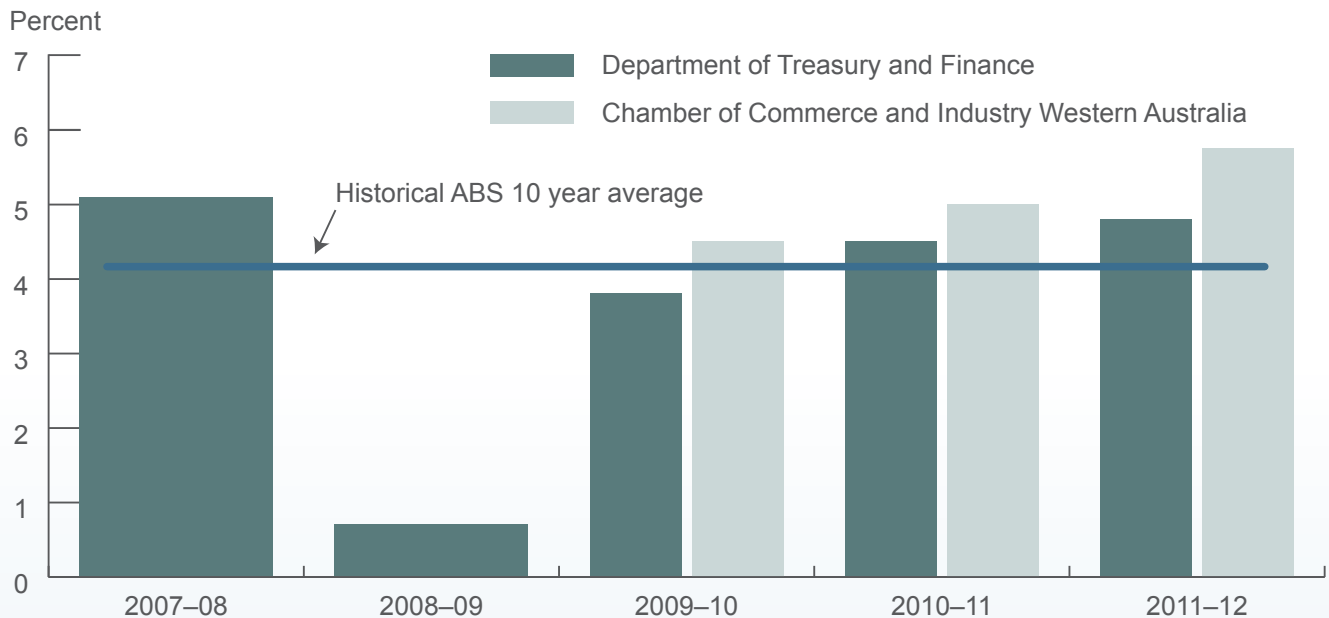
12 Access Economics June 2010 *Investment Monitor*, p 14.

13 Australian Bureau of Agricultural and Resource Economics (ABARE) April 2010 listing (Lampard *et al.* 2010, *Minerals and energy, major development projects*).

14 Monash University September 2009.

15 Department of Treasury and Finance 2010–11 *Budget, Economic and Fiscal Outlook, Budget Paper No.3*, p 9.

Economic growth, real gross State product



Source: ABS, Cat 5222.0, Department of Treasury and Finance 2010, Chamber of Commerce and Industry Western Australia 2010.

By comparison, the Chamber of Commerce and Industry Western Australia (CCIWA) predicts the State's economy will return to growth rates in excess of 5% in 2011-12¹⁶ while Access Economics expects growth to reach at least 5% in the same period.¹⁷

In anticipation of future economic growth, a number of labour market forecasts suggest Western Australia will experience significant employment growth over the next decade. The most recent of these projections are provided by Monash University, Access Economics and the CCIWA.

Between 2010 and 2017, Access Economics and Monash University forecast employment to grow by 222,000¹⁸ and 239,000¹⁹ jobs respectively. The Chamber of Commerce and Industry Western Australia suggests Western Australia will require an additional 488,500 workers between 2010 and 2020.²⁰ The Technology and Industry Advisory Council's projections (based on 2006 data) suggested 224,000 new jobs would be created between 2006 and 2016²¹ while the State Training Board forecast employment growth would average 1.79% per year between 2006 and 2016 (based on a 'base case' modelling scenario).²²

16 Chamber of Commerce and Industry Western Australia 2010, *Outlook, June Quarter*, p 5.

17 Access Economics June 2010, *Investment Monitor*.

18 Monash University September 2009.

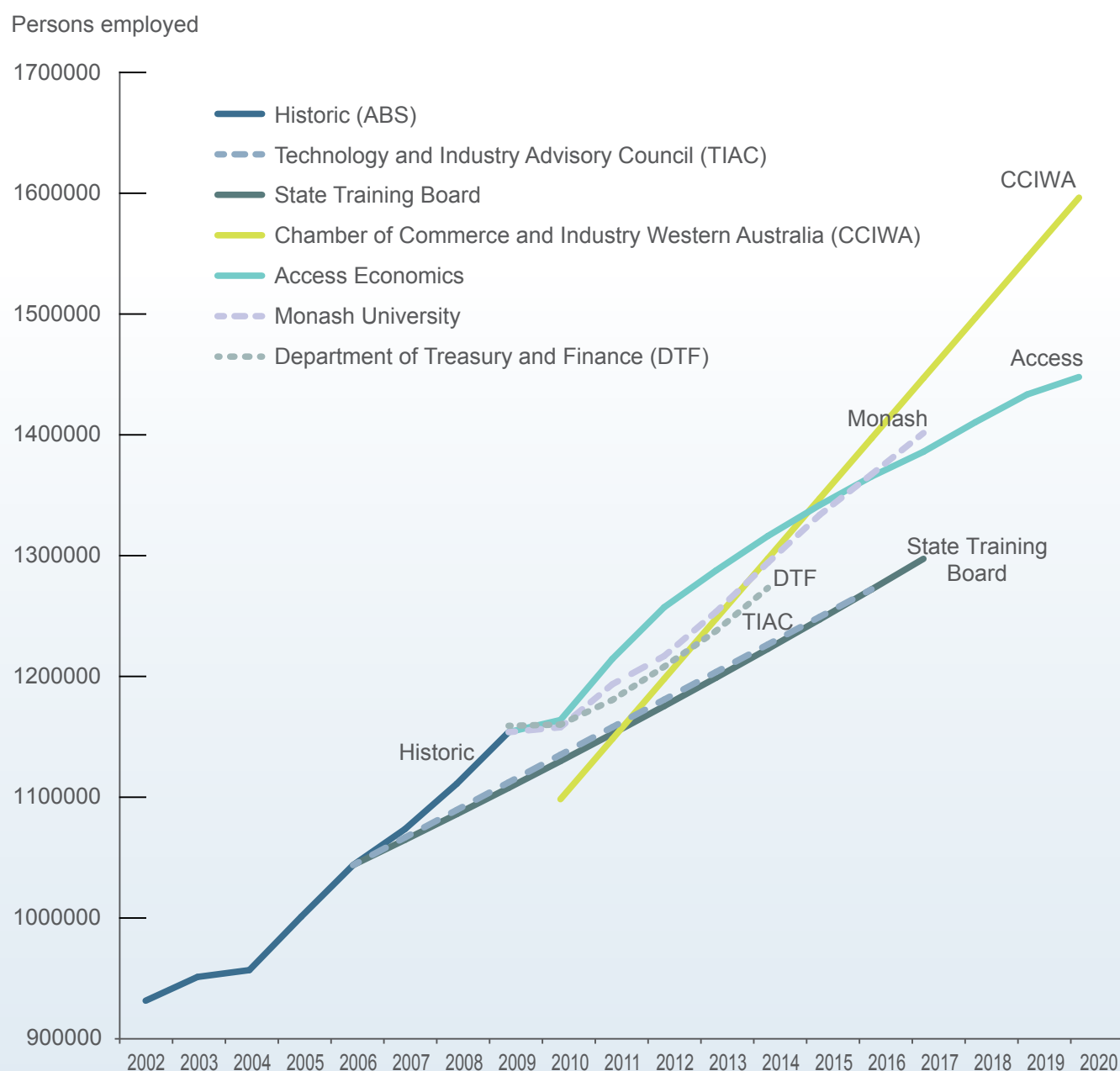
19 Access Economics June 2010.

20 Chamber of Commerce and Industry Western Australia June 2010, *Building Western Australia's Workforce for Tomorrow, Discussion Paper*, p 3.

21 Technology and Industry Advisory Council September 2009, *Managing Western Australia's Economic Expansion, The Need for People and Skills*, p 5.

22 State Training Board of Western Australia 2007, *Beyond the Resources Boom*, p 18.

Employment projections for Western Australia (2002–2020)



Source: Compiled by the Department of Training and Workforce Development.²³

²³ ABS, Cat. 6202.0, Access Economics, *Business Outlook*, March 2010, CCIWA 2010, *Building Western Australia's Workforce for Tomorrow*, Discussion Paper, Department of Treasury and Finance May 2010, *Budget Paper No. 3, Economic and Fiscal Outlook*, Monash University September 2009, State Training Board 2007, *Beyond the Resources Boom* and Technology and Industry Advisory Council 2009, *Managing Western Australia's Economic Expansion, The Need for People and Skills*.

As part of the recent State budget forecasts, the Department of Treasury and Finance forecast that employment in Western Australia would grow by 112,000 new jobs between 2008–09 and 2013–14.²⁴

As can be seen in the figure on the previous page, there is considerable variation between the projections, due in part to the use of different data sets and modelling assumptions. However, all projections indicate significant growth in employment over the coming decade.

Industry employment

Modelling conducted by the Centre for Policy Studies at Monash University has provided Western Australian employment forecasts across 19 industry groups. As shown below, Western Australia is forecast to experience employment growth in all industry areas, with retail trade (23,500); manufacturing (22,900); health care and social assistance (21,800); construction (21,600); and education and training (19,700) forecast to provide the largest number of new jobs.²⁵

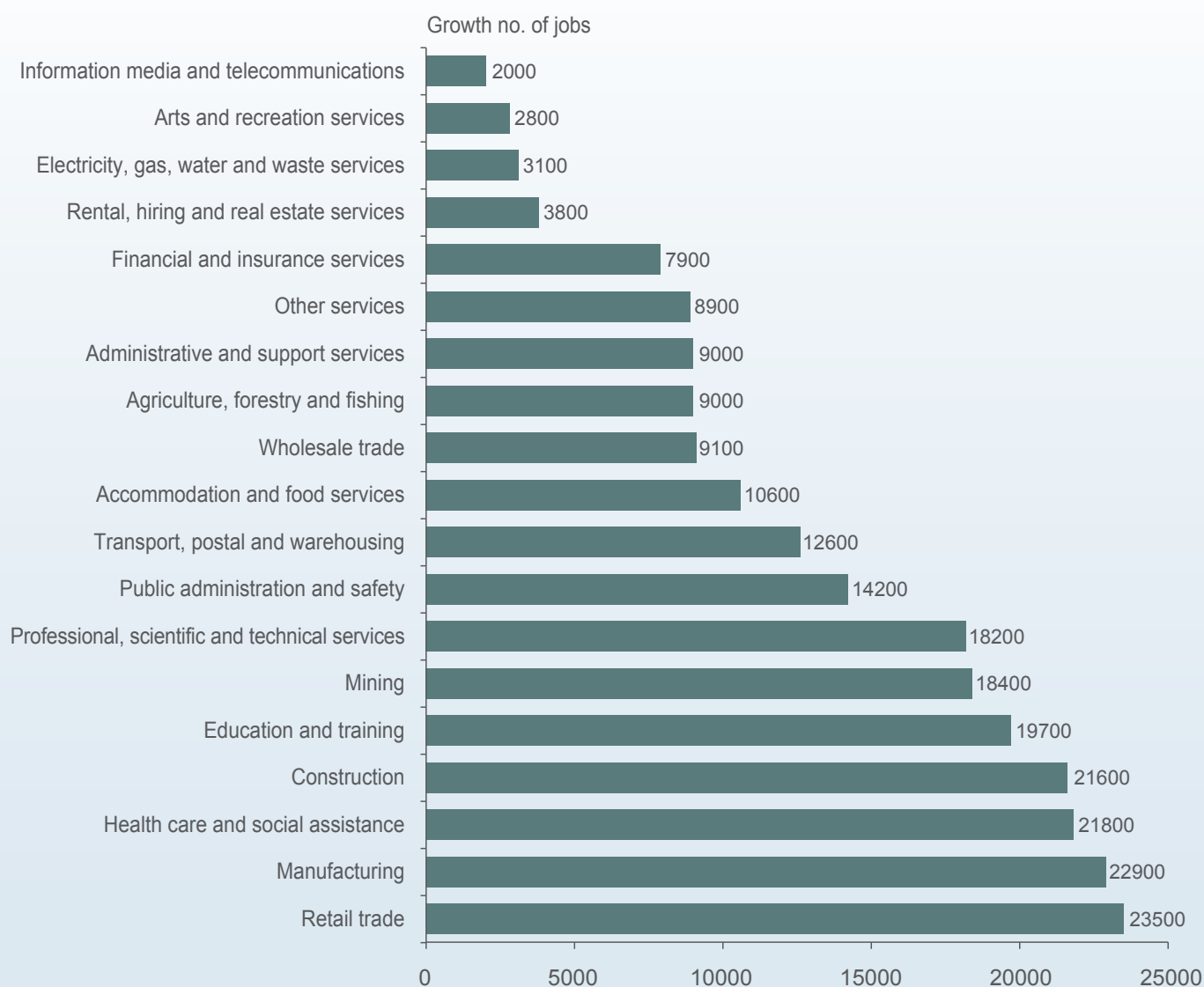
²⁴ Department of Treasury and Finance May 2010, *Budget Paper No. 3, Economic and Fiscal Outlook*, (unpublished calculations).

²⁵ Monash University September 2009.





Forecast employment growth by ANZSIC industry, Western Australia – number of jobs (2010–2017)



Source: Monash University September 2009.

Of this employment growth, Monash University forecast that over half of all jobs created during the period will be in the higher skilled categories including professionals (51,700 jobs), technicians

and trades workers (39,700 jobs) and managers (39,300 jobs). Together these three groups are predicted to account for 54.7% of jobs growth.²⁶

Forecast employment growth by occupation, Western Australia (2010–2017)



Source: Monash University September 2009

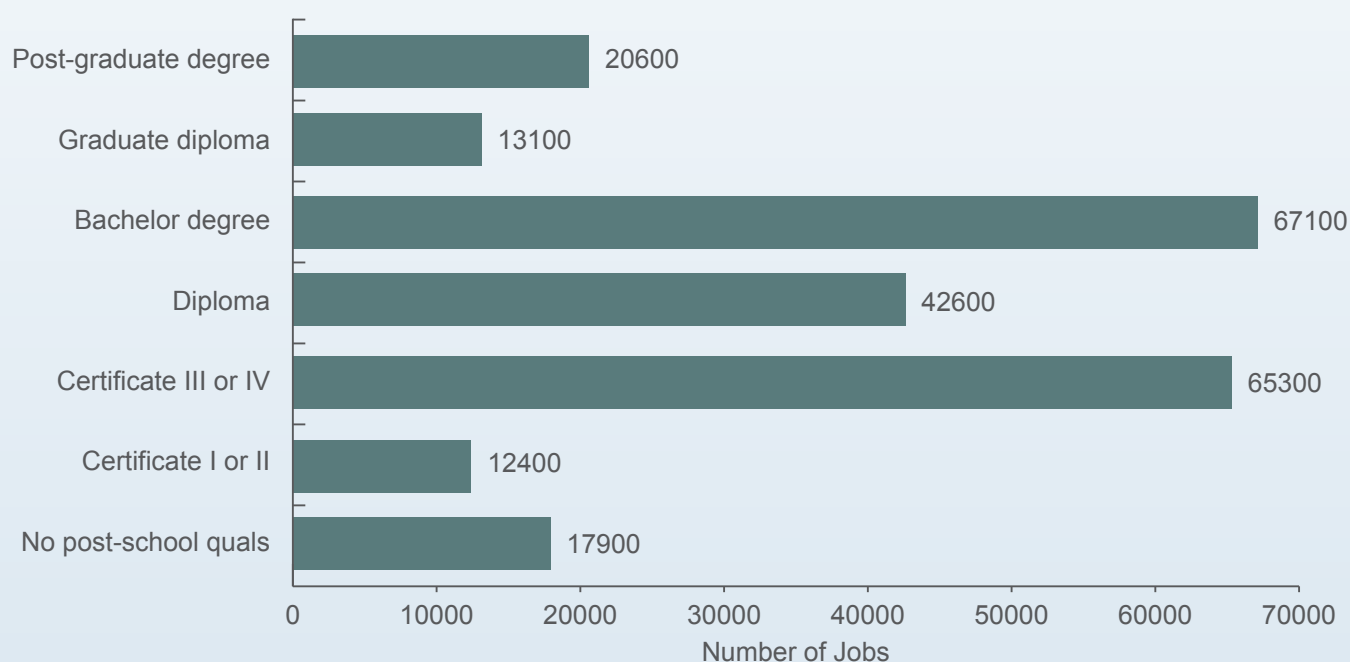
26 Monash University September 2009.





To meet the demand for these higher skilled occupations, the demand for higher level qualifications is also expected to increase, with over 87% of forecasted new jobs requiring certificate III level qualifications or higher.²⁷

Forecast employment growth by qualification level, Western Australian (2010–2017)



Source: Monash University September 2009

Labour and skill shortages

In addition to the 222,000²⁸ to 239,000²⁹ workers required to fill the new jobs expected to be created by 2017, approximately 186,000 additional workers are expected to be required to fill jobs vacated by current workers leaving the workforce through retirements and permanent emigration.³⁰ As a result, between 408,000 and 425,000 new workers will be required by 2017.

Recent analysis by the Department of Training and Workforce Development indicates approximately 275,000 workers will be provided through natural population growth and migration. This suggests that Western Australia may experience a skills deficit of between 133,000 and 150,000 workers by 2017. This finding is supported by recent research by the Chamber of Commerce and Industry Western Australia who suggested Western Australia will experience an estimated labour shortage of 210,000 workers by 2020.³¹

28 Access Economics June 2010.

29 Monash University September 2009.

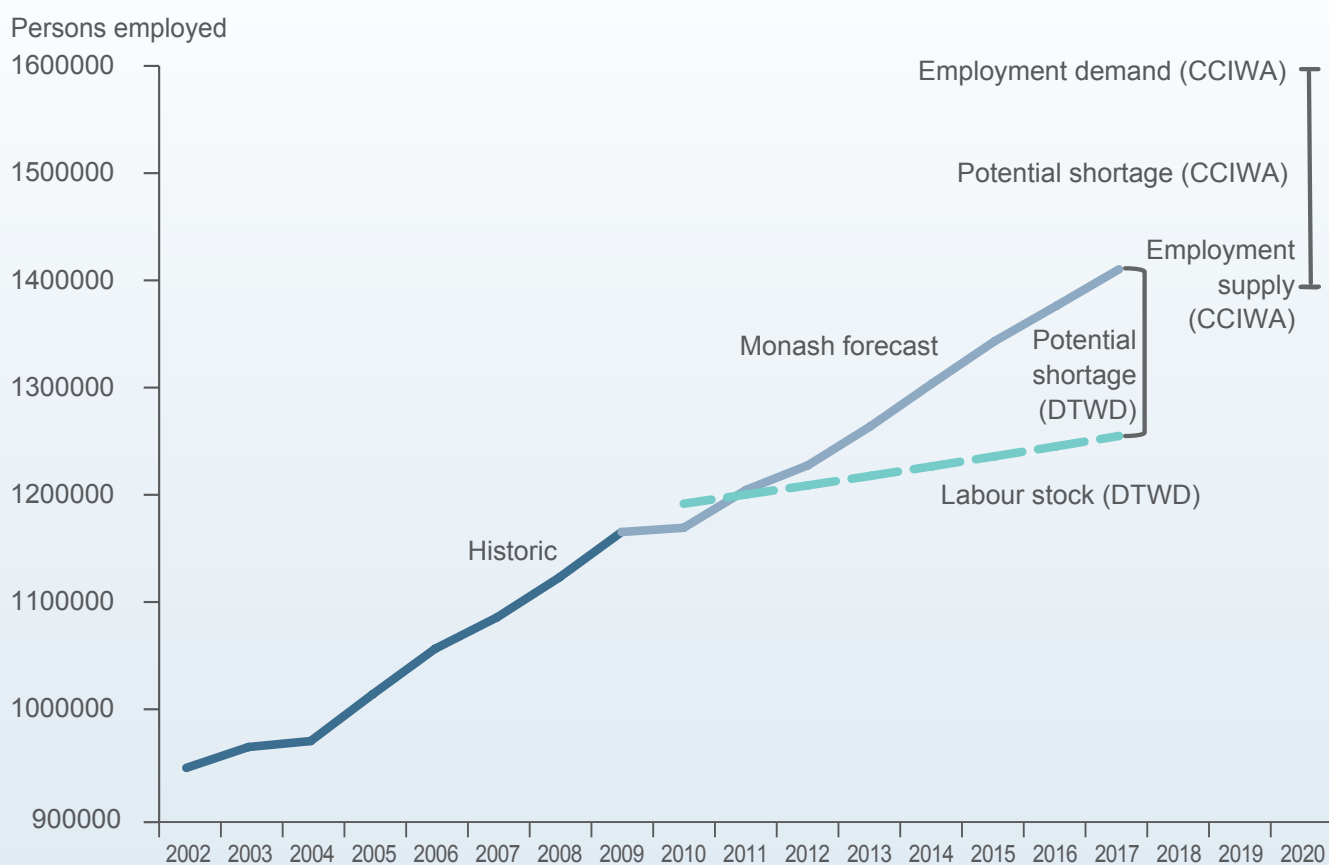
30 Based on analysis by the Department of Training and Workforce Development of CEET, Monash University and ABS data.

31 Chamber of Commerce and Industry Western Australia June 2010, *Building Western Australia's Workforce for Tomorrow*, p 3.





Labour supply and demand (2002–2020)³²



Source: Compiled by the Department of Training and Workforce Development³³

³² Limitation of data. The 'potential shortage (DTWD)' shown above is based on an analysis performed by the Department and is derived from the level of employment forecast and the level of labour stock. The 'labour stock (DTWD)' projection has been calculated based on data from a range of sources and includes assumptions on the net replacement rate, total job openings, the number of first job seekers and net migration. As these assumptions are based on best estimate principles of future policy and economic conditions they result in only one of a range of possible future scenarios.

³³ Sources: Chamber of Commerce and Industry Western Australia June 2010, Monash University September 2009, ABS, Cat. 6291.0, Department of Training and Workforce Development 2010.



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