Government of South Australia
Training and Skills Commission

TRAINING & SKILLS COMMISSION

Better Skills
Better Work
Better State

Skills for Jobs

FIVE-YEAR PLAN 2012

Annex 2 STAKEHOLDER INPUT: INDUSTRIES AND REGIONS

Government of South Australia
Training and Skills Commission

Office of the Training
and Skills Commission

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Industry Stakeholders: Common Themes and Priorities

The introduction of the first phase of the *Skills for All* reforms to the training system was a major focus of industry feedback this year. The Commission's initial consultations occurred in June and July, just prior to the July commencement of *Skills for All*. The feedback summarised here reflects the views at that time and should be considered from this perspective. The consultations also preceded the announcement by BHP Billiton of the deferral of the Olympic Dam expansion (ODX). As such, the comments included in the following summaries also reflect the views held at that time.

The summaries are based on the write-ups of the formal consultations with industry skills advisory bodies held mid-year, and represent the respective Board views. More recently the Commission's secretariat has undertaken more focused discussions with each Board's executive and project teams, on the Commission's behalf.
These discussions focused on:

- the outlook for specialist occupations within each sector
- the skill sets in demand in each sector
- the role of migration in ameliorating skills shortages.

The detailed information gathered through these discussions will feed into the appendix *Industry Profiles and Priorities*, however a small number of common themes are summarised here.

- All sectors expressed concern about the process used to apply the first set of caps on qualifications on the Funded Training List. Stakeholders have proposed a more integrated and considered approach which combines their 'on the ground' industry intelligence with data from the *Skills for All* monitoring systems, to ensure that where large take up occurs it is reflecting actual demand form industry rather than substitution.
- Related to this, stakeholders have reported flow-on impacts such as blockages to pathways that result from capping a qualification at a particular level (Certificate IV for example), which prevents individuals at the level below from progressing through the next level and on to higher level qualifications. In some cases, students are enrolling in the next level up (e.g. Diploma) in order to access public funds, when a Certificate IV is all that is required for their individual or employer's requirements.
- All sectors support the availability of publicly funded skill sets, but a number of concerns have been identified relating to the policy principles and approval processes at this early stage of implementation.
- All sectors have expressed concern about the open availability of skill sets to unemployed individuals who are yet to achieve a post-school entry level qualification. Stakeholders believe funding should be limited to identified skill sets within vocational pathways, and delivered as part of a managed training plan.
- Some sectors (such as primary industry and process manufacturing) have advised that Certificate II is the standard industry supported entry level qualification for their workforce. They have expressed concern that their workers are not eligible for skill set training, which is required for them to adapt to factors such as new technology, environmental concerns and workplace health and safety legislation.

Common themes from the formal consultations

Within the context of the first phase of VET reforms, the ongoing quality of the training system was of paramount interest to industry skills advisory bodies. Of central concern for stakeholders was the capacity of training providers to meet the structural and technological changes governing the labour market. Feedback concentrated on the necessity for advancing high quality, vocationally relevant training, particularly relating to specialist skills, keeping pace with technological change and delivering a work-ready, vocationally competent supply of labour.

There are concerns about the responsiveness of the training system at a strategic level, with the majority of respondents identifying a need for more detailed information about key aspects of *Skills for All*, particularly industry support and engagement. Consultation consistently highlighted the need for clarification at the industry and employer level about:

- policy and provisions governing skills sets
- workforce development support for employers, including access to advisers to help identify appropriate training solutions at the enterprise level
- the process for accessing Skills in the Workplace funding
- mechanisms for industry consultation to inform the development of the list of publicly-funded skills and qualifications.

Industry representatives expressed reservations about the capacity of the system to reflect industry demand without a clear process for its input. Questions were raised about the transparency and accountability associated with the collection, management and treatment of industry data. Respondents also sought detail about the process for analysing data particularly as it relates to funding for qualifications. Confusion about these aspects of *Skills for All* has precipitated a degree of uncertainty about government's capacity to manage the market to ensure industry skill needs are met in a student demand-driven training system.

Consultations with industry skills advisory bodies highlighted recurring issues about attracting, replacing and retaining skilled workers. The need for customised learning support services for people facing barriers to participation also remains important.

The quality of training providers and the capacity to meet industry needs remains a consistent theme across all industry sectors. Feedback repeatedly identified issues associated with provider quality, responsiveness to industry needs and the necessity for vocational training to incorporate work-based experience so that graduates are work ready.

Industry and employers expect *Skills for All*, and the referral of the Commission's regulatory functions involving training providers and accreditation of courses to the national regulators, to result in clear improvement.

All industry sectors were concerned about workforce language, literacy and numeracy standards and the feedback is clear: this is not isolated to new entrants or those facing barriers to participation in learning and employment. It is a whole-of-workforce problem with ongoing implications for productivity.

Business Services Industry Skills Board (BSISB)

The impact of technological change and the transformation of traditional business models and technical skills continue to reshape business services industries. The Board's consultation with the Commission is augmented by the Environmental Scan (EScan) prepared by the Innovation and Business Skills Australia (IBSA) national Industry Skills Council, contributed to by BSISB, and the BSISB's Business Survey Summary.

Feedback indicates a number of sectors continue to struggle to attract an adequate supply of experienced candidates with the skills and capacity to undertake complex administrative and contractual management. For example, in the ***real estate*** sector demand exists for experienced, university-qualified, senior-level property management professionals. Consultation respondents articulated difficulty recruiting experienced real estate managers of large retail premises and retirement/aged care complexes.The sector also identified the impact of National Occupational Licensing System (NOLS) requirements for property management, social media and the implementation of new technology in affecting its workforce.

In contrast, the ***finance*** sector reported an oversupply at the professional entry level respondents of finance sector graduates in South Australia. Coupled with a lack of structured graduate programs in the state and employer preference for three to five years' experience, graduates aren't necessarily securing jobs in the sector. Underutilisation of technical skills in particular areas such as accounting was also noted as fuelling some interstate migration.

As reflected in the EScan, rationalisation and restructuring within financial services and banking continue to require structural adjustment responses, at both the state and national level, for the affected workforce to transition effectively into other industry sectors. The ongoing and expanding regulation of occupations, (e.g. financial planning) within the finance sector was cited as a key area for workforce development. Similarly skilling and specialist skill development was identified as necessary to respond effectively to the extended reach of technology facilitated through initiatives such as the National Broadband Network (NBN).

The evolution of digital and other technologies continues to drive workforce development requirements across all sectors. Keeping pace with technology and the evolution of social media was universally identified in feedback.

As outlined in the EScan, the ***printing*** sector continues to be confronted by major challenges and is at a significant stage in its development. It was noted that there were signs in 2011 that, as printed advertising picked up, the industry was recovering from the difficult circumstances of the economic downturn in 2008-09. However, reported data indicates that activity and revenue levels have not yet returned to pre-2008 levels and growth continues to be slower than for the economy as a whole.

The major pressure for the sector is coming from the ever-increasing impact of new digital technology – a pressure which is affecting the industry worldwide. The popularity of online substitutes for printed material continues unabated. Newspapers, magazines, books, catalogues and business documents are now often available over the internet and on an increasing range of devices. Consumer sensitivity about environmental issues also continues to have an impact. This is benefiting some sectors of the industry, e.g. paper bags, but not others, e.g. paperboard.

To accommodate these trends, printers are responding in a number of ways. First, the take up of digital printing continues, although experts agree that it will not replace more traditional forms such as offset printing in the short or medium-term. Second, printers are expanding their services into print management, graphic design services and focusing on customer relations. Digital technology is facilitating these developments.

The pending impact on the workforce of technological advances and new devices including iPhones was identified by the ***education and training*** sector in its feedback to the Board's Business Survey Summary. It is also predicted that high speed broadband and growing digital literacy across the population will contribute to continued demand for online learning and transform the nature of learning in most education and training sectors.

Business Services Industry Skills Board continued

Again the factors impacting this sector at the state level are broadly similar to those nationally. According to IBSA, the education and training sector is currently in the midst of major reforms. The reform processes are marked by the introduction of policy settings which create more demand-driven training, higher quality standards, greater levels of accountability and national consistency in return for funding from the Australian Government.

National regulation of VET and universities is expected to help streamline the administrative burden on the industry and promote quality and national consistency. At the same time, greater awareness of the gaps in education outcomes for student equity target groups may bring a greater focus to the provision of wrap-around support services and increase demand for expertise in inclusive education.

Growth in the industry over the next five years is expected to be led by the school education sector and the Adult Community Education (ACE) sector. It is predicted that demand-driven funding models and greater transparency around performance in the schools, VET and higher education sectors will drive businesses to improve the quality of their offerings, and compete more strongly on the basis of reputation and outcomes.

In addition, intersectoral links driven by VET in Schools programs and the growth in mixed tertiary institutions are expected to provide better pathways for students from schools through to VET and higher education, and expand career options for high quality teachers with industry relevant experience.

As a consequence, some of the key workforce development challenges for the VET sector in coming years include:

- ensuring quality in the delivery of the Certificate IV in Training and Assessment to respond to Productivity Commission recommendations for more rigorous quality assurance arrangements for RTOs offering this qualification.
- developing industrial relations arrangements that allow public providers to be competitive with industry, particularly the mining sector, in attracting high quality training staff with specialist industry skills.
- developing greater capacity to supervise and support apprentices and trainees to complete their learning and qualifications.
- providing systemic professional development opportunities for educators to broaden their digital literacy and design skills to take advantage of the expanded learning opportunities offered by the NBN.
- meeting the workforce needs of the much higher volume of training that will be expected of the VET sector in coming years arising from the Council of Australian Governments (COAG) productivity agenda.
- working with businesses to help them plan for and identify workforce development needs and implement workforce development strategies.
- a stronger focus in training and education programs on assessment skills, particularly recognition of prior learning (RPL) in response to a predicted greater demand for these services.
- developing skill sets and qualifications to supplement the TAE10 Training Package so it more completely covers the diversity of roles within the VET workforce and reflects the full capability framework for the workforce.
- promoting and responding to learning needs on sustainability across the range of industries and workforces.
- considering how skill sets for the non-teaching VET workforce, e.g. mentors, coaches, elearning coordinators and counsellors, fit with existing qualifications.
- providing opportunities for upskilling of workers, particularly the provision of leadership and management skills for VET practitioners and encouraging more opportunities for practitioners to maintain industry currency.

The ***business services*** sector cuts across all industries, supporting the South Australian economy in general. Issues facing the sector here are similar to those identified nationally, although SA has less of a focus on the advertising sector.

According to IBSA, the performance of the business services sector is closely tied to the overall performance of the whole economy; if businesses have the money to spend on services, the sector does well and vice versa. The global downturn had a negative impact on the industry but as the overall economy recovers, the sector is also expected to bounce back.

The EScan predicts high-level skills and leadership skills at all levels to be increasingly in demand as businesses aim to develop and deploy superior management practices to increase innovation and productivity. IBSA also suggests that the overlap between sectors within the industry means employers will be demanding a mix of skills from different disciplines and a stronger focus on generic, transferable skills.

Skills in communication and relationship management are also expected to be particularly important as routine tasks move offshore and businesses seek to increase their client base by providing premium, customised services.

In terms of demand for future skills, IBSA suggests that employers, particularly small businesses, may look to build digital literacy to take advantage of opportunities associated with the NBN. Skills and assistance to understand how to plan for and invest in workforce development for employers was also identified as particularly relevant because growing competition for skilled labour means businesses may need to consider how they can appeal to, recruit and provide skilling opportunities for different groups of workers, including young people, Indigenous people and people with a disability.

Key sector workforce development challenges identified by IBSA in its EScan include:

- developing management and leadership skills in organisations at all levels.
- the blurring of industry and occupational boundaries creating occupational and skills convergence.
- the need for business, particularly small business, to work with facilitators to identify and plan for workforce development.
- offering opportunities to undertake higher level vocational skills.
- the growth of social media demanding higher levels of digital literacy across occupational groups and industries.
- widening the recruitment pool by making learning opportunities available to all individuals.

Respondents did not believe the impact of the minerals and resources expansion affords many opportunities to the business services sector in South Australia as most of the associated administrative roles are on the eastern seaboard. Some opportunities were identified in asset and facilities management, workplace health and safety and high level administrative roles. Similarly, the rollout of the NBN is expected to support regional communities by improving business processes and providing access to more opportunities, particularly for small business.

Construction Industry Training Board (CITB)

During its consultation CITB reported that nationally the construction industry is in a significant contraction phase, with the outlook for the next 12 months in South Australia characterised as muted in non-mining construction. The Board indicated the state's housing outlook remains subdued to flat. Notwithstanding the current tranche of publicly funded work-in-progress, the outlook for commercial construction is dampened by a limited forward pipeline while civil construction is cited as worst affected by the current economic cycle. Reports indicate local employers in civil construction are facing multiple pressures including workforce attraction and retention issues as skilled labour is lost to interstate interests.

Forecasting data for the next five years, cited by CITB, suggests limited prospects for a housing market recovery. Similarly, reduced public investment in commercial and civil construction was characterised by respondents as a significant impact on an already deflated outlook.

As part of its consultation presentation, the Board referenced the DEEWR Construction Trades Report June 2012 to highlight that labour supply in the year to June 2012 had eased significantly in the construction trades in response to large declines in building activity at rates similar to those in the 2009-2010 global downturn. The decline is reflected in the fall in commencement rates for training contracts in construction-related traineeship and apprenticeships which was down by 23% over the year to December 2011. It was noted that in the short-term the construction trade labour market is projected to contract further. However CITB reported predictions that in the five years to 2016-2017 annualised employment growth will sit around 2.2% above the average for all occupations.

The CITB also reported that despite the downturn, the number of apprenticeship and traineeship completions remains at record high levels in the construction trades. However, it was suggested that over the next 12 months the risk of increasing apprentice costs are predicted to further subdue commencements and threaten the capacity for retention.

The CITB indicated skilled trade replacement labour remains an ongoing challenge for the sector as a whole, as does the necessity to retain skilled replacement labour in South Australia across the medium to long term. It was noted that although skills in demand and shortage were mitigated by contraction, the softening of training contract commencements now will result in the re-emergence of skill needs in three to four years as retirements translate to shortages. A minimisation of the barriers to labour replacement supply, particularly increasing costs for employers, were identified as critical within this interplay.

In its presentation CITB identified business confidence as a key issue in the short term, particularly the status of the Olympic Dam expansion, reflecting it would have a significant, direct influence on the prospects of the commercial and civil sectors. It was also noted that a direct consequence of any delay to the expansion of Olympic Dam (ODX) would be a continuation of the skilled labour migration patterns to Western Australia and Queensland.

CITB identified the retention of apprentices in training as the other main issue facing the industry over the coming year. This is specifically due to balancing the available work and industry capacity to sustain the training contract and the impact of payroll tax on companies with 10 to 20 employees and five apprentices.

In its consideration of the impact of mining , CITB reflected that mining draws away labour that other industry sectors have invested in. It noted that in response Queensland has a training levy on mining and Western Australia is moving to extend its Construction Industry Training Fund (CITF) to mining.

With reference to *Skills for All*, the Board's presentation indicated there was too much reliance on the website and reported uncertainty among RTOs due to what is characterised as an unclear articulation of detail. The Board also observed that *Skills for All* has an individual focus while CITB's prescribed focus is on industry's need and an individual's fit within that context. In terms of *Skills for All* uptake in the sector, the Board predicted it would be slow to start with because of a lack of detail and therefore understanding. It was suggested that once greater clarity exists about national occupational licensing there may be increased requirement for Certificate IV across the sector.

In relation to skills sets within *Skills for All*, CITB's presentation identified that skill sets within construction training packages are not sanctioned.

It was the Board's expressed view that to be successful *Skills for All* would require:

- communication with the market.
- effective management of RTO quality and delivery that is responsive to the labour market.
- the delivery of consistency and certainty for employers.
- shaping demand for courses to the supply of opportunities.

As an example the Board was concerned about what it described as the over-emphasis on the 'mining boom', elaborating that there is a risk of unmet expectations for learners about the work and the economic reality.

Defence Teaming Centre (DTC)

Respondents at consultation and in their submissions to the Commission characterised the outlook for the industry over the next year and the coming five years as mixed. Some respondents described the outlook as grim due in large part to the 2012 Australian Government Budget and significant delays in decision-making associated with successful tenders and contracts coming to fruition, resulting in workforce impacts.

Consequently, companies reported difficulty with workforce planning, specifying that contractual delays impact enterprise level retention of readily employable specialised labour. Replacement poses real difficulty when projects are approved. For example, it was reported that it would cost ASC approximately $120 million to replace its technical staff, which in the scheme of a submarine project budget of $12-$16 billion is not financially significant, but it takes on greater significance in the context of skilled technical labour in the labour pool of a small state.

Nonetheless, despite uncertainty about funded projects, consultation participants advised that industry engagement to embed better practices in workforce planning is being considered at the sectoral level.
In addition, DTC would like to revisit the defence sector industry workforce action plan (IWAP), supported by a steering and working group driven by industry, which would inform DTC's broader strategic plan.

In terms of the broader outlook, participants indicated that while there are opportunities for diversified engineering companies in mining, the demand generated by the resources sector drives competition for a limited pool of skilled labour which is considered likely to drive wage increases and impact small and medium enterprises.

Defence Teaming Centre continued

Consultation discussion identified a demand for the following skills and occupations:

- materials engineers
- software engineers
- project managers
- machinists
- senior designers
- complex project management skills
- electrical designers
- safety engineers
- boilermakers
- electricians
- schedulers
- systems engineers
- naval architects
- welders
- fitters
- estimators

A lack of appropriate preparatory training at university level for schedulers was also identified by participants, despite the need across all sectors, including mining.

DTC participants believe that opportunities for diversified engineering companies in mining will increase competition for a limited pool of skilled labour which is likely to drive wage increases and impact small and medium enterprises (SMEs).

In terms of the supply of skills to the sector, consultation participants reported concerns about a perceived lack of quality assurance for some training packages and there was general agreement that while some RTOs had training packages on scope, employers considered the skill acquisition outcomes were too low at course completion.

Quality RTOs and teaching to the higher standards required by industry were key concerns for all respondents.

Respondents agreed that the skills necessary for a prosperous advanced manufacturing industry are more advanced than those being taught at current trade levels. Trade level qualifications in this context are considered entry level. In its submission to the Commission, ASC further clarified this point, making comparison to the current German model governing the requirements for trade groups. It stipulated that the requirements for trade groups will increase and align more closely with those currently considered to be at the technician or para-professional level of competency.

For example, it was reported by ASC that the minimum welding standards required for most of the manufacturing sector is not sufficient to meet their specific requirements.

As such, representatives agreed RTOs must work more closely with industry to ensure that quality, skills and qualifications meet demand requirements. It was suggested that regular RTO and industry meetings, industry hosted placements for lecturers and RTO use of industry trainers would support benchmarking against industry standards.

Several companies at the consultation indicated they had qualified staff to deliver nationally accredited qualifications internally, having identified the importance of mentoring and training in their overall success.

The capability of RTOs and appropriate training package development in areas such as Integrated Logistic Support (ILS) and Life Support Integrated Logistic Support (logistics) were also identified as needed.

In their discussion about the apprenticeship system, participants noted the literacy and numeracy levels of candidates often does not meet the required standard to pass entrance testing. The need to benchmark the industry standard and compare it to current curriculum and practice in secondary education was suggested, as was the potential to use Group Training Scheme options as a means to more effectively manage the quality of skill supply.

In their discussion, respondents expressed support for institutional trade training; supporting more specialist technical schools rather than too many schools teaching some technical subjects. Participants considered this approach would ensure learning happens in the right context facilitated by qualified practitioners with sufficient expertise.

Finally, despite the ongoing interest in training and substantive workforce planning and development evident across the sector, consultation participants indicated that the opportunities to support training through *Skills for All* and the implications of the associated reforms were yet to be fully understood by the sector.

Electrotechnology and Water Skills Board (EWSB)

The EWSB feedback is heavily augmented by the Board's submission, which has a much broader perspective than that able to be captured during consultation due to attendance (not all sectors were able to attend).

During the consultation SA Water identified a number of issues specific to its core business activity, its ageing workforce profile, a pending workforce contraction, and the impact of upskilling in response to regulatory and technological change.

In terms of demand for skills and labour the Board's submission identified that energy efficiency measures such as electrical peak demand management will increasingly require a higher skilled workforce with the ability to accurately measure and monitor inputs and outputs through instrumentation and other control disciplines. These disciplines are already in high demand and this will increase substantially in the future. Capital investment in poorly maintained energy infrastructure will continue to require skilled operatives in these sectors.

In its submission, the Board predicted that the construction industry downturn will have a short-term impact on employers in the sector with the possible knock-on effect on apprentice numbers in the medium-term.

The Board reported that the age profile of EWSB industries remains significantly higher than average across other industries. Consequently there is a continuing need to ensure young people are attracted into the industries. This is considered a particular issue for the gas industry which needs to attract sufficient numbers of new entrants. To address this, there is a move nationally to badge the Certificate III in the new gas package as a more recognisable apprenticeship, similar to that for electricians, so that it is seen as an attractive and lucrative career by young people and their parents.

Demand stimulated by the NBN was also highlighted in the Board's submission, indicating that there are gains to be made in the construction phase, maintenance and in realising the benefits of the Network once it is operational.

It was also noted that the evolution of the sector is generating the need for multidisciplinary skills. Specifically, higher level dual trade skills to meet the cross disciplinary nature of increasingly complex projects/facilities will require tradespeople to up-skill to at least basic level ICT, instrumentation, energy auditing and industrial control.

Electrotechnology and Water Skills Board continued

Major concern surrounds the availability of skilled experienced labour in the refrigeration industry which was characterised as having a frighteningly aging profile which is predicted to result in serious labour and skill shortages within the next five to 10 years.

The technical nature of the EWSB industries requires entrants to have a reasonably high level of aptitude in mathematics and science.

The Board noted a lack of ability in maths and science is a barrier to entering an apprenticeship and a burden on the RTO once in training as they have to address this deficit. The submission reported that it is widely acknowledged by industry that a serious shortfall exists in the current SACE curriculum in respect of the mathematics and science disciplines in the secondary school system. The EWSB and industry in general have been raising these issues for over a decade and there appears to be little or no improvement in the foreseeable future. The Board considers this an indictment on the current system and its ability to meet the needs of industry.

EWSB identified that prevocational training prior to commencement of an apprenticeship not only vastly improves the outcomes significantly but has become a necessity for potential applicants to the industry.

Essentially, employers are seeking applicants that not only have the basic fundamentals in maths and science but also the appropriate attitude and aptitude for the vocations. Employers continue to seek applicants with work ready skills, particularly those relating to the chosen vocation, and have an expressed preference for experienced multi-skilled employees.

In terms of factors affecting supply, the Board reported ongoing concern around the number of suitably experienced and appropriately skilled instructors for RTO, noting salaries do not generally reflect the need for both technical and teaching skills, which makes recruitment difficult. This affects capacity to deliver the key qualifications.

RTO capacity is also an issue in the gas sector. The consultation session indicated respondents had concerns about the ability of RTOs to deliver skill sets to meet needs. There were also difficulties reported in the capacity to access appropriate training in regional areas and specialised training such as salt interception. The Board's submission also outlines great concern at insufficient RTO capacity to address current and future needs in the instrumentation, measurement and control areas.

Consultation identified a need for improved relationships with South Australian RTOs and an improvement in RTO capacity to deal with issues from a business perspective. In addition, the lack of flexibility in bringing in external experts and staff not working during semester breaks were seen as problematic.

The Board reported that the proliferation of mining projects both in South Australia and other states, particularly Western Australia and Northern Territory with their disruptive and unsustainable remuneration levels will continue to put enormous strain on the availability of skilled labour in the rest of the state.

The Board submission reported that the industry's main skill and occupational priorities include:

- The need for a multi-skilled workforce to meet the challenges of an efficient and sustainable industry of the future. Consequently it will focus on the development of dual trade skill sets in electrical/refrigeration, electrical/instrumentation and electrical/communication to address ever increasing technical integration of plant and processes.

- Post trade upskilling to address industry identified priority areas. Industry considers the most appropriate response to meet need is through a combination of full qualifications and skill sets.
- In the IT sector, there is potential to develop new and labour market re-entrants (e.g. mature age workers, women returning to work, unemployed) for functions such as helpdesk and support. However, the Board's submission indicates funding support is required to do this.
- Skilled migration as part of the response to sourcing new entrants to the sector.

Consultation session respondents identified preliminary trade qualifications and top-up skill sets as its main occupational priorities. It was also specified that in the water industry the minimum qualification required is a Certificate III qualification. Further to this point, it was recorded that a recent workforce analysis undertaken by SA Water identified a replacement labour need of 50 people with Certificate III qualifications in addition to upskilling for existing staff to meet skill needs generated by predicted changes to drinking water guidelines and practice associated with salt interception, acid management and instrumentation.

Skill set training was supported by the Board as appropriate for many of its industries particularly where an employee already holds Certificate III and is seeking post trade upskilling without having to undertake a full qualification. In addition skill sets are an option for upskilling to support new technologies.

The Board registered some reservation that if access to skill sets is limited to those with Certificate III it could present a barrier for employers. The example of the IT sector was identified where employers had identified skill sets as ideal in meeting their needs to upskill and reskill staff but not all staff currently hold Certificate III or above. The Board also suggested that older employees with on-job experience but no formal qualifications could be affected.

The impact of mining on the industry sector is considered significant. The Board's submission stated that mining projects in the Northern Territory, South Australia and Western Australia put enormous strain on the availability of skilled labour as the sector cannot compete with remuneration. The Board reported that the Western Australian experience has shown extreme difficulties in communities as a result of a two-speed economy.

The submission further observed that the mining sector appears to put few resources into the training and retraining of vocations covered by the EWSB despite the drain on the skills base. This is an ever increasing problem for the sectors.

The Board reported that what it characterises as the constant luring and enticement of highly skilled operatives from general industry sectors to mining is placing enormous strain on the willingness of SMEs to continue training apprentices. The Board suggests this could spiral if allowed to continue. It further suggests that the South Australian Government should legislate to mitigate against what it describes as constant pillaging of trained workers from industry sectors that do contribute to the future skill needs of the state's economy by training and developing its workforce.

In terms of opportunities the Board indicated there was great potential for mining companies to train apprentices in the dual trade disciplines it has identified as essential to the future of the industry sectors. It was considered that taking up these opportunities would contribute greatly to the development of a highly skilled and transferrable workforce for the future benefit of South Australian industry generally.

In its consideration of *Skills for All*, the Board's submission recognised that it is based on the entitlement of individuals to training but cautioned it needs to be sufficiently flexible to meet industry requirements. It further noted that a demand-driven system needs to respond to industry and individual demand so that people are not undertaking qualifications which are not valued or required by industry or being trained for jobs where there are relatively few opportunities. The Board's submission also queried whether or not the subsidy levels under *Skills for All* will be sufficient for the effective delivery of some of the qualifications in its industry sectors.

Food Tourism and Hospitality Industry Skills Advisory Council (FTH)

The FTH consultation is augmented by an extensive supplementary submission following consultation with relevant food, tourism and hospitality sectors.

The Council expressed a range of concerns related to the introduction of *Skills for All*, reporting industry is concerned that the quality of training will not improve under *Skills for All*. Participants reported that they considered the new elements to ensure quality providers under the *Skills for All* reforms were the norm and did not reflect new expectations of providers.

The Council offered that quality must give consideration to context and cohort. It was suggested that context includes information on the place of training, the number of hours taught, support provided and assessment methods used. There must also be a clear distinction between what training (and support) is suitable for people already working in the industry versus those that are not.

Consultation participants reiterated that there is a substantive distinction between training for existing workers and prospective new entrants. To manage these issues FTH supports the establishment of a network of RTOs that are considered by industry as quality providers and can be relied upon to deliver high quality training that achieved essential workplace competence.

Participants expressed concern about what was described as a lack of statistics on employment outcomes associated with training. Simply counting training places is not a measure of the success of the program given that all qualifications should be tied to a vocational outcome. Consultation participants believed that it was not only the number of qualifications but also the units of competence delivered that must be considered. They feel there is a risk that an RTO could deliver units of competence that drives their income rather than vocational outcomes for their students.

Discussion identified that new entrants generally required far greater support to successfully transition from unemployment to the workplace. The Council highlighted the collaborative employment model established by the meat industry workforce development project indicating it is a suitable support framework to develop vocational competence linked to employment outcomes.

The appropriateness of training and industries role in providing advice within *Skills for All* was a key theme of consultation discussion. Concern was expressed regarding what was described as a lack of clarity about the role of industry in ensuring quality, particularly as it relates to providing advice about skill needs, industry perception and provider quality. As an example, the Council raised concerns about the inclusion of some qualifications on the Training Guarantee for SACE Students (TGSS). According to participants, there are some qualifications on the TGSS list that industry would like to see removed.

Participants were interested in how DFEEST will capture demand and industry advice and sought clarification about how and when action will be taken. FTH asked what data will be published, for example, what will the caps on funding of certain courses be? Will industry only be invited for comments or is it taken on board? How will industry advice be reported?

In its consequent submission, the Council provided additional information about its position on institutional trade training. It expressed significant misgivings about the high subsidy levels provided under *Skills for All* for trade qualifications in institutional settings. The Council reported that some RTOs have advised that they will be able to deliver these qualifications at no cost, which will have serious implications for skill supply in the sector. These concerns prompted a significant level of discussion covering the Council's fear that an unintended consequence of the funding of Certificate III in cookery, baking and butchery will result in a decline in apprentices which will create a cohort of qualified graduates who will struggle to secure employment.

With reference to *Skills for All* funding, the Council explained that as the majority of the institutional qualification pathway is funded by government more people might undertake institutional trade training in these occupations.

In the Council's view, the potential for decline in apprenticeships is further stimulated by the planned removal of the Commonwealth's commencement payment for Training Contracts, resulting in no funding to defray the costs of engaging trainees/apprentices in the early and most challenging stages of their training, and the reluctance of some employers to commit to an apprentice for four years in the current economic climate.

The Council is concerned that the outcome will be an institutionally qualified labour pool leading to a supply of labour with technical rather than workplace competence. Respondents felt this situation has been exacerbated by DFEEST's recent interpretation to accord trade status to Certificate level III qualifications gained through institutional training. This decision has significant implications as far as wage entitlements are concerned under the modern Award for both new and existing workers.

FTH reiterated that institutional learning provides participants with an underpinning technical knowledge but that does not make them competent. Respondents stressed that industry and employers prefer graduates to achieve competence through workplace experience.

The Council noted that if government does not receive evidence of people not finding jobs then they will continue to fund Certificate III outside the training contract. However, it was not clear how government will gather this information without specific mechanisms for industry to identify and resolve such issues. Acknowledging the additional industry engagement required for *Skills for All* providers, the question of who will sign off that industry has been consulted or engaged sufficiently was raised.

In terms of skill sets the Council sought clarification about what definition is used by DFEEST[1]. Discussion indicated unions are concerned that by choosing one or two skill sets a person will end up doing the same work for the rest of their lives.

Participants were also keen to clarify the availability of skill sets as pre-vocational training for people registered at Centrelink. Are they funded at that level or do people need to do a full qualification? Discussion indicated it appears that the focus is on units of competency whereas the Council would like the focus to be on the person. Using the example of a project it did with Primo Meats, the Council is of the view that looking at what can be offered to support success coupled with a high level of industry engagement will create realistic assumptions about what can be achieved. It reported this model could be replicated effectively.

In terms of the hospitality sector industry reiterated that it would like skill sets being developed in South Australia for the hospitality sector, only to be approved by DFEEST on the basis of having received the FTH's support as it does not want a plethora of 'uninformed inappropriate skill sets across industry'.

The Council felt there were still a lot of questions to be answered about the detail and operation of the *Skills for All* system and were concerned about the promotional campaign of *Skills for All* as employers have no idea regarding the full thrust and detail of the program.

[1] The skill sets are those endorsed in national Training Packages and others that may be identified and funded by DFEEST. http://www.skills.sa.gov.au/Portals/0/content/fortrainingproviders/pdfs/SubsidyFrameworkforProvidersPublicDocument.pdf, p.2

South Australian Health and Community Services Skills Board (SAH&CSSB)

The SAH&CSSB consultation session is augmented by a written response to the Commission's consultation questions. The Board also indicated that much of its 2011 input remains relevant. Given the breadth and diversity of the health and community services sector its responses could not comprehensively reflect the issues of all sectors, however, there are many common issues within and between sectors.

According to the Board the demand outlook for the sector remains strong. Based on current trends at the national level, estimates indicate an additional 323,000 health and community services workers will be required by 2015 to meet growth largely driven by population ageing. Similarly, replacement demand will be generated with 60% of the current workforce reaching retirement age within the next 10 years.

The Board's submission indicates several large South Australian employers confirm they are using these figures to underpin their planning. Looming retirements are fuelling employer concern about the levels of supply, as the historical attraction and retention dilemma remains a fundamental issue for the sector. During consultation, feedback reiterated that significant, persistent structural barriers such as low pay (currently being addressed through the equal remuneration case) remain factors with major implications for both supply and demand.

The nature and mix of skills required continues to evolve as new service delivery models and various reform initiatives across sectors drive change and concomitant skill demand.

As the Board outlined in its submission, the National Disability Insurance Scheme, the pending Aged Care Workforce Compact, the National Quality Framework for early childhood education and care, and ongoing health reform all have implications for upskilling pathways, skills recognition, productivity, labour supply, wages, and the quality of services and care.

The significant divide between jobs in the sector, ranging from highly technical professional jobs to personal care services continues to add complexity and challenges to workforce development and supply concerns. In its submission, the Board notes this is particularly emphasised by the impact of reform, trends and practice that shift the dominant paradigms across sectors, strengthening the prominence of community-based care models and consumer-directed services contracted out to non-government service providers. All of which exists in a context of constrained public sector budgets which further impacts on demand and the nature of skill requirements.

Training the volunteer workforce is a significant issue, particularly as it is a recognised pathway to paid work. The Board recognises the valuable contribution that volunteers make in providing services to clients within the sector, and considers volunteers within its planning for the sector's workforce. However, it does not support public funding for training of volunteers at the expense of the paid workforce.

Skills for All funding for Certificate I and II was noted for its ability to assist volunteers to acquire skills for employment. However, there are broader concerns about the impact of volunteers on paid work opportunities and the issue of professional management of the volunteer workforce. Volunteer workers could also exacerbate the ongoing issue of work placement availability for students.

Consultation indicated that literacy and language skills were an issue across the sectors, including professions where poor literacy and written communication skills were evident along with a lack of analytical skills and professional judgement. English language skills in sectors such as aged care and disability and literacy continue to be a barrier for potential recruits. SAH&CSSB reported that this poses significant and continuing risks for workers, clients and the sector in general. To address this, participants suggested improvements to student selection processes, field placements and greater industry involvement with the training system to improve both employer attitudes and the work readiness of VET and higher education graduates.

Participants were reluctant to support solely institutional delivery of courses and expressed concern that *Skills for All* may result in students taking an institutional option that results in a qualification without adequate work-based experienced required by employers in the industry.

In terms of the demand for particular occupations and skills, the Board's submission identified the following influences:

- productivity
- service models
- increased use of assistant roles
- application of technology
- changes to scope of practice for occupations
- retention

It also reported that shortages would be influenced by:

- retention
- workforce reform
- attraction, including career information
- workforce distribution
- pay and conditions
- productivity
- availability of placements including clinical
- immigration
- demand management
- training capacity
- appropriate training pathways

In addition the following skills and workforce development needs were identified:

- working with minimal supervision while undertaking complex skilled work
- continued need for full qualifications
- working in isolated situations
- use of technology in service delivery and learning (ehealth and telehealth)
- brokerage skills for new roles to support consumer choice in purchasing services
- job redesign and retraining to accommodate older workers
- understanding culture and customs

A need for higher level skills related to the following areas was also reported:

- communication
- responding effectively to behavioural disorders
- leading service and cultural change
- management, including risk management and compliance requirements
- mental health
- managing diversity
- case management (housing, disability, youth justice, community corrections)
- workforce planning and development
- delegation

Manufacturing Industry Skills Advisory Council (MISAC) SA Inc

During its consultation forum MISAC reported the four main sectors it covers[2] continue to experience different economic circumstances and the supply and demand situation remains dynamic. Participants agreed that by definition, any manufacturers still operating are 'advanced manufacturers' which is reflected by the increasing sophistication of the equipment they use.

Economies of scale, however, hamper utilisation of equipment and the lack of skilled supervisors and trainers available to impart the skills and knowledge inhibits the capacity to exploit the advanced technology within enterprises. Participants suggested that co-investment between employers, training providers and government through collaborative models offers a potential solution to these issues, reporting that access to industry infrastructure during down times is working successfully in some instances.

Consultation participants emphasised the importance of South Australia having the facilities, infrastructure and providers in place to train workers for the manufacturing industry, on noting some sectors (e.g. plastics) lack providers in South Australia which impacts on the sector. Concern was expressed that if the training system is left to the market, South Australia is likely to miss out on opportunities. There was a concern that RTOs rather than industry will decide what is on offer and the manufacturing sector, which provides underlying stability for the economy, will not have the skilled workers it requires.

To address this uncertainty, the Board indicated policy leadership underpinned by longer term decision-making rather than reactive approaches were required from government. Participants specified we must be clear about what we need to invest in for South Australia's long-term future, for example, recognising that while many workers will take up opportunities in the resources sector, they will return to their previous jobs or transition into new jobs and will need the underpinning skills and ability for workforce mobility.

The manufacturing industry is seeking quality and certainty from the training system and confidence that it can get the skilled workers it needs. Respondents felt this is at odds with a student demand-driven system, and that instead it should be led by industry.

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Consultation participants raised a number of questions and expressed a range of concerns about the implications of *Skills for All* in particular contexts. At the core of these concerns is the lack of clarity about the role of industry advice in informing market management. Specific examples raised included access to workforce development advice for enterprises, industry-developed career and labour market information, and institutional trade training.

It was noted that while *Skills for All* provides funding for training places there is a need for workforce development advisors to assist firms and sectors to analyse skills and training gaps and to develop appropriate workforce development solutions. Participants reported that too many 'funding buckets' leads to confusion among employers.

The role of industry skills boards under *Skills for All* in developing career advisory materials was also questioned. Respondents reported their perception that the career information developed by DFEEST could result in students choosing qualifications with poor labour market prospects such as fashion design qualifications. It was felt industry had a clear role in this area.

[2] Automotive, Light Manufacturing, Process Manufacturing and Metal, Engineering and Aeroskills.

Discussion also identified that the funding of institutional trades training through *Skills for All* may mean that students who choose this option could be disadvantaged in the labour market, as many employers do not value qualifications gained outside the training contract (employment-based) model.

Consultation participants also raised a number of supply concerns. For example, the quality of VET and VET practitioners, specifically the need to keep industry knowledge and skills up-to-date continues to be an issue; participants suggested this can be addressed through regular placements back in industry. It was also identified that from an industry perspective, school students are still counselled into university courses, with VET regarded by advisors as a lesser option.

Respondents agreed there is an ongoing need to work on the branding of trades to meet supply objectives. To create a core workforce which can transition the sector requires sufficient workers trained in core vocations with the capability to adapt to new work situations and gain new skills.

Consultation suggested the planning which is currently occurring for the future submarine project should have occurred six to eight years ago. Consequently, as the workforce size and mix changes, workers will need to be reskilled or transitioned into other roles.

It was reported that in response to an ongoing shortage of welders, the ASC has put in place pre-employment programs to provide individuals with initial skills necessary to enter the industry. However, it was noted that the US military standards exceed existing standards, making skilling to entry level difficult.

Ongoing issues with quality and meeting training package standards, and therefore industry competence, were raised in consultation. One example reported that result codes used by some employers (pass achieved) is leading to confusion and precipitating a lack of confidence within the industry as to whether these students are competent as required within training packages.

Discussion also identified an emerging trend in some sectors such as automotive repair, where there is a process of breaking jobs down into component parts and training workers for these narrower roles. It was identified this had longer term implications for the supply of full qualifications in the sector's workforce.

The manufacturing industry acknowledges it will lose workers to the resources sector. However, it also provides an opportunity for manufacturing and resources companies to work together and allow apprentices to undertake part of their contract in the mining sector, specifically through rotations between companies in the resources supply chain. Such an approach could have longer term benefits for manufacturing.

Primary Industries Skills Council (PISC)

The PISC consultation is supplemented by an extensive submission. Discussion at the consultation focused on *Skills for All*, in particular the Council's perspective on the differences in delivery in country South Australia and metropolitan Adelaide. These views are canvassed in the summary below, augmented by the PISC submission. Much of the consultation covered the need for workforce brokers to work directly with employers to meet their training needs. The Council's expressed view that tailoring training to the needs of primary industry employers is the best way to meet skill needs. The Council felt that the needs of the primary industry sector are so unique that customised responses are required. It considers the current regime of training packages and the system as a whole too prescriptive and too expensive.

Primary Industries Skills Council continued

In their discussion, respondents agreed it was critical that *Skills for All* is informed by an ongoing exchange between industry, RTOs and DFEEST.

They also raised concern about what they characterised as aggressive auditing in the period before the transfer of regulation to ASQA. It was suggested that a more aggressive approach was taken to private providers delivering primary industry qualifications than public providers.

The Council's submission identified the primary sector as extremely diverse with a multitude of separate industries. It reports the sector is undergoing major structural change with an ageing workforce, intense competition for labour, population drift and global market changes. It was reported that at the national level the impact of recent prolonged drought resulted in the loss of approximately 100,000 people from the industry, eroding its capacity to recover post drought.

In its submission PISC reported that over 60% of all primary industry employers never use job agencies or advertise vacancies. Consequently it is difficult for agencies to effectively measure occupational shortages. The submission indicates that this results in unusually high data error rates in identifying occupations and determining skill shortages and demand and actual employment levels across the industry. However, the industry faces growing labour and skill demand across all major sectors, exacerbated by an ageing industry workforce, targeted recruitment of labour by the resource sector and accessing skills and labour in regional and remote areas with low population density and limited service provision.

Based on 2011 production levels, the Council assumes that in 2012 the industry will face labour shortages in harvest work and an ongoing critical shortage in professional and technical staff. The council reports that attracting labour to regional areas to work in the sector is almost impossible and the demise of tertiary level agricultural science programs is impacting on demand.

In the coming year PISC predicts the seafood, broad acre and horticulture sectors will be impacted by replacement demand and labour competition from the mining and resources sector.

The submission notes the long-term impact on the industry is significant, as are the implications for food and fibre production which will have a negative impact on state GDP.

PISC's submission reports that recent changes to skilled migration programs may provide the beginnings of a more sustainable program to with the regional labour demand and skill shortages which the Council considers unlikely to be met by the VET system.

In terms of the qualifications and skills required, the PISC's submission indicates the primary sector is less focused on qualifications and more interested in skills. It was suggested that the nature of primary work is radically different in that recognition of skill and capability to meet skill requirements are the prime drivers for recruitment and training. To this end, the Council reports primary producers prefer a training regime based on farm skills in their region, coupled with blocks of learning to meet individual or farmer needs. The Council states this is at odds with what it describes as manufacturing industrial models with more fixed qualification structures and pathways.

PISC reported that industry has a skills gap that it wants addressed though flexible courses and skills sets but it is not keen to deal with what it characterised as the prescriptive set of arrangements currently applied to training. Respondents indicated that every employer has different requirements, thus RTOs need to engage with them on a one-on-one basis.

The Council reports it is the primary sector's preference for a model of flexible, fit-for-purpose training in bite-sized chunks that fits employer needs. Training and assessment on the job in particular sectors such as seafood are considered problematic by PISC which requires different approaches to those within the competency-based training system.

The impact of thin markets, distances from training organisations, lack of broadband access, currency of RTO staff and quality of delivery were also identified by the Council as affecting the supply of labour in the sector. During the consultation session respondents reported that they felt DFEEST had limited engagement with the primary industry sector. Participants also felt that consideration should be given to whether the regional loading for training providers is sufficient and if other incentives need to be developed.

PISC has provided an extensive list of skill and occupational priorities for the primary industry sector which is incorporated in the appendix to the Five-Year Plan, available at www.tasc.sa.gov.au <http://www.tasc.sa.gov.au>.

Fundamental issues associated with attraction and retention within the sector remain pertinent. The Council reports that young people leave regional communities and attracting new people to areas with reduced services is problematic because the image of rural occupations is considered negative and not actively promoted to school leavers and labour market entrants.

The Council was circumspect in its consideration of the expansion of the mining and resources sector. Its submission cautions that the boom may not be such a benefit to the state as forecasts in global markets predict uncertainty which could result in deferral of projects in the medium term. PISC notes that the focus on resources is disproportionate to the numbers it employs, its short life span and drain on skills from other industries. It is also notes that in comparison, primary industries account for over half South Australia's exports and is the largest employing sector in regional South Australia reflecting the highest productivity growth in any industry sector. The impact is therefore disruptive to a number of industries specifically the primary sector.

In reflecting on *Skills for All*, PISC's submission raised concern that the system is not an industry-led demand-driven model. The Council's view is that if *Skills for All* is to be successful the training system must be managed by industry. The submission elaborates that industry can and should establish and manage the priority funding areas and set realistic targets for delivery within qualification bands. Enterprises should be able to choose a suitable RTO and provide industry reimbursement to RTOs by unit completion, with employers paying a fixed standard percentage fee.

The Council's submission raises issues faced in Victoria and it is keen that this does not happen in South Australia. It would like to see VET offer products relevant to industry to avoid what it describes as system failure.

Resources and Engineering Skills Alliance (RESA)

The RESA consultation summary also incorporates submission points from RESA members unable to attend the session.

According to the definition used by the ABS and cited during consultation, the resources sector workforce has grown by 38% over the past year, albeit from a very small base. The significance of the sector has been acknowledged recently by the Reserve Bank of Australia, which pointed to the additional activity resulting from the multiplier effects associated with the sector's endeavours.

Resources and Engineering Skills Alliance continued

Consultation attendees cover mining and resources companies as well as supply chain/clusters, support services and education. This representation embodies much broader sector definition based on the 'pit to port' model.

The sector faces challenges resulting from volatility and uncertainty associated with the fluidity of world commodity prices and the state of the world economy which impacts across the sector. However, respondents reported that the sector is on the cusp of a 'super cycle' rather than a boom, with continued long-term growth predicted, relative to South Australia's mining history.

The sector has noted that industry demand has 'turned the corner' and is starting to play out in the hiring intentions of participants with companies starting to recruit additional workers to support the expansion of the sector.

Importantly, commentary at consultation and in submissions specified that while the proposed expansion of Olympic Dam is the largest project in South Australia, it is by no means the only project, with significant exploration activity occurring in several areas of the state and new projects coming on line. For example the hiring intentions captured in the Eyre Peninsula workforce study are now coming into play.

In the discussion of issues impacting the demand and supply of skilled workers respondents referred to:

- legislative requirements
- requirements to source local labour
- environmental issues and concerns

Participants identified that a number of new mines are being established within existing farming communities (for example on Yorke Peninsula) providing opportunities to take a community engagement and development approach. While steps to build the capacity of the local workforce and community are in train to ensure there are sufficient skilled workers for the mining sector, as well as for existing activities and new support services, there are often tensions with local communities, with fears that local labour will be lost to the mining sector (e.g. from farming, butchery, etc).

Respondents identified resources companies are generally seeking skilled workers with several years' experience, consequently labour hire/recruitment companies are playing a key role in sourcing workers for the sector.

There is an underlying principle to recruit local labour whenever possible. However in terms of sourcing local labour there are challenges finding suitably experienced contractors to undertake the required establishment work. There is a need to put in place programs that meet both regulatory as well as social obligations and upskill existing workers (many of whom left school early) particularly in workplace health and safety and equipment management.

In contrast, participants acknowledged that there is a reluctance among many employers to train workers to meet business growth and the instances of firms sourcing labour from interstate is significant.

Consultation also identified a level of uncertainty for communities in managing the impact of a mobile workforce (fly-in fly-out/drive-in drive-out) and the long delays during the exploration and set-up phase before job opportunities eventuate.

Some key firms within the sector have in place significant apprenticeship programs and these are currently at capacity and represent a significant investment. Models which enable aspiring apprentices to undertake some initial up-front training outside of a training contract are seen as having potential. The Queensland model was cited as an example, with students learning in 'mirrored workshops' on real jobs for customers. Respondents suggested initiatives within the schooling sector can assist young people to finish their schooling and be prepared for work in the sector (or related sectors) which also assists with the retention of young people within the regions. As an example, respondents identified that the government school sector has been active in developing industry pathways programs for students interested in careers within the resources sector.

Despite interest in mining, some sectors such as drilling face the challenge of image, with many workers not seeing drilling as a career valued in the same way as traditional trades. Consequently, the occupation is generally seen as a stepping stone and many drillers involved in exploration work are then recruited into other occupations in the resources sector. Coupled with these factors in retention, the training market for drilling qualifications is very limited in South Australia.

In terms of demand, respondents indicated that turnover within the sector is high, with the lifecycle of a workforce averaging three to five years. To address retention, some employers are putting in place initiatives such as more flexible rosters, housing options and family support. In addition, it was identified that the provision of training can be used to develop worker loyalty and support career progression and opportunities otherwise unavailable.

With reference to meeting the challenges of supply and retention, it was suggested that South Australia has the opportunity to learn from the experiences of other states such as Western Australia and Queensland. This would allow the state to take a more strategic and planned approach to the expansion. It was suggested this will require whole-of-government approaches in collaboration with industry and would need to address a wide range of issues, including the potential pressure that the expansion will place on towns and regions. For example, many workers tire very quickly of arrangements and prefer to move to mines which are closer to population centres. This can have implications for infrastructure and smaller communities.

In discussing access to the training system and understanding *Skills for All*, respondents reported that the existence of different buckets of funding available for training and skills development is confusing for the industry. It was noted that RESA plays a role in assisting and guiding the sector in this regard, acting as a 'one stop shop' for advice and information. By way of example, respondents explained that the application process for Skills in the Workplace is regarded as onerous. Support is required to engage effectively with the process.

Further consultation indicated the responsiveness of RTOs remains an issue for the sector, as is the availability of trainers, RTOs with the capacity, skills and flexibility to deliver to the sector is an ongoing issue as are thin training markets in regional areas. Discussion did acknowledge that it is hard to attract trainers to the sector given the wages they can receive working in industry.

Respondents reported the inability to use auspicing arrangements under *Skills for All* is prohibiting previously successful partnerships between firms and RTOs within the sector and reduces the publicly funded training options available to the sector.

Respondents also indicated there was a need for industry to sit down to identify additional areas of demand. However, it was recognised that RPL was an appropriate strategy for sections of the workforce and it was also suggested that there is value in skill sets at the beginning of the process (for new entrants) to provide a foothold into the industry. Specifically, a generic Certificate II for jobseekers that provides skills in safety, work procedures, compliance and employability skills would provide a useful base upon which to learn technical skills.

Resources and Engineering Skills Alliance continued

Respondents felt that the work undertaken by the Resources Workforce Planning Council (under the auspices of RESA) and the Upper Spencer Gulf Global Maintenance Group provide mechanisms to feed in industry views on future workforce trends and industry priorities.

Finally it was noted that holistic approaches and collaborative models between the resources sector and other industries, particularly in regions, are crucial in realising the potential benefits of the expansion for all South Australians.

Service Skills SA

Service Skills SA represents the services sector with coverage for retail and wholesale, arts and culture, sport and recreation, hair and beauty, floristry and funeral services. Consultation respondents reported that while the services sector accounts for 22% of employment in the state, they believe its relative importance is not reflected in public funding allocations for skills and workforce development.

The consultation session dealt with each sector in turn, providing an outlook at individual sector level rather than consideration of the sector as a whole.

In the ***sport and recreation*** sector growth is being generated by preventative health agendas encouraging greater participation in physical activity and sport. Similarly, the longer post-work phase of life was noted as contributing to greater participation in the sector. Respondents reported the availability of government funding for infrastructure and general support for sports associations as an ongoing challenge. In terms of workforce capacity, associations are overwhelmingly small and rely heavily on volunteers.

Respondents reported legislation dictates many of the requirements to become a volunteer, and indicated these often have training implications which, coupled with insurance requirements, is impacting on the sector.

In terms of the level of volunteer workforce participation it was noted individuals generally become involved with sporting and recreation clubs through their children's activities, which often limits the timeline of their involvement. In addition, a significant level of turnover of executive officers impacts significantly on the management of sporting associations.

Respondents indicated awareness of *Skills for All* is low within the sector, although it was reported that the requirements around auspicing arrangements under *Skills for All* will impact on the sector as it has traditionally relied on small niche providers to work in partnership with larger providers.

Consultation participants reported that employers are generally looking for employees who have a caring, attentive nature, industry recognised qualifications, good communication skills and are community minded. Consultation participants agreed generic skills and personal qualities, combined with knowledge of the industry are also valued more broadly within sport and recreation.

In terms of skill demand, it was reported that within the aquatics sector mandatory reporting requirements and waste legislation are impacting on demand for skilled workers. A recent training initiative within the sector has helped impart these skills and attitudes among workers. Further training will be in the form of skill sets.

Currently within the ***funeral*** sector, business consolidations are occurring in an attempt to manage costs. Consultation indicated that while the number of annual deaths is likely to remain stable in the state, there is a growing preference for affordable funerals and cemetery products.

In terms of attraction, it was reported the industry has limited appeal and the vast majority of businesses are family-owned and operated. It was reported that legislative changes associated with the proposed new Burials and Cremation Act may have an impact on the skills required by workers, as will environmental sustainability requirements and workplace health and safety legislation. Consultation suggested that the sector is unlikely to participate in *Skills for All*, however some skill sets have been identified in the areas of grave digging, crematorium operations, and embalming.

The ***personal services – hair and beauty*** sector was characterised by respondents as having three sub-sectors: high, medium and low end. Branding of salons is often linked to an RTO, and long-term partnerships are common. Feedback indicates the high-end of the industry uses the apprenticeship system effectively to train workers, however it was suggested that within the lower end there is a tendency to poach workers.

In terms of skills and employer needs, numeracy and literacy is an ongoing priority, as is the ability of workers to relate to clients from different age groups.

Respondents reported that very few workers go beyond the trade level (Certificate III), however the Diploma of Salon Management is supporting a significant number of individuals who have the opportunity to manage a salon. There is also demand for higher level skill sets, and this can assist develop professional careers within the sector.

Consultation identified the challenges associated with on-line sales of hair and beauty products which are impacting the viability of businesses, while the poaching of third-year apprentices, who have established a client base is an ongoing issue in the sector.

Participants reported that stakeholders are generally confused about the training system and funding options and awareness of *Skills for All* is low. It was suggested there needs to be strong government branding associated with *Skills for All* for industry to have confidence in the system.

In its consideration of institutional trade training, respondents indicated the industry is broadly opposed to institutional training, as it takes time to become a professional and there is a need to develop skills and experience in a workplace.

In the discussion of a student demand-driven system respondents also identified that it is very important that potential students get good career advice before taking up training. Respondents believed there should be genuine choices for students, choices that are not determined by cost and monitoring of how many students use the funding entitlement to 'explore' options rather than to achieve clear vocational goals.

In its consideration of the ***Arts*** sector, consultation indicated that there is increasing participation in the arts and further growth is expected, supported by additional funding through the Australia Council and the development of a national culture and creative policy. Respondents indicated the NBN rollout will have implications for the sector, enabling performers/artists to use digital media to promote and distribute their work. A number of skills and training implications flow from this opportunity. Similarly entrepreneurial skills are required to negotiate funding deals.

Consultation identified that Service Skills SA, in conjunction with the national Industry Skills Council IBSA, is currently undertaking a comprehensive workforce development project for the arts sector, encompassing a survey of both workers and employers. The project will provide valuable information to inform skills planning and workforce development strategies for the sector. The sector is also running community programs, such as Arts in Schools and Arts in Health.

Respondents reported that the film industry is suffering from funding cuts, fewer sponsorships, and declines in disposable incomes. Many small, one-person operations are leaving the sector, resulting in significant loss of experience and potential mentors.

Service Skills SA continued

In terms of meeting skill needs, it was reported that thin training markets are an issue for some parts of the sector. To address need, some companies such as the Jam Factory are running internships for graduates, a model that could be applied more broadly within the sector.

Respondents indicated that increasingly students and workers need to create their own opportunities and this often happens via online tools and programs. These individuals need to access additional skills around entrepreneurship, business and intellectual property to transition to the 'mainstream'. Opportunities exist in areas such as special effects, ICG and graphic design, however competition is global and influenced heavily by the price of the dollar. Further, there are not enough production houses to train workers and there is a significant gap between graduation and work readiness. Overall, respondents reported that the sector is not big enough to be self-sustainable.

In terms of employer preference, employers are seeking workers who have art form brilliance, combined with a 'can do' attitude and networking and marketing skills. Creative industries also require hard maths and physics.

Consultation participants indicated the *Skills for All* promotional campaign has not had much of an impact in the arts sector as it is perceived as being more about trades and traditional vocations, rather than the arts. Service Skills reported that as part of its workforce development project it will promote the opportunities available through *Skills for All* within the sector. Respondents indicated that training uptake should be based on a genuine intention to work in the sector and the industry considers it remains that trainers and educators have recent industry experience.

With reference to the ***retail*** sector, respondents reported its outlook remains subdued and will be impacted further by increasing utilities costs for households. As households save more and their disposable incomes fall, their spending choices become more discerning which has flow-on effects for retailers. The Board reported that structural changes are impacting on the sector and will particularly affect firms that do not have a clear customer base and brand, and a clear market segment. Many retailers are barely surviving and, as a consequence, investment in training is often reduced as a cost-cutting measure. Even within large established retailers, ongoing restructuring and constant change management processes are occurring.

Consultation reported that the increase in online shopping is resulting in physical stores taking on a new presence. There is now a trend towards integrating shopping with entertainment experiences. Similarly, employers are seeking staff who can provide a point of difference from on line shopping.

Trading hours and other regulatory issues continue to influence demand for labour. Consultation indicated that the sector's successful retail executive development program is receiving positive feedback from employers and is having a positive impact on businesses.

With reference to *Skills for All*, respondents were not clear about who is being targeted and reported there was confusion among employers and RTOs, apart from large enterprise RTOs. It was suggested it will be important to monitor participation in the scheme, to make sure individuals are not churning through qualifications without vocational outcomes.

With regard to the expansion of the resources sector, consultation participants reported it is likely to have an overall positive impact, suggesting it will only be a threat if the services required to support the expansion are not taken into account.

Opportunities identified during consultation included:

- a community development approach in regional areas to maximise the long-term benefits and ensure that they are equally spread.
- additional cultural pursuits, including touring exhibitions and performances to regional areas.
- sport and recreation facilities in communities and villages supporting the mining sector. Recreational activities are a major focus of townships such as Roxby Downs, where rosters result in significant blocks of time off. Productivity is better in communities with key supports such as sport and recreation. This will require a planned approach, focusing not only on facilities but training and leadership within the communities.
- recruitment of people by mining companies into casual service jobs, providing opportunities for spouses and other family members to access work and income. This, in turn, will boost general retail activity in regional communities.
- new technologies such as digital media to support communities.
- increased taxation income from mining activity which is likely to result in more funding for the arts and cultural sector, including the film sector. There are also opportunities for sponsorship arrangements.

The potential threats identified in consultation included:

- some evidence of the funeral sector (cemeteries) losing trained plant operators to the mining sector.
- likely to be competition between employers for casual staff to work in sport, recreation and general service jobs in regions such as Roxby Downs.

Transport Distribution Training (TDT) SA

The TDT consultation session is complemented by a written submission from Genesee and Wyoming Australia, written comments from Heavy Haul Freight Rail Transport and the South Australian Road Transport Association (SARTA).

Respondents reported that the performance of the transport and storage sector is closely linked to the broader economic cycle, as levels of economic activity and trade has implications for the movement of goods. While there was mixed sentiment among the group, it is expected that the industry will double by 2020 due in part to an expanding mining sector and continued export of goods.

All sectors in the industry continue to deal with the issues of replacement labour and the ageing workforce. Attraction continues to be a struggle across most sectors and the image of the industry was considered to have serious implications for attraction.

Respondents identified the capacity to secure suitable qualified labour as an issue. In its submission SARTA reported that industry does not consider the existing training and licence qualifications produce appropriately skilled, work-ready, trained drivers.

Transport Distribution Training continued

The quality of the training market was raised by several respondents. Characterised by thin training markets, it was felt there were a few reputable RTOs but they charged high fees. The rail operations market reflected a lack of competition and while online training is available there were no RTOs in South Australia servicing aviation, freight forwarding and rail.

Consultation reiterated that in sectors such as road transport, entry level employment requires more than a qualification. As a start, it was reported no transport company will employ a driver unless they are licensed. Respondents reported that there wasn't much opportunity for people to get further training in larger vehicles to learn and practice backing on to docks. To address the situation, SARTA has developed a proposal for a Trucking Industry Buddy System. Consultation suggested that simulators were costly and 'sexing up' training tools would not address the problems associated with attraction.

Respondents suggested that an increase in the migration of labour with rail skills it is not a viable option as workers from NZ, UK and USA do not have the required skill base and extensive upskilling is required. While it was predicted that there would be a surplus of drivers with the introduction of fully automated trains in the mining industry, it was acknowledged this would take some time.

Wage parity was also identified as an issue in some sectors. For example, comparison to interstate counterparts indicates South Australia offers significantly lower remuneration for bus drivers.

In terms of pathways to the industry, it was suggested that the minimum age applied to forklift drivers was a barrier to entering the industry. Respondents felt that by age 19 many learners had commenced different career paths and as the industry has a serious image issue there aren't necessarily careers of choice on offer to new entrants.

Respondents identified the impact of mining on the sector was generating opportunities, reporting that outside the anticipated ODX demand there were many other operational mines providing economic opportunities. In terms of the implications on skilled labour for the industry, reports were mixed. While poaching was reported, (rail respondents indicated BHP and Rio poach qualified drivers offering more attractive remuneration packages and working conditions than mainstream rail), it was also reported that the driving work around mines is boring so despite the good money employers in the transport sector don't expect to lose too many people permanently to the resources sector.

A side effect of the increased activity in the resources sector is a need for pilots and ground handlers as a flow-on effect of a growth in fly-in fly-out traffic.

While not identified on a skill shortage list the increasing complexity of the occupational requirements for truck drivers was reported. The impact of legislative change on truck driving training courses was noted at consultation, particularly the level of difficulty now associated with understanding and complying with legislative requirements such as those around dangerous goods and fatigue.

Consultation identified demand in risk-mitigation expertise to address regulatory compliance particularly in relation to road transport legislation. The rail sector reported it was experiencing a nationwide shortage in credentialed/qualified heavy haul locomotive drivers, indicating current demand will be exacerbated by the pending expansion of the Port Augusta depot. A shortage of experienced supervisory, middle and senior operations managers was also reported. With the management of the Adelaide-Darwin railway to be based in South Australia, skills related to rail infrastructure management will be required.

The maritime sector attracted limited discussion as it was reported that retention is not an issue as labour is well paid, although the impact on families of 24-hour schedules was acknowledged.

With reference to *Skills for All*, consultation participants reported that larger operators are aware of the opportunities but it was generally agreed that smaller operators are not aware of it or the assistance it can provide in upskilling and building their workforces.

TRAINING & SKILLS COMMISSION

Better Skills
Better Work
Better State

Regional Stakeholders: Common Themes and Priorities in State Government Regions

Regional Overview

The long-term outlook for growth and economic development in South Australia is positive. This is despite current structural and cyclical factors that are affecting each State Government Region, especially in trade-exposed sectors.

South Australia has a record $109 billion worth of major projects occurring or planned for the state,[3] which will result in greater demand for skilled workers as these projects move through their various stages of completion. Many major projects are in the mining and resources sectors, and will underpin significant economic activity in non-metropolitan areas of the state.

Population growth projected by the *30 Year Plan for Greater Adelaide*, if achieved, is likely to drive industry development trends and be a key influencer of major infrastructure and housing projects in South Australia.

The regional profiles demonstrate that there are unique drivers of economic development, different labour market conditions and different supply potential across demographic groups in each State Government Region. Skills and workforce development priorities therefore vary considerably across regions.

All regions must have in place strategies that match the skills required by growth sectors of their economy with the skill sets of their job seekers. For regions heavily exposed to structural adjustment issues, it is important they work to transform their economic structure and support displaced workers to access opportunities in growth sectors.

Common to all regions is the significant number of people with low educational attainment. A priority is to improve the provision and uptake of foundation skills and entry-level training, and facilitate pathways into further training and workforce participation.

DFEEST's investment in skills and innovation is crucial in supporting employers and industry to have the right skills at the right time, and in assisting individuals to engage and succeed in learning, training and work.
The introduction of *Skills for All* is helping to build the capacity of regions to respond to local employer demand for labour and skills by supporting individuals to gain the required skills, and employers, and industry and employers to have the right skills mix to drive innovation and growth.

The following profiles for the 12 State Government Regions have been developed by DFFEST. Also included is a comparative table which presents data for each of the 12 regions (sourced from the DFEEST profiles) together with information on the uptake of *Skills for All* within the regions. This table has been prepared by the Office of the Training and Skills Commission.

[3] Department of Manufacturing, Innovation, Trade, Resources and Energy, Major Developments. https://www.southaustralia.biz/invest_in_south_australia/major_developments, [accessed October 2012]

State Government Region	Population	Employed	Unemployed	Unemployment Rate	Participation Rate	Qualifications	VET Participation	Skills for All (Since 1 July 2012)	Apprenticeship Commencements	Aboriginal	Disability
South Australia	1,638,232	819,700	46,200	5.3%	62.7%	Yr 12 completion 498,415	123,856	49,439*	23,957	32,587	32,587
Adelaide Hills	**ERP 70,239** 0-14 yrs 14,167 15-24 yrs 9,029 25-44 yrs 17,108 45-64 yrs 20,989 65+ yrs 8,946	39,218	1,241	3.1%	69.9%	Degree + 11,874 Diploma 5,364 Cert III or IV 8,958 Yr 12 24,299	4,239	1,789	861	439 people or 0.6% of regional population 0.9% of region's VET students identified as Aboriginal	848 people or 1.9% of regional population 6.1% of region's VET students reported a disability
Barossa	**ERP 65,793** 0-14 yrs 12,925 15-24 yrs 8,310 25-44 yrs 16,299 45-64 yrs 18,434 65+ yrs 9,825	33,714	1,450	4.1%	65.5%	Degree + 5,072 Diploma 3,736 Cert III or IV 9,882 Yr 12 16,296	5,005	1,952	988	748 people or 1.2% of regional population 1.4% of region's VET students identified as Aboriginal	1,227 people or 2.9% of regional population 7.3% of region's VET students reported a disability
Eastern Adelaide	**ERP 217,353** 0-14 yrs 31,576 15-24 yrs 33,576 25-44 yrs 59,572 45-64 yrs 55,098 65+ yrs 37,351	112,125	5,550	4.7%	63.3%	Degree + 56,281 Diploma 15,356 Cert III or IV 16,699 Yr 12 94,836	10,734	4,289	1,929	1,097 people or 0.5% of regional population 2.5%of region's VET students identified as Aboriginal	2,541 people or 1.8% of regional population 4.5% of region's VET students reported a disability
Eyre and Western	**ERP 57,783** 0-14 yrs 11,671 15-24 yrs 7,241 25-44 yrs 14,662 45-64 yrs 15,434 65+ yrs 8,775	28,790	1,368	4.5%	63.2%	Degree + 3,670 Diploma 2,290 Cert III or IV 8,408 Yr 12 12,501	6,189	1,483	1,039	3,221 people or 5.7% of regional population 13.8% of region's VET students identified as Aboriginal	1,189 people or 3.3% of regional population 7.9% of region's VET students reported a disability
Far North	**ERP 29,484** 0-14 yrs 6,100 15-24 yrs 4,080 25-44 yrs 8,679 45-64 yrs 7,495 65+ yrs 3,130	13,947	820	5.6%	66.2%	Degree + 1,837 Diploma 1,033 Cert III or IV 4,123 Yr 12 5,831	3,075	530	420	5,455 people or 19.3% of regional population 29.4% of region's VET students identified as Aboriginal	524 people or 2.7% of regional population 5.3% of region's VET students reported a disability
Fleurieu and Kangaroo Island	**ERP 47,092** 0-14 yrs 7,276 15-24 yrs 4,341 25-44 yrs 8,881 45-64 yrs 14,325 65+ yrs 12,269	19,121	1,283	6.3%	53.0%	Degree + 4,214 Diploma 3,137 Cert III or IV 7,062 Yr 12 10,268	3,207	1,040	484	522 people or 1.1% of regional population 1.8% of region's VET students identified as Aboriginal	996 people or 3.7% of regional population 8.0% of region's VET students reported a disability

* Includes 278 students where region is not stated

State Government Region	Population	Employed	Unemployed	Unemployment Rate	Participation Rate	Qualifications	VET Participation	Skills for All (Since 1 July 2012)	Apprenticeship Commencements	Aboriginal	Disability
Limestone Coast	**ERP 64,105** 0-14 yrs 12,822 15-24 yrs 7,575 25-44 yrs 16,107 45-64 yrs 17,601 65+ yrs 10,000	36,220	1,731	4.6%	65.9%	Degree + 4,087 Diploma 2,660 Cert III or IV 8,930 Yr 12 13,947	6,471	2,064	1,580	1,090 people or 1.7% of regional population 2.0% of region's VET students identified as Aboriginal	1,234 people or 3.1% of regional population 6.2% of region's VET students reported a disability
Murray and Mallee	**ERP 68,989** 0-14 yrs 12,748 15-24 yrs 8,175 25-44 yrs 16,155 45-64 yrs 19,688 65+ yrs 12,223	34,921	2,525	6.7%	59.2%	Degree + 3,542 Diploma 2,764 Cert III or IV 8,828 Yr 12 12,937	6,274	1,877	1303	2,409 people or 3.6% of regional population 5.6% of region's VET students identified as Aboriginal	1,759 people or4.1% of regional population 7.3% of region's VET students reported a disability
Northern Adelaide	**ERP 369,484** 0-14 yrs 71,300 15-24 yrs 53,478 25-44 yrs 106,391 45-64 yrs 90,154 65+ yrs 48,161	170,419	13,707	7.4%	62.4%	Degree + 32,142 Diploma 19,135 Cert III or IV 48,879 Yr 12 101,625	26,610	11,542	5,860	6,848 people or 1.9% of regional population 3.3% of region's VET students identified as Aboriginal	8,792 people or 3.6% of regional population 5.8% of region's VET students reported a disability
Southern Adelaide	**ERP 349,977** 0-14 yrs 60,475 15-24 yrs 47,378 25-44 yrs 92,158 45-64 yrs 94,625 65+ yrs 55,341	184,621	10,372	5.3%	64.5%	Degree + 50,668 Diploma 23,458 Cert III or IV 46,869 Yr 12 115,712	20,610	9,159	5,120	3,463 people or 1.0% of regional population 1.7% of region's VET students identified as Aboriginal	6,704 people or 3.0% of regional population 5.8% of region's VET students reported a disability
Western Adelaide	**ERP 223,684** 0-14 yrs 34,687 15-24 yrs 30,059 25-44 yrs 63,851 45-64 yrs 56,639 65+ yrs 38,448	112,572	4,795	4.1%	61.5%	Degree + 30,384 Diploma 13,455 Cert III or IV 26,679 Yr 12 75,455	14,071	6,003	3,060	3,294 people or 1.5% of regional population 3.1% of region's VET students identified as Aboriginal	4,412 people or 3.1% of regional population 5.5% of region's VET students reported a disability
Yorke and Mid North	**ERP 74,249** 0-14 yrs 13,419 15-24 yrs 7,656 25-44 yrs 15,229 45-64 yrs 22,008 65+ yrs 15,937	33,989	1,375	3.9%	54.5%	Degree + 4,365 Diploma 3,152 Cert III or IV 10,1361 Yr 12 13,878	5,848	1,996	1,224	1,681 people or 2.3% of regional population 4.2% of region's VET students identified as Aboriginal	2,260 people or 5.1% of regional population 7.1% of region's VET students reported a disability

LEGEND

ERP: Estimated Resident Population (ERP), June 2011	**Participation rate:** June 2012
Aboriginal (incorporating Torres Strait Islanders): Census 2011	**Training:** VET participation NCVER 2010
Labour force data (Total employed, total unemployed, unemployment rate): Department of Education Employment and Workplace Relations June 2012	**Apprenticeship Commencements:** (including trainees) NCVER 2011
People with a disability (15-64 years): Census 2011	**Skills for All student numbers:** as 31 October 2012

Northern Adelaide State Government Region

Industry development in Northern Adelaide over coming years will be heavily influenced by the large number of major projects occurring across a range of sectors, including urban development, defence, education, health and other services, water management and manufacturing. These projects will assist in diversifying the regional industry base away from its historical reliance on the manufacturing sector.

The expected increase in the region's population, as predicted in the *30 Year Plan for Greater Adelaide*, is also likely to drive substantial industry development. Industries such as construction, retail and health and social assistance are expected to be significantly influenced by population growth.[4] Stakeholder feedback has identified that there are already significant skills and labour demands for the community services sector.

At the time of the 2011 Census, people employed in the region were predominantly working in manufacturing, health care and social assistance, and retail trade. The greatest increase in the share of employment among Northern Adelaide residents in recent years has been in the health care and social assistance sector, according to the Blueprint for Skills and Employment[5] commissioned by Northern Futures in 2010.

Within the manufacturing sector, employment growth in defence manufacturing may partially offset declining demand for labour in automotive manufacturing.[6] However, the skill needs for defence manufacturing are mostly different from those for the automotive sector, and the defence manufacturing sector is currently relatively small.

The City of Playford has recently received $11.3 million funding from the Australian Government towards the Stretton Centre, which will deliver skills training, support co-location of business support services and conduct local employment research to support a growing population.

There are a number of structural adjustment pressures and cyclical challenges facing the region. The high value of the Australian dollar and the impact of the global financial crisis have put pressure on the trade-exposed manufacturing sector, on which the region is reliant. Recent layoffs at General Motors Holden – despite production of the Holden Cruze commencing – illustrate this point. If these pressures on the manufacturing sector continue, this is likely to impact on the expected population growth in the region, with flow-on effects to other industries.

The Northern Adelaide State Government Region, compared with the state average, has:

- persistent high levels of ***unemployment*** and
- lower levels of ***educational attainment and qualifications***, particularly at degree and diploma levels.

The region has prioritised activity to increase workforce participation by focusing on:

- strengthening links between industry and education, training and employment providers.
- supporting engagement in learning and employment and growing aspiration at the individual, family and educator levels.

These priorities reflect the need to address inter-generational disadvantage in the labour market – a major inhibitor of workforce participation – that is prevalent in parts of Northern Adelaide.

Skills for All has already been the catalyst for a large increase in training enrolments across the board at Certificate I and II levels in Northern Adelaide.

4 Carson, E and Kerr, L (2010), *Northern Adelaide Skills, Workforce and Employment Blueprint*, report prepared for Northern Futures.

5 *ibid*.

6 *ibid*. pp. 6-7.

DFEEST program responses that promote regional capacity building to increase workforce participation include:

- provision of ACE – Northern Adelaide has an estimated 23.6% of state-wide student contact hours for 2012-13.[7]
- 1,288 *South Australia Works*[8] participants in 2010-11 (14% of the state total) with 284 employment outcomes.

DFEEST funds a number of projects in the region, such as the *Industry Driven Employment Projects* which helps to address identified workforce participation priorities and responds to identified employer demand for skilled employees. Projects engage directly with industry to identify skills and labour shortages for particular sectors and employers, and focus on pre-employment programs that lead to sustainable employment opportunities for participants.

Summary Data – Northern Adelaide

Population	Northern Adelaide	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	369,484	-	22.6%	1,638,232
Children (0-14 years)	71,300	19.3%	17.7%	289,166
Youth (15-24 years)	53,478	14.5%	13.5%	220,898
25-44 years	106,391	28.8%	26.6%	435,092
Mature (45-64 years)	90,154	24.4%	26.4%	432,490
People aged 65 and over	48,161	13.0%	15.9%	260,586
Aboriginal – Census 2011	6,848	1.9%	1.9%	30,432
People with disability (15-64 years) – Census 2011[9]	8,792	3.6%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	170,419	-	-	819,700
Total unemployed	13,707	-	-	46,200
Unemployment rate	7.4%	-	-	5.3%
Participation rate (2011 Census)	62.4%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	32,142	11.1%	15.9%	-
Diploma	19,135	6.6%	7.3%	-
Certificate Level III or IV	48,879	16.9%	15.7%	-
Year 12 Completion	101,625	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	47.3%	-	-	53.0%
Training (NCVER 2010)				
VET students	26,610	-	21.5%	123,856
Students reporting disability	5.8%	-	-	6.2%
Aboriginal students	3.3%	-	-	3.6%
Commencing apprentices and trainees (2011)	5,860	-	24.5%	23,957

Source: Workforce Wizard, DFEEST, November 2012

7 There are 16 ACE providers in the Northern Adelaide region.

8 *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

9 The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Eastern Adelaide State Government Region

The general level of education in the Eastern Adelaide State Government Region far exceeds the state average, with a higher percentage of residents having a bachelor's degree or higher (double the state average). Eastern Adelaide residents participate more fully in the labour force and have consistently lower levels of unemployment compared with the average for South Australia.

As the region includes Adelaide's Central Business District (CBD), the industry structure is dominated by the city centre's primacy as a location for government administration, educational institutions, hospitals, finance and business services and hospitality premises.

The three largest employing industries in Eastern Adelaide are health care and social assistance (15.7%), professional, scientific and technical services (10.6%) and education and training (10.6%).[10]

Eastern Adelaide has a number of urban development and health and education infrastructure projects committed over coming years. Many are in the CBD, such as the new Royal Adelaide Hospital and the Adelaide Oval redevelopment.

Eastern Adelaide's concentration of head office and administrative centres in finance, property and business services means the region will also benefit from the proliferation of mining, defence and urban development major projects across the state.

There are a number of structural adjustment pressures and cyclical challenges facing the region. For example, the high value of the Australian dollar has put pressure on international tourism and education, which are important sectors for Eastern Adelaide.

While the region experiences lower levels of unemployment than the state average, there are many people – including young people, people with low educational attainment and newly-arrived migrants with language, literacy and skill recognition needs – who face disadvantage in the labour market.

Therefore, the region has prioritised activity to increase workforce participation by focusing on ensuring that:

- young people who are at-risk in the labour market are linked with appropriate support services.
- people with low educational attainment are able to improve their foundation skills.
- culturally and linguistically diverse (CALD) migrants are assisted to improve their language and literacy skills.

DFEEST program responses that help to build the capacity of the region to increase workforce participation include:

- provision of ACE – Eastern Adelaide has an estimated 27.8% of state-wide student contact hours for 2012-13.[11]
- 493 *South Australia Works*[12] participants in 2010-11 (5.3% of the state total) with 182 employment outcomes (5.6% of the state total).

[10] 2011 Census data.

[11] There are 25 ACE providers in the Eastern Adelaide region.

[12] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

DFEEST funds a number of projects in the region, including the Eastern Adelaide Career Development Service which helps to increase workforce participation, qualification levels and foundation skills. It also assists individuals to gain the skills and knowledge necessary for them to make informed choices and manage their learning, work and life.

Summary Data – Eastern Adelaide

Population	Eastern Adelaide	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	217,353	-	13.3%	1,638,232
Children (0-14 years)	31,576	14,5%	17.7%	289,166
Youth (15-24 years)	33,576	15.4%	13.5%	220,898
25-44 years	59,572	27.4%	26.6%	435,092
Mature (45-64 years)	55,098	25.3%	26.4%	432,490
People aged 65 and over	37,351	17.3%	15.9%	260,586
Aboriginal – Census 2011	1,097	0.5%	1.9%	30,432
People with disability (15-64 years) – Census 2011[13]	2,541	1.8%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	112,125	-	-	819,700
Total unemployed	5,550	-	-	46,200
Unemployment rate	4.7%	-	-	5.3%
Participation rate (2011 Census)	63.3%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	56,281	31.7%	15.9%	-
Diploma	15,356	8.6%	7.3%	-
Certificate Level III or IV	16,699	9.4%	15.7%	-
Year 12 Completion	94,836	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	75.0%	-	-	53.0%
Training (NCVER 2010)				
VET students	10,734	-	8.7%	123,856
Students reporting disability	4.5%	-	-	5.7%
Aboriginal students	2.5%	-	-	4.2%
Commencing apprentices and trainees (2011)	1,929	-	8.1%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[13] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Southern Adelaide State Government Region

The Southern Adelaide State Government Region contains more than one-fifth of the total population of South Australia.

Southern Adelaide has higher rates of labour force participation than the state average. The region benefits from its proximity to Flinders University, with Southern Adelaide residents having higher levels of educational attainment and qualifications compared with the South Australian average, particularly at degree and diploma levels.

Southern Adelaide's gross regional product is estimated to be worth over $6.4 billion.[14] The three largest employing industries in the region are health care and social assistance (15.7%), retail trade (11.8%) and manufacturing (9.1%).[15] The share of total employment in health care and social assistance in Southern Adelaide is the equal highest of all State Government Regions.

Southern Adelaide's industry development over coming years will benefit from a number of extremely large projects that will further diversify the industry structure. These major projects are occurring across infrastructure, urban development, education, health and other services and manufacturing sectors, and include the Southern Expressway duplication, the Sustainable Industries Education Centre, rail electrification projects and the planned expansion of Westfield Marion.

Population growth projected in the *30 Year Plan for Greater Adelaide* is likely to drive industry development trends and will be a key influence for major urban development projects earmarked for the region. The Plan projects an additional 82,000 residents and 40,500 dwellings in Southern Adelaide by 2036.[16]

The Southern Adelaide Economic Development Plan 2011-2021 articulates the economic development vision of the region and targets growth industry sectors, including clean technologies, advanced manufacturing and technology, food, wine and tourism, and high value services. The plan also focuses on harnessing the digital economy through, for example, the NBN rollout.[17]

The Southern Adelaide region experienced a large increase (57.5%) in the number of apprentices and trainees starting a contract of training in 2010, compared with 2009. There are a number of structural adjustment pressures and cyclical challenges facing the region. For example, the transition from a heavy reliance on manufacturing means that job openings in growth sectors may not match the skill sets of displaced workers.

The region is characterised by small and medium-size enterprises that comprise around 98% of all businesses, including a high proportion of home-based businesses. The large number of major projects offers leveraging opportunities for local business, but may also make it more difficult for smaller businesses to attract and retain staff. This issue is compounded by the high percentage of Southern Adelaide residents currently working outside of the region.

The region has prioritised activity to increase workforce participation by focusing on:

- facilitating sustainable workforce engagement.
- addressing the labour market disadvantage of young people.
- improving pathways for people in entrenched unemployment, those with multiple barriers and those residing in disadvantaged pockets of the region.
- matching workforce demand and supply.

DFEEST program responses that help build regional capacity to increase workforce participation include:

- provision of ACE – Southern Adelaide has an estimated 16.2% of state-wide contact hours for 2012-13.[18]

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[14] Southern Adelaide Economic Development Board (2012) *The Southern Adelaide Economic Development Plan 2011-2021* (for the region encompassing the Cities of Marion and Onkaparinga).

[15] 2011 Census data.

[16] Department of Planning and Local Government (2010) *Housing and Employment Land Supply Program* (HELSP) Report 2010, Greater Adelaide, Government of South Australia, Adelaide, p. 91.

[17] Southern Adelaide Economic Development Board (2012) *ibid*.

[18] There 16 ACE providers in the Southern Adelaide region.

- 809 *South Australia Works*[19] participants in 2010-11 (8.8% of the state's total) with 330 employment outcomes (10.2% of the state total.)

DFEEST funds a number of projects in the region. For example, the *Connecting our People Program* helps improve pathways for people experiencing entrenched labour market disadvantage. It facilitates case management, mentoring, literacy and numeracy, referral to ACE programs and other learning opportunities for people with complex barriers to participation. It addresses personal issues through holistic approaches and referral to appropriate services in the region. Delivery of the program is at local venues, including community centres located in the most disadvantaged pockets of the region. The program engages local partners including DFEEST's Regional Network, Disability Employment Services and the Southern Aboriginal Employment and Training Taskforce.

Summary Data – Southern Adelaide

Population	Southern Adelaide	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	349,977	-	21.4%	1,638,232
Children (0-14 years)	60,475	17.3%	17.7%	289,166
Youth (15-24 years)	47,378	13.5%	13.5%	220,898
25-44 years	92,158	26.3%	26.6%	435,092
Mature (45-64 years)	94,625	27.0%	26.4%	432,490
People aged 65 and over	55,341	15.8%	15.9%	260,586
Aboriginal – Census 2011	3,463	1.0%	1.9%	30,432
People with disability (15-64 years) – Census 2011[20]	6,704	3.0%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	184,621	-	-	819,700
Total unemployed	10,372	-	-	46,200
Unemployment rate	5.3%	-	-	5.3%
Participation rate (2011 Census)	64.5%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	50,668	18.1%	15.9%	-
Diploma	23,458	8.4%	7.3%	-
Certificate Level III or IV	46,869	16.7%	15.7%	-
Year 12 Completion	115,712	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	56.8%	-	-	53.0%
Training (NCVER 2010)				
VET students	20,610	-	16.6%	123,856
Students reporting disability	5.8%	-	-	6.2%
Aboriginal students	1.7%	-	-	3.6%
Commencing apprentices and trainees (2011)	5,120	-	21.4%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[19] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

[20] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Western Adelaide State Government Region

The three largest employing industries of Western Adelaide residents, at the time of the 2011 Census, were health care and social assistance (13.1%), manufacturing (11.0%) and retail trade (11.0%).

Industry development in Western Adelaide over coming years will be heavily influenced by major projects occurring across a number of sectors, including defence, infrastructure, urban development, water management and manufacturing. These projects, which include industrial development at the Adelaide Airport and construction of the $812 million South Road Superway, will assist the region in diversifying its industry base and will provide a number of job openings.

There are many housing and urban development projects being undertaken in Western Adelaide, which reflect population growth targeted in the *30 Year Plan for Greater Adelaide*. The plan projects an additional 83,000 residents and 42,560 dwellings for Western Adelaide by 2036[21] and this will continue to be a major influence on industry development.

Like all regions, Western Adelaide's industry development remains vulnerable to structural and cyclical influences, particularly its manufacturing sector. These influences include the high value of the Australian dollar and the impact of the global financial crisis, which has put pressure on trade-exposed sectors in the region. In addition, funding decisions of the Commonwealth Government are a significant influencer on the continued growth of the defence industry, which is a major industry in Western Adelaide.

The Western Adelaide State Government Region experiences lower levels of labour force participation and consistently lower levels of unemployment than the state average. While the region has low unemployment, some population groups in the region experience significant labour market disadvantage.

Therefore, the region has prioritised activity to increase workforce participation by focusing on ensuring that:

- the high numbers of people not in the labour force with low educational attainment can access learning, training and employment pathways.
- the large number of people in the region who are marginalised or not in the labour force (in particular mature-aged males) can access to pathways into learning, training or employment.
- non-English speaking migrants are assisted to improve their language and literacy skills.

DFEEST program responses that help build the capacity of the region to increase workforce participation include:

- provision of ACE – Western Adelaide has an estimated 5.8% of state-wide contact hours for 2012-13.[22]
- 1,029 *South Australia Works*[23] participants in 2010-11 (11.2% of the state total) with 346 employment outcomes (10.7% of the state total).

[21] Department of Planning and Local Government (2010) *Housing and Employment Land Supply Program (HELSP) Report 2010, Greater Adelaide*, Government of South Australia, Adelaide, p. 72.

[22] There are 13 ACE providers in the Western Adelaide region.

[23] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

DFEEST funds a number of activities in the region, such as the *Workforce Participation Pathways Program* in Western Adelaide, which aims to provide better access to employment and training opportunities in targeted pockets that experience significant labour market disadvantage. Partnerships developed with Job Services Australia providers and community organisations ensure a range of tailored support programs are available to participants, including case management services and training in foundation skills. Participants are assisted to develop work-ready and practical skills through training and on-the-job work experience, and supported to make successful transitions between learning, training and work.

Summary Data – Western Adelaide

Population	Western Adelaide	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	223,684	-	13.7%	1,638,232
Children (0-14 years)	34,687	15.5%	17.7%	289,166
Youth (15-24 years)	30,059	13.4%	13.5%	220,898
25-44 years	63,851	28.5%	26.6%	435,092
Mature (45-64 years)	56,639	25.3%	26.4%	432,490
People aged 65 and over	38,448	17.2%	15.9%	260,586
Aboriginal – Census 2011	3,294	1.5%	1.9%	30,432
People with disability (15-64 years) – Census 2011[24]	4,412	3.1%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	112,572	-	-	819,700
Total unemployed	4,795	-	-	46,200
Unemployment rate	4.1%	-	-	5.3%
Participation rate (2011 Census)	61.5%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	30,384	16.7%	15.9%	-
Diploma	13,455	7.4%	7.3%	-
Certificate Level III or IV	26,679	14.6%	15.7%	-
Year 12 Completion	75,455	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	58.3%	-	-	53.0%
Training (NCVER 2010)				
VET students	14,071	-	11.4%	123,856
Students reporting disability	5.5%	-	-	6.2%
Aboriginal students	3.1%	-	-	3.6%
Commencing apprentices and trainees (2011)	3,060	-	12.8%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[24] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Far North State Government Region

The three largest employing industries in the Far North are mining (17.9%, well above the state average of 1.3%), health care and social assistance (10.8%) and accommodation and food services (8.8%). Across South Australia, health care and social assistance (13.6%), retail trade (11.2%) and manufacturing (10.5%) are the three largest employing industries.[25]

The Far North State Government Region generates significant wealth and export income from minerals and energy, tourism, defence and aerospace and livestock production and processing.[26] The gross regional product (GRP) for the Far North is estimated at around $3 billion a year, which is the highest of any non-metropolitan region of the state. It is estimated that the mining sector contributed over 45% of total GRP in 2006-07.[27]

Despite the deferral of the proposed Olympic Dam expansion, industry development in the Far North over coming years is likely to be heavily influenced by an influx of major mining and energy projects. These projects are expected to have positive flow-on effects for other sectors in the region. The *Upper Spencer Gulf Heavy Industry Hub* feasibility study[28] recognises that the region is well placed to capitalise on the benefits of resources and energy sector growth through major projects, and has the foundations to develop a regional heavy industry hub.

In addition, through the Regional Development Australia Fund, almost $11 million funding has recently been awarded to three key projects in the Far North. This includes $5 million for Unity Housing Company's Northern Region Affordable Housing Initiative, which will supply 100 new affordable rental houses.

There are a number of structural adjustments and cyclical pressures facing the region. For example, over-reliance on mining for local employment and export income means the region is vulnerable to fluctuations in the global economy that affect demand for resources.[29] High wages offered in mining can result in pressure on labour-intensive, domestically-focused sectors to attract and retain skilled staff, especially given the remoteness and large geographic spread of the Far North region.

The general level of educational attainment and qualifications in the region is below the state average. Full-time participation in secondary school is around 19 percentage points below the South Australian average; however, the region has a much higher participation rate in VET courses.[30]

The region has prioritised activity to increase workforce participation by focusing on:

- building literacy, numeracy and foundation skills.
- working with industry and community to improve workforce opportunities and outcomes for Aboriginal people.
- developing more opportunities for young people to enter training and work.
- promoting the natural strengths of the region to maximise sustainable employment opportunities.

DFEEST program responses that build the capacity of the Far North to increase workforce participation include that there were 375 *South Australia Works*[31] participants in 2010-11 (4.1% of the state total), with 170 employment outcomes (5.2% of the state total).

[25] Data relates to the 2011 Census.

[26] Government of South Australia (2010) *Strategic Infrastructure Plan for South Australia – 2010 Discussion Paper*, Adelaide p. 136.

[27] Regional Development Australia (2011) *Far North Regional Roadmap and Strategic Plan 2010-2013, updated 2011*, p. 17.

[28] KPMG (2012) *Upper Spencer Gulf Heavy Industry Hub*, report prepared for the South Australian Department of Primary industries and Regions.

[29] South Australian Centre for Economic Studies *Regional Fact Sheets* http://www.adelaide.edu.au/saces/economy/regionprofiles/.

[30] South Australian Centre for Economic Studies *Regional Fact Sheets, ibid*.

[31] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

The *Job Assist* program is one DFEEST-funded initiative in the region that helps address identified workforce participation priorities. The program supports individuals with barriers to participation through individual assistance and training to help develop the skills needed by industry. Participants are supported into employment or alternate pathways that reflect their needs and aspirations, and they may receive assistance through mentoring, work experience, industry site visits and case management. Training is specifically targeted in areas of skill needs, particularly those identified in partnership with regional employers and industry groups.

Summary Data – Far North

Population	Far North	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	29,484	-	1.8%	1,638,232
Children (0-14 years)	6,100	20.7%	17.7%	289,166
Youth (15-24 years)	4,080	13.8%	13.5%	220,898
25-44 years	8,679	29.4%	26.6%	435,092
Mature (45-64 years)	7,495	25.4%	26.4%	432,490
People aged 65 and over	3,130	10.6%	15.9%	260,586
Aboriginal – Census 2011	5,455	19.3%	1.9%	30,432
People with disability (15-64 years) – Census 2011[32]	524	2.7%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	13,947	-	-	819,700
Total unemployed	820	-	-	46,200
Unemployment rate	5.6%	-	-	5.3%
Participation rate (2011 Census)	66.2%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	1,837	8.2%	15.9%	-
Diploma	1,033	4.6%	7.3%	-
Certificate Level III or IV	4,123	18.4%	15.7%	-
Year 12 Completion	5,831	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	35.9%	-	-	53.0%
Training (NCVER 2010)				
VET students	3,075	-	2.5%	123,856
Students reporting disability	5.3%	-	-	5.7%
Aboriginal students	29.4%	-	-	4.2%
Commencing apprentices and trainees (2011)	420	-	1.8%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[32] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Murray and Mallee State Government Region

Economic activity in the Murray and Mallee[33] is based on agricultural primary production, including horticulture, viticulture, dairy farming and livestock.

More than any other State Government Region, Murraylands and Riverland is dependent on agricultural production to drive employment and economic growth.[34] At the time of the 2011 Census, 19.0% of the Murraylands and Riverland workforce were employed in the agriculture, forestry and fishing sector. Over 40% of people employed in the region in 2011 worked in just three industry sectors, agriculture, health care and social assistance, and retail trade.

The region has a growing tourism industry, attracting intrastate and interstate visitors to nature-based experiences at the Murray River and local conservation parks.[35]

Strong projected population growth in the region over the long term is expected to increase the demand for building and construction, as well as health and education services.[36]

The Riverland Sustainable Futures Fund has provided $20 million to develop opportunities in five potential growth sectors that were identified by the Riverland Futures Taskforce in 2010:

- pre-retirement and retirement living
- value-added food and beverage processing
- tourism
- education
- local business development (including irrigated horticulture, primary production, retail, commercial and industrial development).[37]

Manufacturing is the largest employer of new apprentices and trainees in the Murraylands and Riverland region, accounting for 20.4% of all new apprentices and trainees in 2010. The retail trade (11.8%) and accommodation (10.2%) sectors also employ large numbers of new apprentices and trainees.[38]

Major projects in Murraylands and Riverland are spread across energy, housing development, water management, defence and education, health and other services. There are also a number of natural resource management projects being undertaken through the South Australian Murray-Darling Basin Natural Resources Management Board.[39]

In general, the proliferation of mining, defence and urban development major projects in other regions means the number and value of major projects in Murraylands and Riverland is relatively small. This not only impacts on its economic development potential, but also on the capability of the region to attract and retain skilled workers.

[33] Referred to as Murraylands and Riverland for the remainder of this document.

[34] South Australian Centre for Economic Studies, *Regional Fact Sheets* http://www.adelaide.edu.au/saces/economy/regionprofiles/ [accessed October 2012].

[35] *ibid.*

[36] *ibid.*

[37] Regional Development Australia (2010) *Regional Roadmap and Strategic Plan 2010-2013.*

[38] DFEEST *Workforce Wizard*, [accessed October 2012].

[39] South Australian Murray-Darling Basin Natural Resources Management Board (2011) *Regional NRM Plan—Business Plan 2011-12 to 2013-14.*

The Murraylands and Riverland region faces a number of economic development challenges, including structural adjustment issues, relatively slow employment growth (compared with the state average), lack of a diverse industry structure, drought and reduced water allocations and the potential loss of skilled workers to major projects in other regions.

The region is characterised by older workers in the key sectors of agriculture and manufacturing. As such, there is likely to be high demand to replace people exiting the labour force over coming years. However, systemic barriers to workforce participation – such as transport infrastructure – may inhibit these employment opportunities.

New industry opportunities, in alternative energy, niche food processing, education and skills training, aquaculture and tourism, require workers with specific skills, qualifications and experience that are not necessarily held by the majority of residents.

When compared with the state average, Murraylands and Riverland has low levels of educational attainment and qualifications, particularly at degree and diploma levels, as well as low labour force participation. Therefore, the region has prioritised activity to increase workforce participation that focuses on:

- ensuring that people with low educational attainment can access learning, training and employment pathways.
- assisting individuals who are marginalised in the labour market to transition into sustainable learning, training and employment pathways.
- increasing workforce participation by taking advantage of regional opportunities for economic growth.

DFEEST program responses that help build the capacity of the region to increase workforce participation include:

- provision of ACE – Murraylands and Riverland has an estimated 5.5% of state-wide student contact hours for 2012-13.[40]
- 811 *South Australia Works*[41] participants in 2010-11 (9.1% of the state total) with 238 employment outcomes (7.3% of the state total).

The *Stepping Stones* (Language Literacy and Numeracy, Foundation Skills) program is one of the DFEEST-funded initiative that helps address identified workforce participation priorities in the region. The project supports individuals to participate in foundation skills programs, literacy and numeracy, and wellness activities, to gain the confidence and knowledge needed to re-engage with training or employment. Coordinated partnerships between multiple agencies support the identification of potential participants through a number of referral points, as well as helping participants to overcome a range of participation barriers.

[40] There are six ACE providers in the Murraylands and Riverland region.

[41] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These ‘pre-employment’ and ‘pre-training’ projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

Murray and Mallee State Government Region continued

Summary Data – Murray and Mallee

Population	Murray and Mallee	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	68,989	-	4.2%	1,638,232
Children (0-14 years)	12,748	18.5%	17.7%	289,166
Youth (15-24 years)	8,175	11.8%	13.5%	220,898
25-44 years	16,155	23.4%	26.6%	435,092
Mature (45-64 years)	19,688	28.5%	26.4%	432,490
People aged 65 and over	12,223	17.7%	15.9%	260,586
Aboriginal – Census 2011	2,409	3.6%	1.9%	30,432
People with disability (15-64 years) – Census 2011[42]	1,759	4.1%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	34,921	-	-	819,700
Total unemployed	2,525	-	-	46,200
Unemployment rate	6.7%	-	-	5.3%
Participation rate (2011 Census)	59.2%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	3,542	6.4%	15.9%	-
Diploma	2,764	5.0%	7.3%	-
Certificate Level III or IV	8,828	16.0%	15.7%	-
Year 12 Completion	12,937	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	34.7%	-	-	53.0%
Training (NCVER 2010)				
VET students	6,274	-	5.1%	123,856
Students reporting disability	7.3%	-	-	6.2%
Aboriginal students	5.6%	-	-	3.6%
Commencing apprentices and trainees (2011)	1,303	-	5.4%	23,957

Source: Workforce Wizard, DFEEST, November 2012

42 The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Limestone Coast State Government Region

The Limestone Coast State Government Region has above average labour force participation rates and relatively low levels of unemployment, compared with the South Australian average.

The region generates significant wealth from its agriculture, forestry and fishing and manufacturing sectors. More than 31% of employment in the Limestone Coast is concentrated in these two industry sectors, which is well above the state average.[43]

A number of initiatives and projects are helping to diversify the economic base of the region. For example, the new $80 million shopping centre in Mount Gambier has created a significant number of job openings. Future labour market opportunities in the region are projected for water use and management, renewable energy projects, high-end tourism opportunities, food and beverage production, and in the health and education sectors.[44]

The proliferation of major projects in mining, defence and urban development in other regions means the number and value of major projects in the Limestone Coast region is relatively small. This not only impacts on the economic development potential of the region, but also the ability to attract and retain skilled workers from higher paying jobs in other regions.

The skill levels sought by agricultural and manufacturing employers are likely to increase as global competition intensifies and technological advances accelerate. As the region is characterised by low educational attainment and an ageing workforce, there is a strong need for retraining, reskilling and upskilling. Building the capacity of *Skills for All* training providers in the region to deliver training in the skills that industry needs is of major importance.

The region's agricultural and manufacturing sectors have experienced a number of cyclical and structural difficulties in recent years, including droughts, a wine grape glut, the impact of the global financial crisis and a reduction in private investment. Additionally, the log pricing dispute between Forestry SA and Carter Holt Harvey represents a potential source of future job losses.

The region has prioritised activity to increase workforce participation by focusing on:

- supporting those who are vulnerable or not participating in the local labour force to access support services and skills development opportunities.
- supporting individuals to develop mobile and easily transferable skills that meet current and future industry needs in the region.

DFEEST program responses that support Limestone Coast to build its capacity to increase workforce participation include:

- provision of ACE – Limestone Coast has an estimated 2.4% of state-wide student contact hours for 2012-13.[45]
- *South Australia Works*[46] programs, attracting 845 participants in 2010-11 (9.2% of the state total) with 350 employment outcomes (10.8% of the state total).

[43] 2011 Census data.

[44] Strickland, H (2009) *Limestone Coast Workforce: Analysis of supply, demand, emerging trends and opportunities and strategies for regional workforce development*, Regional Development Board, South East.

[45] There are three ACE providers in the Limestone Coast region.

[46] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

Limestone Coast State Government Region continued

DFEEST funds a number of programs in the region, including the Career Development Centre (CDC) which delivers career development services and information. The CDC supports participants to make well-informed educational, training and occupational decisions and to manage their career, so they can participate more effectively in the workforce.

An overarching strategic skills and employment strategy for the region is being developed, with the support of DFEEST's Workforce Development Fund.[47] This strategy will help the region respond to structural adjustment issues and new opportunities, such as the opening of the Woolworths Marketplace complex, a new shopping centre in Mt Gambier. Under this initiative, a Workforce Development Coordinator will be appointed to assess regional capacity to meet new job openings and identify job-ready applicants and available training assistance.

Summary Data – Limestone Coast

Population	Limestone Coast	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	64,105	-	3.9%	1,638,232
Children (0-14 years)	12,822	20.0%	17.7%	289,166
Youth (15-24 years)	7,575	11.8%	13.5%	220,898
25-44 years	16,107	25.1%	26.6%	435,092
Mature (45-64 years)	17,601	27.5%	26.4%	432,490
People aged 65 and over	10,000	15.6	15.9%	260,586
Aboriginal – Census 2011	1,090	1.7%	1.9%	30,432
People with disability (15-64 years) – Census 2011[48]	1,234	3.1%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	36,220	-	-	819,700
Total unemployed	1,731	-	-	46,200
Unemployment rate	4.6%	-	-	5.3%
Participation rate (2011 Census)	65.9%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	4,087	8.1%	15.9%	-
Diploma	2,660	5.3%	7.3%	-
Certificate Level III or IV	8,930	17.8%	15.7%	-
Year 12 Completion	13,947	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	38.6%	-	-	53.0%
Training (NCVER 2010)				
VET students	6,471	-	5.2%	123,856
Students reporting disability	6.2%	-	-	6.2%
Aboriginal students	2.0%	-	-	3.6%
Commencing apprentices and trainees (2011)	1,580	-	6.6%	23,957

Source: Workforce Wizard, DFEEST, November 2012

47 Funded through Skills in the Workplace.

48 The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Fleurieu and Kangaroo Island State Government Region

At the time of the 2011 Census, the Fleurieu and Kangaroo Island State Government Region had large proportions of residents employed in the health care and social assistance, retail trade and agriculture, forestry and fishing sectors.

Expenditure by tourists across the RDA region[49], contributed approximately 30% of the total value of exports in 2009-10. This tourism spending is estimated to have generated significant regional economic activity.

The Fleurieu and Kangaroo Island region is undergoing a transformation from being predominantly agricultural-based to servicing the needs of a growing and ageing population. This is likely to intensify in coming years as a result of population movements predicted in the State Government's *30 Year Plan for Greater Adelaide*. The Plan targets an additional 22,000 people and 14,500 dwellings in the region by 2036, driven by strong projected growth for Victor Harbor.[50]

Industry development in the Fleurieu and Kangaroo Island region will most likely be driven by replacement needs and the growth of labour-intensive service sectors. Significant business development and employment opportunities are likely to be available across the region, particularly in industries such as retail, construction, hospitality, health and community services and education.

In general, the proliferation of mining, defence and urban development major projects in other regions means the number and value of major projects in the Fleurieu and Kangaroo Island region is relatively small.

In 2011, the State Government announced new infrastructure and legislation to develop Kangaroo Island as an internationally recognised tourism destination and premium agricultural producer. Infrastructure projects include:

- $8 million over four years to improve key roads
- $5 million towards developing a trail for a five-day walk (the remaining funding will come from private sector investment)
- $1.7 million for stage two of the Seal Bay boardwalk upgrade
- $1.2 million to Kangaroo Island Sealink to help construct a new passenger terminal at Penneshaw (this is being funded through the Regional Development Infrastructure Fund).[51]

There are a number of structural adjustment pressures and cyclical challenges in the region, including the high value of the Australian dollar and the effect of the global financial crisis. This negatively impacts on international tourism, on which the region is dependent.

The relatively large agriculture, forestry and fishing sector on the Fleurieu and Kangaroo Island has been significantly impacted by the increasing value of the dollar, declining profitability and climate change, as well as a loss of skills and a declining labour force.

The RDA recognises that business viability is a major challenge in parts of the region, due to seasonal tourism, growing competition from online trading, lack of large projects (to enable economies of scale) and competition from larger operators outside the region, particularly in retail, building and civil construction.[52]

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[49] The Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island region comprises two State Government Regions (SGRs) – Fleurieu and Kangaroo Island SGR and the neighbouring Adelaide Hills SGR.

[50] Government of South Australia (2010) *The 30 Year Plan for Greater Adelaide*, Government of South Australia, Adelaide, p. 135.

[51] Rann, M (2011) *Government Backs Growth for Kangaroo Island*, media release 24 July.

[52] RDA (2012) *ibid*, p.20.

Fleurieu and Kangaroo Island State Government Region continued

A major challenge for the region is to build local capacity to meet predicted future job growth. This challenge is magnified due to the skill needs of certain population groups, particularly for foundation skills development. For example, at the time of the 2011 Census, there were 13,445 people whose highest level of educational attainment was Year 11 or lower, out of a total working age (15 to 64 year old) population of 24,186.

Key labour force indicators for Fleurieu and Kangaroo Island show lower labour force participation rates accompanied by lower rates of unemployment, compared with South Australia as a whole. Relatively lower labour force participation rates can be explained in part by the older age profile of the region. The general level of education attainment and qualifications is below the state average.

The region has prioritised activity to increase workforce participation by focusing on:

- ensuring people in the region with low educational attainment have the literacy and numeracy skills needed to access a training pathway.
- assisting people who are not participating in learning and/or work to access pathways into sustainable employment.
- assisting young people who are disadvantaged in the labour market to gain access to a supported pathway that leads to sustainable employment.

In addition to the recent implementation of *Skills for All*, DFEEST supports a number of participation and equity programs to address regional priorities. The region has:

- an estimated 4.8% of state-wide Adult and Community Education (ACE) student contact hours for 2012-13.[53]
- 754 *South Australia Works*[54] participants in 2010-11, with 264 employment outcomes (8.2% of the state total).

The *Employment Access Fund* is one of a number of DFEEST-funded initiatives in the region that help to address identified workforce participation priorities. This fund administers one-off grants to individuals who are not participating in learning and/or work to cover half of their training costs or support the purchase of tools required to secure employment.

In addition, through DFEEST's Workforce Development Fund[55], a workforce development plan for Fleurieu and Kangaroo Island is being prepared. The plan will link industry skill needs with education and training activity in the region to help address industry's current, projected and potential workforce needs.

[53] There are four ACE providers in the Fleurieu and Kangaroo Island region.

[54] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

[55] Funded through Skills in the Workplace. This project also funds work being conducted concurrently in the Barossa and Adelaide Hills region.

Summary Data – Fleurieu and Kangaroo Island

Population	Fleurieu and Kangaroo Island	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	47,092	-	2.9%	1,638,232
Children (0-14 years)	7,276	15.5%	17.7%	289,166
Youth (15-24 years)	4,341	9.2%	13.5%	220,898
25-44 years	8,881	18.9%	26.6%	435,092
Mature (45-64 years)	14,325	30.4%	26.4%	432,490
People aged 65 and over	12,269	26.1%	15.9%	260,586
Aboriginal – Census 2011	522	1.1%	1.9%	30,432
People with disability (15-64 years) – Census 2011[56]	996	3.7%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	19,121	-	-	819,700
Total unemployed	1,283	-	-	46,200
Unemployment rate	6.3%	-	-	5.3%
Participation rate (2011 Census)	53.0%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	4,214	10.8%	15.9%	-
Diploma	3,137	8.0%	7.3%	-
Certificate Level III or IV	7,062	18.1%	15.7%	-
Year 12 Completion	10,268	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	42.5%	-	-	53.0%
Training (NCVER 2010)				
VET students	3,207	-	2.6%	123,856
Students reporting disability	8.0%	-	-	5.7%
Aboriginal students	1.8%	-	-	4.2%
Commencing apprentices and trainees (2011)	484	-	2.0%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[56] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Adelaide Hills State Government Region

The Adelaide Hills State Government Region performs relatively well across a number of economic and demographic indicators, compared to South Australia as a whole:

- the ***labour force participation rate*** is well above the state average
- the ***unemployment rate*** is significantly lower.

Significant industries in the region include wine production, beef and dairy cattle, vegetable growing, fruit orchards and tourism. The two major employing industries for Adelaide Hills residents at the time of the 2011 Census—health care and social assistance, and retail trade – are the same as for South Australia as a whole, reflecting the journey to work flows of Adelaide Hills residents.

Industry development in the Adelaide Hills in coming years will be heavily influenced by the *30 Year Plan for Greater Adelaide* and, in particular, the projected population growth for Mount Barker. If the population in Mount Barker experiences an estimated[57] annual growth rate of 3.6% over the next 15 years then:

- population growth will be around 15,000 over the 15 years
- 4,270 full-time equivalent jobs will be generated across the Adelaide Hills region, resulting in a $500 million increase in gross regional product[58]
- significant business development and employment opportunities are likely to be available across the Adelaide Hills, particularly in labour-intensive industries such as retail, construction, hospitality, health and community services and education.

The challenge, therefore, will be to build local capacity to meet this predicted future job growth. This challenge is magnified by the skill needs of certain population groups, particularly for foundation skills development. For example, at the time of the 2011 Census, there were 16,190 people in the Adelaide Hills region aged 15 to 64 who had left school and had not completed year 12 or equivalent.

The Adelaide Hills, Fleurieu and Kangaroo Island Regional Development Australia (RDA) recognises that business viability is a major challenge in parts of the Adelaide Hills region subject to seasonality, growing competition from online trading, lack of large projects (to enable economies of scale) and competition from larger operators outside the region, particularly in retail, building and civil construction.[59]

While there is a lack of major projects earmarked for Adelaide Hills, the proximity of this region to adjoining metropolitan and non-metropolitan areas means the majority of residents work outside the region, and can benefit from major project and industry development opportunities in other regions.

There are a number of structural adjustment pressures and cyclical challenges facing the region. This includes the negative impact of a high Australian dollar on international tourism, on which the region is so dependent. This has a negative flow-on effect to many small and medium-sized enterprises in the Adelaide Hills.

The region has prioritised activity to increase workforce participation by focusing on supporting:

- young people who are disengaged from learning and work to make effective transitions between school, training and work
- people who are marginalised in the labour market – such as newly-arrived migrants, people with disability and Aboriginal people – to transition to sustainable learning, training and employment pathways.

In addition to the implementation of *Skills for All* – which aims to raise the skill levels, post-school qualifications and employment participation of South Australians – DFEEST supports a number of participation and equity programs to address regional priorities. For example, the Adelaide Hills has:

- an estimated 6% of state-wide ACE student contact hours for 2012-13.[60]

[57] See Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island (2012) *Regional Roadmap, Reviewed* 2012, pp. 27-29. In addition to the Adelaide Hills, the Roadmap also includes neighbouring State Government Region Fleurieu and Kangaroo Island.

[58] Assuming that 40 per cent of employed residents work locally.

[59] RDA (2012) *Regional Roadmap*, p. 20.

[60] There are four ACE providers in the Adelaide Hills region.

- 517 *South Australia Works*[61] participants in 2010-11, with 143 employment outcomes (4.4% of the state total).

DFEEST is funding a number of programs in the region, including a *Youth Careers Pathway* program to help address the issue of disengaged young people. The program partners with existing services to provide seamless referral and support. Participants can access a range of flexible and individually-targeted activities, including case management services, industry taster courses, and driver training.

In addition, through DFEEST's Workforce Development Fund[62], a workforce development plan for the Adelaide Hills is being developed. The plan will link industry skill needs with education and training in the region to help address industry's current, projected and potential workforce needs.

Summary Data – Adelaide Hills

Population	Adelaide Hills	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	70,239	-	4.3%	1,638,232
Children (0-14 years)	14,167	20.2%	17.7%	289,166
Youth (15-24 years)	9,029	12.9%	13.5%	220,898
25-44 years	17,108	24.4%	26.6%	435,092
Mature (45-64 years)	20,989	29.9%	26.4%	432,490
People aged 65 and over	8,946	12.7%	15.9%	260,586
Aboriginal – Census 2011	439	0.6%	1.9%	30,432
People with disability (15-64 years) – Census 2011[63]	848	1.9%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	39,218	-	-	819,700
Total unemployed	1,241	-	-	46,200
Unemployment rate	3.1%	-	-	5.3%
Participation rate (2011 Census)	69.9%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	11,874	21.9%	15.9%	-
Diploma	5,364	9.9%	7.3%	-
Certificate Level III or IV	8,958	16.5%	15.7%	-
Year 12 Completion	24,299	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	59.3%	-	-	53.0%
Training (NCVER 2010)				
VET students	4,239	-	3.4%	123,856
Students reporting disability	6.1%	-	-	5.7%
Aboriginal students	0.9%	-	-	4.2%
Commencing apprentices and trainees (2011)	861	-	3.6%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[61] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

[62] Funded through Skills in the Workplace. This project also funds work being conducted concurrently in the Barossa and Fleurieu and Kangaroo Island region.

[63] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Barossa State Government Region

The Barossa State Government Region performs relatively well across a number of economic and demographic indicators, compared to South Australia as a whole:

- the ***labour force participation rate*** is well above the state average
- the ***unemployment rate*** is significantly lower.

Major industries in the region at the time of the 2011 Census were manufacturing (17.8% of total employment), health care and social assistance (11.2%) and retail trade (10.6%). The share of the Barossa population employed in manufacturing and agriculture is well above the state average.

The dominance of the manufacturing industry in the region is due to massive wine processing facilities, the largest in the southern hemisphere. There are also other heavy industries, such as aluminium, glass and cement manufacturing that have been established as spin-offs from the wine industry.[64]

The Barossa region is a major food producer through broad-acre cropping, horticulture, viticulture and livestock. Other industries, such as tourism and education, continue to provide opportunities for economic growth. It is estimated that the region contributes around 3.2% of gross state product.[65]

Manufacturing is the largest employer of new apprentices and trainees in the Barossa region, accounting for 16.1% of commencements in 2010. This is followed by construction (13.0%) and administrative and support services (11.1%).[66]

Aside from the continued importance of the wine sector to the region's economy, industry development in coming years is likely to be heavily influenced by improved conditions for agriculture and food production, and opportunities for associated services.

A major influence on industry development in the Barossa is the anticipated population growth projected by the *30 Year Plan for Greater Adelaide*. This population growth will drive investment in housing and urban development in the Barossa and adjoining regions, and will have significant flow-on effects to other sectors servicing the population.

The *30 Year Plan* predicts that an additional 110,000 residents (from the current 65,000), 38,500 jobs and 46,400 houses will be in the Barossa by 2036. This will predominantly be in designated 'green field' developments at Roseworthy and Two Wells, and in Gawler and Evanston. Dedicated industrial zones, such as at Kingsford near Gawler, will cater for new industrial enterprises, while associated service industries, such as retail, health and education, will grow as demand increases.[67]

The number and value of major projects in the Barossa is modest compared to other regions that have large mining, defence and urban development projects. The close proximity of Barossa to the Northern Adelaide region – which has a proliferation of major projects across a number of sectors – is likely to provide some flow-on benefits to Barossa residents and businesses.

64 Regional Development Australia (2010) *Regional Roadmap – Barossa*, p. 43.

65 South Australian Centre for Economic Studies, *Regional Fact Sheets* http://www.adelaide.edu.au/saces/economy/regionprofiles/

66 DFEEST *Workforce Wizard*, [accessed October 2012].

67 Regional Development Australia (2010) *Regional Roadmap – Barossa*, p. 43.

There are a number of structural adjustment pressures and cyclical challenges in the region. For example, the high value of the Australian dollar and the global financial crisis has negatively impacted on important trade-exposed sectors, such as wine and international tourism. Any downturn in the wine sector has a disproportionate impact on the local workforce, and many people employed in the wine industry are more vulnerable because they are in casual, part-time or seasonal work.

The agriculture, forestry and fishing sector has been impacted by factors such as the strong appreciation of the Australian dollar, the effects of drought and an ageing workforce. However, recent trends in agricultural commodity prices are generally positive and create an opportunity for structural improvement in this sector.

The region has prioritised activity to increase workforce participation by focusing on ensuring that:

- learning and skills development meets the needs of individuals and employers.
- young people who are at-risk in the labour market are connected with education and employment opportunities.
- individuals in the region are assisted to access learning and work opportunities.

In addition to the recent implementation of *Skills for All,* DFEEST supports a number of participation and equity programs to address regional priorities. The Barossa region has:

- an estimated 2.2% of state-wide ACE student contact hours for 2012-13.[68]
- 261 *South Australia Works*[69] participants in 2010-11, with 94 employment outcomes (2.9% of the state total).

DFEEST funds a number of programs in the region, such as the Barossa Career Service which assists individuals to access work and learning opportunities. The Career Development Service helps those facing disadvantage in the labour market to develop the skills needed to manage their careers. Participants are supported to undertake skills analysis and career planning, develop self-marketing skills, identify opportunities in their region, particularly in areas of skill shortage, and to connect with training appropriate for their career aspirations through *Skills for All*.

In addition, through DFEEST's Workforce Development Fund[70], a workforce development plan for the Barossa is being developed. The plan will link industry skill needs with education and training activity in the region to help address industry's current, projected and potential workforce needs.

[68] There are four ACE providers in the Barossa region.

[69] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

[70] Funded through Skills in the Workplace. This project also funds work being conducted concurrently in the Adelaide Hills, Fleurieu and Kangaroo Island RDA region.

Barossa State Government Region continued

Summary Data – Barossa

Population	Barossa	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	65,793	-	4.0%	1,638,232
Children (0-14 years)	12,925	19.6%	17.7%	289,166
Youth (15-24 years)	8,310	12.6%	13.5%	220,898
25-44 years	16,299	24.8%	26.6%	435,092
Mature (45-64 years)	18,434	28.0%	26.4%	432,490
People aged 65 and over	9,825	14.9%	15.9%	260,586
Aboriginal – Census 2011	748	1.2%	1.9%	30,432
People with disability (15-64 years) – Census 2011[71]	1,227	2.9%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	33,714	-	-	819,700
Total unemployed	1,450	-	-	46,200
Unemployment rate	4.1%	-	-	5.3%
Participation rate (2011 Census)	65.5%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	5,072	9.8%	15.9%	-
Diploma	3,736	7.2%	7.3%	-
Certificate Level III or IV	9,882	19.0%	15.7%	-
Year 12 Completion	16,296	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	43.2%	-	-	53.0%
Training (NCVER 2010)				
VET students	5,005	-	4.0%	123,856
Students reporting disability	7.3%	-	-	5.7%
Aboriginal students	1.4%	-	-	4.2%
Commencing apprentices and trainees (2011)	988	-	4.1%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[71] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Yorke and Mid North State Government Region

The Yorke and Mid North RDA sees the growth of specialised services, aged care, tourism and trades as characterising the changing employment profile of the region.[72] The RDA is therefore supporting specific industry sectors to expand, including value-added agriculture, service industries (particularly for the new mining population), mining and mineral processing, and renewable energy and alternative water sources.[73]

The region is transitioning from a significant reliance on agriculture[74] (which accounted for 17.3% of total employment in the region in 2011), to a more diverse economic base. This is being driven by major projects in minerals and energy, such as renewable energy developments in wind farms and geothermal energy.

This transition is occurring at a time when skilled labour in the region is being attracted to higher wage opportunities in other mining-intensive regions, and subdued consumer spending is affecting local businesses.

The Yorke and Mid North State Government Region must build the capacity of the local labour force to take up current and future job openings in growth industries. This is particularly important in industries where skilled and experienced workers are needed to fill vacancies. With Year 12 completion rates well below the state average, upskilling, reskilling and foundation skills development are of vital importance in Yorke and Mid North.

The health and community services sector exemplifies this skills challenge, with increasing demands due to an ageing population and the lifestyle attraction of the region for mature aged people. There are critical skill needs across a range of health disciplines in Yorke and Mid North, which are similar in other regions.[75]

A Skills Training Centre is proposed for Port Pirie, which would deliver high quality trades and health and community services training, potentially in partnership with the new GP+ clinic. The region is also trying to attract higher education providers to create more educational opportunities for its population.

There are a number of structural adjustment pressures facing the region. For example, the local viticulture industry has struggled with falling grape prices and oversupply problems in recent years. The allocation of water resources, particularly during drought years, makes this industry particularly vulnerable.[76]

Such structural change, as well as cyclical influences, brings employment losses that are keenly felt in the region due to its relatively narrow industry base. The postponement of the Olympic Dam expansion is likely to have an adverse effect on engineering and manufacturing sectors in the Yorke and Mid North region, at least in the short term.

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72 Regional Development Australia Yorke and Mid North (2011) *Regional Roadmap*, p. 3.

73 *ibid* p. 9.

74 Agriculture remains the largest employer in the region but over recent years has moved from broad-acre farming to more intensive farming and animal husbandry (i.e. pig and poultry farming), feed lots and horticulture.

75 Including qualified nurses and allied health services, such as podiatry, speech therapy, occupational therapy, dental, youth work and social work. See further Regional Development Australia Yorke and Mid North (2011) ibid p. 54.

76 *ibid*.

Yorke and Mid North State Government Region continued

Compared with the state average, the region has relatively slow population growth and low levels of educational attainment and post-school qualifications.

Therefore, the region has prioritised activity to increase workforce participation by focusing on:

- delivering education and skill attainment programs that assist individuals to increase their foundation skill levels and enter pathways into further education and training.
- developing coordinated initiatives that engage individuals who are not working and support them to participate in the labour force.
- supporting youth engagement and participation by better connecting services and increasing transition options for young people into further education, training and employment.

DFEEST program responses that help build regional capacity for increasing workforce participation in Yorke and Mid North include:

- provision of ACE – Yorke and Mid North has an estimated 1.7% of state-wide student contact hours for 2012-13.[77]
- 839 *South Australia Works*[78] participants in 2010-11 (9.1% of the state total) with 326 employment outcomes (10.1% of the state total).

DFEEST funds many programs in the region. For example, the *Yorke Career Development Service* is an important initiative that helps address identified workforce participation priorities. This service supports participants with tailored career development assistance and advice to meet their individual needs and with help to access and transition into training and/or employment.

The *Youth Engagement and Development Program* is also being undertaken in the region. This program targets young people who face complex barriers to employment[79] and who require intensive support to address those barriers before being able to actively engage in training or employment. The project focuses on the individual needs of these young people and delivers life skills and employability skills training and case management services to address participation barriers.

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[77] There are eight ACE providers in the Yorke and Mid North region.

[78] *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

[79] Barriers may include low education levels, low foundations skills, homelessness, drug and alcohol dependency and mental health issues.

Summary Data – Yorke and Mid North

Population	Yorke and Mid North	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	74,249	-	4.5%	1,638,232
Children (0-14 years)	13,419	18.1%	17.7%	289,166
Youth (15-24 years)	7,656	10.3%	13.5%	220,898
25-44 years	15,229	20.5%	26.6%	435,092
Mature (45-64 years)	22,008	29.6%	26.4%	432,490
People aged 65 and over	15,937	21.5%	15.9%	260,586
Aboriginal – Census 2011	1,681	2.3%	1.9%	30,432
People with disability (15-64 years) – Census 2011[80]	2,260	5.1%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	33,989	-	-	819,700
Total unemployed	1,375	-	-	46,200
Unemployment rate	3.9%	-	-	5.3%
Participation rate (2011 Census)	54.5%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	4,365	7.3%	15.9%	-
Diploma	3,152	5.3%	7.3%	-
Certificate Level III or IV	10,136	16.9%	15.7%	-
Year 12 Completion	13,878	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	35.3%	-	-	53.0%
Training (NCVER 2010)				
VET students	5,848	-	4.7%	123,856
Students reporting disability	7.1%	-	-	6.2%
Aboriginal students	4.2%	-	-	3.6%
Commencing apprentices and trainees (2011)	1,224	-	5.1%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[80] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

Eyre and Western State Government Region

The Eyre and Western State Government Region performs relatively well across a number of economic and demographic indicators, compared to South Australia as a whole:

- the ***labour force participation rate*** is above the state average, and
- the ***unemployment rate*** is lower.

The region accounts for about $1.76 billion worth of overseas exports[81] and contributed about $2.3 billion to the State economy in 2006-07 (around 3.4% of gross state product).[82]

The region's economy centres on primary production and processing, including a significant seafood industry. Agriculture, forestry and fishing employed 13.4% of the region's population (well above the state average) at the time of the 2011 Census. The share of employment is also high in manufacturing, retail trade, and health care and social assistance.

Steel manufacturing and associated mining activities are a key source of employment in Whyalla and the city has an expanding hub of industries that support mining activities across the region and adjoining regions.[83]

Opportunities exist for local government, businesses and industry associations based around Whyalla to leverage funding from the $4 million Enterprise Zone Fund for the Upper Spencer Gulf and Outback. Funding is available for projects with major regional impact that capitalise on existing competitive advantages.[84]

A report commissioned by the Training and Skills Commission[85] identified the significant impact that major proposed mining developments will have on the economic and social structure of the Eyre Peninsula. The scale of construction activity for mining operations and supporting infrastructure will be unprecedented – the authors estimate that 4,500 jobs will be created over the next five years during construction, if the seven mines in the study proceed to the operating phase. Following this, it is estimated more than 2,200 ongoing direct jobs in mining and processing operations will be created over the next decade.[86]

Mining exploration in the region is at a record level, with mining developments emerging for heavy mineral sands, iron ore, copper, gold, uranium, zinc, nickel, diamonds, petroleum, kaolin, graphite and coal. The rapid development of the resources sector is expected to be a key catalyst for other major industrial projects in Whyalla, which have an estimated value of many billions of dollars and will generate significant employment and economic growth.[87]

There are also a number of natural resource management projects being undertaken through the Eyre Peninsula Natural Resources Management Board.[88] These projects are of strategic importance to the region, and include managing water resources, sustainable farming and climate change adaptation.

The region generates significant wealth from agriculture, forestry and fishing and manufacturing sectors. However, these sectors are experiencing significant structural adjustment pressures, including the high value of the Australian dollar and changing seasonal conditions.

81 Regional Development Australia (2011) *Whyalla and Eyre Peninsula Regional Profile*, p. 28.

82 South Australian Centre for Economic Studies *Regional Fact Sheets* http://www.adelaide.edu.au/saces/economy/regionprofiles/ [accessed October 2012].

83 Government of South Australia (2010) *Strategic Infrastructure Plan for South Australia – 2010 Discussion Paper*, Adelaide p. 130.

84 *ibid*.

85 Resource and Engineering Skills Alliance (2011) *Workforce Study for the Resources Sector in the Eyre Peninsula*.

86 *ibid*.

87 Regional Development Australia (2012) *Regional Plan – Whyalla and Eyre Peninsula*, p. 11.

88 South Australian Eyre Peninsula Natural Resources Management Board (2011) *Regional NRM Plan – Business Plan 2011-12 to 2013-14.*

According to Whyalla and Eyre Peninsula Regional Development Australia (RDA), the lack of a diversified, broad industry base means that exchange rate fluctuations have a direct impact on regional economic performance.[89]

Growth in industries such as mining may place further competitive pressures on the traditional sectors of agriculture and manufacturing. The strong demand for mineral resources (especially from China and India) can result in the value of the Australian dollar rising, with a potentially negative impact on the competitive position of other trade-exposed sectors.

The general level of educational attainment and qualifications is below the state average. In addition, the region contains pockets of significant disadvantage, with Ceduna and Whyalla among the most disadvantaged Statistical Local Areas (SLAs) in South Australia.

The region has prioritised activity to increase workforce participation by focusing on ensuring that:

- people who are most disadvantaged in the labour market can access pathways that lead to sustainable employment.
- people in the region have the opportunity to access their *Skills for All* learning entitlement.

In addition to the recent implementation of *Skills for All*, DFEEST supports a number of participation and equity programs to address regional priorities. The Eyre and Western region has:

- an estimated 4.2% of state-wide ACE student contact hours for 2012-13.[90]
- 1,202 *South Australia Works*[91] participants in 2010-11 (13.0% of the state total), with 514 employment outcomes (15.9% of the state total).

Among other projects, DFEEST is funding the *Skills for Life* project in Whyalla, which provides a supportive and informal learning environment for highly disengaged jobseekers to gain skills to enter into learning, training or employment preparation programs. Participants are supported with case management services and activities that help to develop literacy and numeracy skills.

In response to workforce participation barriers experienced by the large Aboriginal population in the Eyre and Western region, DFEEST (in partnership with the Australian Government) funds a *Regional Development Board Whyalla and Eyre Peninsula Hospitality Project*. This project provides 75 Aboriginal participants with a combination of industry-specific training, residential work hardening and team building camps. It focuses on employment opportunities in the hospitality industry in the region, through its connection with the Aboriginal Employment Hospitality Industry Cluster.

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89 Regional Development Australia (2011) *Whyalla and Eyre Peninsula Regional Profile*, p. 73.

90 There are five ACE providers in the Eyre and Western region.

91 *South Australia Works* reaches, engages and supports people who are least likely to connect with learning and work by developing and implementing tailored, local projects that provide pathways to training and jobs. Projects link people to learning, training, skills and jobs, while also meeting the labour and skill needs of industry and employers. These 'pre-employment' and 'pre-training' projects prepare people to make meaningful and supported transitions into non-accredited training, entry-level accredited VET (Certificate I and Certificate II), accredited VET (Certificate III and above), volunteering and jobs. The *South Australia Works* participant figures include Career Development Services participants.

Eyre and Western State Government Region continued

Summary Data – Eyre and Western

Population	Eyre and Western	% of region total	% of state total	South Australia
Estimated resident population (ERP): June 2011	57,783	-	3.5%	1,638,232
Children (0-14 years)	11,671	20.2%	17.7%	289,166
Youth (15-24 years)	7,241	12.5%	13.5%	220,898
25-44 years	14,662	25.4%	26.6%	435,092
Mature (45-64 years)	15,434	26.7%	26.4%	432,490
People aged 65 and over	8,775	15.2%	15.9%	260,586
Aboriginal – Census 2011	3,221	5.7%	1.9%	30,432
People with disability (15-64 years) – Census 2011[92]	1,189	3.3%	3.1%	32,587
Labour force (Department of Education, Employment and Workplace Relations: June 2012)				
Total employed	28,790	-	-	819,700
Total unemployed	1,368	-	-	46,200
Unemployment rate	4.5%	-	-	5.3%
Participation rate (2011 Census)	63.2%	-	-	62.7%
Qualifications (Census 2011)				
Degree or higher	3,670	8.2%	15.9%	-
Diploma	2,290	5.1%	7.3%	-
Certificate Level III or IV	8,408	18.7%	15.7%	-
Year 12 Completion	12,501	-	-	498,415
Year 12 Completion as a percentage of total population aged 15-64 who have left school	39.2%	-	-	53.0%
Training (NCVER 2010)				
VET students	6,189	-	5.0%	123,856
Students reporting disability	7.9%	-	-	5.7%
Aboriginal students	13.8%	-	-	4.2%
Commencing apprentices and trainees (2011)	1,039	-	4.3%	23,957

Source: Workforce Wizard, DFEEST, November 2012

[92] The 2011 *Census of Population and Housing* disability number refers to people who need assistance with core activities (27,472 people). However, the 2009 ABS publication, *Disability, Ageing and Carers, Australia* (SDAC) shows 296,000 people identifying as having some form of disability in South Australia. The SDAC employs a much broader definition of disability resulting in a larger number.

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