



**State
Training
Plan**

2017-2020

About the State Training Board

The State Training Board is a statutory body established by Part 3 of the *Vocational Education and Training Act 1996*. The Board is the peak industry training advisory body to the Minister for Education and Training in Western Australia.

The role of the Board is to provide high level expert advice to the Minister on matters relating to vocational education and training in Western Australia including:

- the existing and anticipated supply and demand for skills in various industries;
- strategies to support industries which are experiencing skill shortages;
- policy which aims to improve the links between specific industry developments and VET so as to gain optimum employment opportunities for people and ensure the availability of appropriately skilled labour in the State;
- strategic directions, policies and priorities for the State training system;
- emerging international, national and State training issues;
- the extent to which training services meet the current and future requirements of industry and the community, including the requirement for equal opportunity of access to those services; and
- any other matters as directed by the Minister.

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State Training Board

Optima Centre – Building B
16 Parkland Road Osborne Park WA 6017
T: +618 6551 5593
E: ostb@dtwd.wa.gov.au
W: stb.wa.gov.au

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Message from the Board Chair



The *State Training Plan 2017-2020* identifies the current and future training and skill development needs of Western Australia's workforce. It provides strategic direction on how the State Government can meet these needs by investing in training places through TAFE and private training providers.

Western Australia's vocational education and training sector has a vital role in the economic, social and industrial development of WA. It provides training and skills needed by trade, non-trade and para-professional workers for all of Western Australia's industries.

Well-targeted training programs will provide the workforce required by industries both in Perth and regional WA, enabling the economy to become stronger and more resilient to fluctuations and global pressures. The State Government's *Plan for Jobs* aims to create a vibrant and diversified economy with a broader range of industries and jobs.

Maximising the State's workforce participation rate requires people to be able to access and obtain the 'right skills' at the 'right time'. Training programs need to be relevant and linked to employment opportunities, particularly where there are skill shortages that would have historically relied on migration pathways.

This requires broader training options for Western Australians, whether it is pre-employment training, full qualifications or skill sets. The training must be affordable, high quality and available through their local TAFE or private training provider.

The State Training Board will encourage industry to invest in skilling Western Australians in order to meet growing, dynamic and diverse needs. Industry must also partner with the training sector to design training programs that meet their skilling needs. In order to achieve this, we must have a relevant, sustainable, coordinated, flexible and responsive education and training

system that can anticipate and respond to the evolving demands of industry.

Priority is given to the employment of apprentices and trainees on major infrastructure projects and manufacturing projects including METRONET and defence contract work. Non-trade and para-professional jobs including healthcare, community services, tourism, hospitality, education, agriculture, science and technology are equally important to the economic development of the State. The Board intends to encourage small businesses and start-ups to create vibrancy in WA's employment market.

The Board sees VET as providing meaningful engagement for young people and a way of tackling youth unemployment. VET programs, including VET for secondary students, must give opportunities for young people to undertake courses and qualifications that help them become job-ready in skill areas demanded by the economy.

To lift the number of young people actively engaged with education and training there must be well-designed, attractive programs that inspire them. Young people must be encouraged to take up a balance of subjects including science, mathematics, technology and 'arts' based disciplines that collectively encourage the design, critical thinking, written and verbal communication skills needed in modern workplaces.

Young people need information about the world of work and the skills needed in modern workplaces. Young people and their parents

must be given information on the full range of learning opportunities available to them, including both academic and VET pathways. There also needs to be greater links between primary, secondary and tertiary education and the labour market. The Board will engage with the secondary education sector to ensure more emphasis is given to VET pathways leading to well paid, secure and rewarding careers.

Equally, the Board will encourage adults to engage with training; including people wanting to increase their skills or considering a career change. VET provides a gateway for individuals to retrain and develop skills needed in an ever-changing labour market.

Investing in VET can help individuals who are typically underrepresented in the labour market; such as Aboriginal people, people with disabilities, people from culturally and linguistically diverse backgrounds and people in regional and remote areas, to undertake training and gain employment. Completion of a VET qualification has been shown to lower an individual's likelihood of becoming unemployed and remaining unemployed over a long period.

VET has traditionally been seen as an accessible option to engage and benefit people without post-school education. The State Training Board notes industry and community stakeholder concerns that recent fee increases have led to a decline in VET participation. The McGowan Government's decision to freeze TAFE fees is a positive step but more fundamental changes to fees may be required to encourage students back to TAFE and the VET sector.

By working together, the State can grow the proportion of people with post-school qualifications and provide opportunities for all Western Australians to participate in the labour market.

The world is entering a period in which innovation, technology and automation will transform the working landscape. Activities within nearly every occupation have the potential to be automated or at the very least

impacted by technology in some way. The resulting disruption requires the training sector to be active, flexible, fast-moving, adaptable, responsive and increasingly engaged and responsible for its products and services. To position the training sector to respond to technology and innovative advances will require input from industries actively involved with technology and the innovation sector to identify the skills needed by employees.

The priorities for the *State Training Plan 2017-2020* are:

- 1 providing the skills needed by WA industries for WA jobs;**
- 2 understanding the skills needs of all industries through a robust industry engagement framework;**
- 3 positioning the training sector to respond to technology and innovative advances;**
- 4 creating opportunities for young people to participate in the labour market;**
- 5 supporting older workers to participate in the labour market;**
- 6 investing in the skills needed by our aged care, disability and allied health sectors; and**
- 7 ensuring all Western Australians can access quality training through their local TAFE or private training provider.**



**Mr Jim Walker
Chair, State Training
Board**

Introduction

Section 21(1)(a) of the *Vocational Education and Training Act 1996* requires the State Training Board to provide a State Training Plan for the Minister's approval.

The *State Training Plan 2017-2020* identifies the training and skill development priorities for Western Australia's industries and guides the State Government's investment under the VET Act over a four year period.

The priorities identified in the Plan will inform the parameters for funding, planning and policy of the State's training system and ensure they are focused on meeting the demand for priority skills in WA's labour market.

Through careful planning we can ensure that the State's training system is able to meet the demand for skills in the labour market by offering training places in priority courses. This includes all apprenticeships and eligible traineeships, qualifications identified as priorities by industry and access to essential literacy and numeracy training through foundation skills courses.

The identification of priority courses is primarily driven by the alignment of qualifications to the *State priority occupational list*. The SPOL is an annual list of jobs that are considered critical to the State and/or have demonstrated significant unmet demand¹.

This Plan is supported by the following two documents.

- Summary paper - Provides a broad analysis of Western Australia's economy and labour market, and the VET policy parameters at both State and national level. It also highlights findings of relevant research and reports.
- Background paper - Provides more detailed information on the various elements in the Summary Paper, including an occupational and qualification analysis which highlights the skilled workforce the State will require now and into the future.



Planning context

The State Training Plan is developed within the context of national and State vocational education and training policies and priorities². It also draws upon detailed economic and labour market trends and forecasts and is informed by industry intelligence.

The *State Training Plan 2017-2020* takes into account the Labor Government's 2017 election commitments, in particular the *Plan for Jobs* and underpinning principles laid out in its election platform. The broader context underpinning *Plan for Jobs* is the need to diversify the State's economy, develop key transport and other economic infrastructure, and leverage off State expenditure in these areas to maximise opportunities for Western Australians to get skilled jobs, including through apprenticeships and traineeships.

Key initiatives under *Plan for Jobs* include:

- Priority Start;
- METRONET;
- TAFE industry skill centres;
- regions;
- manufacturing; and
- tourism, hospitality and events.

Each initiative aims at increasing job opportunities for Western Australians across a wider range of industries. The Government wants greater effort in the areas of science, technology, manufacturing, tourism, services, education services, agriculture and other industries. Regional employment opportunities are also a priority for the Labor Government.

The State Training Plan is forward looking and responsive to State and national strategic drivers and policy settings for skills investment. Ensuring there is a sufficient supply of local skilled workers, maximising business productivity and improving labour market engagement to overcome disadvantage are complementary objectives. These social and economic drivers are key considerations in the development of the State Training Plan.

Lack of skills is the biggest barrier to getting a job and planning must identify strategies that maximise participation and improve outcomes. Western Australia's economy is in transition following the resources sector investment boom and targeted skills investment is an essential component for this transition. In order

for WA businesses and workers to compete and thrive in the market place they must remain competitive. Keeping up with the latest innovations and improving productivity through quality vocational education and training will help them achieve a competitive edge.

Nationally, skill priorities are established through the COAG Industry and Skills Council, comprising ministers responsible for skills from the Commonwealth and state and territory governments. These priorities are underpinned by a shared public investment between the state and the Commonwealth where the state provides around two thirds of the total investment. Funding agreements between state and Commonwealth governments outline a shared commitment and objectives for the skill sector. These agreements have recently focused on reforms and improvements to regulation, quality, consumer information and system responsiveness.

The National Partnership on Skills Reform has now been replaced by a new National Partnership and the establishment of the Skilling Australians Fund (the Fund). The Fund will prioritise:

- apprenticeships and traineeships for occupations in high demand;
- occupations with a reliance on skilled migration pathways;
- industries and sectors of future growth;
- trade apprenticeships; and
- apprenticeships and traineeships in regional and rural areas.

The State Training Plan is focussed on specific State priorities, particularly the government's *Plan for Jobs*, and which is closely aligned with the objectives of the Fund.

Identifying priority occupations at a national and state level is essential to the operation of the Fund and although the State Training Plan is focussed on specific WA priorities, it is consistent with the broader national and state strategic industry and policy settings underpinning current and proposed intergovernmental funding arrangements.

VET delivery trends

Over the past 20 years the general trend has seen an increase in overall student numbers participating in VET; however since 2012, all Australian states and territories have experienced a decline in the number of students participating in publicly funded VET³. A possible reason for the decrease is that there are more people going to university due to the uncapping of university places. In Western Australia the raising of the school leaving age has also contributed to the decline in VET funded by the Department of Training and Workforce Development, with many more young people than anticipated staying in school instead of taking up other post-school options as provided for in the *School Education Act 1999 (WA)*.

At a State level, a key driver for the training sector is to increase training delivery in those qualifications deemed a priority to industry and the labour market. Overall, priority training has increased 9.5% from 2014 levels⁴. In 2016, more than two thirds of all training in WA was in priority training qualifications.

Whilst enrolments in priority training have increased since 2014, it should be noted that publicly subsidised training delivery has declined by 7.4% in comparison to 2014 levels. This has been driven by a continuing decline in enrolments in general industry qualifications⁵. Fee increases have contributed to this decline.

Healthcare and social assistance had the highest number of related course enrolments in the VET sector in 2016 with a 13.9% share of total course enrolments, followed by manufacturing with 12.7% and construction with 9.1%⁶.

VET is now a key part of the senior school system. In 2016, just over 70% of year 11 and year 12 public school students enrolled in about 200 certificate qualifications provided by 150 training organisations⁷.

The Department funded VET in Schools program aims to deliver high quality industry endorsed qualifications to senior secondary students that align with the State's labour market priorities. The majority of training delivery within these funded programs has occurred in the manufacturing, construction, and other services⁸ industries.



Western Australia's economy and labour market

After experiencing very strong growth over the past decade, the State's economy is being impacted by the effects of the post resource sector investment downturn and has now entered a period of below trend growth⁹.

Economic growth is forecast to remain positive in 2016-17; however, it is likely to slow to 1%, down slightly from the 1.25% growth forecast in the 2016-17 State budget. This primarily reflects a more rapid fall in business investment than expected, and in turn is flowing through to a softer labour market¹⁰.

Key factors influencing Western Australia's labour market over 2015-16 were:

- subdued business and consumer confidence;
- continuing global uncertainty;
- slower population growth;
- lower commodity prices; and
- ongoing transitioning of many of the State's major resource projects from construction to the operation phases.

Combined, these factors have led to somewhat

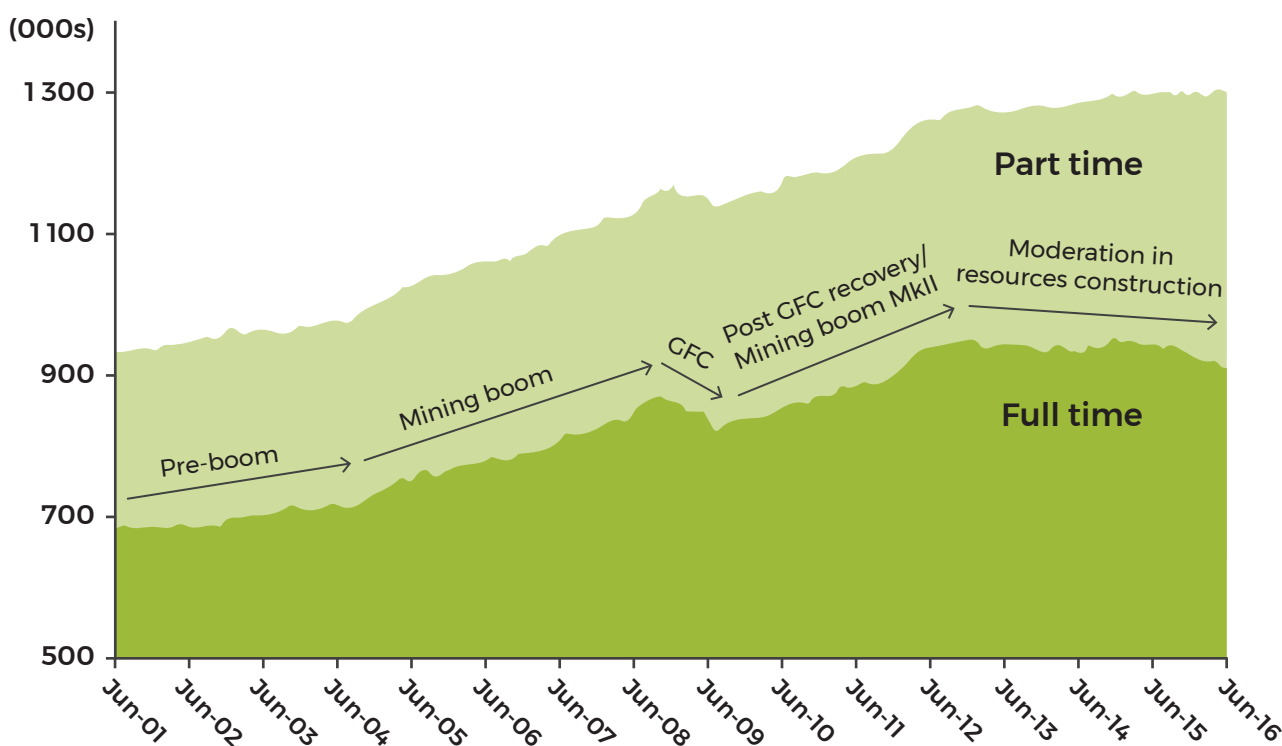
mixed but mostly subdued conditions across the State's labour market.

Employment growth has been negligible across most industry areas. Growth was mostly in part time employment, which has occurred along with a decreasing volume of working hours, moderate wages growth, decreases in job vacancies, rising unemployment, and increasing underemployment and retrenchments of existing workers.

Of particular concern, youth unemployment continues to be almost double that of the State's overall unemployment rate and employment of apprentices and trainees has declined.

This all seems to be pointing to a continuation of soft conditions for WA in the foreseeable future, reinforced by waning project and housing investment in the State.

The employment growth that has occurred across industry areas is mixed, which may be an indication of a transition towards a more broader-based economy. The employment growth forecasts out to 2020 seem to confirm this.



Source: ABS, cat 6202.0

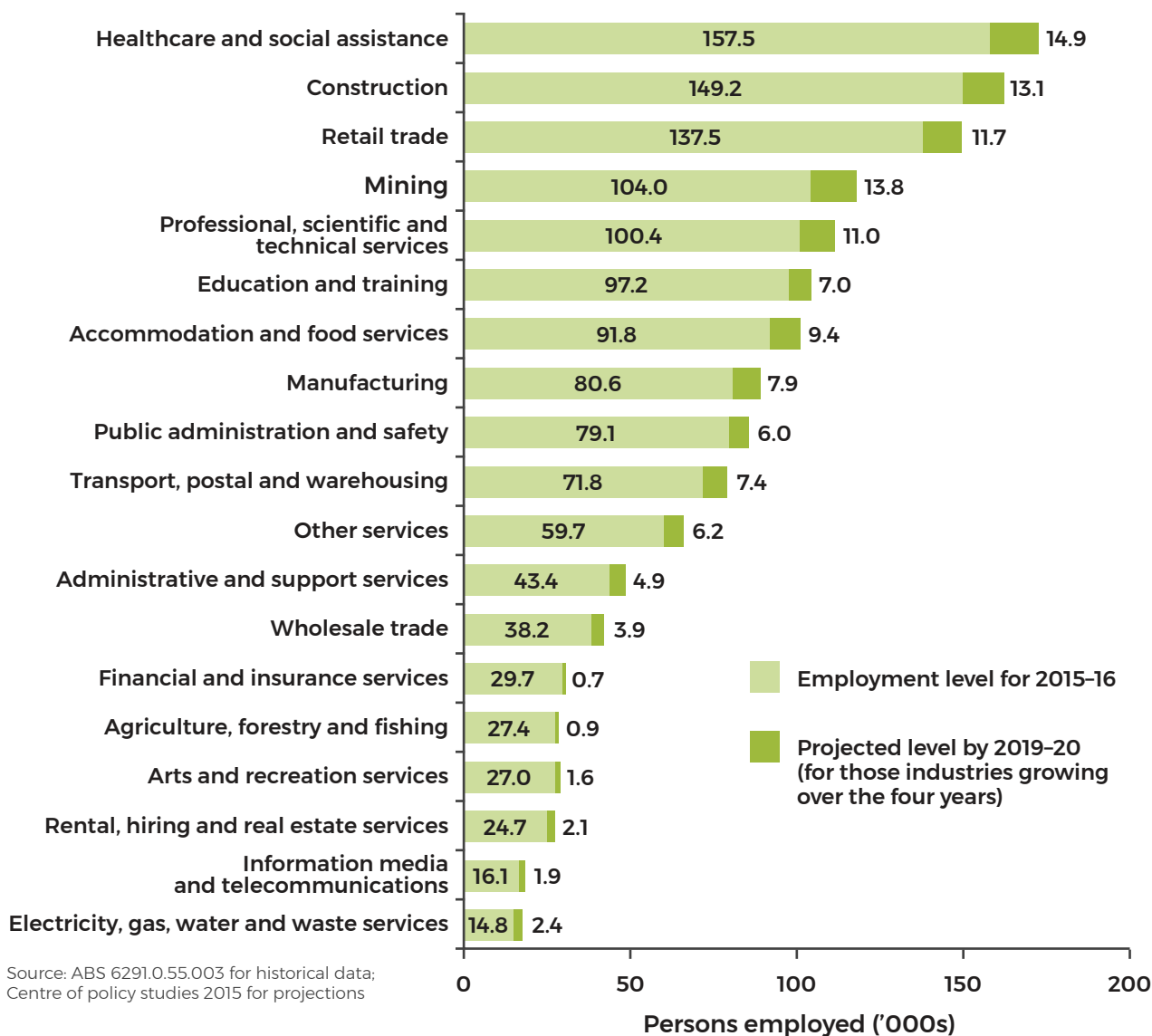
Figure 1: Western Australian employment levels 2001 to 2016

On the supply side, Western Australia's labour supply has slowed with the State's annual population growth slowing to just 1.2% in December 2015 from a high of 3.7% in December 2012¹¹. WA's net overseas migration has slowed considerably and net interstate migration is now negative.

Over the same period, WA's 15 to 24 year old youth cohort has experienced a much lower population growth¹². The limited growth for the youth cohort is likely to impact the supply of domestic graduates in the State over the next few years.

This situation is evident at the State level and also specifically in the regions, and highlights the imperative to maintain a strong focus on education and training. Research undertaken by the State Training Board indicates that WA's future workforce will require more people with higher level qualifications, including multiple qualifications, across a range of industry areas, with an adaptive capacity and ability to deal with innovation and technology. This includes both new entrants to the workforce and existing workers.

The Board's work has also highlighted the need to prepare for an ageing population and workforce.



Source: ABS 6291.0.55.003 for historical data; Centre of policy studies 2015 for projections

Figure 2: WA projected employment growth by industry, 2015-16 and 2019-20

Priorities for the State Training Plan

The *State Training Plan 2017-2020* lays the foundation to build a highly skilled workforce through an innovative, sustainable and contemporary education and training system which provides the skills needed by Western Australian industries and enables people to realise their potential.

The *State Training Plan 2017-2020* contains strategies that will contribute to achieving the State Government's major goals and visions for the Western Australian economy and labour market. It supports the key initiatives in the Government's *Plan for Jobs*.

The priorities for the *State Training Plan 2017-2020* are:

- 1 providing the skills needed by WA industries for WA jobs;
- 2 understanding the skills needs of all industries through a robust industry engagement framework;
- 3 positioning the training sector to respond to technology and innovative advances;
- 4 creating opportunities for young people to participate in the labour market;
- 5 supporting older workers to participate in the labour market;
- 6 investing in the skills needed by our aged care, disability and allied health sectors; and
- 7 ensuring all Western Australians can access quality training through their local TAFE or private training provider.



Providing the skills needed by WA industries for WA jobs

Western Australia's VET sector has a vital role in the economic, social and industrial development of our State. Through careful planning and investment the VET sector can contribute to the WA economy and avoid the implications of long-term skill shortages on the labour market.

Our VET sector provides training and skills needed by trade, non-trade and para-professional workers for all of Western Australia's industries.

Research¹³ shows a marked improvement in an individual's participation in the labour market, and in the likelihood of employment and job security if they hold a post-school qualification at the Certificate III level or higher. The reality is that most jobs in today's labour market require a post-school qualification and this trend is expected to continue into the future.

The Labor Government's *Plan for Jobs* places emphasis on creating a vibrant and diversified economy with a broader range of industries and jobs for WA. We need greater effort in the areas of science, technology, manufacturing, tourism, services, education services, agriculture and other industries.

The State Training Board supports measures to increase enrolments and completions in the more than 650 apprenticeships and traineeships available across almost every industry and ranging in AQF level from Certificate I to Advanced Diploma.

The *State Training Plan 2017-2020* aims to increase employment opportunities by increasing the proportion of employers employing apprentices and trainees in Western Australia. The proposed expansion of the *Priority*

Start building policy to apply to all major State Government funded construction investment including big maintenance contracts, joint ventures and public-private partnerships, would help to contribute to this objective. METRONET and other major infrastructure projects as well as defence industry contracts will also create job opportunities.

The roll out of the National Disability Insurance Scheme in WA will require growth in the healthcare and social assistance workforce and greater access to training places. Medical advances, changes in technology and consumer directed funding are expected to create a more innovative and competitive market that will require staff to undertake continuous training and skills development.

The *State Training Plan 2017-2020* aims to grow WA's skilled workforce by increasing the range and number of people undertaking training at Certificate III level or higher. The State must consider ways to encourage and boost participation in training across regional Western Australia and for people under-represented, disengaged or marginalised from the labour market including Aboriginal people, people with disabilities, people from culturally and linguistically diverse backgrounds and the long-term unemployed.

As WA shifts to a more diversified and knowledge-based economy, higher level skills at Certificate IV and above will be needed to gain employment. The State Training Board encourages collaboration with industry and the VET and university sectors to address priorities and gaps in the provision of higher level qualifications such as Certificate IV, VET diplomas and Advanced Diplomas as well as university degrees.

Negotiations between the Commonwealth and State Government on the Skilling Australians Fund will be critical to the ongoing sustainability of the State's education and training sector and achieving the outcomes of the *Plan for Jobs*.

The Board recommends that funding be directed to apprenticeships and traineeships.

Funding also needs to be directed to skills and qualifications critical to Western Australia's social and economic development including:

- occupations listed on the *State priority occupation list*;
- infrastructure and manufacturing projects such as METRONET and defence industry contract work;
- tourism, hospitality, retail and events;
- logistics, transport and maritime;
- science, innovation and technology; and
- occupations with strong links to education, healthcare and social assistance due to the critical nature of these occupations in the community.

Enhancing industry engagement

For WA's economy to thrive it needs a skilled, well-trained, adaptable and agile workforce. Collaboration and partnerships between industry and the VET sector are vitally important to ensure that students, apprentices and trainees have the skills they need for the workforce.

The Board has an important role in encouraging industry to invest in training and skills development, and to engage with the VET sector so that together we can design quality training programs to meet the needs of all industries. This involves developing and delivering strategies, policies and actions that maximise opportunities for building, attracting and retaining a skilled and capable workforce for our State; whether it's through creating more flexible training options, or creating opportunities for employers to engage with the training sector through apprenticeships and traineeships.

The Board's industry engagement framework provides a structured way for industry peak bodies, unions and employers to inform and engage with the State's training system. The Board's industry training advisory bodies inform the development of the State Training Plan and have a formal role in providing advice on apprenticeships and traineeships.

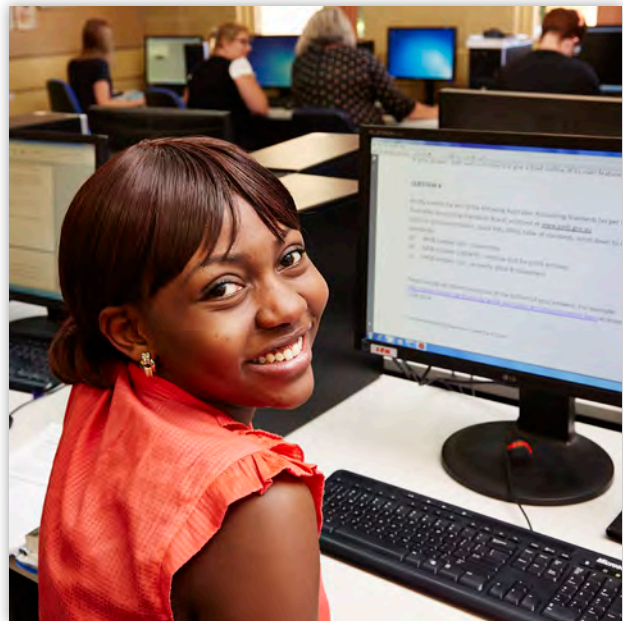
The *State Training Plan 2017-2020* supports and encourages a strong connection between the world of vocational learning and the world of work. For this reason, the Board has committed to ensuring that its advisory networks include effective engagement with small, medium and large enterprises, indigenous businesses, peak groups, regional businesses, charities and not for profit entities that provide employment to Western Australians.

Industry training advisory bodies

The State Training Board recognises the following industry training advisory bodies under section 21(1)(b) of the *Vocational Education and Training Act 1996*.

- Community Services, Health and Education Training Council
- Construction Training Fund
- Financial, Administrative and Professional Services Training Council
- Food, Fibre and Timber Industries Training Council
- FutureNow: Creative and Leisure Industries Training Council
- Logistics Training Council
- Resources Industry Training Council
- Retail and Personal Services Training Council
- Utilities, Engineering, Electrical and Automotive Training Council
- Public Sector Commission
- WA Local Government Association

The Board also recognises that the VET sector is complex and difficult to navigate. It encourages people with experience, skills and knowledge of Western Australia's industry sectors to engage with the Board, Minister, policy makers, training providers, industry training councils and other key stakeholders to ensure education/training curricula, qualifications and skill sets are relevant and informed by current and future needs of local industries.



The Board intends to identify commonalities and encourage communication, collaboration and knowledge sharing between industries to create job opportunities and address common barriers such as portability of skills faced by workers between and within industries. It is hoped through this process to identify core competencies that are used by multiple industries for example, occupational health and safety - to create pre-employment training programs or reskilling programs that provide better links to employment outcomes.

The Board recognises that WA's VET and education sectors sit within the national system. Where appropriate, the Board and the Department of Training and Workforce Development will advocate on behalf of WA industry with the Australian Industry and Skills Committee, Skills Service Organisations and Industry Reference Committees to ensure that our industries have a place in the national advisory arrangements and input into the development of training packages and qualifications.

Where a skill gap is identified that is not covered by the national industry training package qualifications, industry has the option of accrediting a course locally through the Training Accreditation Council to meet their

skilling needs. Accrediting a course within the VET sector is a significant undertaking for an organisation. Further information on the accreditation process is available through TAC's professional development sessions.

Positioning the training sector to respond to technology and innovative advances

The world is entering a period in which innovation, technology and automation will transform the working landscape. Activities within nearly every occupation have the potential to be automated or at the very least impacted by technology in some way. The resulting disruption requires the training sector to be active, flexible, fast-moving, adaptable, responsive and increasingly engaged and responsible for its products and services.

Through industry consultation, the Board intends to gain a better understanding of how current and emerging innovation and technology advances are changing the nature of work in some of WA's key industries. The rate of adoption of innovation and technology is, and will be, different for individual industries, businesses and occupations. There will be a demand for new skills, specialised skills and multi-skilling which will create the need for a new approach to education and training to upskill and cross skill the workforce. We must encourage the uptake of relevant skills, including STEM/STEAM skills, among the population by raising profile and awareness of the importance of STEM/STEAM for a range of occupations and the increasing need for these skills in the workforce.

We also need to encourage cross-industry collaboration to identify transferable skills that can alleviate structural adjustment changes within industries and support vulnerable workers to transition to new employment. We need to equip workers to succeed in a technologically-rich environment.

A broad and inclusive education and skill strategy is essential. To safeguard our workforce we must encourage and support all Western Australians,

STEM is being replaced by STEAM

The STEM to STEAM movement has slowly gained momentum in the past few years as a positive mode of action to address the needs of today's labour market. STEM alone misses several key components that many employers, educators and parents have voiced as critical for young people and workers to thrive in modern workplaces and into the future.

STEAM is an educational approach to learning that uses science, technology, engineering, the arts and mathematics as an integrated program, ensuring that STEM subjects are linked with 'arts' based disciplines including design, critical thinking, written and verbal communication skills. It is thought that this approach will teach students to think critically and have an engineering or design approach to real-world problems while building on their mathematics, technology or science base.

including existing workers, to broaden their skill base and undertake additional qualifications or skill sets which may be at a higher level (skills deepening) or the same or lower level (skills broadening) through flexible and accessible training options.

Education and training institutions will need to be flexible and adaptive in order to help people to adapt to evolving skill requirements. We must embed and encourage our schools, TAFEs and private training providers to support foundation skills; including science, technology, mathematics and engineering, as appropriate at primary, secondary and tertiary levels. Young people must be encouraged to embrace STEM/STEAM courses. New or redesigned education and training programs will be required and a fresh approach to service delivery will be needed. The introduction of multi-disciplinary courses, short course skills training, or in-house training for existing workers are ways in which specific needs could be addressed.

Creating opportunities for young people to develop the skills needed for the labour market

According to Price Waterhouse Coopers, lifting the number of young people in employment, education and training by just 3% could deliver gains of up to \$17 billion, representing a 1.1% increase to GDP¹⁴. As our economy continues to evolve and diversify after the end of the mining boom there is a need to create more opportunities for young people across all industries.

To lift the number of young people in employment, education or training we must have well-designed, attractive education and training programs that inspire young people to gain the skills needed by employers.



Young people must be given opportunities to become job-ready; if they are not job-ready they should be directed to courses or qualifications that will help them become to job-ready. Young people need to understand the employment opportunities available in the labour market and how to develop the skills needed to succeed.

Good career guidance, linked with the labour market information, helps young people make informed decisions about further education and training. Young people need information about the world of work, the skills needed in the modern workplace and the full range of

learning opportunities that are available to them, including both academic and vocational pathways, and whether learning should be done in schools, colleges, universities or in the workplace. Good career education must include multiple opportunities for young people to learn from employers about work and employment and the skills that are valued in the modern workplace. This can be achieved through a range of enrichment activities including visiting speakers, work experience, mentoring, career expos, career taster programs or formal employment-based training.

The State's VET in Schools program enables secondary students to gain vocational qualifications whilst at secondary school. The State Training Board supports the VETiS program and its links with *Western Australian Certificate of Education* and recognises that schools use the VETiS program for various reasons, including as an important engagement strategy for disengaged students. The State Training Board believes better links need to be made between VETiS programs and priority occupations and skills needed by the labour market rather than delivery in generalist industry areas that are popular with young people but have limited employment opportunities¹⁵ (for example, sport and recreation).

The Board supports the recommendations of the Auditor General's report on vocational education and training for year 11 and 12 students in public schools¹⁶.

The Board supports and encourages stronger marketing of the *VETiS Qualifications register*, developed by the Department of Training and Workforce Development, which enables industry to rate suitability of delivery of VET qualifications in schools. The intent of the *VETiS Qualifications register* is to identify the preferred pathways for school students for each industry which lead to positive outcomes for the student and for industry. The register also lists qualifications that industry does not believe are suitable for school-aged students (due to age restrictions, licensing requirements etc) or where the structure of VETiS delivery will compromise the quality of the outcome for the

student and industry (for example; auspicing arrangements, timetabling, supervision, and work experience). Through better industry engagement and better marketing, VET should be viewed as an integral part of secondary education and a great way of developing skills needed for employment rather than simply as a 'back up or if all else fails' option.

There are many factors that can make the transition from school to work difficult, putting some school leavers at risk of becoming disengaged or marginalised. If young people have poor literacy and numeracy skills, are not aware of or don't understand the training and career pathways open to them, or have personal issues that prevent them from progressing, it's going to be more challenging for them to find meaningful work.

Whilst the State Training Board recognises that young people need an opportunity to 'try out' different education, training and employment options, there is an increased risk of unemployment for young people who don't complete formal education or training. Entry level and low-skilled positions are quickly disappearing and being replaced by automation (such as self-serve checkouts at supermarkets). Without formal education or training unskilled young people can become 'stuck' in low paid employment¹⁷ and have an increased risk of long-term unemployment, cycles of disadvantage, welfare dependency and becoming marginalised from the community. The State must offer additional and tailored support for young jobseekers, including subsidies to access training through TAFE or private training providers and access to quality information and career advice.

The Board notes that some barriers for youth participation sit outside the Minister's education and training portfolio responsibility. Transport, for example, is a critical factor in a young person's access to education, training and employment. Access to reliable, safe transport options, particularly outside normal business hours in the Perth metropolitan area and regional WA, are needed for early morning, afternoon and evening work for young people.

Supporting older workers to participate in the labour market

More than half of baby boomers have now entered retirement age and a large cohort is expected to retire in the next decade. Coupled with a diminishing pool of younger workers entering the workforce, the ratio of workers to retirees is expected to fall to just 2:7 by 2050¹⁸.



We must act now to manage the future impacts of our ageing workforce and reduce the risk of skills and corporate knowledge and expertise being lost as older Western Australians retire from the workforce. Utilising older employees and leveraging their experience effectively could support growth in the future. Estimates suggest that a 5% increase in paid employment for Australians over 55 could boost GDP by \$48 billion annually¹⁹.

Whether a financial decision or a lifestyle choice, many older Western Australians want meaningful workforce participation and are working beyond the 'traditional' retirement age, continuing to work in their 60s and 70s. Government policymakers must work with employers and advocacy groups to develop multifaceted and integrated strategies to support the employment of older Western Australians.

Industries and businesses must consider workforce and succession planning, skills audits and the identification of transferable skills, knowledge retention and cultural and leadership development. Businesses should be encouraged to take a planned approach to their workforce needs by using workforce planning and development tools available such as *Workplace Essentials*²⁰. Individuals must avoid becoming the stereotype and keep abreast of new skills, trends and technologies in order to improve their employability.

Training providers, including TAFEs, should reduce barriers for older people to undertake training, whether it is formal qualifications or skills sets, offering recognition of prior learning and flexible training options to accommodate individual's work or caring commitments such as offering night or weekend courses.

The Board supports measures aimed at breaking the common stereotypes and misconceptions about older workers and reducing the occurrences of age discrimination across all industries. Despite equal opportunity measures in place, many people over the age of 50 have reported experiencing age discrimination at work²¹, being 'shut out' of recruitment, being offered fewer professional development opportunities or feeling as though they were targeted for redundancy during periods of organisational restructure. A third of mature-aged jobseekers gave up looking for work due to perceptions of age discrimination. Committed business leaders are essential to ensure that age-friendly practices are adopted across all industries in order to eliminate stereotypical attitudes and prejudices affecting the employment of mature-aged workers²².

Skilling our aged care, disability and allied health sectors

Another critical factor of ageing is caring and supporting our ageing population. Over the next 35 years, the demand for aged care is expected to nearly triple in size²³. There is increasing demand for a more highly skilled aged care workforce as older Australians enter

residential care at later stages and with more complex medical conditions and comorbidity.

The aged care system has undergone significant change in recent years to become more consumer focussed. The ability for consumers to choose who provides care and support will create a more competitive and innovative market but will possibly exacerbate the workforce issues plaguing the healthcare and social assistance industry; such as workforce shortages due to low wages and workers not having the right skills. This is already apparent in parts of the workforce, with 62% of residential facilities reporting a skills shortage of registered nurses²⁴.



The Board recommends a comprehensive workforce development plan for the healthcare and social assistance industry including aged care, disability and allied health sectors through a collaborative approach involving industry, care providers, allied health and advocacy and advisory bodies. The plan must define the roles of government and the aged care sector in focussing on sourcing a highly skilled workforce combining education and training strategies with employment and immigration strategies. Measures will need to be in place to support and recognise the importance of informal carers, and continue to help ensure families undertake a caring role that suits them.

Medical advances and changes in technology and patient care will require continuous training and skills development. These advancements mean that in order to provide best-practice patient management and residential care services, workers must be updating their skills on an ongoing basis; particularly in areas where boundaries are often challenged and new areas explored, such as managing patients with cognitive issues. The VET sector must provide training that meets the needs of the healthcare and social assistance workforce, offering flexible training including skill sets.

Ensuring all Western Australians can access quality training through their local TAFE or private training provider

The VET system has an important role in society and is a fundamental part of our economy, contributing to the productivity and economic growth of the State. The VET system caters for new entrants to the workforce, providing them with employability and job-readiness skills, but equally, supporting existing workers to up-skill and train for occupations that require technical skills.

In a rapidly changing world where skill requirements can vary through a person's working life, formal training should never be 'set and forget'²⁵. Participation in training will only increase if individuals can access flexible, innovative and affordable training regardless of where they live, their abilities, needs or career aspirations. We must promote the progression of individuals, so that they are not locked into entry level jobs but can instead enhance their skills, contribute more in the workplace, increase their earning potential and support improvements in productivity.

In order to maximise the number of people undertaking training, we must investigate the participation in training in Western Australia, including addressing any barriers that prevent the participation of under-represented groups. We must ensure that our funding priorities in training are appropriate and targeted.



People living in regional WA need to be able to access the skills training they need for employment. We need to ensure a coordinated cross-government regional planning framework which includes a focus on skills, training and workforce development to ensure regions skill priorities are planned for and appropriately supported.

We must ensure all Western Australians can access language, literacy and numeracy skills. In recognition of the importance of foundation skills training, at the discretion of the training provider eligible students enrolled with an approved provider in a Certificate II, III or IV vocational qualification are able to get support to develop foundation skills to increase their chances of successfully completing their training.

WA needs a well-funded, resilient and high-quality TAFE system to meet the growing and diverse needs of the State's key industries, regions, emerging markets, students, employers and apprentices and trainees. The five WA TAFE colleges are now working collaboratively to increase operational efficiencies, ensure financial viability of the sector and rationalisation of training delivery and infrastructure. This will ensure the Government's investment in training will go further and meet the training needs of more Western Australians.

A recent report by Skilling Australia Foundation explores the misconceptions around VET²⁶. Public perceptions of VET are not favourable and many people have out dated views about VET programs and pathways.

Through better career guidance, education and links between school, training and employers we can ensure that young people, parents and educators are aware of the breadth and depth of opportunities available through VET programs and pathways. Many parents wrongly believe that a university pathway will guarantee employment and provide better outcomes for their children. The research shows that VET graduates have good job prospects, and earn wages comparable, if not exceeding that of university graduates.

The VET system's reputation has been unfairly maligned recently due to problems associated with the former VET FEE-HELP scheme. We must work together to restore the reputation

and quality of VET, and the narrative around the importance of VET in building the skills needed for employment in Western Australia. We want VET to be seen as a first class choice for young people to meet their career aspirations and goals and not simply as an 'if all else fails' option.

The Board supports a broad marketing campaign about the importance of VET and the high-quality training options available in WA. We need marketing campaigns aimed at young people and their parents to promote the VET sector as a legitimate and valued pathway for gaining the skills that are critical to employment. Sharing and promoting success through VET, such as promoting the WA Training Awards winners, will be a key factor in influencing choice and changing behaviour. We equally need campaigns for mature-aged students seeking career changes, to promote the practical job-ready skills offered through the VET system.



WA Training Award winners 2016

Key strategies and deliverables

The State Training Board recommends the following key strategies and deliverables to increase participation in training and maximise employment opportunities in Western Australia.

Providing the skills needed by WA industries for WA jobs

PRIORITIES

- Government, industry and VET providers and universities must work together to grow the proportion of the population with post-school qualifications.
- Boost our VET enrolments or risk facing significant skill shortages in the future.
- Western Australians must be supported and encouraged to broaden their skill base and to undertake additional qualifications or skill sets which may be at a higher level (skills deepening) or the same or lower level (skills broadening) through flexible and accessible training options.
- Encourage and increase the number of businesses from all industries, providing employment opportunities to graduates, apprentices and trainees.

KEY STRATEGIES AND DELIVERABLES

- Funding must be directed to skills and qualifications critical to Western Australia's social and economic development including:

- occupations listed on the *State priority occupation list*;
- infrastructure and manufacturing projects such as METRONET and defence industry contract work;
- tourism, hospitality and events; science and technology; and
- occupations with strong links to education, healthcare and social assistance due to the critical nature of these occupations.
- Address priorities and gaps in the provision of higher level qualifications (Certificate IV, VET diplomas and Advanced Diplomas) through a collaborative approach involving industry.
- Develop an employer-focussed marketing and awareness campaign aimed at increasing the number of employers offering apprenticeship and traineeship employment opportunities by at least 500 by 2020.
- To review the current apprenticeship and traineeship model to develop stronger pathways between AQF qualification levels and promote flexible outcomes that meet the needs of local industry.



Enhancing industry engagement

PRIORITIES

- Enhance links between industry and the education and training sector so that courses, programs, qualifications and skills sets are informed by the current and future needs of businesses.
- Improve our engagement with small and medium-sized enterprises, indigenous and regional enterprises and the not for profit sector to ensure the voices of all sub-sectors of industry are captured.

KEY STRATEGIES AND DELIVERABLES

- Ensure local businesses have a greater say in skills provision through annual focussed discussions with policy makers and providers.
- Ensure local businesses are meaningfully represented on TAFE governing councils and enshrined in industry training advisory networks.
- The State Training Board will advocate with the Australian Industry and Skills Committee, Industry Reference Committees, and the Skills Service Organisations, where appropriate, to ensure that Western Australian industries have a place in the national advisory arrangements, including ensuring that Western Australian businesses or industry groups are represented on the IRCs where appropriate.

Positioning the training sector to respond to technology and innovative advances

PRIORITIES

- Industries and employers share their current and emerging innovation and technology advances and identify the potential impact on the supply and demand for skills and workers.
- An effective and inclusive education and skills strategy to equip workers and jobseekers with the knowledge and skills needed to operate in a technologically-rich labour market; building resilience and adaptability, and promoting mobility of employment.

- Developing effective and timely education and skills strategy for workers displaced by innovation and technological advances.
- Fostering, supporting and promoting innovation and technology within Western Australia's tertiary sector; building capacity and capability of teaching staff, attracting and retaining new talent, building resilience and adopting new products/services or practices to increase responsiveness to the growing demands of students and industries.



KEY STRATEGIES AND DELIVERABLES

- In collaboration with industry and other stakeholders, research how innovation and technology advances are changing the nature of work in WA's key industries, particularly in relation to the new and emerging jobs and changes in traditional jobs, and identify specific VET responses needed by industries to close the gap between the demand and supply of skills in the short, medium and long term.
- Raise the capacity and capability of the education and training sector to supply and deliver the knowledge and skills needed by the labour market; and embed and encourage these skills, as well as foundation skills, as appropriate at primary, secondary and tertiary levels.
- Examine options for transitioning lower skilled workers displaced by innovation and technology trends into available higher skilled jobs through efficient redeployment mechanisms, such as incentives for re-training, job-matching services, provision of career advice and other wrap-around services to support the long-term unemployed.

Creating opportunities for young people to develop the skills needed for the labour market

PRIORITIES

- Young people have access to up-to-date, reliable career advice and information empowering them to make decisions about pathways from education to work.
- VET in Schools programs (including school-based apprenticeships and traineeships and pre-apprenticeships in schools) are linked to priority occupations and skills needed by broader industry, equipping young people to become job-ready.
- Maintain focus on reduction of youth unemployment, identifying approaches that contribute to reducing long-term youth unemployment.

KEY STRATEGIES AND DELIVERABLES

- Improve the availability of career advice and information, including entry requirements and higher education pathways for occupations, ensuring that industry practitioners are engaged in the provision of career information, so that young people are empowered to make good decisions based on current information in the selection of courses that align with their career aspirations.
- Engage with employers, peak industry and professional associations, group training organisations, industry training councils and relevant government stakeholders to develop and provide a series of career taster programs and work experience opportunities so school students are exposed to a range of priority occupations and can make better decisions on training pathways post-school.
- Ensure that the *VET in Schools Qualifications register* is supported and promoted by education and training stakeholders, school principals, VET co-ordinators, parents and teachers to ensure the selection of VET programs by school-aged students provides pathways into priority occupations and skills demanded by the economy.

- Advocate and work closely with the Department of Training and Workforce Development, Department of Education, the School Curriculum and Standards Authority and the Training Accreditation Council to address and implement the recommendations outlined in the Auditor General's report on vocational education and training for year 11 and 12 students in public schools.

Supporting older workers to participate in the labour market

PRIORITIES

- Older workers are valued for the contribution their skills, knowledge, experience and assets make to the economy. As our economy continues to shift its focus to become more knowledge-driven this experience is more valuable than ever.

KEY STRATEGIES AND DELIVERABLES

- Develop workforce development plans to promote the valuable contribution that older workers make to the business and broader economy. Address negative assumptions and stereotypes, providing opportunities for skills training or retraining and promoting ways to leverage from their experience to support growth in the future.



Skilling our aged care, disability and allied health sectors

PRIORITIES

- Western Australia has a highly skilled workforce that is adept at providing care to meet the needs of older Western Australians.

KEY STRATEGIES AND DELIVERABLES

- Research the specific skills needed for a highly skilled aged care workforce and develop an inclusive workforce development plan for the aged care and disability sectors through a collaborative approach involving industry, aged care providers, advocacy and advisory bodies.
- Expand training opportunities in technology skills development for older workers, caregivers in aged care, as well as for voluntary caregivers who are currently not in the workforce.

Ensuring all Western Australians can access quality training through their local TAFE or private training provider

PRIORITIES

- Regardless of location, age, cultural or linguistic background, disability or life circumstance, students can access training and support to gain employment, reskill or upskill and meet their career aspirations and goals.
- We must have a well-funded, resilient and high quality TAFE system to meet the growing and diverse needs of WA's key industries, regions, emerging markets, students, employers and apprentices and trainees.
- Our funding and policy settings must be appropriate and sustainable, and ensure the availability of appropriately skilled labour in the State.
- We must understand the needs of students by measuring their experience and addressing barriers that constrain access and choice for students.
- The WA VET sector's reputation must be enhanced by promoting the long-standing and proud tradition of the VET sector in providing skills for jobs.

KEY STRATEGIES AND DELIVERABLES

- Ensure a coordinated cross-government regional planning framework which includes a focus on skills, training and workforce development to ensure regions' skill priorities are planned for and appropriately supported.
- A promotional campaign for regional employers (and potential employers) to address potential barriers, and increase the employment of apprentices and trainees in the regions in partnership with local training providers including the TAFEs.
- Investigate participation in training in Western Australia, including the identification of any known or perceived barriers to participation of under represented groups and ensure funding priorities in training are appropriate and targeted. Work with students and the training sector to address barriers that constrain access and choice for students, particularly for students with special needs.
- Continue to support the development of language, literacy and numeracy skills, with continued emphasis on foundation skills training.



State Training Board members

Mr Jim Walker (Chair)



Mr Walker has held executive positions and worked with equipment dealers supplying construction, agriculture, mining, government and marine industries for 44 years. He was appointed Chair of the State Training Board on 1 December 2014.

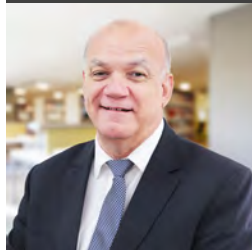
Non-Executive Chairman of Macmahon Holdings, non-Executive Director Programmed Maintenance Services Group LTD and RAC Holdings WA, Deputy Chairman Seeing Machines, Chairman Wesley College

Ms Vanessa Davies



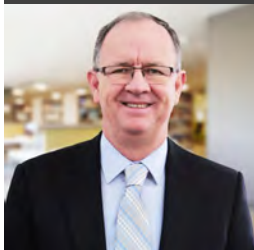
National General Manager Diversity and Indigenous Engagement, Compass Group

Mr Chris Hall



Chief Executive Officer, MercyCare

Mr Dan Hill



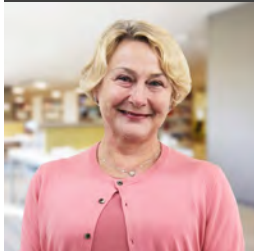
Secretary, Health Services Union of Western Australia

Ms Jeanette Roberts



Director, Jeanette Roberts Consulting

Dr Felicity Jefferies



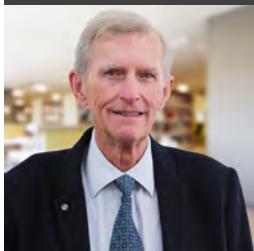
MBBS, GAICD, Director Healthfix Consulting, RACGP member, Member North Metropolitan Health Service Board, State Administrative Tribunal Sessional Member

Professor Cobie Rudd



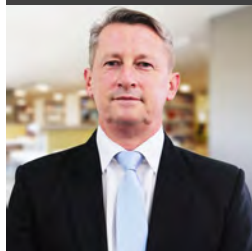
PhD, MPH, BHSC(N), GAICD Deputy Vice-chancellor Strategic Partnerships Edith Cowan University, Vice-president Edith Cowan University

Mr Wayne Muller



Director, MasterClass Business Solutions PTY LTD

Mr Nathan Bentley



General Manager Workforce Solutions, Chamber of Commerce and Industry WA

Glossary and acronyms

Australian Industry and Skills Committee (AISC): A committee established in May 2015 to give industry a formal, expanded role in policy direction and decision-making for the vocational education and training sector. AISC's role includes: advising on VET quality instruments (Provider Standards and Training Package Standards); endorse qualifications; providing industry input to guide VET research; and provide industry input to Ministerial Council.

Australian Qualifications Framework (AQF): The national policy for regulated qualifications in Australian education and training. It incorporates the qualifications from each education and training sector into a single comprehensive national qualifications framework.

DTWD: Department of Training and Workforce Development.

Industry Reference Committees (IRCs): The conduit through which industry intelligence is gathered to guide the development and review of training packages. IRCs are supported by Skills Service Organisations (SSOs).

Joint Ministerial Statement on Vocational Education and Training (VET) in Schools: A joint statement released by Western Australia's Department of Training and Workforce Development and Department of Education, establishing a clear strategic direction for VET delivered to secondary students in WA.

LLN: Language, literacy and numeracy.

National Agreement for Skills and Workforce Development (NASWD): An agreement between the Commonwealth of Australia and the states and territories that defines the objectives, outcomes, outputs and performance measures, and clarifies the roles and responsibilities that will guide the Commonwealth and states and territories in delivery of services across the skills and workforce development sector.

Priority industry qualifications list (PIQL): Priority industry qualifications equip students to take up jobs in skilled occupations that are in high demand across WA. Priority industry qualifications change each year as the Western Australian economy changes.

Skills Services Organisation (SSO): An organisation funded by the Commonwealth Government to work with Industry Reference Committees (IRCs) to develop and maintain training packages.

State priority occupation list (SPOL): An annually produced list of skilled occupations in high demand or considered industry-critical in Western Australia.

STEM: STEM education is the learning of science, technology, engineering and mathematics in an interdisciplinary or integrated approach. A new approach to STEM is to include an 'arts' based discipline including design, critical thinking, written and verbal communication skills to the traditional science, technology, engineering and mathematics with a new and preferred acronym of STEAM.

Training together-Working together: Aboriginal workforce development strategy: A workforce development strategy document launched in 2010 to provide better training and workforce development opportunities for all Aboriginal people in Western Australia.

VET FEE-HELP: Eligible students can apply for a loan to pay for their fees through the Commonwealth Government. VET FEE-HELP was replaced by VET Student Loans on 1 January 2017.

VET in Schools (VETiS): A program which allows students to combine vocational studies with their general education curriculum. Students participating in VETiS continue to work towards their Senior Secondary School Certificate, while the VET component of their studies gives them credit towards a nationally recognised VET qualification. VET in Schools programs may involve structured work placements.

VET in Schools Qualifications register: The *VET in Schools qualifications register* provides industry advice for schools and training providers on the suitability of qualifications for secondary students and delivery requirements to meet industry standards. The register aims to assist schools and training providers to select qualifications that are more likely to be completed by secondary students or help them to transition effectively to further training or employment.

WACE: Western Australian Certificate of Education.

End notes

- 1 Information on the SPOL is provided in Section 7.1 of the STP Background paper.
- 2 National and State VET priorities are outlined in Section 3.1 of the STP Background paper.
- 3 Atkinson, G & Stanwick, J (2016), *Trends in VET: policy and participation*, NCVET, Adelaide.
- 4 This growth was largely driven by an increase in enrolments in priority industry qualifications, predominantly due to the increased availability of an additional 55 qualifications under this category.
- 5 The main difference between State priority qualifications and general industry training courses is that students are not guaranteed a place in general industry training courses. They are also subject to different fee and subsidy levels.
- 6 WA VET enrolment data collection, final full year data for 2016.
- 7 Office of the Auditor General Western Australia: *Vocational education and training for year 11 and 12 students in public schools*, Report No. 32, December 2016.
- 8 The Other Services Division includes a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; and private households employing staff.
- 9 Western Australian State Budget, May 2016, Budget Paper 3.
- 10 *Western Australian Government 2016–17 mid-year financial projections statement*, December 2016.
- 11 ABS 3101.0 *Australian Demographic Statistics*, Dec 2015 (Spreadsheet: Table 4).
- 12 It is important to note that Aboriginal people in Western Australia have a significantly faster growing youth population than that of the non-Aboriginal population. From the 2011 Census, almost half (46%) of the State's Aboriginal population was aged under 20, compared with 26% of non-Aboriginal people.
- 13 Michelle Circelli and Damian Oliver, National Centre for Vocational Education Research: *Youth transitions: what the research tells us* (2012); David D. Curtis, *LSAY Research Report 52: VET Pathways taken by school leavers* (2008); Damian Oliver, *Lower-level qualifications as a stepping stone for young people* (2012).
- 14 PWC: *Unlocking a \$17 billion prize: How empowering young workers could boost GDP by 1.1%*, 31 October 2016.
- 15 Approximately 40% of VETIS program delivery occurs in generalist industry areas that are popular to young people (arts, sport and recreation and general business) but have limited employment opportunities accounting for less than 2% of the total workforce.
- 16 Office of the Auditor General (2016): *Vocational education and training for year 11 and 12 students in public schools*, Report No. 32, available from https://audit.wa.gov.au/wp-content/uploads/2016/12/report2016_32-Vets.pdf.
- 17 Hurrell, A (2013): *Starting out or getting stuck? An analysis of who gets trapped in low paid work and who escapes*, Resolution Foundation.
- 18 Chandler McLeod (2013): *Coming of age: The impacts of an ageing workforce on Australian business*.
- 19 Deloitte Access Economics (2012): *Increasing participation among older employees: The grey army advances*.
- 20 The DTWD Workplace Essentials website provides small to medium businesses with a 'one-stop' gateway to find useful information, templates, links and resources that can help them to better plan, attract, develop and retain a skilled workforce.
- 21 Australian Human Rights Commission (2015): *National prevalence survey of age discrimination in the workplace*.
- 22 Australian Chamber of Commerce and Industry (2014): *Employ outside the box: The business case for recruiting and retaining mature-aged workers*.
- 23 Aged Care Sector Committee (2016): *Aged Care Roadmap*, p 12.
- 24 Deloitte (2016): *Australia's aged care sector: economic contribution and future directions*, p 32.
- 25 Chartered Accountants Australia and New Zealand (2016): *The future of work: how can we adapt to survive and thrive?* p 36.
- 26 Wyman, N., McCrindle, M., Whatmore, S., Gedge, J. & Edwards, T. (2017): *Perceptions are not reality: myths, realities and the critical role of vocational education and training in Australia*; Skilling Australia Foundation, Melbourne, Australia.



State Training Board

Optima Centre – Building B
16 Parkland Road Osborne Park WA 6017
T: +618 6551 5593
E: ostb@dtwd.wa.gov.au
W: stb.wa.gov.au