

BILATERAL FUNDING AGREEMENT

between

**the AUSTRALIAN GOVERNMENT and the
SOUTH AUSTRALIAN GOVERNMENT**

under the

**2005-08 COMMONWEALTH-STATE
AGREEMENT for SKILLING AUSTRALIA'S
WORKFORCE**

TABLE OF CONTENTS

PURPOSE	3
SOUTH AUSTRALIAN PRIORITIES	4
<i>THE SOUTH AUSTRALIAN GOVERNMENT'S PLANNING REGIME</i>	4
<i>EDUCATION, TRAINING AND EMPLOYMENT REFORMS IN SOUTH AUSTRALIA</i>	5
<i>CONTEXT FOR WORKFORCE DEVELOPMENT STRATEGY</i>	5
<i>SOUTH AUSTRALIA'S WORKFORCE TO 2010 - BETTER SKILLS, BETTER WORK, BETTER STATE</i>	6
<i>PRIORITIES FOR WORKFORCE DEVELOPMENT</i>	6
<i>Priority One - Creating a High Skill Economy</i>	6
<i>Priority Two - Access by South Australians to Quality Employment</i>	6
<i>Priority Three - Better Workforce Planning</i>	6
<i>IMPLEMENTING THE WORKFORCE DEVELOPMENT STRATEGY</i>	7
<i>EDUCATION AND TRAINING FOR YOUNG PEOPLE</i>	8
<i>TRAINING DELIVERY THROUGH TAFE SA AND NON-GOVERNMENT PROVIDERS</i>	9
<i>REGULATION AND QUALITY ASSURANCE OF REGISTERED TRAINING ORGANISATIONS</i>	9
<i>CONSUMER PROTECTION ARRANGEMENTS</i>	9
<i>FRAMEWORKS, PRODUCTS AND PATHWAYS</i>	10
ENGAGEMENT AND COOPERATION	11
<i>LEGISLATION EMPHASISES ENGAGEMENT, PARTNERSHIP AND COLLABORATION</i>	11
<i>EMPLOYER GROUPS AND TRADE UNIONS</i>	11
<i>TRAINING AND SKILLS COMMISSION TO LINK GOVERNMENT AND INDUSTRY</i>	12
<i>NINE INDUSTRY SKILL BOARDS</i>	12
<i>ROLE OF COMMUNITIES</i>	12
<i>LINKS WITH SCHOOLS</i>	13
<i>SOUTH AUSTRALIAN GOVERNMENT AND AUSTRALIAN GOVERNMENT LINKAGES</i>	13
<i>POTENTIAL COLLABORATIVE PROJECTS</i>	13
STATE-SPECIFIC ELEMENTS OF THE COMMONWEALTH-SOUTH AUSTRALIAN AGREEMENT FOR SKILLING AUSTRALIA'S WORKFORCE	15
<i>STRATEGIC NATIONAL INITIATIVES</i>	15
<i>NATIONAL TARGETS</i>	18
PERFORMANCE MEASURES	19
INFRASTRUCTURE	21
ACTIVITY	21
ADDITIONAL FUNDING	21
OTHER	21
APPENDIX - PRIORITIES FOR WORKFORCE DEVELOPMENT	XXII

BILATERAL FUNDING AGREEMENT

between

**THE AUSTRALIAN GOVERNMENT AND THE SOUTH AUSTRALIAN
GOVERNMENT**

under the

**2005-08 COMMONWEALTH-STATE AGREEMENT FOR SKILLING
AUSTRALIA'S WORKFORCE**

PURPOSE

1. This Bilateral Agreement underpins the collaborative intent of the new national training arrangements. It creates the basis for a partnership between the South Australian Government, through the Minister for Employment, Training and Further Education and the Australian Government to advance national and State priorities for vocational and technical education, and ensures that the training sector performs at the highest possible level and meets the needs of industry, individuals and communities within South Australia.
2. In this Bilateral Agreement, the South Australian Government, through the Department of Further Education, Employment, Science and Technology (DFEEST) and the Australian government are establishing those areas where they will work together, and the manner in which they will engage in a collaborative effort to improve training outcomes for clients of the national training system.
3. This Bilateral Agreement also details the State-specific elements of the Commonwealth-State Agreement for Skilling Australia's Workforce that will apply in South Australia.
4. This Bilateral Agreement applies in respect of the period 1 January 2006 to 31 December 2008. In recognition of the dynamic nature of industry and the training sector, it will be reviewed annually to take account of changing local priorities.

SOUTH AUSTRALIAN PRIORITIES

South Australia's economy is growing strongly, leading to the lowest unemployment rate in a generation. There are several major new investments occurring such as the Air Warfare Destroyer project and the doubling of the minerals output of Olympic Dam. There are also billions of dollars of other major infrastructure projects in the early stages of planning and development, all of which will require long term labour market planning in order to be successfully implemented.

Not all of South Australia's regions have the same advantages and chances of success when faced with the challenges of globalisation. Regional analysis provides clear evidence of significant differences between the State's regions in terms of current trends and future potential. Over the past decade, some regions, such as the Riverland, the South East and Eyre Peninsula have performed relatively strongly while others, such as the Upper Spencer Gulf have not fared so well. Within metropolitan Adelaide, the Eastern and Western regions have consistently performed better than the Northern and Southern regions.

South Australia has the oldest population in Australia and its median age is rising more quickly than any other state or territory. There is already emerging evidence of worker or skill shortages in a number of occupations, industries and regions. With one third of the State's current workforce approaching retirement in 10 years, economic modelling suggests that South Australia will move from a situation where there is an adequate pool of available workers to one where there may not be enough workers to meet the needs of its industry.

Within the South Australian workforce, there is a gap between those in well-paid, full time secure employment and those experiencing low paid, casual and insecure work. Jobs growth has been proportionately greater in metropolitan Adelaide than elsewhere and has been proportionately greater among some groups of the population. Young people, for example, who are not in school, training or work face potential long term problems in the labour market.

The South Australian Government recognises that the creation of an efficient and productive workforce requires more than the provision of an adequate number of workers. People wanting work must be able to find rewarding employment which assists them to meet their personal and family responsibilities and to participate meaningfully in the State's economic and social life.

The South Australian Government's Planning Regime

In order to address these challenges, the Government has produced several key planning documents which align the Government's planning processes and which establish a range of important targets and priority actions to be undertaken over the next 5 years. The Government's key document is **South Australia's Strategic Plan - Creating Opportunity** which focuses on the following key strategic objectives:

- Growing prosperity
- Improving wellbeing
- Attaining sustainability
- Fostering creativity
- Building communities
- Expanding opportunity.

The South Australian Government has also recently produced a key population policy document, **Prosperity Through People: A Population Policy for South Australia** which incorporates a number of strategies aimed at maintaining the State's current population share and doubling its population growth rate over the next decade.

Shaping the Future, a 10 year vision for science technology and innovation in South Australia (*ST110*) has also identified science, technology and creativity as being 'critical to state development and a key driver of economic growth and future prosperity'.

The Government's new industry participation policy, **Giving Opportunity to South Australians** will help competitive local businesses by providing them with a full, fair and reasonable opportunity to tender for major project work.

Education, Training and Employment Reforms in South Australia

These developments parallel new directions for employment and vocational education and training in South Australia, and are encapsulated in a range of specific reform strategies undertaken by the Government. These include:

- the proclamation of the **Training and Skills Development Act 2003**
- the establishment of the **Training and Skills Commission**
- the formation of the **Department of Further Education, Employment Science and Technology** to integrate employment, skills formation and innovation
- a review of the TAFE sector and the formation of **TAFE SA**
- the allocation of \$22.6M to the **South Australia Works** to improve learning, training and work opportunities for South Australians
- implementation of the **Youth Engagement Strategy** and **School Retention Strategy**

Context for Workforce Development Strategy

In its April 2005 Progress Report on the South Australian economy, the Economic Development Board identified skills and skills development as being the single most critical issue currently facing the South Australian economy. In response to this, the Government charged the Training and Skills Commission with leading a strategy which would articulate priorities and processes for developing the State's workforce, which would reflect the key objectives of South Australia's Strategic Plan and which would establish the framework for the development of the actions, programs and services for vocational education, employment and training.

Workforce development goes beyond training and skills to incorporate work organisation, job design, industrial relations, human resource management practices and employment conditions. Workforce development requires a cross agency approach to the delivery of services, coupled with partnership arrangements between Government agencies, industry, the education sectors and the community.

South Australia's Workforce to 2010 - Better Skills, Better Work, Better State

The recently released strategy for the development of **South Australia's Workforce to 2010 - Better Skills, Better Work, Better State** addresses 19 key workforce development Strategic Plan targets relating to social inclusion, productivity, employment, regional development and migration. The strategy is based on the following vocational education, employment and training assumptions. These are that:

- there will be a **sufficient supply of adequately skilled workers** to serve the future skill needs of South Australian enterprises
- South Australian's **employment growth will increase** to better than the national average in 10 years.

Priorities for Workforce Development

The South Australian Government has identified 3 key priorities for developing the State's workforce. Appendix one includes additional detail about these priorities.

Priority One - Creating a High Skill Economy will focus on South Australia's Strategic Plan targets relating to improving productivity and economic growth, increasing immigration intake and improving the qualifications and skill levels of the State's workforce. This will enable the State's business enterprises to respond to changing economic, demographic and community factors and take advantage of opportunities that arise in the global economy.

In the future, a **highly skilled workforce** within **high performance workplaces** will position South Australia to take advantage of business opportunities. **Jobs through business and economic growth** in areas such as defence, mining resources, export, manufacturing and the creative industries will improve the State's competitive advantage. **Responsive learning systems** will facilitate effective pathways and recognition arrangements across qualifications and institutions and will ensure that those who wish to build on their existing skill capacity will have the best opportunity to do so.

Priority Two - Access by South Australians to Quality Employment will address South Australia's Strategic Plan targets relating to improving employment outcomes and income levels, particularly within the regions, for those South Australian citizens who are the most disadvantaged. This priority will focus on ensuring that all individuals have opportunities to **access learning and jobs** throughout their lives, particularly young people, Aboriginal South Australians, people with disabilities and older job seekers.

Programs such as the **South Australian Youth Engagement Strategy**, **South Australia Works**, and the **Aboriginal Employment Development Strategy** will assist all South Australians wishing to be employed to share in the benefits of fair and sustainable work and to pursue achievable career outcomes.

Priority Three - Better Workforce Planning will focus on South Australia's Strategic Plan targets relating to improving the efficiency, effectiveness, and timeliness of Government services and decision making processes. This priority will focus on the development of high quality **information and planning systems**, on the implementation of a more **coordinated planning approach across Government**

agencies to better inform Government and business decisions, and on enhancing local economic development efforts to assist in the creation of the jobs.

Research excellence will be maximised through the collaborative working arrangements between the South Australian Government and the various research institutions through such working arrangements as the **Workforce Development Research Consortium**.

Implementing the Workforce Development Strategy

The process and tools for implementing the Workforce Development Strategy is laid out in **South Australia's Skills Action Plan**.

The Skills Action Plan outlines core initiatives which contribute to workforce development across all industries, and sets out specific initiatives relevant to 10 key industry sectors. Specific initiatives include:

- **Global Horizons, Local Initiatives – A Framework for South Australia's Manufacturing Future.** Launched by the Government in June 2005, the strategy outlines the major issues, challenges and future for manufacturing in South Australia and focuses on a number of key enablers, including workforce development. The Framework represents a shared commitment by industry, unions and Government to improve the competitive environment for the manufacturing sector.
- **A Blueprint for South Australian Manufacturing is an initiative of the Manufacturing Consultative Council.** The Blueprint outlines a series of initiatives designed to improve the productivity of South Australian Manufacturing. It identifies roles for Government, industry, employers, unions and the community to achieve this goal.
- **Centre of Excellence in Defence and Industry Systems Capability.** The Centre is to be established by the South Australian Government in collaboration with the Defence Science and Technology Organisation, industry, and the University of South Australia. The Centre will provide specific capabilities, training and services in systems and software engineering.
- **Maritime Skills Centre.** This will make South Australia a centre of excellence in skill development in shipbuilding and related industries. The Centre will provide flexible tailored training to increase the skills of existing shipyard workers and/or workers employed with transferable ship-building related skill-sets.
- **Defence Skills Institute.** The Institute is a partnership between the Government, the defence industry and local education institutions. The Institute will work cooperatively with Government, industry and education and training providers to identify and aggregate defence industry education and training requirements.

- **The State Food Plan 2004-2007.** The objectives of the plan are to develop customised courses and training modules for the food industry along the value chain; to create industry-led collaborative learning opportunities for regional businesses; to create incentives for training current staff and to recognise their skill development; and to develop school-based programs to attract young people into the food industry. The State Food Plan also addresses workforce skills, of which specific actions include a joint initiative sponsored by the Training and Skills Commission to identify the workforce needs of regional small businesses in order to increase export market potential.
- **Expansion of Olympic Dam.** A Minerals and Resources Workforce Planning Study is being conducted by the South Australian Centre for Economic Studies to determine the workforce needs of the mining/exploration/processing firms undergoing expansion and to assess the level of current and potential skills/labour imbalance. The study will be informed by joint Government, University and industry initiatives regarding higher education for the mineral and resources sector and will produce recommendations relating to the required education and training response for this industry sector.

Education and training for young people

Retention of young people in education and training is a key priority for Government. In this context, the Government has developed the **South Australian Youth Employment Strategy** as the primary vehicle for delivering the Premier's commitment and associated targets for young people's involvement in learning and work, as illustrated in South Australia's Strategic Plan.

The **South Australian Youth Employment Strategy** is a multi-pronged strategy with the following nine focus areas that are used to group actions and initiatives.

- Youth Learning Commitment
- Youth Employment Commitment
- Targeted Interventions
- Youth Development
- Community Building – Partnerships
- Personalised Learning
- Career Development
- Monitoring and Tracking
- Research, Evaluation and Communication.

For example, funding is being applied to a pilot program during 2004-06 to identify alternative approaches to assist young people to gain employment through apprenticeships in trade occupation where there are identified skills shortages.

Registered training organisations are contracted to deliver trade apprenticeship training in identified skill shortage areas (engineering, carpentry and joinery, plastering, bricklaying, cabinet making and plumbing) in three targeted industry sectors, defence, minerals and resources, and construction. An additional contracted requirement is the successful placement of 70 per cent of completing participants in ongoing employment in these industries.

A variety of strategies will promote and provide advice to young people to assist them to be employed through traineeships and apprenticeships. A free call number provides information about traineeships and apprenticeships while newspaper advertisements throughout South Australia promote apprenticeships to young people. A specially produced compact disc will promote apprenticeships in areas experiencing skills shortages and will be marketed to school students, while direct marketing to employers will encourage the employment of a young person in a traineeship or apprenticeship. Through program delivery mechanisms such as South Australia Works and the Aboriginal Employment Development Strategy, the South Australian Government is continuing to improve the participation and retention rates of young South Australians in education, training or employment arrangements.

Training delivery through TAFE SA and Non-government providers

The South Australian Government, through TAFE SA is responsible for leading and implementing initiatives in workforce development to serve over 80,000 South Australian businesses and industry groups. Public provision of vocational education and training is delivered through **3 Institutes of TAFE in South Australia**, TAFE SA Regional, TAFE SA Adelaide South and TAFE SA Adelaide North. The Institutes of TAFE are not separate legal entities but are emanations of the Minister, operating under the collective banner of TAFE SA. The legal basis for the establishment of Institutes lies within the *Technical and Further Education Act 1975*.

There are approximately 250 non-government registered training organisations delivering publicly funded vocational education and training in South Australia. These organisations deliver largely to apprentices and trainees.

Mutual recognition arrangements also provide for the delivery of nationally accredited training by training organisations registered in other states and territories. Interaction between registered training organisations and Government occurs at a variety of levels and through a variety of formal and informal mechanisms.

Regulation and quality assurance of registered training organisations

At the formal level, registration and accreditation determinations to ensure vocational training providers and training courses meet the requirements of the **Training and Skills Development Act 2003** and the **Australian Quality Training Framework** standards are undertaken by the Director, Quality Branch, in DFEEST under delegation from the Training and Skills Commission. Important functions in this process include the assessment of applications for provider registration through desk based and site audits. Audits of registered training organisations, which are critical in maintaining the integrity and quality of the vocational education and training system in South Australia, are undertaken by teams of a mix of trained departmental personnel and external auditors. These audits are carried out on the basis of risk assessment, or because of an individual complaint. Non-compliance can lead to the suspension or revocation of a provider's registration.

Consumer protection arrangements

The South Australian Government is committed to strengthening consumer protection for students of registered training organisations, particularly apprentices and trainees.

The **Tuition Assurance Scheme** ensures that students displaced from a course, due to a provider's inability to continue the course, are efficiently relocated in a comparable course.

Frameworks, products and pathways

The **Quality Branch** within DFEEST also carries the responsibility for facilitating consultation for the development of **new national training packages** and for the implementation arrangements for endorsed training packages.

Training package implementation requires the determination of such issues as nominal hours for qualifications, transition arrangements from state-based curriculum courses, funding and new apprenticeship pathway arrangements. Nominal hours are the basis for state funding of training delivered through apprenticeship and traineeship pathways.

Arrangements for apprenticeship and traineeship pathways, including the length of contract and probationary period for the contract of training, awards and industrial agreements and employers' requirements, as endorsed by employer and employee parties, are approved by the Training and Skills Commission in accordance with the **Training and Skills Development Act 2003**.

VET Quality forums enhance the capacity of providers to respond to the diverse needs of employers, industry and learners through the delivery of creative and flexible learning and assessment programs. These forums assist in updating the knowledge base of providers through the provision of information on state and national training or employment matters. The forums also provide an opportunity for networking to occur between departmental staff, training providers and stakeholders.

Professional development in training delivery is featured through the provision of a series of 25 professional development workshops each year about a range of delivery matters. These are well attended by training providers.

ENGAGEMENT AND COOPERATION

The creation of a highly skilled workforce in South Australia is a shared responsibility between all levels of government and between industry groups, enterprises, the trade union movement and the community.

Legislation emphasises engagement, partnership and collaboration

This approach is articulated within the South Australian Government's **Training and Skills Development Act 2003**, the object of which is *to further the commitment by the States, the Territories and the Commonwealth, in partnership with industry, to work together to increase the participation of Australians in an integrated national vocational education and training system that allows for local diversity*. The Act also requires the **Minister** to ensure *that the vocational education and training and adult community education needs of the State are identified and met in a cost effective, efficient and responsive manner*.

The collaborative nature of vocational education and training planning and program delivery in South Australia is further emphasised by DFEEST's approach to workforce planning which incorporates a cross agency and multidisciplinary arrangement for the development, implementation and delivery of strategies and plans for improving the skill level of the State's workforce.

Efficient information exchange between these Government agencies also assists in developing strategic cross-Government relationships and in formulating whole of Government solutions for the state's workforce. Regular consultation with enterprises, industry associations, industry skill boards and relevant Government departments occurs through widely representative working groups which reaffirm and validate program plans and delivery directions.

DFEEST regularly arranges or participates in forums and conferences and supports or commissions information gathering instruments such as surveys, studies and major industry fact finding reports.

Partnerships and collaborative working arrangements with registered training organisations also assist in reflecting and interpreting the skill needs of industry sectors and local enterprises. TAFE SA, in particular, maintains the currency of its industry intelligence through quality control mechanisms such as regular program assessment and review arrangements.

Employer groups and trade unions

Employer groups play a critical role in identifying current and future workforce requirements for their industries and in coordinating industry-led solutions.

South Australia's **trade unions** advocate for quality of employment conditions, safety in the workplace, availability of appropriate skills and remuneration and adequacy of qualifications and licensing requirements.

Training and Skills Commission to link Government and industry

The **Training and Skills Development Act 2003** established the **Training and Skills Commission** to assist and advise the Government on workforce development issues. Membership of the Commission is also broadly representative of the state's industry groupings, including employers, employees and key industry sectors. A higher education expert from one of the State's three universities is also a commission member.

The Training and Skills Commission collaborates with the Economic Development Board, the Social Inclusion Board and other key Government agencies within the national training system to assist in ensuring the development of relevant priorities and targets which fit the requirements of South Australia's enterprises and which achieve the required outcomes as articulated in South Australia's Strategic Plan.

In addition to its industry advisory role, the Commission provides quality assurance for training delivery by regulating training organisations, courses and the relationship between employers and apprentices and trainees.

Nine Industry Skill Boards

Industry Skill Boards are critical links between Government and enterprises and provide industry intelligence on current and emerging skill issues from both employer and employee perspectives. There are **nine** recently established **Industry Skills Boards** in South Australia all of whom are involved, along with other groups and associations, in the development of industry specific **Workforce Development Action Plans**.

The requirement to maintain demonstrated links with relevant national industry skills councils, as well as with the Australian government's **Department of Education, Science and Technology** and the **Department of Employment and Workplace Relations** are indicators of the important role assigned by the South Australian Government to its industry skill boards.

Role of communities

Communities with their strong social networks are well placed to find local solutions to local workforce development issues. **South Australia Works** delivers its services through regional **Employment and Skill Formation networks**. Through the networks, communities decide on their particular local workforce development priorities and develop plans and strategies to address them.

The Training and Skills Commission is currently working on the development of a **Community Learning Statement 2005-2010** to provide new directions for community learning. A draft of this statement was released for consultation in September 2005.

The **Community Learning Statement** aims to:

- increase the range of community learning opportunities in South Australia
- widen access to these opportunities.

Links with schools

The Premier's '**learn or earn**' **youth commitment** in January 2005 committed a whole of Government approach to work toward a long term vision in which all 15-19 year olds would be at school, in training or in a meaningful job. The development of plans to implement this commitment has been the key responsibility of DFEEST, in concert with the Department of Children's Services. Agencies such as the Departments of Health, Families and Communities, Justice, Aboriginal Affairs and Reconciliation and the Office for Youth are also significantly involved. Advice about the development of pathway options, for example, post-school vocational education and training, university or other higher education, direct entry to the workforce or combinations of these also occurs in close consultation with the Senior Secondary Assessment Board of South Australia.

South Australian Government and Australian Government linkages

The South Australian Government has, over a number of years, developed strong and cooperative working relationships with the Australian Government through the South Australian offices of the Department of Education, Science and Training and the Department of Employment and Workplace Relations. The South Australian Government would anticipate these relationships to be further strengthened through continuing collaboration, particularly in program areas where it is possible to leverage additional funding from outside of the agreement and which would potentially have significant local impact.

In accordance with historical arrangements, communication arrangements between the Australian Government and the South Australian Government will continue through the Minister for Employment, Training and Further Education and Youth, through the Senior Officials Group or at the relevant officer level as appropriate.

The South Australian Government and the Australian Government will also work cooperatively to progress the work from the Council of Australian Governments (COAG) meetings and Working Groups. DFEEST will continue to work with Australian Government agencies to fulfil its existing commitments to the implementation of **Partners in a Learning Culture** and establish appropriate processes to respond to the six priority areas. This commitment will extend to considering any actions arising from the work of the national **Client and Student Voice Action Group**.

Potential Collaborative Projects

- The **Upper Spencer Gulf Mining and Resources Project** has been undertaken to address estimated labour shortages arising from economic and sectoral growth, retirement of workers and turnover/wastage of labour in the mining and resources industries of this region. A range of initiatives are proposed to build regional capacity to meet skills and workforce requirements and particularly to increase workforce participation by young people, Aboriginal people and women.
- The strategies being developed include the establishment of a **Mineral Resources Skills Centre**, the implementation of new and expanded youth learning and work programs including pre-vocational programs in conjunction with the planned new Upper Spencer Gulf Australian Technical College, fostering of education, training and employment opportunities for Indigenous Australians in the region,

refurbishment of the Whyalla and Roxby Downs TAFE facilities and strengthening schools and community infrastructure in the region.

- Under the **Youth Commitment** banner, DFEEST will trial a model for the design of complete pathways for young at risk Indigenous Australians in the Upper Spencer Gulf. This would include the provision of individualised support through the transition from education bridging programs to pre-vocational learning to apprenticeship take-up and subsequent completion. Apprenticeships might focus on current and future skill shortage areas recently identified by regional mining and resources enterprises such as One Steel.
- Collaboration between the Australian and South Australian Government on the establishment of three new **Australian Technical Colleges** is also particularly important. The South Australian Government is working to ensure the new colleges provide additional value to the training delivery arrangements already occurring in existing South Australian Government and non-government schools and TAFE Institutes.

STATE-SPECIFIC ELEMENTS OF THE COMMONWEALTH-SOUTH AUSTRALIAN AGREEMENT FOR SKILLING AUSTRALIA'S WORKFORCE

STRATEGIC NATIONAL INITIATIVES

5. The South Australian Government and the Australian Government will work together to consider ways that skills shortage initiatives that are consistent with the work of the Council of Australian Governments might be progressed. Where appropriate such work may be proposed for funding through Strategic Initiative Funding.

South Australia will work with local industry and the community to support the following Strategic Initiatives to address skills needs.

- (i) **Regional development** through the **Upper Spencer Gulf mining and resources project**.

There is a wide disparity in employment growth and unemployment rates within South Australia's regions. The Upper Spencer Gulf, in particular has registered the greatest impacts as key supporting industries in the area have restructured or closed, populations have declined and there has been a reduction in employment prospects which has caused school leavers and mobile skilled workers to move to other parts of South Australia.

Recent studies commissioned by the Whyalla Economic Development Board suggest that expansionary activity in the mining industry in this region confirms shortages of university-trained metallurgists, geologists and engineers in addition to electrical and electronic technicians and tradespeople in a range of occupations.

The Government's response to this is the development of the Mineral Resources Workforce Plan, a collaborative project between the Departments of Further Education, Employment, Science and Technology, Primary Industries and Resources SA, Trade and Economic Development, and the South Australian Chamber of Mines and Energy. The plan will address targeted workforce development strategies based upon the priorities and action areas of the industries and businesses based in the Upper Spencer Gulf. A proposed bi-lateral collaboration at the national level for this project is anticipated.

- (ii) The Government has **targeted ten industry sectors** as initial areas for action to address skill shortage issues: manufacturing and automotive, defence, ICT and electronics, creative industries, food, wine and tourism, transport and logistics, minerals and resources, construction and community services and health. Examples of programs which target these industries and which have a regional focus include:

- In the **food industry** in the Riverland: **Growing a Career Program** – this program, a component of a larger industry initiative, will work with Riverland growers and training providers to promote the benefits and opportunities within the horticultural industry. The program will also address the low level of qualified people entering the industry, through workforce planning. **South Australia Works** in the regions is supporting up to 50 people into horticultural careers, including employment opportunities and tertiary training pathways.
 - In **transport and logistics** in the Mid North: **South Australia Works** is assisting up to 20 participants in a project aimed at marketing careers within the transport industry.
 - Skill shortages within **automotive, advanced manufacturing, environmental and food/wine/tourism** businesses in Southern Adelaide Metropolitan region will be targeted and will align with those identified in the Southern Suburbs Economic Development Plan. Target participants will be young people and mature aged jobseekers and workers who have been retrenched within the last 12 months. Further funds will be allocated to develop training programs that meet the needs of employers. Close liaison will also occur with local Job Network Providers and training organisations to keep them updated. **South Australia Works** in the regions will support 30 young people and 60 mature aged people in this project.
 - The **civil construction** project in northern metropolitan Adelaide will provide entry level skills and knowledge over a 6 week period enabling participants to gain employment within the bitumen and asphalt industry. **South Australia Works** in the regions will assist 14 participants in this project.
- (iii) The Government is committed to addressing skill shortage areas by improving the **flexibility and responsiveness of the apprenticeship and traineeship system** and developing new marketing tools to increase apprenticeship and traineeship uptake, especially in the ‘traditional trades’. Approval and licensing arrangements for migrants, skilled in shortage areas will also be streamlined.
- (iv) Currently, there is a shortage of qualified staff in child care centres in South Australia. To this end, the **Childcare Strategy** announced by the South Australian Government in June 2005 will ensure the ongoing supply of qualified child care workers in the future.
- (v) **Joint Indigenous Funding Pool** - South Australia’s Aboriginal population is growing rapidly and is young compared with the non-Indigenous population in the state. More than half of the Indigenous community lives in remote communities, which in itself provides for a range of training, assessment and employment problems. The South Australian Government supports the view that the provision of meaningful vocational programs along with the opening up of meaningful opportunities for full time mainstream employment and the development of viable business

opportunities provide the greatest chance for Aboriginal people to achieve long term social and economic benefits in accordance with emerging local needs.

In February 2005, the South Australian Government's State Supply Board approved the establishment of a four year (2005-2008) preferred provider agreement with **Tauondi Aboriginal College**. Tauondi is an autonomous institution governed by an all Aboriginal Council. The college is run by and for the benefit of Aboriginal South Australians and is committed to role modelling best practice and promoting a culturally appropriate and accountable management style in the operations of college business.

The Agreement made between Tauondi and the Minister for Employment, Training and Further Education is a performance based contract under which DFEEST reports annually to the State Supply Board on Tauondi's performance and on the value being achieved under the contract.

Each year Tauondi will negotiate with the Department of Further Education, Employment, Science and Technology to determine the training programs to be delivered in the following year and the precise amount of funding required for this profile. Funding to Tauondi is subject to satisfactory performance and achievement of targets.

As a result of the Tauondi Council's review of the college in late 2004, the college is increasing its focus on vocational courses for youth. The college also recently introduced programs for disabled students and carers. The college is examining the viability of e-learning delivery for servicing regional and remote areas.

Tauondi is the only Indigenous provider in South Australia which meets the criteria set out in the **Joint Indigenous Funding Pool implementation issues** paper provided by the Department of Education, Science and Training. The South Australian Government, in accordance with its State Supply Board's competitive tendering processes and procedures has approved Tauondi to deliver vocational programs to South Australian Aboriginal people under a preferred provider agreement arrangement. The South Australian Government funds Tauondi at a much higher rate than that on offer from the Australian Government under the Joint Indigenous Funding Pool arrangement and will match the funding offered by the Australian Government.

In addition to the commitment and funding to Tauondi the South Australian Government through **South Australia Works** will fund, through a competitive tender process, a range of additional vocational, education and training programs aimed at opening up additional pathways for Aboriginal people into the mainstream labour market. **Regions at Work** will support as many as 500 participants through projects which focus on skill development, mentoring, pre-employment and new business assistance programs. There are currently 96 Aboriginal apprentices employed within the public and private sectors with 50 new places on offer this year. In

2005, the **Aboriginal Employment Program** supported around 330 participants.

NATIONAL TARGETS

6. South Australia will meet its share of the national targets set out in the **2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce**. In meeting its share, South Australia will use 2003 as the base year from which all its targets will be achieved. The targets for South Australia are as follows:

- (i) 752 additional New Apprentice commencements in skills shortages in traditional trades in the following occupations:
 - Electrical and Electronics Tradespersons
 - Structural Construction Tradespersons
 - Plumbers
 - Fabrication Engineering Tradespersons
 - Mechanical Engineering Tradespersons
 - Food Tradespersons

- (ii) 752 additional places in the following areas of skills shortage (occupations & qualifications):

Occupations	Qualifications
Enrolled Nursing	Diploma of Nursing
Children's care workers	Diploma of Children's Services

- (iii) 1,956 additional places for mature age people and youth with 20% of the target for mature age people.

- (iv) 752 additional places for people with a disability.

- (v) 45 additional places for Indigenous Australians.

- (vi) 2% increase in enrolments by Indigenous Australians at Certificate III and above qualification levels

PERFORMANCE MEASURES

7. South Australia will demonstrate continuous improvement in employer and student satisfaction over the life of this Agreement through the following:

(i) Maintaining or improving over the life of the Agreement the agreed benchmark for employer satisfaction of 75% for the State (within 2 Standard Errors) through the following Workforce Development strategies:

- promoting and recognising quality and excellence in learning and training
- ensuring workers have skills to meet industry needs
- encouraging integrated business and workforce planning
- developing closer links between industry and educational institutions
- promoting and implementing flexible delivery of training in workplaces and the community
- strengthening industry and cross-government relationships

This benchmark will be reviewed when the results of the 2005 employer survey are available.

(ii) Maintaining or improving over the life of the Agreement the agreed benchmark for student satisfaction of 86% for the State, (within 2 Standard Errors) through the following Workforce Development strategies:

- ensuring workers have skills to meet industry needs
- promoting and implementing flexible delivery of training in workplaces and the community
- facilitating effective pathways and recognition arrangements across qualifications and institutions
- removing barriers for marginalised and disengaged people to participate in learning and work

(iii) The South Australian Government is committed to ensuring that all individuals have opportunities to participate in learning, training and employment throughout their lives particularly those young and mature aged. This will be achieved through the following workforce development strategies:

- providing education and training for young people to gain first time employment
- promoting and implementing flexible delivery of training in workplaces and the community
- ensuring workers have skills to meet industry needs
- facilitating effective pathways and recognition arrangements across qualifications and institutions
- promoting and fostering learning communities
- removing barriers for marginalised and disengaged people to participate in learning and work
- helping individuals make informed decisions about work and study through their lives
- helping individuals balance work and life

- supporting workers to manage career change
- supporting workers at risk of retrenchment

The Government through **South Australia Works** targets youth and mature age people through the **Employment Skills Formation** networks and other programs such as **Mature Age Employment Service**.

(iv) Workforce development strategies to improve outcomes for people with a disability are as follows:

- promoting and recognising quality and excellence in learning and training
- promoting and fostering learning communities
- promoting and implementing flexible delivery of training in workplaces and the community
- removing barriers for marginalised and disengaged people to participate in learning and work
- helping individuals make informed decisions about work and study through their lives
- helping individuals balance work and life
- demonstrating to employers the value of workforce diversity

(v) Workforce development strategies to improve outcomes for Indigenous Australians are as follows:

- promoting and recognising quality and excellence in learning and training
- promoting and fostering learning communities
- promoting and implementing flexible delivery of training in workplaces and the community
- ensuring high levels of literacy and numeracy throughout the community
- removing barriers for marginalised and disengaged people to participate in learning and work
- helping individuals make informed decisions about work and study through their lives
- helping individuals balance work and life
- demonstrating to employers the value of workforce diversity

South Australia is convening and participating in the considerations of the **Client and Student Voice Action Group** that will establish a suite of strategies and performance measures that states and territories will select from to address the priorities in the revised blueprints.

INFRASTRUCTURE

8. Nil

ACTIVITY

9. South Australia is working collaboratively with all jurisdictions and the Commonwealth on an agreed set of adjustment factors for shifts in activity into higher cost areas, including shifts to higher cost locations, clients and qualifications.

ADDITIONAL FUNDING

10. At this stage all jurisdictions are using funding from the Department of Education, Science and Technology therefore information for this section is not relevant.

OTHER

11. N/A

APPENDIX - PRIORITIES FOR WORKFORCE DEVELOPMENT

Priority One - A High Skill Economy

The provision of a highly skilled workforce will create a high skill economy which will serve industry's need for jobs. This will enable South Australia to adequately respond to changing economic, demographic and community factors and take advantage of opportunities that arise in the global economy.

Young people, for example, will be provided with increased education and training opportunities to gain first time employment through, for example, the **South Australian Youth Engagement Strategy** and through the provision of cadetships and scholarship programs within the public and private sectors. The existing best practices of the apprenticeship and traineeship system will be further enhanced and expanded to ensure both industry and young people are able to access this form of employment and training.

Those employees already in work will be supported to develop high order skills in targeted high jobs growth areas while parents wishing to return to the workforce will be assisted to undertake education or training through the **Return to Work Credit Initiative**.

Recognition of overseas qualifications is critical to enabling skilled migrants to fill local skill shortages. New recognition processes and system improvements such as better information and streamlined processes will be developed through a new **Trades Recognition Unit** to ensure the skills and experience of overseas training workers is harnessed to meet industry needs. Overseas students who study here will also be provided with opportunities to remain here as skilled migrants.

Jobs through business and economic growth will occur as a result of an innovative and outwardly focussed economy which develops the state's competitive advantage.

Expected jobs growth by 2013 in industries such as defence, mining resources, export, manufacturing and the creative industries will require collaborative effort from a range of government and non government agencies. DFEEST will work regularly with for example, the Department of Trade and Economic Development, the Department of Primary Industries and Resources SA, the Department for Aboriginal Affairs and Reconciliation, the Office of the North, the Land Management Corporation, and the Department of Water, Land and Biodiversity to create clear links between investment, export and employment and skills formation activities. A working model of this is the **Edinburgh Parks Workforce Planning Strategy** in the north of Adelaide which provides detailed labour market and skills profiles of potential employees living and working within the region, and in concert with industry, provides appropriate education and training responses to assist in matching individuals with locally available jobs.

High performance workplaces contribute to the creation of a high skill economy. To this end, employers will be encouraged to invest in skill development, to reward employee achievement, and to develop and implement strategies to address their workforce needs through the **Workforce Development Fund**.

Responsive learning systems support a high skill economy. South Australia has high quality educational institutions and a strong adult community education sector. Relationships between adult community education and vocational education are being formalised so as to facilitate effective pathways and recognition arrangements across qualifications and institutions. This will ensure that those who wish to build on their existing skill capacity will have the best opportunity to do so.

The South Australian Government has positioned **TAFE SA** to play a central role in meeting the state's workforce needs. TAFE resourcing and facilities development will be enhanced while arrangements to attract and retain more TAFE staff with relevant industry expertise will be developed.

In addition to training provision through TAFE SA, South Australia supports several hundred non-government registered training providers, all of whom deliver responsive and client-focused services to industry clients. The **South Australian Flexible Learning Strategy, Forward Directions**, provides a framework for the innovative training delivery and encourages new partnerships between industry and training providers.

Priority Two - Access by South Australians to Quality Employment

Improving access to learning and jobs, especially for young people, is critical to South Australia's economic future. Young people who leave school early or who have no post-school qualification are more likely to be unemployed than others. The Government, through the **South Australian Youth Engagement Strategy**, has made a commitment to ensure that all 15 to 19 year olds are engaged in either school, training and work. The youth employment commitment extends the **Youth Engagement Strategy** to include 20-24 year olds.

South Australia Works is a key mechanism in providing the most disadvantaged among young people, Aboriginal people and those with a disability with assistance in accessing learning and finding jobs. **South Australia Works** has a budget of \$22.6 million which is applied to six components: Regions at Work, Public Sector Works, Industry Works, Youth Works, Indigenous Works, and Experiences Works.

A **Workforce Development Fund** will promote investment in skills by employers, industry and individuals by encouraging enterprises to identify skill gaps and access funding which will provide for their future workforce needs. The fund will assist enterprises to identify and act on the links between investment, export and employment and skills formation activities and will assist employers to provide **flexibility for workers** through the development of enhanced recruitment, selection, up-skilling and retention and succession planning strategies. This will assist in providing **fair and sustainable work** and, as a result, will assist older workers to remain in work. The **Return to Work Credit** program will also provide parents returning to work after a significant period out of the workforce with the support they need.

Economic development agencies will work closely with the Department of Further Education, Employment, Science and Technology to develop an early notification process that will enable better planning and rapid response to enterprise closures, restructuring and significant downsizing arrangements.

The participation of Indigenous South Australians has almost doubled during the last decade; however improvements in this rate have not been so marked during the last two years. A new **Aboriginal Employment Development Strategy** will focus on improving education, training and employment opportunities for Indigenous Australians and will assist the state in meeting its commitment to improve the outcomes for this particular group of people as part of the **2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce**.

The creation of **Indigenous Business Networks** and an **Aboriginal Youth Entrepreneurship Program** will assist Aboriginal people to identify and source new employment and business opportunities in major projects and joint venture operations, especially in the minerals resources sector in regional South Australia.

There are several key elements to the Indigenous component of **South Australia Works**. These elements encompass the continued operation of recruitment and career development services within the public sector, the operation of a **SA Leaders for Aboriginal Employment and Skill Formation Group** to promote collaboration between government, industry and Aboriginal leaders, operation of key programs for **Aboriginal Youth At Risk** through mentoring, cultural identity work, community engagement and training and vocational placement services, continued expansion of the **Aboriginal Apprenticeship Program** and the operation of an **Aboriginal Enterprise and Workforce Development Fund**.

The South Australian Government will continue its high level of support for **Tauondi Aboriginal College**. Located at Port Adelaide, Tauondi College will continue to deliver accredited and culturally sensitive vocational education and training to hundreds of Aboriginal students across a range of vocationally oriented programs.

Priority Three - Better Workforce Planning

This priority will concentrate on the provision of improved and accessible workforce information and planning tools. This is needed to inform business decisions, to enhance local economic development efforts and to assist in the creation of the jobs which produce long term economic viability for South Australian citizens. Improved workforce planning will draw on **research excellence, better information and planning systems** and **coordinated government action** to identify and improve the skill profile of the South Australian labour force.

A new **Workforce Information Service** provides web-based information about labour market, economic and demographic trends, skill shortages and workforce development practice. The service will better integrate **information and planning data** into a planning report on employment and skills in South Australia for dissemination to Industry Skills Boards, Regional Employment and Skills Formation Networks, industry groups and learning institutions.

The Workforce Information Service will also provide services to government agencies, such as the Department of Trade and Economic Development, Immigration SA, Department of Primary Industry and Resources SA, Department of Education and Children's Services and the Social Inclusion Unit. The Workforce Information Service will work closely with the **Workforce Development Research Consortium** to increase the levels of **research excellence** in South Australia.

The Workforce Development Research Consortium is collaboration between South Australia's three public universities and the South Australian Government and is developing a range of workforce development tools and strategies for use by South Australian enterprises. The following research topics are planned for 2005-06:

- developing standards and reporting tools for High Performance Workplaces.
- mapping the life cycle experiences of men and women who are in the labour market and concurrently undertaking educational activities.