



Australian Government
Department of Industry, Innovation,
Climate Change, Science, Research
and Tertiary Education

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Ms Yvette Goss
Geographic Labour Mobility
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Dear Ms Goss

The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCS RTE) manages a number of policies, programs and projects that directly or indirectly influence geographic labour mobility.

The key policies include the Australian Qualifications Framework (AQF), which supports the mobility of skilled labour across states and territories through nationally recognised qualifications, National Occupational Licensing, and the Mutual Recognition Act 1992, which enables people holding a licence in one jurisdiction to work in another jurisdiction. The national harmonisation of Australian Apprenticeships will also reduce barriers to apprentice labour mobility, and the National Foundation Skills Strategy for Adults also supports working age Australians to develop and maintain the foundation skills they need to move to better jobs in today's economy.

The Department also manages programs that indirectly support the movement of workers to regions where their skills are in most demand, as well as projects that have specifically targeted geographic labour mobility. The programs include Skills Connect and several structural adjustment funds; and the projects include a Regional Skills Mobility project in South Australia, a Regional Agriculture and Mining Integrated Training Project in Western Australia and Queensland, and fly-in fly-out Coordinator projects in Queensland, New South Wales and the Northern Territory. Although a number of the projects and the structural adjustment funds have now finished, they are included as they may shed light on the understanding of geographic labour mobility issues.

The attached submission provides an overview of these policies, programs and projects, and includes links to further information where this is available.

Yours sincerely

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27 August 2013

Government support for geographic labour mobility managed by DIICCSRTE

Introduction

The movement of workers between regions enables enterprises to address the labour and skills needs of the Australian economy. People moving from areas in which they are underemployed or unemployed to areas in which there is greater demand for their labour contributes to better skills utilisation and supports economic growth. The Australian Government has a range of initiatives that support a flexible and mobile labour force. The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (the Department) manages a number of policies, programs and projects that support the geographic mobility of skilled workers.

The key policies include the Australian Qualifications Framework (AQF), which supports the mobility of skilled labour across states and territories through nationally recognised qualifications, National Occupational Licensing, and the Mutual Recognition Act 1992, which enables people holding a licence in one jurisdiction to work in another jurisdiction. The national harmonisation of Australian Apprenticeships will also reduce barriers to apprentice labour mobility, and the National Foundation Skills Strategy for Adults supports working age Australians to develop and maintain the foundation skills they need to move to better jobs in today's economy.

The Department also manages programs that indirectly support the movement of workers to regions where their skills are in most demand, as well as projects that have specifically targeted geographic labour mobility. The programs include Skills Connect, Enterprise Connect and several structural adjustment funds. The projects looked at Regional Skills Mobility, Building Primary Industries Regional Workforce Development Capacity, Regional Agriculture and Mining Integrated Training, and Fly-in Fly-out Coordinators.

Policies supporting geographic labour mobility

1. The Australian Qualifications Framework

The AQF is the national policy for regulated qualifications in Australian education and training. It incorporates the qualifications from higher education, vocational education and training (VET) and senior secondary school in a single comprehensive national qualifications framework. Qualifications under the AQF are recognised across all states and territories, which supports the movement of qualified workers across Australia.

The AQF is a key national policy instrument to protect the quality of Australian education and training, wherever it is delivered. Qualifications that are delivered and recognised as AQF qualifications must meet the requirements of the AQF. This ensures consistency in learning outcomes for each type of qualification. It also promotes better communication about qualifications and what they mean, at both national and international levels.

The AQF is referenced in national legislation setting out the standards against which education and training providers are regulated. Qualification developers must comply with these standards. The AQF was first introduced in 1995, with implementation phased in until it was fully implemented in 2000. It has undergone numerous refinements and improvements, including a major strengthening process in 2010-2011. The strengthened AQF came into effect on 1 July 2011, with full implementation scheduled to take place by 1 January 2015.

The strengthened AQF has 10 levels, structured in terms of increasing complexity of learning outcomes, from Certificate I to Doctoral degree. Each level and each Qualification Type are described in terms of the knowledge, skills and application of knowledge and skills that are expected of graduates. This ensures a strong focus on learning outcomes. Regardless of the delivery mode or setting, the outcomes in terms of knowledge, skills and application must be consistently upheld. This provides greater rigour and consistency across educational sectors. It facilitates pathways between qualifications and across the tertiary education sector, as the outcomes from each qualification and each AQF level are clear.

The AQF Council (AQFC) is responsible for maintaining and reviewing the AQF, and providing relevant policy advice to Ministers via the Standing Council on Tertiary Education, Skills and Employment (SCOTESE). SCOTESE has high-level policy responsibility for the national tertiary education, skills and employment system, including strategic policy, priority setting, planning and performance, and key cross-sectoral issues. The AQFC is an expert advisory body, with an independent chair, and members appointed on the basis of their expertise and experience, drawn from the higher education, VET, schools and industry sectors.

Further information on the AQF is available on the website www.aqf.edu.au.

2. The Mutual Recognition Act 1992 (the Act)

The Mutual Recognition Act 1992 (the Act) is an agreement by all jurisdictions to provide licenced people with opportunities for greater mobility around Australia. The Act entitles people holding a licence in one jurisdiction to a licence in another jurisdiction if equivalent work is licensed in both. Some licensed occupations are the subject of Ministerial Declarations which proclaim a range of licences to be equivalent across states and territories. To achieve a declaration, occupational licences from differing jurisdictions have been compared and an equivalency established by an agreed common language used to describe and compare the scope of work authorised by different jurisdictional licences. However, people still have to apply for a licence to work in another state or territory and pay a fee, if required. The Act only applies to individuals holding licences and not to licences held by bodies corporate. Information on licences declared equivalent under ministerial declarations is available on the licence recognition website www.licencerecognition.gov.au.

3. National Occupational Licensing

In July 2008, the Council of Australian Governments (COAG) agreed that work should be done to establish a national licensing system. The purpose of this reform is to improve productivity by removing inconsistencies in licensing requirements between states and territories thereby facilitating a more mobile workforce. National licensing would enable licensees to work anywhere in Australia while holding a single national licence to perform work. Four occupations are currently being considered in the reform: electrical, plumbing and gasfitting, property, and refrigeration and air-conditioning.

This is a complex reform, requiring agreement by all states and territories and involving multiple agencies within them. The original implementation timelines for these occupations to be brought under national licensing was July 2012, however, COAG has now agreed that a decision on the reform will be made by the end of 2013 and, if agreed by the Standing Council on Federal Financial Relations (SCFFR), national licensing will commence in 2014. All other licensed occupations will remain subject to mutual recognition between jurisdictions until, and unless, they are brought under national licensing. Information on national licensing is available on the NOLA website www.nola.gov.au.

4. Skills recognition

Trades Recognition Australia (TRA) administers the Australian Recognised Trade Certificate (ARTC) which provides recognition of trade qualifications in electrical and engineering trades for Australian residents. Clients of this program are primarily people who have obtained their trade training or experience offshore and are now located within Australia. An ARTC in the electrical trades fulfils licensing requirements in some, but not all, Australian states. The government is currently in the process of reforming this program.

TRA is also the assessing authority for a range of trade and associate professional occupations under the Migration Regulations 1994. A migration skills assessment is an assessment of offshore qualification/s and employment to determine whether an applicant, who is seeking temporary or permanent migration to Australia, has the skills and experience comparable to Australian industry standards for their nominated occupation. Migrants with a recognised skills assessment from TRA can work anywhere in Australia, in accordance with their visa category.

5. Harmonisation of Australian Apprenticeship regulatory arrangements

National harmonisation of differing regulatory settings for Australian Apprenticeships across jurisdictions is a key element of the Australian Apprenticeships reform agenda, and is being progressed through SCOTese. The purpose of SCOTese is to ensure that Australia's current and future workforce needs are met through increased participation, educational attainment, skills development and skills use to achieve greater productivity.

The intention of the national harmonisation of Australian Apprenticeships is to reduce barriers to apprentice labour mobility, increase consistency of pathways into apprenticeships across states and territories, and reduce costs for business. The harmonisation principles seek to achieve nationally consistent arrangements for Australian Apprenticeships, supporting system efficiency and mobility.

At the SCOTese meeting on 7 June 2013, all Ministers gave in-principle endorsement to 23 nationally consistent positions which will improve engagement with the apprenticeship system for individuals and employers with consistent requirements, rules and procedures to apply across jurisdictions. These positions address:

- the transfer of apprentice/trainees temporarily and permanently between jurisdictions,
- consistent requirements, rules and procedures to apply across multiple jurisdictions,
- consistent compliance requirements for Australian Apprenticeships training contracts,
- national consistency for qualifications to be achieved through an apprenticeship or traineeship pathway, and the associated nominal duration of the training.
- consistent training plan templates, and
- consistent nomenclature and protocols for the collection and recording of Australian Apprenticeship data.

The estimated timeframe for full implementation of these harmonised positions in each jurisdiction is 30 June 2014 with a caveat that adoption may be subject to jurisdictional implementation and legislative processes.

A second tranche of harmonisation is underway and seeks to identify and achieve further national consistency of training plan templates and data protocols and will also consider options for establishment of occupations and qualifications for an apprenticeship or traineeships at the national level.

6. National Foundation Skills Strategy for Adults

All Australian governments agreed to the National Foundation Skills Strategy for Adults (the Strategy), which was released in September 2012. The Strategy is a framework to guide foundation skills development nationally over the next decade. The target set by the Strategy is that by 2022, two thirds of working age Australians will have the literacy and numeracy skills they need to participate in the modern economy and move to new jobs.

The Strategy focuses on improving outcomes for working age Australians (aged 15-64 years) with a view to moving more people to higher levels, but with a particular focus on those with low levels of foundation skill proficiency. The Strategy is centred on the needs of the adult learner and includes four key priority areas for action and they are: raising awareness and commitment to action, adult learners have high quality learning opportunities and

outcomes, strengthening foundation skills in the workplace, and building the capacity of the education and training workforces to deliver foundation skills. The Strategy is available from the SCOTese website www.scotese.natese.gov.au.

Programs and projects that may influence geographic labour mobility

7. Skills Connect

Australian Government Skills Connect works with Australian employers and industries to help them improve their productivity by building and recognising the skills of their workers, to ensure Australia has an appropriately qualified workforce both now and into the future.

Through Skills Connect, funding support is available to enterprises to help them attract and train their workers, or to encourage them to take on apprentices and trainees. New and existing workers can gain vocational qualifications as well as improving their literacy, numeracy and language skills.

Skills Connect has relationships with a range of stakeholders including industry and industry peak bodies, employee representative organisations, Australian Government departments and agencies, state and territory governments, training organisations and program delivery brokers. Through these relationships, Skills Connect is reaching out to Australia's 2.1 million businesses to provide assistance and opportunities to skill their workforce. More information on Skills Connect is available from www.skillsconnect.gov.au.

By the end of June 2013, over 11,000 enterprises had been supported under Skills Connect, and more than 56,000 workers had gained new qualifications, that have enabled them to undertake new job roles or move to different work locations.

The Skills Connect Fund (the Fund) commenced in July 2013. It supports employers to address their whole of workforce needs through training in nationally recognised vocational education qualifications, literacy and numeracy services, mentoring, and workforce development services. The primary outcome of the Fund is to support enterprises working together with registered training organisations and workforce development service providers to improve productivity, sustainability and workforce participation and mobility.

8. Enterprise Connect

Enterprise Connect is an Australian Government program that supports eligible Australian small and medium sized businesses (SMEs) to improve their performance. This is achieved through a national network of Centres with a team of over 100 highly skilled Business Advisers and Facilitators that help Australian firms develop the skills, knowledge and capabilities needed to improve their competitiveness and productivity and to maximise their growth potential. The Centres work with industries as diverse as manufacturing, clean

technology, defence, resources, tourism, creative, ICT, transport (freight) and logistics and the professional services sector.

Enterprise Connect comprises a number of services designed to strengthen firm capability and resilience, which are increasingly important for SMEs adjusting to structural changes in the economy. Services include Business Reviews for eligible businesses at no charge to firms, grant assistance to implement recommendations, and a range of services tailored for individual business requirements.

Workforce planning and skills development features in the Enterprise Connect Business Review Report as an internal business process to be analysed by a Business Adviser. Further, workforce development is assessed regularly through diagnostics in the Enterprise Connect Continuous Improvement Program.

9. Structural Adjustment Funds

Since 2004, DIICSRTE has managed 15 structural adjustment funds (also known as Regional Innovation and Investment Funds). The funds aim to promote new business investment that can diversify the economic base of regions and broaden regional skill bases. The funds have generally been established in response to job losses resulting from the closure of a major regional employer(s), usually in the manufacturing sector. These funds are often delivered in partnership with the relevant State Government, and encourage Australian businesses to adapt to structural changes in the economy and to invest and build new capabilities. The funds delivered by the Department are listed below.

Open:

1. Geelong Investment and Innovation Fund (GIIF)
2. Melbourne's North Innovation and Investment Fund (MNIIF)
3. Plantation Manufacturing Innovation and Investment Fund (PMIIF)

Closed:

4. South East South Australia Innovation and Investment Fund (SESAIIF)
5. Illawarra Region Innovation and Investment Fund (IRIIF)
6. Tasmanian Innovation and Investment Fund (TIIF)
7. Structural Adjustment Fund for South Australia (SAFSA)
8. Beaconsfield Community Fund (BCF)
9. Port Kembla Industry Facilitation Fund (PKIFF)
10. Innovation and Investment Fund for South Australia (IIFSA)
11. Scottsdale Industry and Community Development Fund (SICDF)
12. Geelong Investment and Innovation Fund (GIIF)
13. South Australia Innovation and Investment Fund (SAIIF)
14. North East Tasmania Innovation and Investment Fund (NETIIF)
15. North West and Northern Tasmania Innovation and Investment Fund (NWNTIIF)

10. Regional Skills Mobility Project

In February 2006 the Council of Australian Governments (COAG) announced an intervention to address the skills shortages then being experienced in some industries and regions of the Australian economy. Targeting Skills Needs in Regions (TSNR) was a Commonwealth program which was one piece of COAG's *Targeted Response to Skill Shortages in Regions*. The Australian Government provided \$10 million for the TSNR program, evenly spread across the four years from July 2006 to June 2010. State and territory governments as well as industries and businesses also made significant financial or in kind contributions to the projects with which they were connected. Forty-one projects were funded by the TSNR program. An evaluation of the TSNR program is available at www.innovation.gov.au/skills.

The TSNR projects were diverse in their intended outcomes, in the locations where they were delivered, in the proponents who delivered them, and in the stakeholders with whom they engaged. Examples of the types of resources these projects produced included:

- workforce development toolkits
- databases and web portals to overcome the barriers of distance and access to expertise
- welcome/relocation packs for new arrivals in regional communities
- guide on how to develop a shared labour pool
- business improvement plans
- training delivery resources
- new nationally recognised units of competency
- work/training pathways information
- checklist for choosing a training organisation
- virtual world environment for training in community services and health
- training rooms/trainer accommodation in remote Indigenous communities.

One TSNR project, the *Regional Skills Mobility* project, specifically addressed labour mobility in South Australia. The project aimed to link underemployed and unemployed people in metropolitan areas to job opportunities in three target regions – the Limestone Coast, Riverland & Murraylands. It facilitated interaction between employers and job seekers through a website containing information on jobs available in the target regions, and searchable details of potential employees and their vocational skills. Relocation packs were developed for each regional area to provide applicants with basic information on regional services, education and recreational facilities. The project concluded in 2009. Despite having 394 job vacancies and attracting 288 job seekers, only 37 placements were made (9 per cent of the notified vacancies).

The project identified a number of barriers to relocation, including difficulty in matching job seekers' skill sets with the skill requirements of specific jobs, and employers' preferences for local workers. A finding of the project was that, at least for these three regions, a key issue

was skills and not simply labour. Unfilled jobs in rural areas needed people with higher and technical skills to replace the skills being lost from these areas, but employers did not always articulate the skill level they were seeking when they notified vacancies. The project had budgeted for workers recruited to rural jobs to receive “top-up” training, however, in practice, only applicants with a high level of relevant skill were successful, and they did not require any additional training.

The most significant obstacle to labour mobility to these regions was employers’ human resource management capabilities. The web-based system developed for the project proved too complex for users, and many employers relied solely on “word of mouth” to engage workers. They considered job applicants to be high risk if they did not have a referee that was known to the employer. Cultural and technical changes would be required before regional employers were willing to use recruitment support services and engage workers from outside the region.

Other impediments to relocation for job seekers included lack of affordable housing and lack of transport and infrastructure, as unemployed job seekers often did not have their own transport.

11. Building Primary Industries Regional Workforce Development Capacity Project

The Australian Government provided funding support for the *Building Primary Industries Regional Workforce Development Capacity* project which was conducted over a 16 month period from mid-2010 until late 2011. The Primary Industries Skills Council of South Australia (PISC) was the project proponent and the Department of Primary Industries and Resources of South Australia (PIRSA) was a project partner.

The aim of the project was to improve the workforce development capacity of rural employers in primary industries to recruit, retain and develop workers by empowering them to develop local solutions to this end. The project ran in three farming areas of SA (Eyre, Mid North and Murray Mallee regions) and in one dryland area in Victoria (the Mallee region). The project used a “collaborative local community model” which involved a wide range of local and regional stakeholders as participants. Stakeholders included representatives of individual enterprises, regional development boards and other federal government and local agencies, industry sector bodies, job placement agencies, RTOs, schools and other organisations. These stakeholders were brought together in local action teams to identify areas of current and future skill demand and to develop tailored local plans to secure and retain skilled labour in line with that demand.

Key project participants included ‘industry champions’ from each of the four areas. These individuals were local community or opinion leaders and were, in the main, well-regarded employers from farming and other sectors. Industry champions used their networks to identify and recruit action team members, as did staff from PIRSA and PISC.

The project achieved some longer term impacts as well as immediate outcomes that may influence geographic labour mobility. Some of the achievements are listed below.

- Evidence and awareness of workforce development problems was built. The project alerted local communities to the problems they faced in regard to attracting and retaining staff, resulting in local employers developing a deeper perspective on workforce development. The project also became the catalyst for regional culture change towards workforce management, so that discussions on recruitment, training and being 'a good boss' became part of local conversations, along with talking about prize merinos or fertilisers.
- Strategies were developed to improve training capacity and address issues pertaining to skills shortages such as migration, school-based training and a lack of local accommodation for workers.
- Occupational profiles and a workforce development toolkit were developed. These resources removed the hurdles employers used to have in recruiting workers because they were not able to adequately describe to potential recruits what advertised positions involved. Feedback of the resources has been positive, particularly in relation to the recruitment of migrant workers. The profiles are written in easy-to-understand language and are accessible via the PISC website www.pisc.org.au.

12. Regional Agriculture and Mining Integrated Training Project

The *Regional Agricultural and Mining Integrated Training* project (RAMIT) was funded by the Australian Government and jointly delivered by Skills DMC, AgriFood Skills Australia, the Minerals Council of Australia and the National Farmers Federation. It was designed to develop an innovative, sustainable and broadly applicable model for cross sector training and workforce development, in the minerals and agriculture sectors in regional and rural Australia. The project's deliverables were to: (1) design a national, cross sector training and workforce development model incorporating a flexible, accredited entry level training program drawn from the RII09 Resources and Infrastructure Industry Training Package and the AHC10 Agriculture, Horticulture, Conservation and Land Management Training Package; (2) conduct the project in two pilot regions in rural and regional Australia (Morawa in Western Australia and Emerald in Central Queensland were selected); (3) deliver the training and workforce development model through engagement with the resources and agriculture sectors, local employers, government, industry and community stakeholders; (4) secure the involvement of a least 15 participants in each pilot region and identify employment opportunities for them; and (5) evaluate the project, measure qualification and employment outcomes, implement a communications strategy to promote the project and develop a final report, including a business case for replicating the model in other regions independent of government funding. The project report is available from the SkillsDMC website www.skillsdmc.com.au/library.

Participant outcomes of the RAMIT programs run at the two pilot locations were:

- 25 of the 29 original participants (86 per cent) graduated with certificates
- 24 participants (83 per cent) gained employment, and 3 continued in further studies.

The pilots established a model that can be used in other locations where there is a need for a flexible workforce capable of moving between industries as the economic and employment opportunities changed. While the project concentrated on entry level cross-skilling, the concept and practice of cross-skilling is a key element in making regional skill eco-systems operational. They identified four key elements to make regional workforce development successful:

- industries should work together on an equal footing and no single industry should operate to the detriment of another in the local labour market, otherwise collaboration is not possible;
- cross-industry training should deliver key transferable skills across the different layers of the labour market, and not just at entry level;
- there needs to be someone on the ground that works to keep relationships going throughout and beyond any single initiative; and
- the steering committee needs passionate and committed people that are present to deal with issues as they (inevitably) arise

13. Fly-in Fly-Out (FIFO) Coordinator Projects

The National Resources Sector Workforce Strategy (NRSWS) is a sector wide plan to address the skills and labour needs of the resources sector. The NRSWS has assisted the resources sector to meet its demand for skilled labour, maintained national momentum on addressing skills shortages, and further built Australia's productive capacity.

The NRSWS comprises 31 recommendations across seven key workforce areas:

1. Promoting Workforce Planning and Sharing of Information
2. Increasing the Number of Trade Professionals
3. Graduating More Engineers and Geoscientists
4. Meeting Temporary Skills Shortages with Temporary Migration
5. Strengthening Workforce Participation
6. Forging Stronger Ties between Industry and Education
7. Addressing the Need for Affordable Housing and Community Infrastructure.

Under Strengthening Workforce Participation, the Australian Government together with respective state governments is supporting several regionally based Fly-In Fly-Out (FIFO) Coordinators (Cairns, Wide Bay, Gold Coast, regional New South Wales, and Darwin), to help connect suitable workers in one region with major projects in other regions.

The coordinators have been activity engaging project managers in the resources sector and supporting industries to find job opportunities. They have also been working with their

regional communities to identify and prepare suitable workers, and to connect them to jobs. The recent commitment from the BMA Alliance to employ 250 FIFO workers from Cairns and 750 from southeast Queensland is an illustration of the impact of the FIFO coordinators. RDA Wide Bay Burnett has also signed a memorandum of understanding (MOU) with GVK Hancock to help improve FIFO connections between the coast and the Bowen Basin in Queensland.

The FIFO Coordinator projects were progressively established in 2011 and 2012 and each coordinator will generally be in place for about two years. An evaluation of the Queensland coordinators has been commissioned by the Department.

Conclusion

The Australian Government has a range of initiatives that support a flexible and mobile labour force. This submission outlines the policies, programs and projects that are managed by DIICCSRTE that directly or indirectly influence geographic labour mobility.