

Regional Development Australia - Tasmania

Summary of Stakeholder Consultation: Skills Audit of Job Seekers in the Devonport Region

North West Tasmania

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Overview

This document has been prepared in response to the consultation process undertaken in conjunction with the Devonport Chamber of Commerce (DCCI) Industry and Innovation group.

The DCCI group was formed to help address the growing need for industry in the greater Devonport region to have a say on how government and industry should respond to the increasing requirement for job seekers to be adequately skilled before they attain employment.

In August 2013, a skills audit involving key stakeholders including federal and state government representatives, industry and the education sector was held in Devonport to identify challenges for job seekers regarding skills development and potential opportunities to address these challenges through resource allocation and tailored initiatives.

This document summarises the outcomes of the consultation process and provides additional statistical data. It must be stressed that this **report does not provide an RDA Tasmania opinion** on which initiatives and / or recommendations best fix the issues identified.

The process of consultation is ongoing and feedback on the issues identified in this paper and suggested strategies to address these issues are welcomed. To provide feedback, we ask that you please email your thoughts to the address appearing below:

YOUR FEEDBACK IS INVITED

The key themes from this document may be used to help shape future initiatives that may be developed by key stakeholders' including government, industry and education providers

To give feedback on this paper contact:

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Background

Regional Development Australia - Tasmania

Regional Development Australia (RDA) is an Australian Government initiative established to encourage partnership between all levels of government to enhance the growth and development of Australia's regional communities. RDA committees operate under a national RDA Charter and report to the Australian Government on key outcomes.

A national network of 55 RDA committees has been established and RDA Tasmania represents the entire state of Tasmania.

RDA Tasmania is a not-for-profit organisation that has a formal partnership between the Australian Government, Tasmanian Government, and the Local Government Association of Tasmania (LGAT). A key focus of RDA Tasmania is on the economic, social and environmental issues affecting communities.

Committee members of RDA Tasmania are committed volunteers who have been chosen by the Australian Government due to their understanding of, and experience in, a range of areas including their professional and industry background, community networks, skills and experience.

RDA Tasmania annually reviews our Regional Plan (the Plan). The purpose of the Plan is to clearly state RDA Tasmania's priorities in the context of the state and Australian Government policy landscape and the profile of Tasmania as a region.

The Plan identifies RDA Tasmania's vision for the region; the comparative advantages and challenges; and priorities. Priorities are informed through the statistical data in the regional profile, Australian and state government policy imperatives and stakeholder consultation.

The Australian Government will refer to the Plan to inform policy development and decision, as well as support decision making and investment in the region. In addition to this Regional Plan, an annual Business Plan is developed that outlines internal actions and goals over a twelve month period

Devonport Chamber of Commerce

The Devonport Chamber of Commerce and Industry Inc. is a vital mechanism for the advancement of commercial, business and industrial interests in the Devonport area.

The Chamber is constantly striving to improve the quality of life for residents in concert with its continuing endeavours to create an economic climate conducive to the development, fostering and well being of existing and new commercial interests.

The Chambers mission is to be an energising and vitalising force in the community. [They] seek to unite all the industrial, commercial and government interests for the purpose of supporting those activities which are broader than any single business or industry but which promotes the wellbeing of the Devonport community as a whole.

The Chamber is a "Clearing House" for ideas and is intended to be a working forum for the development of the city and its surrounding region¹

¹ <http://www.dcci.org.au/about/mission-and-focus/>

1. Understanding the Devonport / North West Region

Devonport is the largest city on the North West Coast of Tasmania and the greater Devonport region represents a population base of approximately 43,224². The city of Devonport acts as a central hub for other regional communities including Sheffield, Railton, Latrobe and Port Sorell.

Traditionally Devonport is recognised as a service centre with key industry sectors including agriculture, manufacturing and tourism being well represented³. Devonport enjoys the use of good transport infrastructure including a regional airport and seaport facilities.

Devonport also has access to a Regional Hospital located at Latrobe, two high school complex facilities and a regional TAFE college.

Background Statistics

The median age of the population is 42 years with an average weekly household income of \$868 with average monthly mortgage repayments of \$1,257 or average weekly rental of \$190.

19,391 of the Devonport population confirmed being in the labour force with 53.8% working on a full time basis with a further 32.4% working on a part-time basis.

The median age of people employed full-time in Devonport (Statistical Area Level 3) was 42 years and for people who were employed part-time was 42 years.

<u>Occupation</u>	<u>Devonport</u>	<u>%</u>	<u>Tasmania</u>	<u>%</u>	<u>Australia</u>	<u>%</u>
<i>Employed people aged 15 years and over</i>						
Technicians and Trades Workers	3,023	16.8	32,255	14.8	1,425,146	14.2
Professionals	2,536	14.1	40,145	18.5	2,145,442	21.3
Labourers	2,454	13.6	24,653	11.3	947,608	9.4
Managers	2,192	12.2	26,970	12.4	1,293,970	12.9
Clerical and Administrative Workers	2,115	11.7	30,054	13.8	1,483,558	14.7
Community and Personal Service Workers	2,025	11.2	24,221	11.1	971,897	9.7
Sales Workers	1,836	10.2	21,152	9.7	942,140	9.4
Machinery Operators And Drivers	1,546	8.6	14,578	6.7	659,551	6.6

² http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/60402?opendocument&navpos=220

³ Regional Economic Development Plan P8 (DEDTA)

The most common occupations in Devonport (Statistical Area Level 3) included Technicians and Trades Workers 16.8%, Professionals 14.1%, Labourers 13.6%, Managers 12.2%, and Clerical and Administrative Workers 11.7%.

<u>Industry of employment, top responses</u>	Devonport	%	Tasmania	%	Australia	%
<i>Employed people aged 15 years and over</i>						
School Education	1,158	6.4	12,855	5.9	467,373	4.6
Cafes, Restaurants and Takeaway Food Services	755	4.2	9,349	4.3	412,804	4.1
Residential Care Services	579	3.2	5,985	2.8	184,770	1.8
Road Freight Transport	558	3.1	3,648	1.7	171,578	1.7
Supermarket and Grocery Stores	475	2.6	6,003	2.8	235,773	2.3

Of the employed people in Devonport (Statistical Area Level 3), 6.4% worked in School Education. Other major industries of employment included Cafes, Restaurants and Takeaway Food Services 4.2%, Residential Care Services 3.2%, Road Freight Transport 3.1% and Supermarket and Grocery Stores 2.6%.

How Devonport ranks as a region within Australia

The Socio Economic Indexes for Areas (SEIFA)⁴ ranks areas within Australia according to relative socio economic advantage and disadvantage. This measurement is produced by the Australian Bureau of Statistics and uses the data from the five – yearly census.

In regard to ranking : all areas are ordered from the lowest to highest score, then the area with the lowest score is given a rank of 1, the area with the second lowest score is given a rank of 2 and so on, up to the area with the highest score which is given the highest rank.

In regard to ranking within Tasmania all areas within each state or territory are ordered from lowest to highest score, then ranks and deciles are assigned to each area within that state or territory. These state/territory ranks and deciles can only be used to compare areas within a single state or territory.

Using the SEIFA ranking system Devonport ranked **50th** out of the 1400 measured regions with in Australia making it one of the most disadvantaged socio economic areas with Australia. By comparison Burnie ranked **52nd**.

⁴ <http://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa2011?opendocument&navpos=260>

This ranking suggests that the Devonport region suffers from high unemployment, low job participation rates, high dependency on government benefits, lower than average skill development and lower levels of tertiary education attainment.

2. Why is skill development necessary?

Educational Attainment

The 2001 Australian Bureau of Statistics 2011 Census data confirms the level of University or Tertiary Institution education attainment for the Devonport region is 5% of the population. This level is below the Tasmanian State average of 11.8% and the Australian average of 14.3%.

<u>Education</u>	<u>Devonport</u>	<u>%</u>	<u>Tasmania</u>	<u>%</u>	<u>Australia</u>	<u>%</u>
Pre-school	381	3.3	4,217	3.0	332,844	5.1
Primary - Government	2,896	25.3	30,054	21.5	1,181,787	18.2
Primary - Catholic	554	4.8	7,668	5.5	359,062	5.5
Primary - Other Non Government	238	2.1	4,349	3.1	214,359	3.3
Secondary - Government	1,870	16.4	18,175	13.0	774,074	11.9
Secondary - Catholic	484	4.2	6,481	4.6	307,142	4.7
Secondary - Other Non Government	198	1.7	4,952	3.5	254,828	3.9
Technical or further education institution	1,275	11.2	12,869	9.2	473,606	7.3
University or tertiary institution	574	5.0	16,530	11.8	932,524	14.3
Other	204	1.8	2,865	2.0	161,660	2.5
Not Stated	2,760	24.1	31,624	22.6	1,511,694	23.2
Total	11,434	--	139,784	--	6,503,580	--

In Devonport (Statistical Area Level 3) 26.4% of people were attending an educational institution. Of these, 32.3% were in primary school, 22.3% in secondary school and 16.2% in a tertiary or technical institution.

Source – ABS Quick Stats 2011 Devonport Statistical Area Level 3

Furthermore the need for skilled employees in industry sectors has grown in recent years with a growing trend of increasing *higher skilled part time positions* being offered.

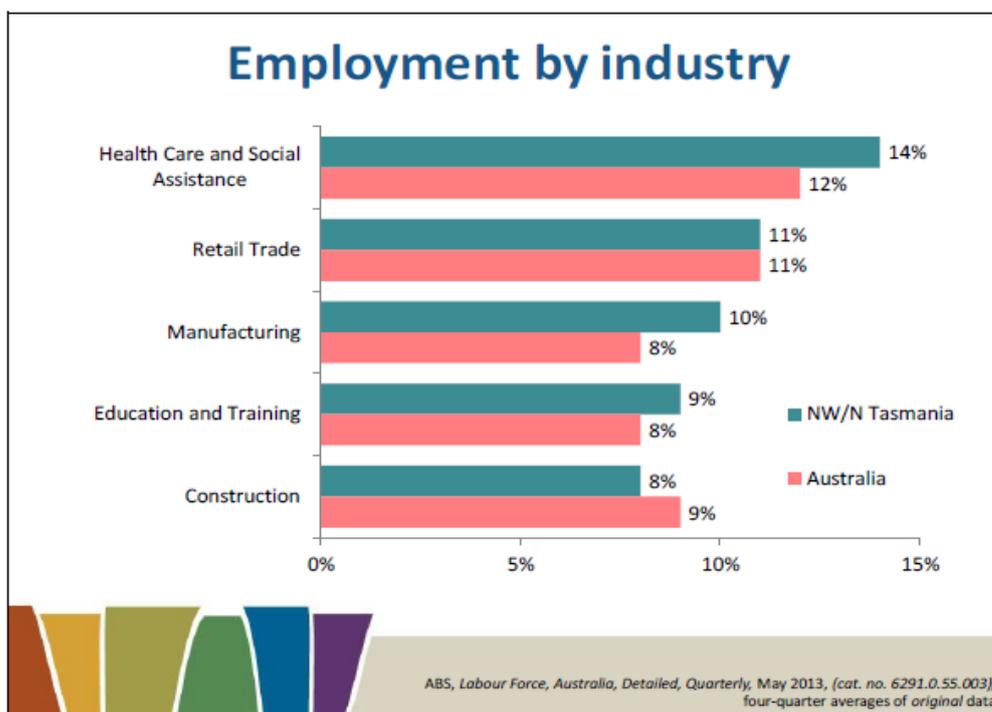
Fewer full-time and lower skilled jobs

	July 2013 ('000)	5 year change NW/N Tasmania (%)	5 year change Tasmania (%)
Total Employment	116.0	-2.0%	-2.6%
Full-Time Employment	72.1	-11.2%	-10.9%
Part-Time Employment	43.9	18.2%	15.7%
<i>Higher Skilled Occupations</i>	54.9	8.4%	1.9%
<i>Lower Skilled Occupations</i>	60.5	-4.0%	-0.7%

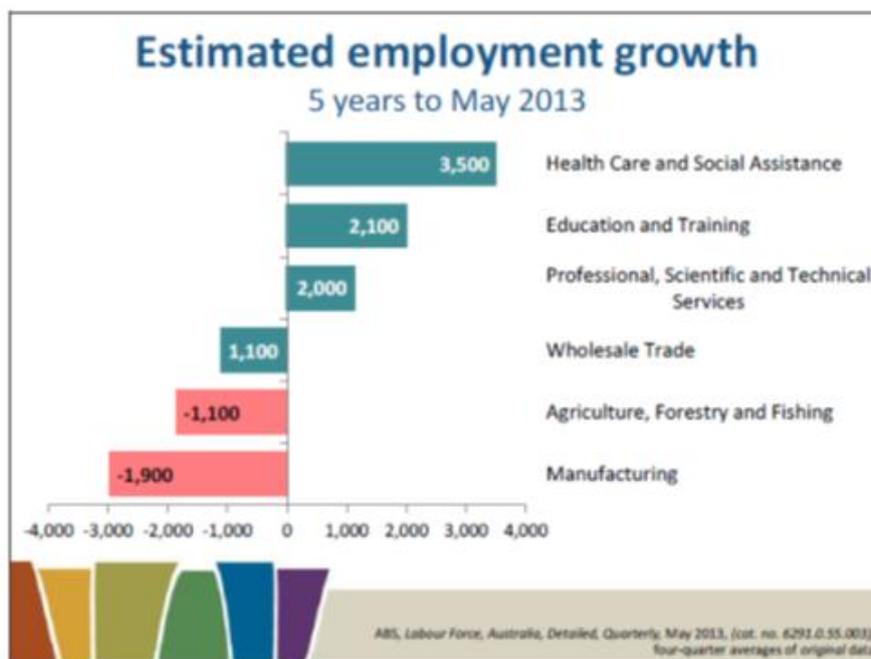
Source: ABS, Labour Force - Australia, Detailed - Electronic Delivery, July 2013, (cat. no. 6291.0.55.001), three-month averages of original data; ABS, Labour Force - Australia, Detailed, Quarterly, May 2013, (cat. no. 6291.0.55.003), four-quarter averages of original data

- Higher skilled occupations include Managers, Professionals, Technicians and Trade Workers
- Lower skilled occupations include Community Workers, Clerical Workers, Sales Workers and Labourers

Employment in the Devonport region appears indicative of most areas within Australia with a higher than average participation in the Health Care and Social Assistance and Education and Training sectors.



The opportunities for employment growth (based on the last 5 years to May 2013) exist in the Health Care and Social Assistance, Education and Training and Professional and Scientific sectors.



Based on this statistical data, the following can be concluded:

1. Opportunities for employment growth in the Devonport / North West region are evident in the Health Care and Social Assistance, Education and Training and Professional and Scientific sectors.
2. The majority of employment positions in these sectors are considered to be higher skilled positions that require a higher educational attainment level.
3. Based on the higher education attainment levels of residents in the greater Devonport region, many of these higher skilled positions may not be filled due to a lack of suitably qualified applicants.

Without a suitably qualified pool of skilled job seekers, many employers will not appoint lesser qualified candidates that may cost more to train, drain the employers resources (that could be used to provide more benefit elsewhere in their business) and potentially become a longer term liability to the business.

This may also stagnate longer term growth of a business, reducing productivity and associated efficiencies.

Statistical data confirms that a larger percentage of unfilled positions exist in higher skilled positions such as Managers and Professionals and Technicians and Trade Workers suggesting that a lack of suitably qualified skilled workers is accessible by employers.

A continuation of this trend will see an alienation of the existing workforce away from local employers due to a void of acceptable skills and education. Furthermore this trend will manifest in a growing reluctance by employers to invest time and resource to develop the skills of local workers which may prove costly and not guarantee any longer term employability outcomes.

Furthermore the longer term unemployed may adjust their lifestyle to not include employment of any kind creating a long term reliance on government payments and entrenched reluctance to retrain to gain employment

3. What is happening to job seekers in the region?

There appears to be a growing trend of longer term unemployment in the greater Devonport / North West region. This is evidenced by the following:

- Longer term entrenched unemployment numbers
- Higher number of jobless families
- Failure of long term unemployed to attain employment due to lack of education, skills and desirable employment attributes

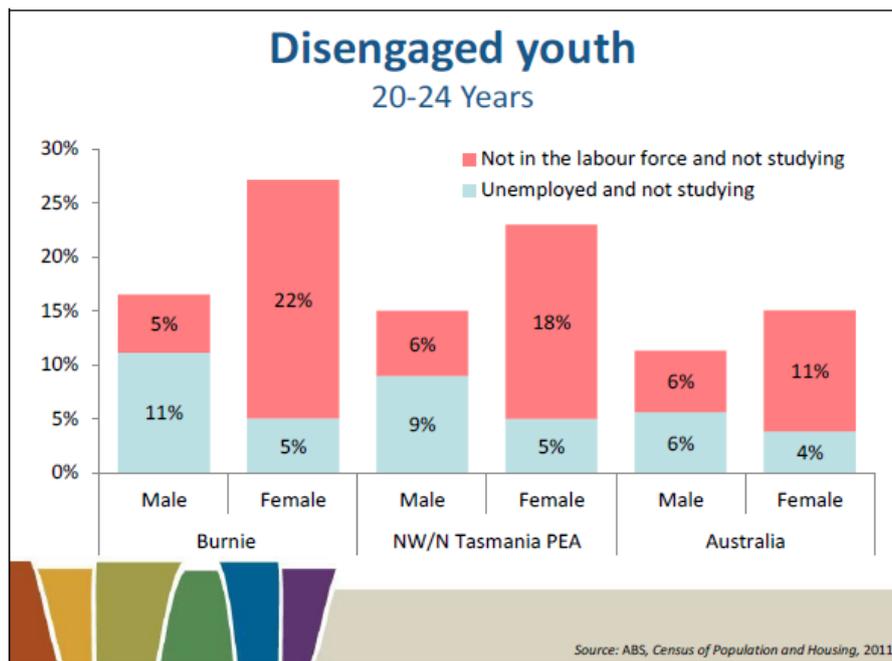
Unfortunately the unemployment rate in the greater Devonport / North West Tasmanian region is the highest in Tasmania and amongst the highest in Australia. This is magnified with low job participation rates and lower long term job retention.

Long-term unemployment			
Region	Long-term unemployed (52 weeks or more)		Average duration of unemployment (weeks)
	Persons	Incidence	
North West/Northern Tasmania PEA	2400	23%	46
Tasmania	4500	24%	47
Australia	125,900	19%	37

Source: ABS, Labour Force, Australia, Detailed - Electronic Delivery, July 2013 (cat. no. 6291.0.55.001). 12-month averages of original data.

The longer term rate of unemployment is comparable with the rest of Tasmania, however, it is higher than the average for the rest of Australia.

The average duration of unemployment for persons aged 45 and older is 63 weeks.



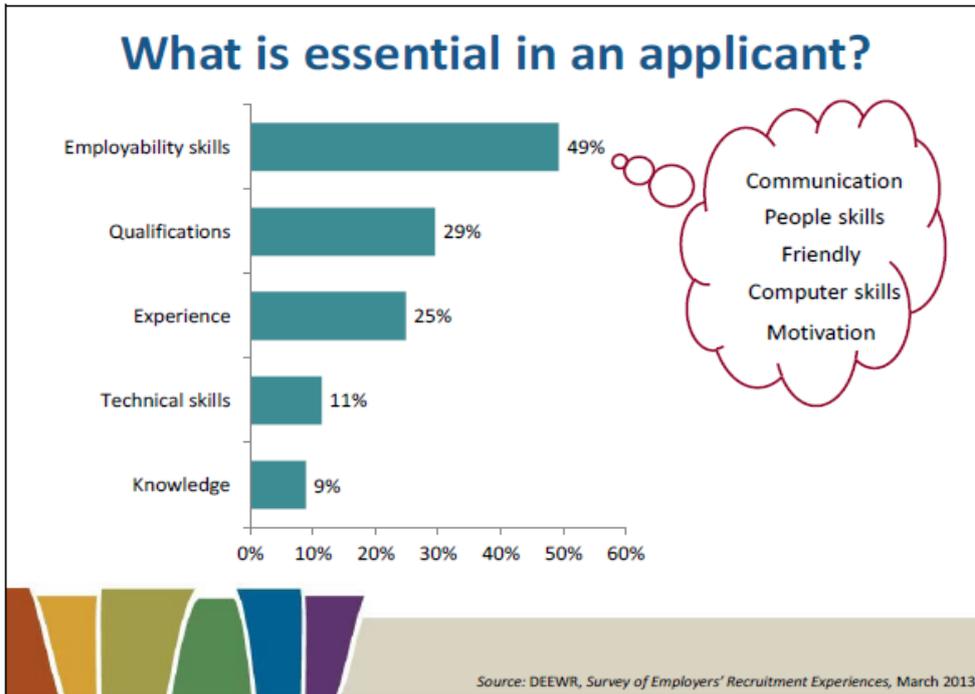
The rate of disengagement amongst youth in the North West is proportionately higher than equivalent rates for the rest of Australia with higher rates of 20-24 year olds not working or studying.

This data suggests that many working age youth are not sufficiently engaged to work or able to secure an entry point into the workforce. Likewise it appears that older workers, unemployed in some cases due to retrenchment or redundancy, are not sufficiently skilled to find alternate employment.

This inability to engage or secure employment can create a lack of motivation or desire to find work whereby the job seeker finds the idea of gaining employment “all too hard”.

This attitude coupled with an inability to find a clear and direct career path further entrenches this lack of motivation leading to a larger section of youth and retrenched job seekers becoming unemployable.

Furthermore a recent survey of employers in Australia confirmed the desired attributes for employees rank as follows:



The evidence in many cases confirmed the longer term unemployed in all demographics are unable to demonstrate employability skills, sufficient relevant qualifications or experience to gain longer term employment.

Many employers are expressing frustration at the lack of suitably skilled and qualified candidates which suggests a lack of suitable training and education courses being made available and a lack of engagement by the longer term unemployed to seek training to improve their employability.

Lower job participation and the lack of longer term employment further suggests that many job seekers are unable to engage over the longer term with their employers and seek to improve themselves with on the job training and / or additional education attainment.

Without a significant turnaround in these trends, many skilled positions in the greater Devonport region will continue to go unfilled forcing local employers to seek suitable employees from other regional areas or potentially relocate their businesses to an area where new employees can be sourced.

Again this will negate positive employment outcomes and harm local economic growth opportunities.

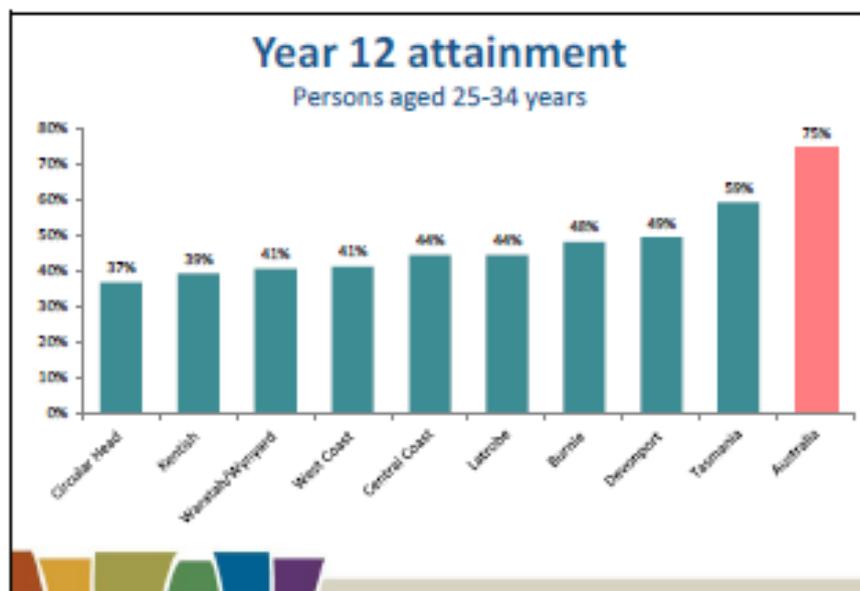
4. The need for education

The current economic environment puts the onus on businesses to continually innovate to improve their competitiveness and profitability.

A major contributor to assisting in these endeavours is the availability of a suitably qualified workforce that continues to give assistance to employers to help them to evolve and improve their business models when opportunities present.

Currently, the Year 12 attainment for students in the greater Devonport region is amongst the highest for the North West Coast, however, it continues to lag significantly behind the Tasmanian and national average .

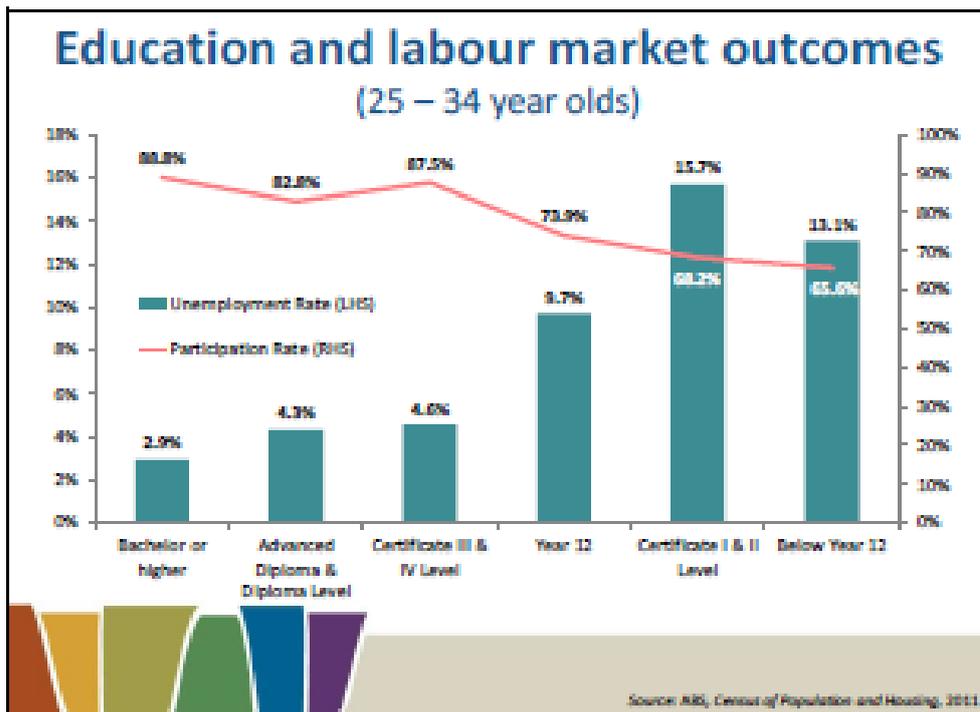
This trend should improve with steps by the State Government to mandate that students stay at school until Year 12.



There is a significant correlation between employment and higher education outcomes. Recent data released by DEEWR illustrates that outcomes for gaining and retaining employment over the long term are positively influenced by higher academic achievement.

This trend improves significantly for students who complete Year 12 and continues to rise upon completion of Certificate III and Certificate IV designated courses and University Bachelor Degree level attainment.

Job seekers should consider participation in post-secondary education as a means to gaining better quality employment and income. Skill demands required by employers are constantly increasing and low skilled work is becoming a smaller part of the job market.



There is tangible benefit in encouraging school students to continue to participate in post-secondary education to enhance skill development and knowledge. The longer term benefits include better employment options with higher salary outcomes.

Some roles do also require a component of formalised training for accreditation and insurance purposes. This training does provide up skilling and can also lead to better employment outcomes over the longer term.

For employers, the benefits include employing workers who have a formal and current understanding of their role and who may have an increased ability to contribute to the business through innovative thinking with associated productivity and efficiency improvements.

In addition some employers are now seeking employees who have formal qualifications and life experience so that they are more “rounded” in their attitudes and understanding of their role requirements.

This experience also serves to reinforce the employee valuing their employment and the benefits of working.

DEEWR⁵ data showed a preference by employers for good people over skill outcomes. Employers can train good people in the skills required, but people with qualifications who are not good employees are more difficult to manage.

⁵ Department of Education Employment and Workplace Relations

5. Ownership of the outcomes

This document summarises the outcomes of the consultation process and provides additional statistical data. It must be stressed that this **report does not provide an RDA Tasmania opinion** on which initiatives and / or recommendations best fix the issues identified.

To address the issues of low skills, below average job participation, entrenched unemployment and reduced long term employment, collaboration between key stakeholders including government, educators, employers and job seekers will help ensure an improvement in outcomes.

Educators

In respect of educators, the key to improving these issues lies directly in delivering specialised training that is tailored towards the needs of the job seekers and the employers. To understand what these needs are, consultation with these groups is required on an ongoing basis.

Educators should understand what the aspirations and longer term career goals of job seekers are so as to provide potential education options to them that can deliver the required education platform for them to successfully gain employment.

Additionally educators should ascertain the skill requirements employers are seeking in prospective employees now and into the future in line with the requirements of their businesses and then ensure the relevant education delivery models are available.

In essence educators need to act as a “broker” between these two parties so as to place suitably qualified and skilled employees with the right type of job offered by the employer.

Employers

Employers need to work with educators and job seekers to communicate their needs on a regular basis. The employment needs of many employers are not readily available and enquiries to understand these needs can sometimes be seen as being intrusive and commercial in confidence if they are considered in the context of potential business development opportunities.

Unfortunately many employers are time poor and tend to focus primarily on maintain the integrity of their business models (and the associated income streams) and strategizing longer term economic outcomes for their businesses. Many of them do not see structural skill development for their employees (including potential new employees) as a critical need that should form part of their business model.

Instead, employer conducted training tends to be incremental and relevant to the tasks at hand with existing employees teaching new employees whilst they are “on the job”. Unfortunately this approach does not produce a consistency of training with many new employees learning short cuts and inherent bad habits with a tendency over time to view external training with scepticism.

To break this cycle and encourage better skill development, employers need to encourage a culture of skill attainment that rewards employees for participating in and attaining better education outcomes.

Mentoring and role modelling is another way for employers to break the cycle of old habits so as to reinforce and encourage all employees to lead by example to aspire to be more like their qualified peers.

Employers need to ultimately know the benefits of participating in skill development initiatives that produce better business efficiencies, increased innovation and idea sharing and better collaboration between employees that contribute towards the goals and objectives of their business.

Job Seekers

Too often many job seekers become daunted by the prospect of personal skill development in order to secure employment. In many instances the possibility of attaining a tertiary qualification is limited due to a number of factors including financial, personal or culturally based stigmas that are sometimes based on the expectations placed upon them by family members or others in their communities.

Unfortunately any barriers that exist will vary based on the personal circumstances of the job seeker, however where commonalities exist, strategies should be considered that can alleviate these barriers. In the case of financial barriers, potential skill development strategies that are cost effective and affordable should be considered.

This tailoring could help provide a longer term employment outcome for job seekers that are unable to fully fund their own education.

In the case of cultural bias that discourages educational attainment, continuing to provide information that promotes the value and benefit to the broader community should be made.

Encouraging community members to accept and promote skill develop of youth and job seekers are vitally important to improving longer term economic outcomes as well as health and wellbeing for the community as a whole.

Recommendation

1. Education providers to work with industry and community to broker effective education and skill development programs.
2. Industry to critically analyse its training requirements and actively communicate this to education providers as a means to improve long term profitability and efficiencies.
3. Job seekers to understand and value the importance of education as a means to obtaining and retaining long term employment.

6. Active Collaboration – with Government, Industry and Community to develop skills

In order for any constructive initiatives to be developed to address the issues of lower job participation, poor skill development and employability of job seekers, all relevant key stakeholders need to understand their respective roles and how they can help each other through information and idea sharing.

Government

The three tiers of government, Federal Government, State Government and Local Government have a key role to play in respect of developing and supporting training initiatives that are tailored specifically to the needs of industry and job seekers. In order to achieve these outcomes, consultation and collaboration between the levels of government needs to be undertaken to ensure existing training programs align and not overlap so as to create the best education outcomes.

Additionally government needs to act as a facilitator and enabler of education and training acting as a conduit between industry and community who are the main benefactors of higher education outcomes. It is the responsibility of industry and job seekers to take ownership of these outcomes and promote the benefits of skill development and formal education attainment so that job seekers, particularly new entrants to the job market, know that there is an expectation to complete formal education.

Therefore government has a responsibility to remove any barriers to training ensuring that it is accessible, affordable and acceptable to job seekers who will undertake the training and to employers who will receive the benefits through improved skills of potential new employees

Industry

Whilst industry understands the need to improve the skill level of its workforce, there still appears to be some reluctance to source or acquire the required training resources to help existing workers to re train and / or enhance their skill levels or help develop new training programs with education providers for new workers entering the workforce.

This is evident in most business with smaller “time poor” businesses unable to spend time and resource acquiring suitable training for staff instead providing on the job type skill development usually given by other employees. This substandard training regime unfortunately results in poorer skill development which translates into a less productivity and efficiency gains for business.

In order to address this, industry must value skill development as a vital component of its business model. Regular off site training provided by qualified trainers should be sourced for employees as part of their career development plan.

Industry should also develop a pre-employment training program for new employees that include a formal tertiary course as well as a practical training application. This pathway to employment will ensure a steady stream of qualified workers can be sourced as required.

Therefore industry needs to communicate its needs to government regularly and effectively to ensure that its skill development and training needs are understood and the resulting actions made by government are correct.

Additionally government needs to be able to work with industry to provide training options – a potential “one stop shop” so as to ease the burden for business of seeking suitable training courses.

The community also needs to be made aware of what industry needs from potential employees in terms of qualification and experience. Information through regular community meetings and information sessions can be effective and also provide job seekers with an understanding of how they can improve their own qualities to gain long term employment.

Community

The biggest stakeholder with the most to gain from better education and training outcomes is the community. Without any involvement or engagement, the community stands to miss out on any long term benefits better education and training of its members will provide.

The community need to be better informed, engaged and regularly advised by both industry and government of the need to improve its education and skill level. Importantly the value of education and skill development for employment should be highlighted through the school system and community organisations.

Strategies to enable this include the use of mentors and local community champions to “spread the message” and positive reinforcement through career days to enable job seekers to visit work sites.

Ownership is crucial so that families are aware of the outcomes if education and skill development is pursued or not.

Settling for lesser skilled employment may be acceptable because it easier to obtain however it should not be encouraged, instead excellence should be promoted and demonstrated as an achievable outcome.

Recommendation

1. Government to act as a facilitator and provider of quality education that suits the requirements of employers and job seekers through regular consultation and engagement.
2. Industry to drive the outcomes of education and skill development for employees and view them as a standard component of a business model that will deliver profitability and efficiencies
3. Job seekers to actively seek to gain better education outcomes for themselves and their peers as a means to gaining quality long term employment and to act as mentors for others.

Conclusion

Education and skill development is an essential component for any region. Without a skilled workforce to draw on, industry will not be able to deliver economic benefits to the region where it is based.

Whilst key stakeholders including government, education providers, industry and community all understand the need for better education attainment and skill development, the research to date suggests the Devonport region continues to under achieve in these areas.

More resources is not necessarily the solution. Increased engagement, collaboration and sharing between stakeholders may promote better educational and employment outcomes. The professional development of job seekers is often “ad hoc” which contributes to poor skill development and under achievement.

Industry and community need to value education and skill development as a necessity more so than a want and allocate time and resource accordingly, so that the flow on benefits of longer term employment, job participation and improved skill development can then influence productivity gains, efficiencies economic growth and longer term regional development outcomes.

Key Reference Documents

RDA Tasmania Regional Plan 2013-2014

Labour Market Conditions in North West / Northern Tasmania – Ivan Neville DEEWR September 2013