Regional Impact Assessment Statement

Title

WorkReady – A New Approach to Training, Employment and Skills in South Australia

Issue

WorkReady brings together the South Australian Government’s training, employment and skills initiatives into one consolidated strategy. It aims to deliver a skilled and adaptable workforce, critical to driving innovation and productivity growth and supporting a transforming economy.

WorkReady supports the transformation of the South Australian economy by ensuring:

- individuals are equipped with the skills needed to participate in a changing labour market
- employers and industry have access to a skilled workforce and can use these skills effectively in the workplace
- government investment in skills, training and employment is aligned with jobs in areas of economic priority for the state.

WorkReady commenced on 1 July 2015. The need for a new policy direction, within a changed economic and fiscal environment, aligned with the end of the Skills for All policy. The one-off additional investment in the Skills for All reform package delivered the election commitment of 100,000 additional training places three years ahead of schedule.

WorkReady strengthens direct connections between training, skill formation and jobs at the local level and connects people to the training and employment activities best suited to them at different stages of their working life.

At the core of WorkReady is a commitment to provide client-centred and customised services, and the recognition that employment is a fundamental enabler of an individual’s capacity to participate in society.

WorkReady provides South Australians with opportunities to study nationally accredited training, develop their skills, and participate in local employment projects,
depending on their age, previous education and current employment status. As part of WorkReady, the Department of State Development (DSD) also funds employment programs, projects and services for people with barriers to employment.

An upfront assessment of each individual's learning and support needs, using a foundation skills assessment tool, will ensure participants commence at the appropriate starting point, and that they receive the assistance they need to complete their training or employment project.

Based on this upfront assessment, eligible individuals are able to access training, employment and skills development options from three streams of WorkReady subsidised activity:

- preparatory – this stream of subsidised activity provides individuals with foundation learning that supports pathways to higher-level courses or, in some cases, straight into entry-level jobs
- industry entry level – this stream provides individuals with the skills needed for direct entry into a job. Subsidised activity includes industry-recognised entry-level qualifications, traineeships and apprenticeships and employment projects developed with employers.
- Upskilling – this stream is designed to provide existing workers with the skills necessary to progress in their industry or to transition to a new job. Subsidised activity includes higher level courses, priority courses, and skill sets.

Access to foundation skills and bridging units to support completions is based on evidence of need and offered by approved WorkReady providers.

Co-investment is a central plank of WorkReady. Employers, employment service providers and individuals are expected to contribute to the cost of the services they receive. Foundation skills courses are fee-free for individuals assessed as needing this support.

The available funding focuses on strategic and economic priorities, and subsidies are based on the assessed public value of courses. A streamlined Subsidised Training List (which publishes the courses that attract public training funds) means that some non-critical courses in some industry sectors that were previously subsidised no longer attract a public subsidy. In instances where there have been publicly supported enrolments in these courses, there may be an impact on individuals, service providers, regions and employers. A number of courses that
have been removed from the list had no enrolments and/or there are no providers delivering the course.

The new policy sends a clear signal to the market about where and how much government will invest in training and allows the privately funded VET market to adjust to meet any unmet demand. This provides more transparency and certainty for individuals, employers and providers and improved alignment to regional and sectoral needs.

Regions

Given that training funding is returning to pre-Skills for All levels, WorkReady will have an impact on both metropolitan and non-metropolitan regions. Funding is provided to high quality training providers who have demonstrated a link between training and jobs and who can deliver quality work placements and transitions to employment. This provides opportunities for regional industries and communities to receive tailored assistance through WorkReady training, skills and employment initiatives.

An important element of the WorkReady policy is the Jobs First approach, which offers providers, employers and individuals the opportunity to participate in high quality training and employment projects that connect people to employment. Eligible WorkReady providers, working in partnership with employers to address demonstrable labour market demand, are invited to make a submission.

The first round of Jobs First Subsidised Training List (STL) Projects was particularly focused on foundation skills, pre-vocational courses and courses that lead directly into entry level jobs. Providers worked with employers to provide training that delivers high quality industry work placements, a high number of completions, transition to higher level training and/or employment outcomes.

Projects that were funded in the first round of Jobs First STL Projects are located across South Australia and include:

- **Australian Fisheries Academy Ltd** is delivering training to participants across Eyre and Western and Western Adelaide regions in Maritime Operations.

- **Civil Contractors Federation (SA Branch)** is delivering training to participants across the Far North, Limestone Coast and Western Adelaide regions in Civil Construction.
D & C Healy Pty Ltd is delivering training to participants across the Adelaide Hills, Western Adelaide and Northern Adelaide regions in foundation skills.

Jobs First Employment Projects improve the work readiness of jobseekers and transition people into employment. Projects provide combinations of accredited or non-accredited training with additional support services that address barriers to employment, such as individual or family case management, structured mentoring, work experience, career services, building work readiness and brokerage into a job. Job seekers who do not have a job, or who are underemployed and want to work more hours, are supported to gain employment in their local communities.

Initiatives that were funded in the first round of Jobs First Employment Projects include the following regional projects:

- **Australian Red Cross Society**'s Creating Pathways to Employment in the Yorke Peninsula delivers vocational training to help people improve their lives and create pathways to employment. The program assists participants to learn the skills required to work in their industry of choice. Participants continue to develop their skills in real working environments with host employers and are provided with access to available job opportunities.

- **SG & Sg Knoll’s** NAD Retail Group Project in Murray and Mallee helps participants gain critical industry and employability skills by providing mentoring and coaching as well as support to move into a vocational placement, employment, job trial or apprenticeship/traineeship.

- Through the **Australian Fisheries Academy**'s Maritime and Fisheries Employment Project participants in the Eyre and Western region complete a literacy and numeracy assessment to determine the level of support required; with one-on-one tutoring available during the course. Graduates are offered the opportunity to have their contact details, qualifications and experience placed in a database accessible to employers who have made commitments to this project.

- The SA Independent Retailers Employment Project, organised by **Service Skills Industry Alliance Inc (SA)** provides training to job seekers for new entry level jobs with major independent retail employers across South Australia, including the Barossa and the Far North.

For a full list of Jobs First Employment Projects providers visit [WorkReady](#) website.

Jobs First is important for regional South Australia, as we know that demand for specific training and jobs is not uniform across the state – regional employers and stakeholders are best placed to demonstrate this demand. That is why we are using a demand-driven approach.
Funding decisions for both Jobs First STL Projects and Jobs First Employment Projects consider the spread of job outcomes between metropolitan and non-metropolitan regions. To balance the concentration of jobs in metropolitan Adelaide, 20 projects are being delivered in regions in partnership with Regional Development Australia, to ensure that regions have their share of WorkReady Jobs First funding.

As the largest training provider in South Australia, TAFE SA continues to be an important provider of skills and training services across the state, particularly in regional/remote areas.

Stakeholders Consulted

The WorkReady policy builds on extensive feedback over the life of Skills for All, the findings of the external evaluation of Skills for All and a review of red tape in the vocational, education and training (VET) system.

Ongoing consultation was a major component of the Skills for All policy and informed the routine updates of the Skills for All Funded Training List from 2012-15.

Support for increased transparency and targeting public investment to areas of greatest public benefit were consistent and strong elements of consultation feedback during Skills for All. These principles underpinned the development and introduction of the Skills for All Public Value Framework and associated price bands. This was partly in response to the training sector’s preference for reductions in the level of training subsidy per course by Government over no new enrolment dates.

The Subsidised Training List (STL) will continue to be dynamic to ensure publicly subsidised training is targeted to reflect State strategic and economic priorities; course enrolment conditions; industry, labour market and regional demand; alignment of public investment with public benefit; and to display current courses. The list is available on the WorkReady website. This list will be updated regularly, as a result of ongoing consultation with industry, employers, training providers and regions, and a new list will be published twice a year.

This is not done in isolation. In April 2015 the Department of State Development consulted and surveyed South Australian industry and received responses from more than 1500 training providers and business with their feedback guiding the selection of subsidised courses and the number of places to be offered.

The STL is also informed by advice from the Training and Skills Commission. Other factors that will inform the STL include the Commission’s independent economic
modelling of demand for qualifications and job openings, a public value assessment undertaken by the Department of State Development, State Budget considerations and South Australia’s Strategic Priorities.

The courses we fund, now and in the future, are those that industry and business tell us are closely linked to jobs and will support workers now and in five years, in finding secure jobs.

Consultation

Government’s new approach to training, employment and skills activity was informed by stakeholder feedback. A key element of WorkReady is ongoing consultation with stakeholders to ensure government investment is targeted effectively. This is reflected in the restructuring of the Skills and Employment Division in the Department of State Development which will have resources dedicated to stakeholder engagement.

WorkReady will have a comprehensive industry engagement model that leverages from existing regional and industry networks such as the Industry Leaders Groups, the Training and Skills Commission and the Aboriginal Employment Industry Clusters, as well as other resources and networks across the Departments of State Development and Primary Industry and Resources SA. This will ensure government is well informed about local factors shaping future workforce and skill needs across the state.

Under Skills for All, stakeholders from across industry and the training sector (e.g. Industry Skills Councils, peak employer and training representative bodies, Industry Associations at state and national levels, Industry Skills Boards, Regional Development Boards and regional networks and training providers) were invited to respond to discussion papers and surveys and to attend information sessions.

For example, during 2013, Skills for All stakeholders were invited to submit feedback on the courses on the Funded Training List to ensure that they were current, support the state’s priorities and align public investment with public benefit. The outcomes were published online (June 2013 about FTL 6.0 and September 2013 about FTL7.0). Throughout October and November 2013 targeted consultation sessions were held to seek feedback on the future direction of Skills for All. More than 100 stakeholders engaged in these sessions or provided a written submission. Refer to Attachment 1 for a list of stakeholders engaged in consultation.
More than 350 stakeholders were invited to take part in two online surveys that were open from 6 November – 18 November 2013. There was a strong response rate, with 137 respondents for the Funded Training List Survey and 139 respondents for the Training Account Limit List Survey. Refer to Attachment 2 for a list of respondents. This level of consultation will continue to inform future refinements to the STL, the VET system and employment initiatives delivered through WorkReady.

Mature and sophisticated regional Skills and Employment Networks are in place as part of the government’s employment programs offerings and will be further used as an important way of partnering with industry, regions, government and communities. These Networks also provide opportunities to use current funding relationships to increase investment in local projects to create more jobs.

These broad based regional Networks are in place across all 12 State Government Regions through the seven Regional Development Australia organisations in regional South Australia.

Summary of Impacts and Analysis

*Skills for All* was successful in raising the overall skill and qualification levels of the South Australian population. As a result, participation in training is higher than ever before and more South Australians have the skills needed by employers. This supports workforce participation and productivity. To ensure the system is sustainable in the long term, continual alignment between publicly funded training and strategic industry needs has to occur.

While WorkReady pro-actively takes regional considerations into account, including the challenges faced by communities and areas where there are limited providers (additional subsidies are paid for delivery in non-metropolitan areas), the overall reduction in publicly funded training will have an impact both in metropolitan and non-metropolitan South Australia.

WorkReady focuses on training and skills development linked to employment outcomes, by supporting courses and work preparation activity that lead to jobs and support workforce development in regions and industries aligned with the state’s strategic economic priorities. This means that support to regions will be more targeted and customised to local needs.

TAFE SA, as South Australia’s largest vocational, education and training provider, is focused on delivering quality training outcomes for all South Australians. In the regions, TAFE SA provides accredited and non-accredited training in a number of
ways. This includes the provision of training at TAFE SA campuses, and also within dozens of businesses and community facilities. TAFE SA also works very closely and in partnership with industry bodies. This flexible delivery will expand, with increased training taken to regional communities in all areas of demand and identified need.

**Economic Factors**

WorkReady provides flexibility to respond to changing regional priorities over time by purchasing employment and training services through two approaches:

- **open competitive purchasing for subsidised qualifications** where there is adequate market depth. Linked to strategic areas of labour market demand modelled by the Training and Skills Commission, training places are purchased based on available budget, and target critical courses.

- **a Jobs First submission-based approach** which connects training to jobs is used for selected courses and projects that respond to identified regional, industry and employment opportunities. Based on available budget, this model results in tailored solutions that respond directly to job commitments. Employers are involved in the selection of participants, program design, work placements and the validation of outcomes. Projects require specified job and higher level training outcomes. The Jobs First submission process funds training where there is a job commitment and therefore readily supports regional employment needs.

**Social Factors**

Fifteen Industry Leaders Groups (ILGs) have been established across the state, expanding government's capacity to work with local industry to understand regional labour market needs and to support jobs growth. ILGs are made up of influential employers with strong links to industry and the community. In addition, as partners in the delivery of the Government’s Regional Employment Program, the seven Regional Development Australia bodies have played an important role in both supporting and participating in the ILGs, bringing local expertise and experience to training, skills and employment solutions for regions.

During the first round of Jobs First Employment Projects 2015-16 employers were closely involved in tailoring employment projects that prepare people for specific types of jobs at the local and regional level. Strong connections with industry are vital for producing better trained and qualified workers and achieving higher training
completion rates. For individuals, upfront assessment will refer them to the appropriate starting point, at the right level with any necessary supports, increasing their opportunities of completing their training or employment project and moving into a job.

Environmental Factors

No environmental impacts are anticipated as a result of the WorkReady initiative.

Equity Factors

In 2014-15, people who lived in regional South Australia received an estimated 36% of the training expenditure (Note 1). Training delivered in regional South Australia represented 27% of the total training expenditure (Note 2). By way of comparison, as at June 2014, an estimated 29% of the South Australian population resided in regional South Australia (Note 3).

1. This included regional South Australians who might have travelled to metropolitan areas for their training. ‘Regional South Australia’ is defined as all South Australian regions outside of the Northern Adelaide State Government Region (SGR), Western Adelaide SGR, Southern Adelaide SGR and Eastern Adelaide SGR. Training activity has been converted to State Government Region based on a postcode and area concordance, in order to be comparable to population estimates. Training activity not assigned to a residential or delivery location has been distributed bases on historic activity.

2. This may include people who reside in metropolitan South Australia who travel to a region for their training.


Across the system, regardless of their qualification level, participants will be able to access bridging units to improve their chance of completion and address any gaps in their learning. Additionally, disadvantaged learners will receive individualised case management to improve retention and completion by addressing living, learning or transition issues. This example of learner support services will continue to be offered where available and required.

Opportunities to access employment and skills development will continue for disadvantaged groups of people, including specific initiatives for Aboriginal and
Torres Strait Islanders. Applications for Jobs First Employment Projects that focus on the following priority job seekers are particularly encouraged:

- young people aged 17-24
- Aboriginal and Torres Strait Islander people
- Mature aged people, aged 45 years and over
- Job seekers with disability.

Employment programs, projects and services for people with barriers to employment are a feature of WorkReady.

Solutions

A more streamlined Subsidised Training List provides more certainty for individuals, employers and training providers. Detailed information about the statewide number of places the Government will fund in a given period is published annually, and updated regularly. Where the statewide allocation has been exhausted but regional training needs arise, there is scope for additional places to be allocated to regions through tailored training and employment projects that respond to job commitments.

This approach allows students and job seekers to make informed choices about publicly funded training options – knowing that the courses being subsidised are in areas and fields of strategic priority to government linked to employment outcomes. It also improves the capacity of training providers to plan their business activities and develop fee for service activity in relevant market segments.

Coordination

WorkReady is being introduced in stages to enable providers and clients to adjust to the new settings.

A Communication and Risk Management Plan will ensure that stakeholders are well informed about the key elements of WorkReady, and that mitigation strategies are in place to address identified risks.

Preferred option

The WorkReady initiative brings together existing training, employment and skills initiatives into one strategy.

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