



Northern Adelaide Skills, Workforce and Employment Blueprint

Summary

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Summary prepared for



This document provides a brief summary of the Northern Adelaide Skills, Workforce and Employment Blueprint. Interested readers can obtain a copy of the report in full from www.northernfutures.org.au

OVERVIEW

Population and economic growth are both set to escalate in the Northern Adelaide region¹. But there are grounds for concern that many Northern Adelaide residents will not be able to take advantage of employment opportunities as they arise. While the labour market works well for the majority of residents without any need for intervention on their behalf, the data analysis, interviews and consultations undertaken for this project highlight a skills deficit in the Northern Adelaide region associated with poor educational outcomes; early school-leaving; low uptake of post-school education; unemployment, and disengagement from the labour force – all of which continue to be high despite considerable effort over the past two decades.

In recognition of this situation, this project was commissioned by Northern Futures to develop a Skills, Workforce and Employment Blueprint for the Northern Adelaide region.

The Blueprint looks at two time-frames:

- First, the immediate situation, which requires action to (i) upskill existing workers, particularly in generic skills, (ii) place local unemployed ‘job ready’ people into jobs, and (iii) focus efforts in learning, training, up-skilling/re-skilling those who are unemployed but not yet ‘job ready’.
- Second, the strategic way forward, recognising that the entrenched unemployment and multi-dimensional disadvantage evident across the region will require a lead time of a decade or more before wide-scale change is evident. Having said that, progress toward this long-term goal should be iterative – that is, there should be measurable outcomes as social, educational, employment and economic goals are achieved.

¹ See *The 30-Year Plan for Greater Adelaide*.

The Northern Adelaide Region takes in the City of Playford, City of Salisbury, City of Tea Tree Gully and a portion of the City of Port Adelaide Enfield.

REGIONAL JOBS GROWTH AND FUTURE PROSPECTS

Jobs growth in the region has been both the result of and catalyst for population growth in the North in recent years. Between 1991 and 2007, Northern Adelaide was the fastest growing region in the Adelaide metropolitan area. The 30-Year Plan for Greater Adelaide forecasts further significant growth. As the population increases – by both natural increases and targeted measures – there will be major growth in both supply and demand sides of the labour market.

Over the coming five years, industries such as Construction, Retail, and Health and Social Assistance (also referred to as Health and Community Services) will be dramatically influenced by the planned population growth in the Northern Adelaide region and employment diversification within the region is likely to continue.

Notable aspects of projected industry composition include the increase in job numbers in Health Care and Social Assistance – to the extent that this industry will numerically be the largest employer of Northern Adelaide residents. Other sectors anticipated to experience future employment growth include: Construction; Transport and Logistics; Services to Mining; Advanced Manufacturing (including Defence manufacturing); Retail; and Accommodation and Food Services. More detailed analysis of change in employment by industry appears in the full report.

Residents of the Northern Adelaide region will only benefit from further growth and diversification in employment if they have sufficient skills and the minimum qualifications to take up these opportunities.

PRIORITY SKILLS/QUALIFICATIONS DEMAND IN THE REGION

Priorities for skills and qualifications training should clearly take account of both employment diversification and employment growth. Further detail on specific skill shortage areas is provided in the full report.

As a result of population growth and associated economic growth, the number of jobs to be filled will be greater than simply replacement demand. This means that employment and training strategies should emphasise upskilling current workers (including generic skills) and promote employee retention rather than just focusing on new entrants into occupations.

An assessment of skills required to fill current and future vacancies across industry sectors indicates that employers increasingly seek generic literacies, (language, numeracy, IT, problem solving) - skills which are transferable and to which task-specific skills can be added. While this model suits large organisations with the resources to offer on-the-job training and support, it fits less well for the majority of businesses in the region, which are micro-businesses and small-to-medium enterprises (SMEs) – and it is these firms which will lead employment growth in the future. Yet SME employers typically do not plan well for recruitment or workforce development.

Paradoxically, we found the sector charged with addressing some of the skills deficit in the Northern Adelaide Region is itself under-skilled and in need of revitalisation. Confidence in the training sector may be undermined by the lack of qualified assessors and trainers in relevant industry sectors and with capacity to train in workplaces. Concerns were also raised about the proportion of programs that appear to be supply driven by skills providers and delivered in the context of a traditional education model. There is scope for Registered Training Organisations to position themselves as workforce development agents but there is a strong perception that in order to do so many of these organisations will need to increase their industry engagement.

Increased regulation and reconfiguration of the employment and training industry will not, of itself, address issues arising from structural workforce changes (such as the growth in numbers of small employers). A *skills ecosystem* approach – which focuses on employer engagement and collaboration at the level of industry clusters, rather than training and training institutions, is likely to deliver a better result for the region.

BARRIERS TO EMPLOYMENT FOR MANY NORTHERN ADELAIDE RESIDENTS

The ability to function in the labour market depends on peoples' personal capacities, qualifications and skills base. Although the labour market works well for about 80% of the working age population around 20% have difficulties which act as barriers to gaining employment.

While 'the Northern Adelaide region' is perhaps a convenient geographic delineation, it is not universally useful for conceptualising the types of intervention needed to overcome entrenched multi-dimensional disadvantage experienced in 'pockets' across the region that

creates barriers to gaining employment. There are significant differences *between* and *within* the four Local Government Areas comprising the region.

For example, despite the relatively high labour force participation rate² at the regional level (64.3%), we identify extremely low levels of labour force participation (eg as low as 46% for prime age male workers) and extremely high (eg up to 98%) in identifiable pockets at the suburb level. This clearly indicates that generic policies and strategies are questionable across such a large area as the Northern Adelaide region. At the same time the significance of those low participation rates is worsened by the fact that there are also high unemployment rates in identifiable 'pockets'. Linked with this, of equal concern are those people who are not in the labour force because of being on Disability Support Pensions.

Barriers to gaining employment, especially for those in the 'pockets' identified include:

- Being of Indigenous or Torres Strait Islander status; some geographic 'pockets' in the region have up to 5 times more Aboriginal adults and 10 times more young children than the greater Adelaide Statistical Division (ASD)
- Being from a Culturally and Linguistically Diverse Background (CALD); some geographic 'pockets' have almost 4 times the percentages of CALD residents, often of refugee background, when compared with the ASD
- Low literacy and numeracy is so significant that it prevents jobseekers from benefiting from employment programs offered. For example:
 - i. Young people, particularly in the Playford suburbs, are grossly over-represented in early school-leaving
 - ii. Rates of post-school qualifications are very low.
- Low literacy and numeracy among children is so significant that it will prevent *future* jobseekers from benefiting from employment programs offered. For example:
 - i. Results of the 2009 Australian Early Development Index (AEDI) indicate in excess of 30% of children in disadvantaged suburbs in the region are highly vulnerable on two or more indicators
 - ii. National Assessment Program of Literacy and Numeracy (NAPLAN) results demonstrate that in excess of 25% of children in disadvantaged areas were below minimum national standards for literacy and numeracy. This is compared with an Australian average of 12% in other disadvantaged areas.

It is imperative that these learning, literacy and numeracy shortcomings are addressed now for current unemployed people, and for the children who will be the labour force of tomorrow.

² Defined by the Australian Bureau of Statistics (ABS) as being in the labour force: either in work or actively seeking work.

POLICY AND PROGRAMS: INCREASING PARTICIPATION AND COORDINATION

There is a plethora of employment programs across the region and, within each of these, there are often multiple initiatives. This makes for some duplication; some service gaps; poor communication channels; lack of integration between the needs of industry and the design of program responses, and confusion over lines of responsibility, reporting and accountability.

The findings highlight low levels of education and employment aspirations of jobseekers by the individuals themselves as well as low expectations by families, employers, schools and training providers. Among unemployed people there were also low levels of knowledge of career possibilities. This is compounded by a lack of a coordinated approach to career development across the many providers who provide this type of service.

Although the necessity for the employment and training system to be industry-driven has been stressed for over a decade by DFEEST and DEEWR among others, we found insufficient evidence of that occurring in a meaningful or sustainable way. This is not necessarily solely the fault of employment agencies, but is often a reflection of the limitations of their funding contracts, plus the lack of overall strategic intent or direction noted above. Importantly, there is still considerable scope for the development of *Transitional Labour Market* programs that include training on and off the job (preferably accredited), work placement, mentoring, job search assistance, and follow-up once in employment.

THE BLUEPRINT: SIX PILLARS OF ACTION

Addressing barriers to learning and employment and breaking the cycle of labour market disadvantage for vulnerable groups of residents in the Northern Adelaide region requires strategic, long-term intervention across six key categories (Pillars). A number of possible short-term and long-term actions to support regional workforce intervention are contained in the full report. It is envisaged that these would stimulate development of an action plan by the stakeholders who commissioned this report.

There is considerable overlap between issues categorised in this way, and actions to address one pillar will invariably affect other pillars. Nevertheless, these pillars enable a focus on major strands of the employment challenges faced by the Northern Adelaide region today.

PILLAR 1:**ENGAGEMENT & ASPIRATIONS**

In general there is a low skill base in the region. This is compounded by a prevalence of negative attitudes toward learning and work, and low employment aspirations for the future. In disadvantaged 'pockets' in the region, where jobless households are the norm, this contributes to a subsequent failure to engage in learning and employment. The problem can be summarised in terms of:

- Pockets of very low labour force participation among prime age workers (not necessarily always the younger cohorts as is assumed)
- Poor school-to-work transitions, leading to young people who have not engaged with education then not engaged with employment
- Low levels of aspiration at the individual, family and educator levels
- Negative experiences with employers leading to jobseekers 'giving up' and not seeking re-employment

To overcome these problems we must:

- Raise personal, familial and educator expectations about, and aspirations for, learning and employment
- Increase educational attachment among young people, particularly in disadvantaged 'pockets'
- Increase labour force participation, particularly in disadvantaged 'pockets'

PILLAR 2:**LEARNING AND LITERACIES**

Low levels of literacy and numeracy occur across the Northern Adelaide region, but are felt most keenly in pockets characterised by multi-dimensional disadvantage, and are significant barriers to people gaining, and keeping, jobs. Of particular concern is the evidence of low literacy and numeracy and compromised capacity to learn among children, starting from the early years and continuing through school.

Literacy shortcomings are also felt by other groups in later life, such as older workers seeking to retrain or those who have been performing the same tasks (often skilled) for many years, but are faced with problems with new regulations, which means they don't have the literacy skills necessary to pass accreditation tests for jobs they already do. Another

growing group is the refugees and migrants, whose literacy and numeracy difficulties are compounded by the fact that English is not their first – or even second – language.

Transferable literacies including language, numeracy, IT and problem-solving will be demanded as a base on which to build task-specific skills. Unless the demonstrated cycle of low educational attainment is broken in the region, the future does not bode well for current residents, their children, or employers.

The problem can be summarised in terms of:

- Learning needing to be embedded in family life
- Northern Adelaide children being over-represented in categories of achievement that are well below the minimum national average
- Difficulties in attracting experienced educators to the region
- Low levels of literacies across all age groups limiting participants' capacity to benefit from employment programs
- Low levels of literacies limiting the ease of up-skilling and re-skilling by older workers
- Programs to address literacy issues being over-subscribed and underfunded and with limited quality assurance measures to ensure trainers (often volunteers) 'teaching' ESL or basic literacy/numeracy have sufficient skills

To overcome these problems we must:

- Establish learning as an integral part of early childhood
- Support families/ caregivers to foster children's education
- Establish learning as a whole-of-life activity
- Support adults to improve their post-school literacy and numeracy

PILLAR 3:

COORDINATED CAREER DEVELOPMENT

People develop employment and 'career management' skills in a variety of contexts: at home, in school, in the workplace and in broader community interaction. The research highlighted significant short-comings in the career advice and the coordination of effort in this area.

The problem can be summarised in terms of:

- a marked lack of awareness of what jobs/career paths actually exist, particularly among families experiencing multi-generational unemployment
- a lack of awareness about where to go to seek information, particularly among young people, migrants and low-skilled older jobseekers
- a lack of meaningful career advice and options for work experience at school, but good practice models are not funded to permit scaling up
- teachers delivering VET programs do not have the opportunity to access up-to-date labour market information to guide student career choices
- Future subject choice, leading to career paths, is often made on the basis of a young person's classroom behaviour, not on potential skills and strengths, or interests
- A physical 'one stop' office suits jobseekers who self-select and need minimal advice or assistance, but is insufficient for those who need more intensive help

To overcome these problems we must:

- Develop and implement career development principles in a coordinated manner that is relevant to age cohorts and categories of jobseekers, starting in the school years
- Ensure that identifiable and cohesive links exist between those delivering career advice and the labour market
- Ensure career planning programs are tailored to specific jobseeker categories and delivered in targeted locations
- Provide jobseekers with accessible knowledge about potential jobs/ career paths, including innovative self-employment

PILLAR 4:

LINKS BETWEEN INDUSTRY AND EDUCATION, TRAINING AND EMPLOYMENT PROVIDERS

There is an overall lack of strategic planning and linking evident among employers, employment services agencies and education and training providers. This is coupled with limited communication across the sector, resulting in little meaningful coordination or collaboration, or planning for the future.

The problem can be summarised in terms of:

- A predominance of micro and small-to-medium enterprises, with a focus on short-term outcomes, not strategic planning: 'They are working *in* the business, not *on* the business'

- Many employers not seeing the value of employing locally, and those that do being 'swamped' by service providers
- Businesses wanting workers who are job ready, with generic/ soft skills, *plus* task specific skills *plus* work experience. But agencies do not have advance notice of what the task-specific skills will be and do not have access to meaningful work experience opportunities for job seekers
- Poor communication and lack of regional strategic planning meaning service providers do not know about existing or forthcoming major projects
- Insufficient linkage between employment agencies and local employers to the degree necessary to target skills in demand
- Supply-led training by RTOs jeopardising the achievement of employment outcomes

To overcome these problems we must:

- Adopt, implement and promote a T model of skills development; where the upright of the 'T' is the foundational skills of literacy, numeracy, IT and problem solving, and the horizontal of the 'T' represents added-on task-specific skills. This model must be flexible to changing industry needs and address industry skills gaps.
- Ensure training and employment programs are demand-driven (both in terms of existing demand and emerging trends)
- Ensure small-to-medium enterprises are better equipped to implement sound human resource practices
- Implement Intermediate Labour Market employment models across industry sectors

PILLAR 5:

ESTABLISHING AN ACCESSIBLE EVIDENCE BASE: CREATING A REGIONAL SKILLS AND EMPLOYMENT OBSERVATORY

Regional coordination at the moment largely consists of reporting, *after the fact*, the aggregated outcomes of various programs designed to promote individual level change in skills or employment status. In order to achieve the aims of pillars one to four, strategic planning for the region needs to be informed by accessible data (current and future) about labour supply and demand problems, solutions and opportunities - and accurate interpretation of the data. At the moment, access to collated, accessible data across employment-related measures is not available at a regional level, let alone the Statistical

Local Area and suburb level we have identified as necessary to address the region's labour market problems.

There is precedent interstate and overseas for creating a Regional Skills and Employment Observatory that can identify the range of data already available and offer transparent and effective collation and interpretation of those data, updated on a regular basis. The resources of this data observatory are required to inform strategic planning for the region, through the regional governance and planning body outlined in Pillar 6.

PILLAR 6: GOVERNANCE STRUCTURE – CREATING AN AUTHORITATIVE AND ADEQUATELY RESOURCED PLANNING BODY

There is a clear need for long term targets that can address multi-generational unemployment and very low literacy and numeracy skills in the Northern Adelaide region, which require targets some 10-15 years out. This needs a continuity of *focus* and *strategic intent*, in a co-ordinated system of strategic planning for family support, learning and employment across the region. We suggest that such a system could be facilitated by a governance and planning entity that is:

- Acknowledged as having power to make decisions on behalf of stakeholders, and
- Has the ability to capture bi-partisan support at the State and Commonwealth government level to ensure continuity of direction beyond a three/four year election cycle.

This need not be a new layer of administration and committee formation. Minor re-configuration of one of the currently existing bodies could undertake this role provided the necessary resourcing and mandate were established, and it gained the cooperation of the relevant Commonwealth, State and Local governments. Regional bodies, such as that suggested here, need to have dual accountability – to the State, Commonwealth or Local government departments or private sectors from which members come – but also to the region itself.

Pillars 5 and 6 are fundamental to a coordinated regional strategy that can implement actions suggested in Pillars 1 to 4, to take learning and employment outcomes in the Northern Adelaide region from *what was* to *what can be*.

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Northern Futures partners include -

