



STATE TRAINING PLAN

2023–24



Acknowledgement of Country

The State Training Board acknowledges the Aboriginal people of Western Australia as the traditional custodians of the lands and waters. The State Training Board honours the nation's first peoples' wisdom, cultures, languages and communities, and pays respect to Elders past, present and emerging.

State Training Plan 2023–24

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For further information:

Office of the State Training Board
Department of Training and Workforce Development
Djookanup

16 Parkland Road, Osborne Park WA 6017

P: Locked Bag 16, Osborne Park DC WA 6916

T: 08 6551 5593

E: ostb@dtwd.wa.gov.au

W: stb.wa.gov.au

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THE PLAN ESTABLISHES FOUR PILLARS TO GUIDE THE STATE GOVERNMENT'S INVESTMENT IN THE VOCATIONAL EDUCATION AND TRAINING (VET) SECTOR



Chair's message

On behalf of the State Training Board (the Board), I am pleased to present the *State Training Plan 2023-24* (the Plan). The Plan establishes four pillars to guide the State Government's investment in the vocational education and training (VET) sector over the next two years.

The Plan builds on the State's responsive and agile VET system, which has successfully supported industry's skills requirements through the volatility and uncertainty of recent years.

It also draws on the continuing work by the Department of Training and Workforce Development (the Department) as a result of strategic recommendations made by the Board.

Western Australia's robust economic activity, high VET enrolments and record apprenticeship numbers, coupled with interstate migration into the State being at the highest levels since the 2012 mining boom are all helping to develop, grow and attract skilled workers. Industries, however, are still reporting challenges meeting their staffing requirements and sourcing and training local job seekers.

The Commonwealth Government recently established Jobs and Skills Australia as a statutory body to provide independent advice on current, emerging, and future workforce, skills, and training needs, creating 10 Jobs and Skills Councils (JSCs). Western Australian industries are fundamental to the sustainable development of the national economy and it is critical that the skills needs of these industries are represented through the State's participation in and contributions to the work done by the JSCs.

With Western Australian industries adopting new technologies and flexible work arrangements, the VET sector must be ready to equip Western Australians – including those from regional, diverse and

underrepresented backgrounds – with the skills needed to actively participate and prosper in the workplace. This means providing accessible training in established industries, but also preparing for burgeoning industry areas like renewable energy, decarbonisation and climate change response, digitalisation, defence industries, the care economy and advanced manufacturing.

It also means equipping workers with skills that support them to navigate disruptions arising from new technologies and emerging industries. To capitalise on growth opportunities for Western Australia and ensure that no workers are left behind, particularly in regional Western Australia, training funding and delivery must be responsive to these changing environments.

Medium term forecasts predict a potential slowdown of the economy with rising risks of recession in many parts of the world, the lagged impacts of inflation and increased interest rates (both locally and internationally), geopolitical issues, and the possibility of easing commodity prices. The Plan outlines the strategic priorities that will give the State Government the ability to respond flexibly, supporting a sustainable pipeline of apprentices, trainees and skilled workers through these economic cycles.

On behalf the Board, I would like to thank industry training councils and the Department for their ongoing efforts to strengthen Western Australia's training sector, and for their input into the development of the *State Training Plan 2023-24*.



Mr Jim Walker
Chair, State Training Board

The State Training Plan 2023-24

The State Training Plan has a focus on ensuring that public investment in VET delivers the skills required for the strategic development of the Western Australian economy.

The Plan is framed around addressing key workforce development opportunities presented through the State Government's economic diversification strategy, State and national climate change targets, reform to the national skills agenda, a changing economic landscape, historic highs in apprenticeship engagement, and historic lows in unemployment. The Plan is informed by the valuable industry consultation and intelligence provided by the Board's network of industry training councils and in alignment with broader State Government priorities.

The Board's vision is for the State to benefit from an innovative, responsive and appropriately resourced VET sector that enables Western Australians to access and develop skills for active participation in the workforce and helps facilitate State development.

Considering this, the Board has identified four key strategic pillars as the foundation of the Plan for the Government's investment in VET.

1. Advocating for Western Australian industry skills needs in National Skills Reform.
2. Preparing a skilled workforce for energy transformation and decarbonisation targets.
3. Managing a sustainable pipeline of apprentices and trainees.
4. Building regional workforce skills and capacity.

State Training Plan – Key Priorities 2023-24

Strategic Pillar	1	2	3	4
	Advocating for Western Australian industry skills needs in National Skills Reform	Preparing a skilled workforce for energy transformation and decarbonisation targets	Managing a sustainable pipeline of apprentices and trainees	Building regional workforce skills and capacity
Industry Engagement	Industry Training Councils Consultation reporting			
	Community Skills WA	Construction Training Fund	Financial, Administrative and Professional Services	Food, Fibre and Timber Industries
	FutureNow – Creative and Leisure Industries	Logistics and Defence	Resources Industry	Utilities, Engineering, Electrical, Automotive
Continuing Initiatives – skills development	Social Assistance and Allied Health Workforce Strategy			
	Tourism and Hospitality Skills Strategy			
	Training Strategy for Agriculture Industries			
	Youth Engagement in VET			



The Board has prepared the Plan in accordance with its responsibilities under section 21(1)(a) of the *Vocational Education and Training Act 1996* (VET Act).

The Board's role is to establish, enable and support policies, strategies and activities that will help ensure the VET sector develops and delivers the skills needed by Western Australian industries for Western Australian jobs.

The Board's recent initiatives and engagement with industry has resulted in the development of strategic frameworks to develop workforce capacity.

As an example, the *Social Assistance and Allied Health Workforce Strategy*, endorsed by Government, presented a suite of recommendations to support training for this sector, particularly in the engagement of Aboriginal people, people from diverse

backgrounds and regional communities. Government, enterprises and local communities have collaborated to implement actions to raise awareness of career pathways, upskilling opportunities, pre-employment programs, skill sets, new traineeships, employer incentives and training provider partnerships to facilitate workforce growth for this sector.

The work to achieve the objectives of this strategy will continue alongside frameworks generated from previous State Training Plans.

The State Training Plan 2023–24 takes into account the Department's training delivery data and labour market analysis.

A summary of the relevant policy and economic contexts is also provided.

The page features several abstract geometric shapes in two shades of green. In the top left, there is a cluster of four olive green triangles pointing towards the center. In the top right, there are two light green triangles pointing outwards. In the middle right, there are four olive green triangles arranged in a larger triangular pattern. In the bottom left and bottom right, there are large, light green triangles pointing outwards. The central text is positioned between these decorative elements.

PRIORITIES IN DETAIL

PRIORITY 1.

Advocating for Western Australian industry skills needs in National Skills Reform

The Commonwealth Government's establishment of Jobs and Skills Australia as a statutory authority in late 2022 will progress reforms to skills and workforce development for Australia.

Western Australia's established industries are currently experiencing significant skills shortages amidst demand for new skills in growth and emerging sectors. These issues highlight the critical need for WA's priorities for skills and economic diversification to be adequately recognised in the national industry engagement framework.

In its capacity as a statutory authority and the peak body providing industry training advisory services to Government in Western Australia, the State Training Board engages eight industry training councils (ITCs) as a critical means to consult with industry on current and future skills and workforce issues. The ITCs are in constant communication with industry stakeholders, employers, unions, the VET and education sectors, collating qualitative and quantitative intelligence that informs the Board's strategic frameworks and actions at sub-regional, regional and State level.

The Board is therefore ideally positioned to be the key conduit for Western Australia's advocacy for skills needs at the national level

and it is crucial that this is recognised in the federated industry engagement framework. It is incumbent on the Board to work collaboratively in the federated space, to ensure that agreements can be forged to maintain the function of the ITC network as the core instrument of engagement with Western Australian industries, to ensure engagement is fit for purpose for state and national agendas, and is not fatiguing or repetitive for industry stakeholders.

Background to National Reform

The Prime Minister and Commonwealth Treasurer hosted the Australian Jobs and Skills Summit on 1-2 September 2022. Outcomes from the Summit include immediate actions as well as areas for further work. National Cabinet has included workforce in the remit for the Skills Ministers' Ministerial Council, which is an opportunity for Skills Ministers to enable broader consideration of workforce issues.

The agreed priorities of the Skills and Workforce Ministerial Council are:

- » collective national leadership over the next year, committing to immediate steps to address pressures in the economy for skilled workers;

- » responding to megatrends transforming Australia's economy nationally and locally;
- » building capability, capacity and institutional leadership in the VET sector; and
- » improving outcomes for priority groups (including Closing the Gap and foundation skills).

Western Australia has entered into a 12 month Interim Funding Agreement with the Commonwealth Government, which launched the *FREE IN '23* – 18,800 fee free TAFE and VET places from 1 January 2023. The course list for fee free places includes qualifications and skill sets across sectors including care, technology/digital, construction, agriculture, hospitality/tourism, and other priority areas for Western Australia such as meat processing, logistics, maritime and mining. The care sector is a particular focus for the interim agreement, with specific aged care targets for fee free training.

Jobs and Skills Australia

Legislation was passed in November 2022 to establish a new independent agency, Jobs and Skills Australia (JSA). The new agency replaces and builds on the work of the National Skills Commission, taking on a broader strategic remit including independent advice on current, emerging and future labour market and workforce skills and training needs. The JSA will bring together governments, industry and unions to match skills training and evolving demands on industry. The permanent structure and functions of the JSA will be informed by consultation and outcomes from the Jobs and Skills Summit.

While maintaining the regular data reporting previously undertaken by the National Skills Commission, the interim JSA's first specialist priorities are expected to be:

- » a clean energy capacity study; and
- » a national study on adult literacy, numeracy and digital skills.

Jobs and Skills Councils

Jobs and Skills Councils replaced Industry Reference Committees and Skills Service Organisations from 1 January 2023. Jobs and Skills Councils will take on an expanded workforce planning role in addition to developing national training products. The ten new Councils will:

- » identify skills and workforce needs for their industry sectors;
- » map career pathways across education sectors;
- » develop contemporary VET training products and update training packages;
- » support collaboration between industry and training providers to improve training and assessment practice; and
- » act as a source of intelligence on issues affecting their industries.

Other reforms

Skills Ministers have agreed to simplifying, streamlining and rationalising national VET qualifications.

Skills Ministers have also committed to raising the quality and responsiveness of training delivered within the VET sector through revising the *Standards for RTOs 2015*, improving the capability and capacity of RTOs for continuous improvement and developing a *VET Workforce Quality Strategy*.

PRIORITY 2.

Preparing a skilled workforce for energy transformation and decarbonisation



The Board recognises energy transformation and decarbonisation as critical for the State's development and supports investment in training that broadens and deepens the skills of the State's workforce to meet the current and future needs of these priorities.

The development and mapping of these skills will support multiple industries within the *Diversify WA* framework, and enable investment in decarbonisation strategies that are critical to the State's climate change agenda and sustaining economic and social development.

The State Government's *Diversify WA* framework identifies energy as a key priority sector for strategic development, highlighting environmentally and socially responsible production processes as a cross-industry focus.

The Government's *Renewable Hydrogen Strategy* aims to have Western Australia compete globally as an exporter of renewable hydrogen, and for the State to be a consumer of hydrogen domestically and industrially by 2030.

The Board proposes to lead an industry steering group, recognised as a sub-committee of the State Training Board, to investigate and support access to the current

and future skills required for the energy transition agenda, encompassing hydrogen, solar, wind and other renewables. The Board will also work with industry and the VET sector to investigate the skills needs of all industries to manage decarbonisation to meet the Government's climate change targets.

The Board's coordinated approach will engage industry, unions, local governments and communities to develop a pipeline of skilled workers for these emerging industries and assist affected workers and regional communities prosper in a clean energy future.

From this engagement, the Board aims to develop a *Clean Energy Workforce Strategy* to guide skills, training and workforce development priorities and investment that will be required to meet the State's agenda in energy transformation and decarbonisation.



Diversify and decarbonise the State's economy through the development of large-scale renewable hydrogen projects

The Department of Training and Workforce Development is supporting the Department of Jobs, Tourism, Science and Innovation to develop a workforce for the hydrogen industry.

Renewable hydrogen projects have the potential to provide jobs during construction, as well as long term jobs in the regions. This includes employment opportunities for Aboriginal people. It is critical that Western Australians have access to appropriate training and facilities to develop a skilled workforce for the construction, operation and maintenance of hydrogen production plants and renewable energy systems.

The Kwinana Energy Transformation Hub (KETH) is a subsidiary of the Future Energy Exports Co-operative Research Centre and is currently in the process of establishing an industrial-scale research and training facility for Liquefied Natural Gas and Hydrogen. KETH plans to appoint and collaborate with a registered training organisation to work with the University of Western Australia and the private sector to deliver skilled training.



PRIORITY 3.

Managing a sustainable pipeline of apprentices and trainees.

While the State's economic and employment outlook remains buoyant, there are current macroeconomic and geopolitical forces that may lead to a softening in the economy. Historical data suggests that a likely consequence will be a decrease in the demand for new apprentices and trainees and a risk to the retention of those currently in training.

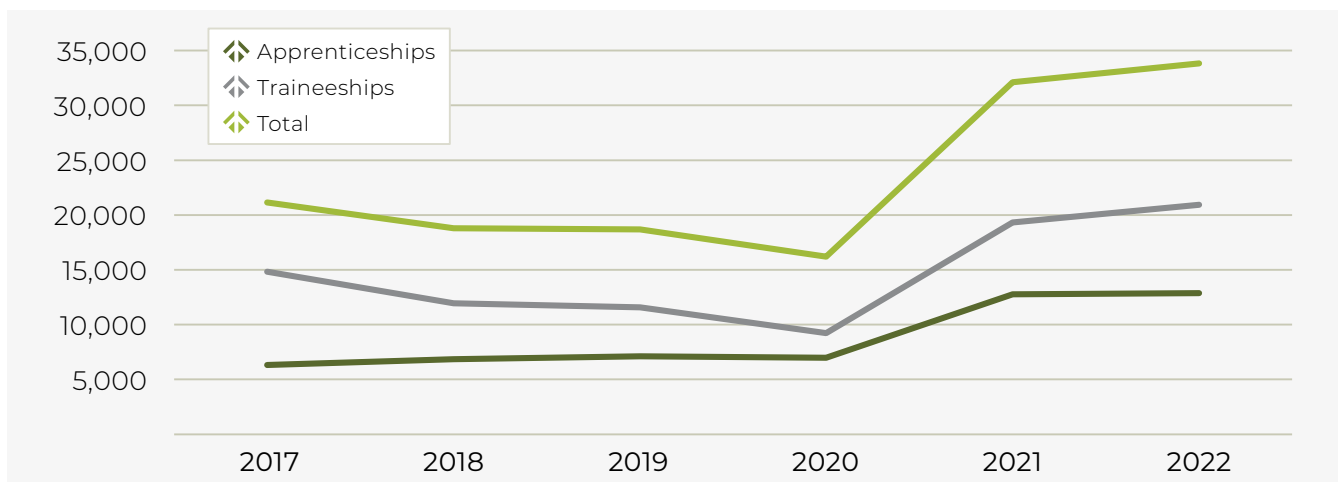
It is important to address the cyclic demand for apprentices through flexible policy settings and collaboration with industry; to facilitate a training culture that improves long-term completion rates and leads to a sustainable supply of apprentices to meet industry needs, the Government's economic

diversification agenda and support Western Australia's regional communities.

Western Australia's apprenticeship system covers a diverse range of industries and occupations, offering more than 650 apprenticeships and traineeships ranging from certificate I to advanced diploma level.

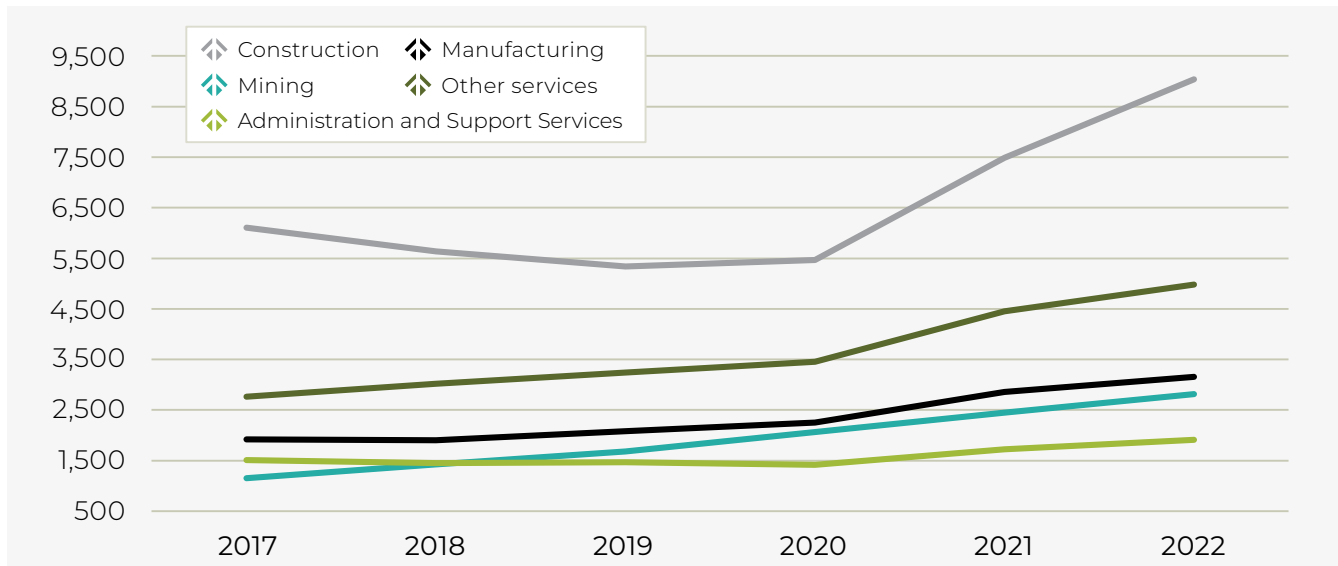
The unemployment rate in Western Australia fell to historic lows over the last 12-18 months. Employment-based training picked up as unemployment declined and the number of apprentices and trainees in training reached record highs in 2022, with 33,828 commencements in the 12 months to September (Figure 1) and a total of 47,085 in training across the State (Figures 2 and 3).

Figure 1: Western Australian apprenticeship and traineeship commencements in the 12 months to 30 September 2017-2022¹



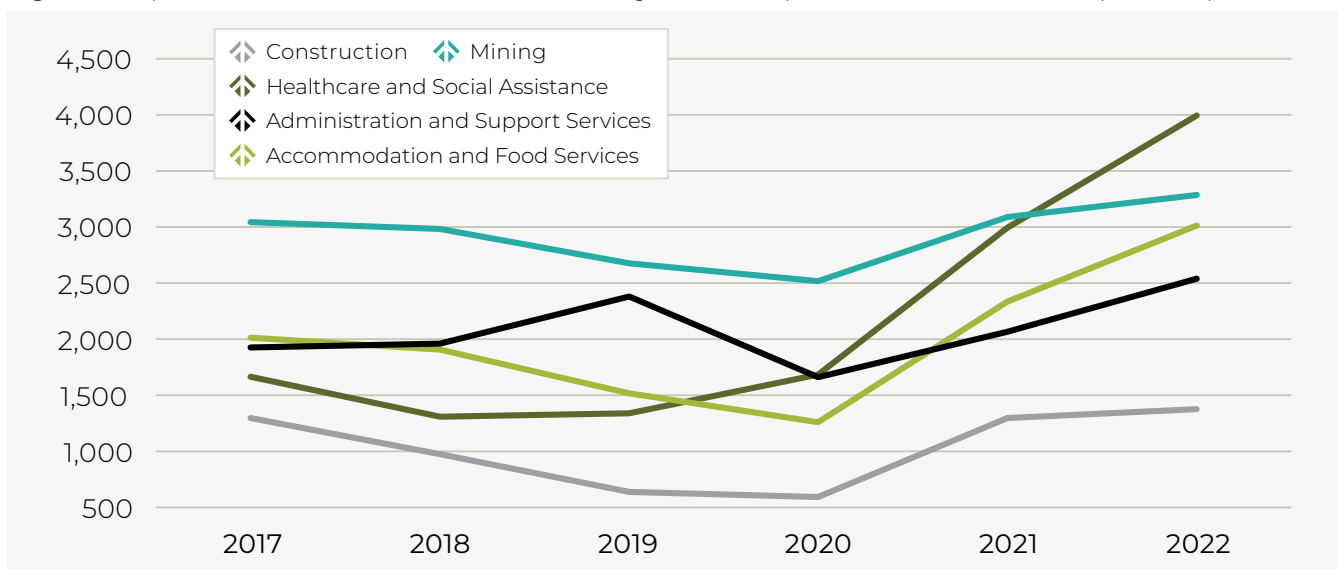
Source: Department of Training and Workforce Development

Figure 2: Top five industries with apprentices in training 2017-2022 (in the 12 months to 30 September)².



Source: Department of Training and Workforce Development

Figure 3: Top five industries with trainees in training 2017-2022 (in the 12 months to 30 September)³.



Source: Department of Training and Workforce Development

Figure 2 shows a sharp increase in apprenticeship and traineeship commencements from 2020 after several years of decline. This increase coincided with the implementation of State and Commonwealth stimulus measures, generous wage subsidies available to employers and reduced fees for VET.

Figure 3 shows that the number of apprentices and trainees in training also increased sharply from 2020; coinciding with State and Commonwealth stimulus measures and the generous wage subsidies available to employers.

Quality intelligence from the Department's Western Australian Jobs, Education and Training (WAJET) Survey currently informs the State Priority Occupation List (SPOL), the Skilled Migration List and other training priorities for the State. This information, labour market data and engagement with industry, unions, the VET and education sectors and regional communities will identify key issues to manage a sustainable pipeline of apprentices and trainees.

PRIORITY 4.

Building regional workforce skills and capacity

Some of the State's greatest workforce challenges are being experienced in regional Western Australia.

Skills shortages in regional Western Australia are impeding economic development with four out of five regional businesses (82%) reporting being impacted by the skills crisis⁴.

The development of skills as a platform to build the capacity of regions continues as a key pillar for the Board in the Plan. Agriculture, transport and logistics, hospitality, social assistance and allied health, building and construction, and mining are all fundamental to State development and all are experiencing acute workforce challenges.

An outcome of the McGowan Government's Regional Skills Summits in 2021 was the establishment of 10 Regional Coordinating Committees, which identified that the lack of affordable housing and affordable childcare services are barriers for regional towns in attracting new workers, exacerbating skill shortages and impeding economic diversification.

The Board, in conjunction with the Community Skills WA Industry Training Council, explored the drivers of skills shortages affecting the early childhood education and care (ECEC) sector and presented a series of recommendations to the State Government in its 2022 *Regional Early Childhood Education and Care Report*.

Strategies and actions emerging from the recommendations in the report will be framed around facilitating improved access to childcare for regional families, by attracting and retaining childcare workers and supporting the sustainability of childcare providers.

Coordinated workforce development at the local level will be key to driving sustainable economic development in the regions and the Regional Coordinating Committees have implemented multiple, localised *Regional Action Plans* with a view to develop skills that match labour market demand, industry-specific needs and to connect local people with local jobs.

The Board will continue with this approach in 2023-24 and build on a body of work in collaboration with the Department of Primary Industries and Regional Development (DPIRD) and the Food, Fibre and Timber Industries Training Council (FFTITC) to identify and discuss key issues impacting the agriculture sector's ability to attract and retain workers. The agriculture industry is essential for Western Australia's development and it is imperative that the sector is able to attract and retain the skilled workers it needs to carry out its functions across regional and remote Western Australia.

Industry stakeholders came together in October 2022 in a facilitated roundtable workshop where it was agreed that the State Training Board will form a Steering Committee under section 23 of the VET Act to facilitate further research, consultation and discussions on key workforce and training issues. The Agriculture Workforce and Skills Steering Committee will consult with industry and provide a report and associated recommendations to the Minister.

The State Government's *Diversify WA* seeks to create at least 30,000 jobs in regional Western Australia by 2024. In 2022, around 27% of Western Australia's publicly funded training was being delivered in regional Western Australia⁵ with 20% of Western Australia's population (aged 15 years and older) residing in a regional area⁶.

Recent events in regional Western Australia, such as the Kimberley floods, Cyclone Seroja and the Wooroloo bushfires highlight the need for a skilled, localised workforce as a critical factor in community resilience and sustainability. A collaborative cross-

government response is in place to ensure that people in regional and remote Western Australia have access to quality local training and employment pathways, and the Board acknowledges the significant work underway to increase the capability of regional Western Australian workforces.



Regional workforce needs

The McGowan Government's Regional Skills Summits held in 2021 resulted in the development of Regional Skills Summit Action Plans and the establishment of Regional Coordinating Committees (RCC) to drive the implementation of the Regional Action Plans.

In partnership with regional stakeholders, regional TAFE colleges, Regional Development Commissions and Regional Chambers of Commerce and Industry have led implementation of the action plans.

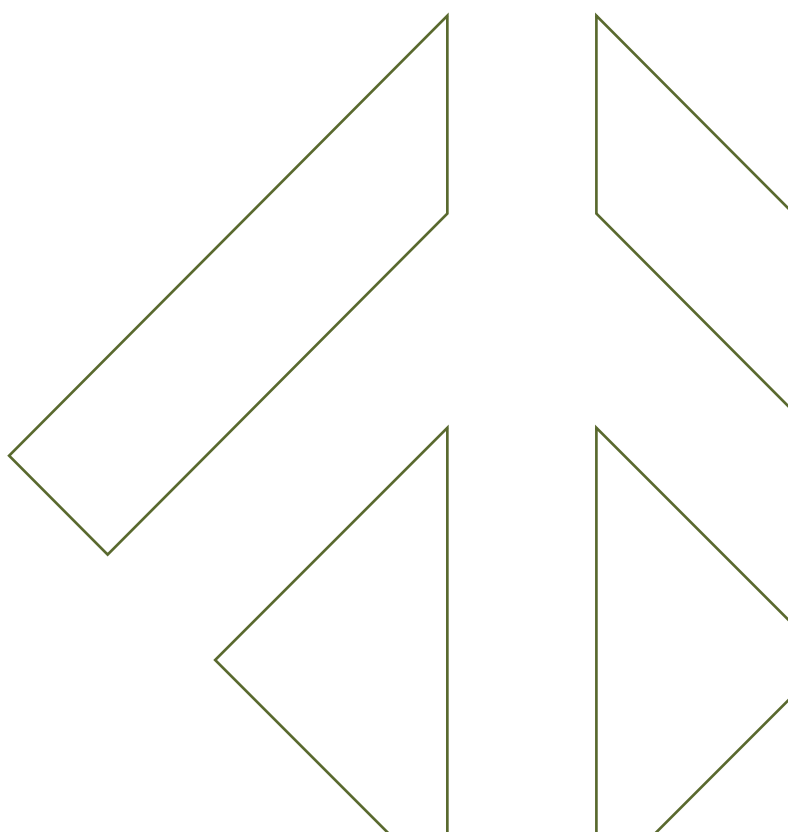
These regional partnerships enable the State Government's training and workforce development initiatives to be customised and targeted at regional workforce needs.





CONTINUING INITIATIVES – SKILLS DEVELOPMENT

The Plan will build on the existing strategic frameworks and recommendations made by the Board that have guided the Government's investment in VET.



SOCIAL ASSISTANCE AND ALLIED HEALTH

Social Assistance and Allied Health

In 2018, the Board commenced work to ensure the VET sector was positioned to respond to the State's growth in demand for skilled workers in the social assistance and allied health sector.

The ensuing *Social Assistance and Allied Health Workforce Strategy* (the Strategy) was developed through extensive consultation with stakeholders operating in the sector, across 10 regions in the State. A steering committee, comprising representatives from the State Training Board, the Community Skills WA Training Council, Government departments, industry peak bodies and unions guided the development of the strategy, which presented a series of recommendations under the following headings:

- » marketing and promotion;
- » traineeships;
- » skills sets;
- » pre-employment programs;
- » employer incentives; and
- » training provider partnerships.

The Strategy was endorsed by Government and inter-agency collaborative implementation of the recommendations commenced under Department leadership.

A range of new skill sets for the sector have been implemented and have been included in the Government's fee free Skills Ready program. Pre-employment initiatives that are complete and/or on track for completion include the development of pre-vocational programs for secondary students for articulation into Certificate III or above qualifications and opportunities for students to engage with the sector through the Year 9 Career Taster Program. New traineeships are under development and the strategy is providing greater opportunities for engagement of Aboriginal people and people from culturally diverse backgrounds in the social assistance and allied health sector.

The continuing implementation of the recommendations in the strategy demonstrates the agility and responsiveness of the VET sector to be both reactive and proactive in addressing workforce skills and capacity.

TOURISM AND HOSPITALITY

Tourism and Hospitality

The *Tourism and Hospitality Skills Strategy* 2020 was developed to address the workforce skills required to support a longer term tourism strategy for Western Australia. The project commenced in 2019 with widespread consultation with industry stakeholders across the State. The Board recognised that Western Australia's tourism and hospitality operators were faced with unprecedented and significant market disruptions in 2020 due to the pandemic and the strategy was updated to support local business operators, regional economies and local jobs that rely on tourism and hospitality trade.

The *Tourism and Hospitality Skills Strategy* was endorsed by Government in early 2021 and focused on the following areas:

- » pre-vocational pathways for chefs;
- » upskilling for tourism and hospitality workers;
- » flexible training models for small business operators;
- » Aboriginal tourism skills;
- » seasonality;
- » promotion of tourism and hospitality pathways;
- » attraction and retention; and
- » continued collaboration between industry and Government.

A collaborative approach has seen the Department, Tourism WA, WA Indigenous Tourism Operators Council (WAITOC), the Australian Hotels Association (AHA), Tourism Council WA (TCWA) and the FutureNow Training Council share responsibility and leadership for the implementation of recommendations to support the development of a skilled workforce for the sector.

The development and delivery of skill sets and pre-vocational courses through the Government's reduced fee/fee free training implemented in 2021 continues to provide entry pathways into the sector, whilst specific funded skill sets are available to small business owners to enhance their sustainability in the sector and support employment.

Continuing consultation with the sector, facilitated by the FutureNow Training Council, has seen more than 100 sector-specific occupations added to the Western Australian State Priority Occupations List (SPOL). School-based career information, through the Year 9 Career Taster Program and enhanced availability of Certificate II pre-vocational programs provides clear articulation into Certificate III qualifications and apprenticeship pathways.

YOUTH ENGAGEMENT IN VET

Youth Engagement in VET

In 2021, the Board established a Youth Engagement Project, which aimed to gather a deeper understanding of young people's experience of the VET system through a series of industry-specific roundtable discussions.

The *Mobilising WA's Future: Young People in VET* report, finalised in 2022, emerged from seven facilitated roundtable discussions with 78 young people aged between 18 and 24. Each of these individuals were undertaking, or had recently completed a VET qualification in a core industry area experiencing skills shortages and where youth participation was identified as an issue.

Three key themes emerged from these discussions which relate to:

- » engagement and exposure to VET;
- » changing the perception of VET; and
- » VET delivery and support.

Ten key findings accompany the themes, and the report makes recommendations to improve young people's engagement in the VET sector.

While the consultation with young people focused on training in the metropolitan area, actions emerging from the 10 recommendations will be shaped to address the specific needs of regional and diverse cohorts.

The Board plans to develop a strategic framework to address the key themes to raise perceptions and status of VET amongst youth and their influencers and improve their engagement with and experience of VET as a complementary mechanism to address the future skilled workforce requirements of the State.

TRAINING STRATEGY FOR AGRICULTURAL INDUSTRIES

Training Strategy for Agricultural Industries

In June 2022, representatives from the Board, the Muresk Institute and DPIRD met with representatives from the WA Farmers Federation and agriculture sector to better understand the industry's workforce challenges and skills needs.

The Board, together with DPRID and FFTITC convened a stakeholder roundtable, focused around a discussion paper developed by the Office of the State Training Board.

The members of the roundtable noted the very tight labour market and competition with other industries in the attraction and

retention of workers. It was identified that the industry is seeking a training product for broad acre farming that is suitable for delivery in a workplace setting, technically focused, robust, carries substantial prestige and provides a clear pathway into the industry.

In early 2023, the Board will work with the agriculture industry to establish a steering group and develop a strategic framework and recommendations for training for the sector, which will be presented to the State Government for consideration.





POLICY CONTEXT

*The Plan is developed within
the context of State development
and vocational education and
training priorities.*

Western Australian State Budget 2022-23

The 2022–23 *State Budget* reflected the strong performance of Western Australia's economy and finances. The State Government continues to invest in the training sector and deliver on election commitments to keep training affordable and accessible, as well as provide opportunities for Western Australians to reskill and find work in local jobs throughout the State.

Priorities for the VET sector include:

- » additional funding for *Lower fees, local skills*;
- » funding to support training in Western Australia's construction industry;
- » building Western Australia's defence industry's professional and paraprofessional workforce;
- » supporting mature-aged jobseekers and ex-offenders into employment;
- » supporting women, Aboriginal people, people from culturally and linguistically diverse backgrounds and people with disability into employment;
- » supporting Collie's Just Transition Plan; and
- » attracting international students to the regions to help address skills shortages as part of the Regional TAFE International Student Strategy.

The State Government also continues to rollout a TAFE capital works program to deliver state-of-the-art facilities providing high-quality, industry-relevant training across the State.

Diversify WA and WA Jobs Plan

The *WA Jobs Plan* outlines the McGowan Government's election commitments and focuses on preferencing Western Australians for Western Australian jobs, Western Australian manufacturing, creating jobs in regional Western Australia, reducing interstate FIFO, more training at TAFE and school and continuing to diversify the State's economy.

Strategic frameworks developed under each of the four key pillars in the *State Training Plan 2023-24* account for the priority sectors identified in the State Government's *Diversify WA* economic framework:

- » energy;
- » tourism, events and creative industries;
- » international education;
- » defence industries;
- » mining and mining equipment, technology and services (METS);
- » space industries;
- » health and medical life sciences; and
- » primary industries.

Diversify WA also recognises there are certain activities that will improve value and productivity across multiple sectors within the economy that should be prioritised. These cross-sector activities are:

- » supply chain development;
- » advanced manufacturing;
- » science, innovation and technology; and
- » environmental, social and governance frameworks.

STEM Strategy

The State Government's STEM strategy, *Future jobs, future skills - Driving STEM skills in Western Australia*, focuses on building the STEM talent pipeline to ensure industry has access to the skills it needs, and to ensure Western Australians are positioned to adapt to technological advancements and increased automation.

One of the STEM Strategy's key pillars is 'Diversity in STEM'; aimed at supporting under-represented groups in STEM disciplines to enter the education and career pipeline. Target groups include:

- » women;
- » Aboriginal people;
- » people from lower socioeconomic backgrounds;
- » people with disability; and
- » people from culturally and linguistically diverse backgrounds.

The STEM strategy notes the low participation of women in engineering, identifies conscious and unconscious gender bias, cultural stereotypes, and self-perception as barriers to women's participation in STEM, and encourages the commitment of workplaces to addressing gender bias, inclusivity and the 'leaky pipeline'.

Skilled Migration and Reconnect WA

In August 2022, the Western Australian Government announced changes to its migration program to ensure Western Australia is the State of choice for skilled workers migrating to Australia and to support industry demand.

Changes included the temporary relaxation of migration criteria and waiving of the application fee. More than 100 occupations were added to Western Australia's skilled occupation list, including 46 health occupations, bringing the total list to 276 occupations. These changes complement the *Skilled Migrant Employment Register* that connects skilled migrants with Western Australian jobs.

The *Skilled Migrant Job Connect* program, to be launched in 2023, is aimed at helping reduce barriers to employment for onshore skilled migrants such as recognition of prior learning, and lack of transport and support networks.

This also complements the *Reconnect WA* program, which includes initiatives to attract overseas skilled workers, backpackers and international students to the State. With several international advertising campaigns running to attract workers in key industries, including building and construction, manufacturing, healthcare, tourism and agriculture, the changes will bolster Western Australia's position in the international and national market for skilled workers.

WA Recovery Plan

The \$5.5 billion *WA Recovery Plan* sets out how the State will recover from the impacts of the COVID-19 pandemic and reposition itself as a thriving and innovative place in which to live, work, visit and do business. It focuses on 21 priority streams, many of which have implications for the VET sector. The scope is comprehensive, ranging from new technologies, local manufacturing to tourism, patient care and the environment. The *WA Recovery Plan* aims to create jobs and training opportunities for future industries, help restore business and consumer confidence, and rebuild the economy.

A key strategy of the WA Recovery Plan is to leverage investment in infrastructure projects to generate jobs and grow the State's economy.

These projects will require a workforce with skills in building and construction, engineering, electrical technology, welding and other trades. To maximise the long-term benefits of the State Government's investment, projects will create opportunities for additional apprenticeships, traineeships and other priority training.

State Priority Occupation List

The State Priority Occupation List (SPOL) is produced each year by the Department in consultation with key stakeholders, including the State's industry training councils, to inform and guide workforce planning and development for Western Australia. It is a list of occupations rated according to their priority status for State. The SPOL informs workforce development planning and the allocation of subsidised training programs into areas of prioritised need.

In 2021 a new survey instrument, the Western Australian Jobs, Education and Training Survey, was developed to inform the SPOL. It captures holistic information about occupation demand, expected impact of industry developments on occupation supply and demand, and industry advice on the State's training market.

Other key strategies influencing the Plan include:

- » *Stronger Together: WA's Plan for Gender Equality;*
- » *Aboriginal Empowerment Strategy; and*
- » *Employment Enabling Support for Aboriginal Youth Pilot.*

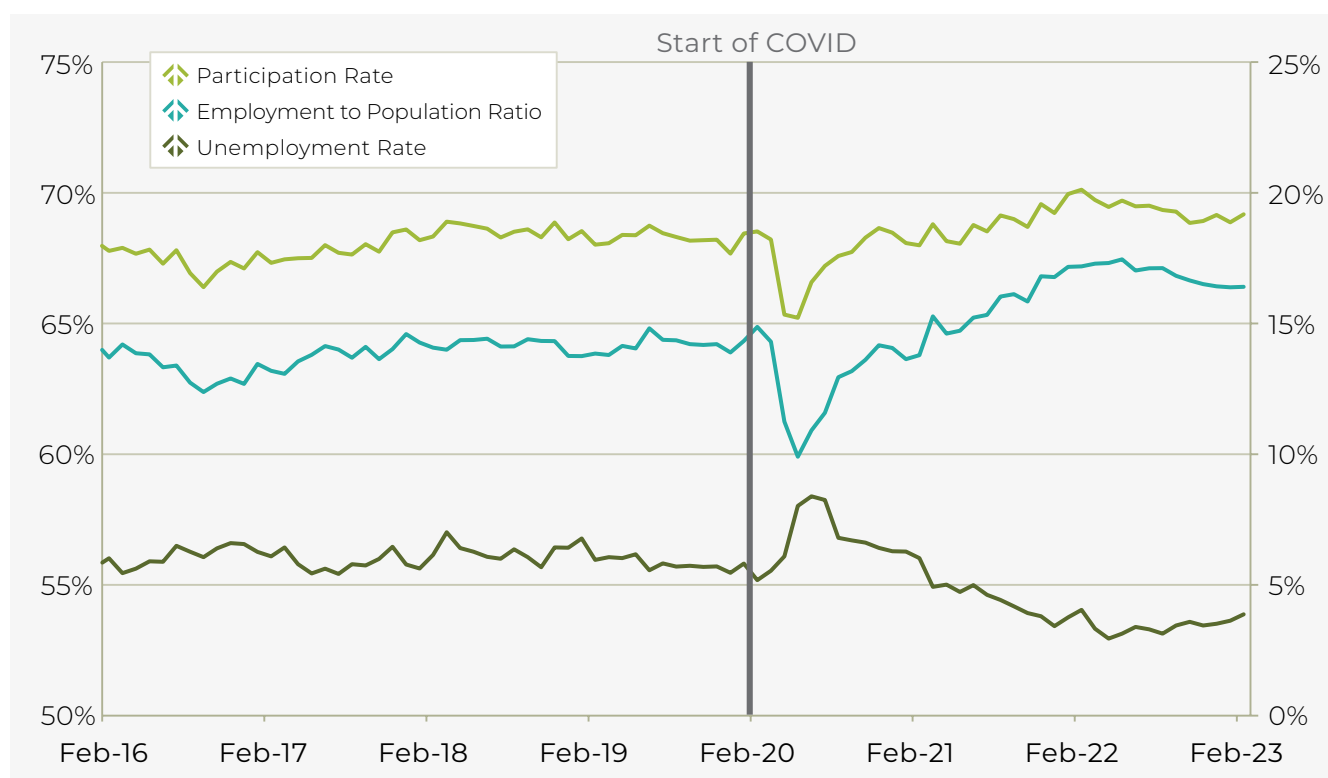
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WESTERN AUSTRALIA'S ECONOMY AND LABOUR MARKET

Western Australia's economy has performed strongly since the onset of the COVID-19 pandemic, accounting for 23% of national economic growth over the period – more than double the State's population share, and the largest contribution of all jurisdictions⁷.

Conditions in the State's labour market remain strong despite international economic headwinds. Western Australia's strong economic performance since the COVID-19 pandemic has resulted in tight labour market conditions and recruitment difficulties for employers across multiple industries. Western Australia's unemployment rate is at historically low levels. Across Perth and more acutely in regional and remote communities there have been consistent reports of more job vacancies than people to fill them.

Figure 4: Headline Labour Force Figures, Western Australia



Source: ABS Labour Force Survey, Seasonally Adjusted

Western Australia's tight labour market is evidenced by historically low rates of underutilisation of labour (Figure 4)⁸, and there is limited spare capacity for meeting the staffing requirements of many employers across the State⁹. The State's unemployment rate remains low after falling to a fourteen year low of just 2.9% in April 2022.

Job numbers have recovered post-pandemic, with total employment in the State estimated at around 1,520,300 persons, growing by a modest 1.0% in the year to February 2023. This includes growth in full time employment, up an additional 23,400 persons (5%). Over the same period there was a decline in part time employment of 35,100 persons (down 7.2%).

Hours of work has increased and Western Australia's underemployment rate (workers wanting extra hours) has tracked in line with this shift, with falls recorded across 2022. It is difficult to

ascertain if the decrease in part-time employment is due to underemployed workers finding additional hours of work, or simply a change of preference not to increase their hours over time.

Western Australia's overall underutilisation rate (those unemployed together with those under-employed as a percentage of the total labour force) sat at 9% as of November 2022, just under the national rate of 9.3%. The State's current underutilisation rate is higher than recorded during the last resources boom, where lows of 7% were recorded.

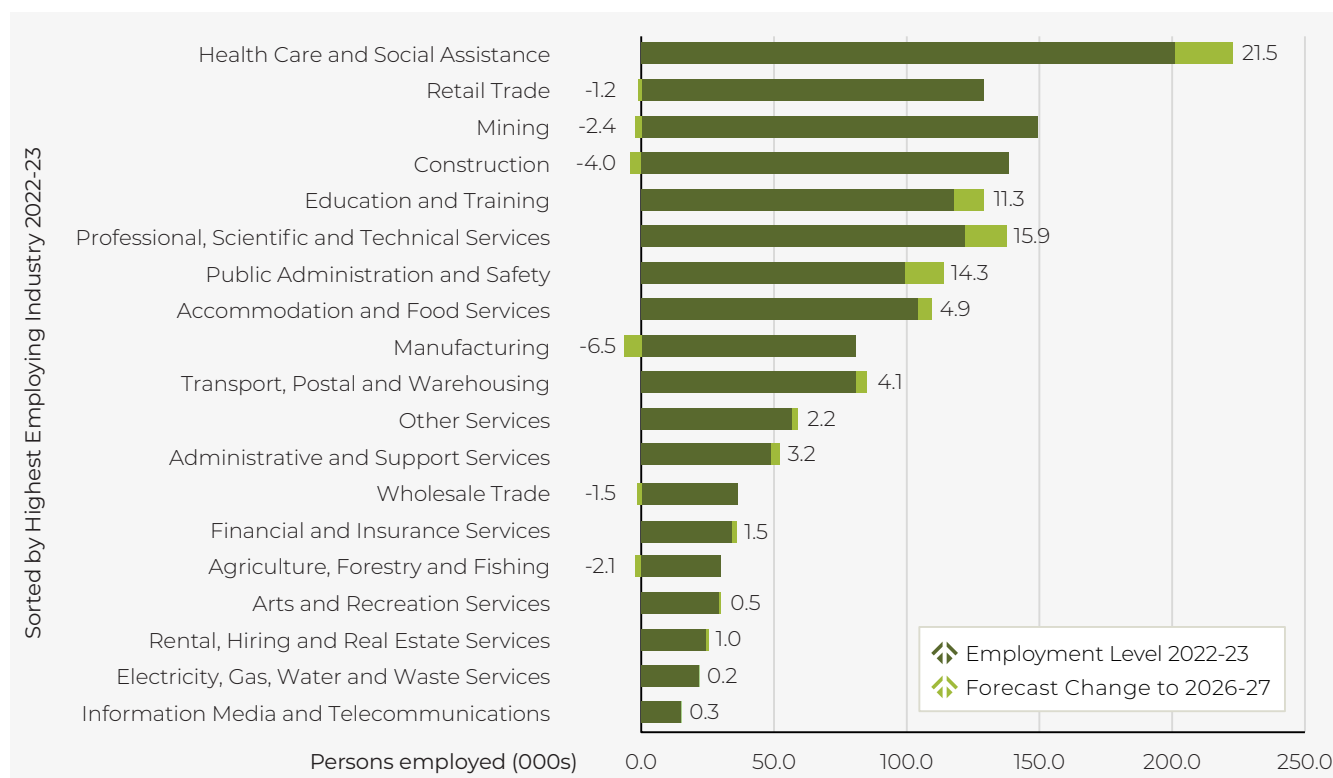
Though most industries have recovered all employment lost as a result of the pandemic, the growth has come from a high concentration in predominantly resource sector and public sector linked areas; particularly when looking at the longer term stretching back to pre-COVID times.

Figure 5: Top five WA industries by employment growth, 12 months to February 2023

Industry	Employment increase	Percentage increase
Mining	17,000	13.6%
Accommodation and Food Services	11,500	12.3%
Professional, Scientific and Technical Services	7,700	6.8%
Healthcare and Social Assistance	7,500	3.8%
Construction	5,000	3.8%

Source: ABS Labour Force Survey Detailed Quarterly, February 2023, annual average of original data

Figure 6: WA employment by industry, five years February 2023



Source: ABS Labour Force Survey Detailed Quarterly, February 2023, annual average of original data

In the year to February 2023, 13 of the 19 industry classifications experienced net positive employment growth. Of these 13 industries, the top five growth industries accounted for a combined 70.2% of all employment growth for the year. This concentrated reliance on a handful of industries for employment is also being increasingly reflected nationally.

Some of the complexities in the State's current jobs market are due in part to skills mismatches when not all of the skilled labour available directly matches the specific skills that employers are seeking.

An example is labour demand in the regions, where an additional skilled workforce is not readily available, with rising housing costs, suitable housing availability and service provision in many regional areas acting as significant barriers to recruitment and retention. Similarly, some positions require highly skilled workers with many years of industry or technical experience that cannot be filled from the pool of recent graduates.

While border restrictions made filling positions challenging, migration as a 'top up' source of labour is only now beginning to return, hampered by slow Commonwealth Government visa processing rates, and increased global competition for talent. Other factors such as availability of suitable housing and provision of services, particularly in regional areas, are also barriers to increased labour supply moving to areas of perceived market demand.

Outlook

The unemployment rate is also forecast to gradually increase from 2023-24 as labour demand eases and labour supply improves on the back of rising overseas migration.

Moderate rates of economic growth for the State are expected to continue over the next few years, with forecasts¹⁰ showing the State's economy is expected to grow by 3% in 2022 to 2023, before moderating to the much lower rate of 1% in 2023-24, before then steadily increasing to 2.25% by 2025-26.

Global economic conditions have slowed sharply over the course of 2022, reflecting high energy costs, rapidly increasing interest rates and inflation spiking to historical highs. Ongoing global volatility and geopolitical tensions are expected to increase the risk of global recession in 2023.

Leading labour market indicators suggest an easing ahead – as of September 2022, job advertising and other job vacancy measures are showing falls from recent record highs. In February 2022 there were a record 66,500 job vacancies in WA, however in the following two quarters this figure started to decline steadily back to around 60,700 vacancies, before stabilising to 61,900 vacancies by November. This level of vacancies was still more than double the pre-COVID level of job vacancies recorded in February 2020¹¹.

The WA Treasury *Mid-Year Review* forecasts also have employment in the State increasing by 1.75% in 2022-23. In the remaining years up to 2025-26, employment is expected to soften further to a more modest 1.25%.

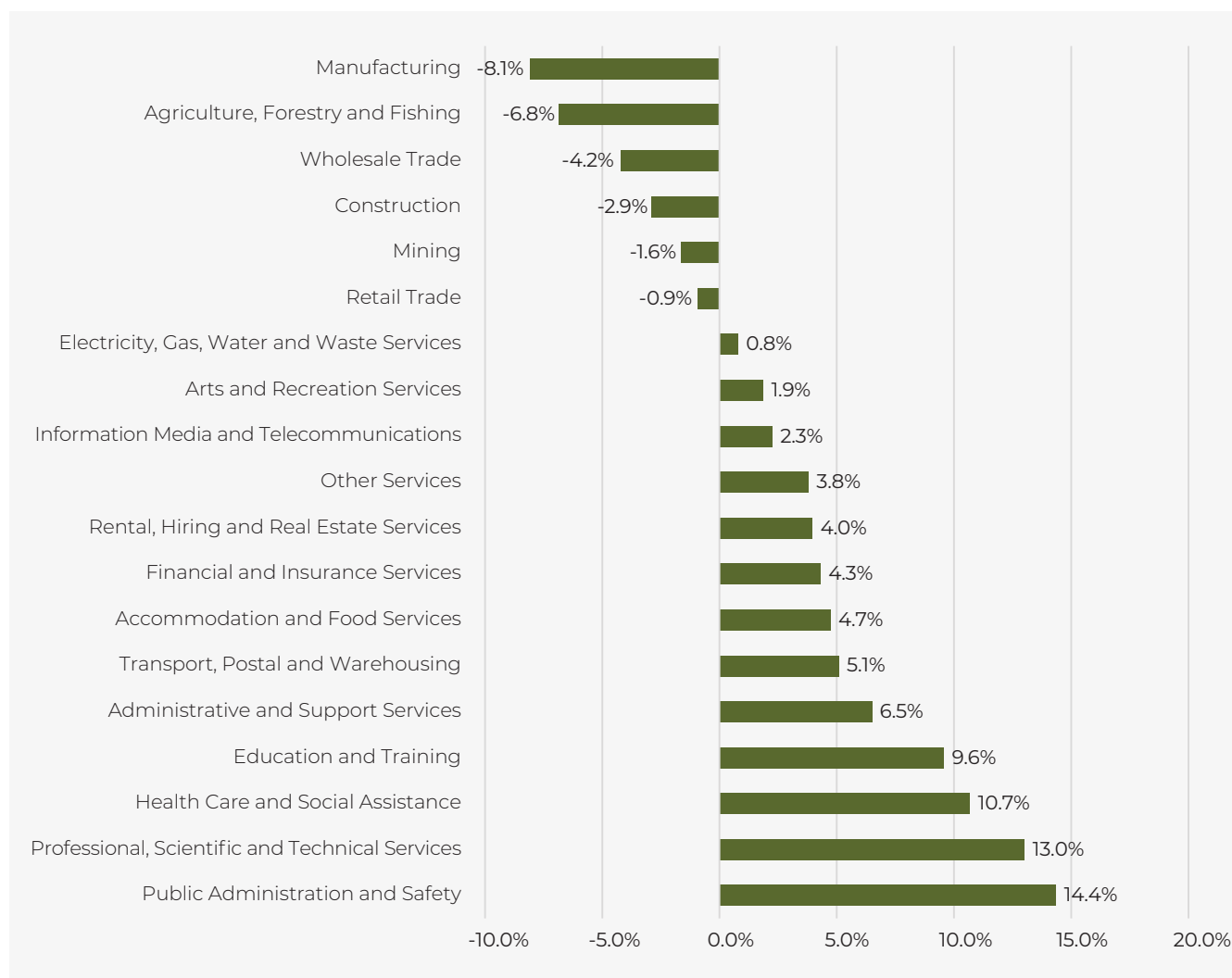
This softening of labour demand is expected to be felt across most industries, with six of

the 19 industries expecting annual average employment growth of 5% annum or higher (Figure 7).

Four industries are expected to experience significant growth of more than 3,000 additional persons per year employed. The health care and social assistance industry is the State's largest employer and is expected to continue to be a major source of net employment growth, with around 16,000 additional workers expected out to 2026-27.

Professional, scientific and technical services is forecast to be the strongest performer, expected to increase its workforce by 23,000 over the same four year period. Education and training and accommodation and food services are the other strong performers expected to increase their respective workforces by 14,000 and almost 13,000 respectively out to 2026-27.

Figure 7: Annual average change in employment to 2026-27



Source: Deloitte Access Economics, WA Employment Forecast, September 2022

Specific labour market groups

There are many groups either underrepresented in the workforce or facing significant barriers interacting with it.

- » Almost 4.5 million people in Australia have some form of physical or non-physical disability (visible or invisible) but only 53% of them are employed in the workforce, while working-age people with a disability are typically twice as likely to be unemployed than those without disability¹².
- » A recent Committee for Economic Development of Australia (CEDA) report found that nearly a quarter of permanent skilled migrants in Australia are working in a job beneath their skill level¹³.
- » As of November 2022, youth (aged 15 to 24 years) had an estimated 20,400 unemployed in Western Australia, just under 40% of all unemployed people in the State. Youth as a share of the State's total available labour force was 15.4%, while accounting for 29.4% of the total civilian population. Younger workers were particularly adversely affected by the initial economic downturn of COVID-19, reflecting that a larger share of young workers were working in affected industries and engaged on casual contracts of employment.

While unemployment rate trends are broadly similar for both men and women, male labour market participation in November 2022 was 74.7%, compared to 63.2% for females. After peaking at 65.2% back in February 2022, female participation in Western Australia has fallen consistently across most of a year for the first time in decades. A more positive trend for those females that remain active in the labour market is that they are more likely to work full time hours at rates similar to pre-pandemic (50% to 55% of employed). Females working part time hours make up around 70% of all part time workers in the State.

- » The proportion of Aboriginal and Torres Strait Islander young people (aged 20 to 24 years) in Western Australia completing Year 12 (or equivalent) as their highest year of school has increased from 29% in 2011 to 51.2% in 2021. While noting this significant improvement, this is still lower than the national average (56.7%) and well below non-indigenous completion rates of around 90%.

Despite looming uncertainties in 2023, the State's labour market remains strong and presents a unique window of opportunity to assist these and many other under-represented groups into meaningful employment via targeted training and other support mechanisms.

If demand for labour weakens in the forward years, monitoring training patterns, particularly around pathways reliant on employment, will be vital. Furthermore, vulnerable cohorts are frequently the first to suffer detrimentally from a softening in job markets, which also impacts training needs.

ABOUT THE STATE TRAINING BOARD

The State Training Board is a statutory body established by Part 3 of the VET Act. The Board is the peak industry training advisory body to the Minister for Training in Western Australia.

The Board provides independent expert advice to the Minister on matters relating to VET in Western Australia, including:

- » the existing and anticipated supply and demand for skills in various industries;
- » strategies to support industries which are experiencing skill shortages;
- » policy which aims to improve the links between specific industry developments and VET so as to gain optimum employment opportunities for people and ensure the availability of appropriately skilled labour in the State;
- » strategic directions, policies and priorities for the State training system; and
- » the extent to which training services meet the current and future requirements of industry and the community, including the requirement for equal opportunity of access to those services.

The Act also requires the Board to provide the Minister with a State Training Plan that sets out the State's training needs and how those needs may be addressed by Government.

State Training Board Members



Jim Walker



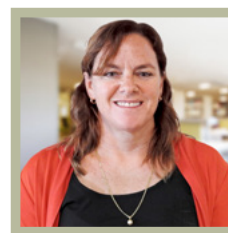
Professor Cobie Rudd



CAPT Angela Bond, RAN



Fran Kirby



Professor Juli Coffin



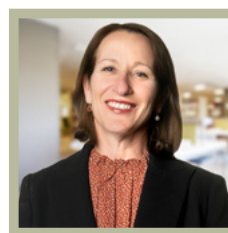
Stephen Moir



Lisa Judge



Lena Constantine



Debra Zanella

INDUSTRY TRAINING ADVISORY BODIES

The Board recognises eight industry training advisory bodies, known as industry training councils, from which the Board takes advice. This advice is used to inform the Plan and to make recommendations to the Minister throughout the year concerning vocational education and training matters in Western Australia.

The advice given by industry training councils is informed by their ongoing engagement with industry. This ensures that the voice of Western Australia's industry is included in decisions regarding training and workforce development.



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FutureNow.



End notes

¹ Source: Department of Training and Workforce Development, Western Australian Apprenticeship Management System (WAAMS).

² Ibid.

³ Ibid.

⁴ Source: Chamber of Commerce and Industry, 13 October 2022
<https://cciwa.com/business-pulse/regions-squeezed-by-rising-costs-skills-shortages/>

⁵ Source: Department of Training and Workforce Development, VET enrolment and data collection (September 2022)

⁶ Source: ABS Census 2021, Community Profiles, Western Australia, Greater Perth, Rest of WA

⁸ This refers to the combined pool of unemployed persons, together with under-employed persons – with the latter being those persons in work who want more hours than their employer is currently providing them with.

⁹ The WA Chamber of Commerce and Industry's September 2022 Business Confidence Survey found 79% of employers recruiting in WA were having difficulties filling positions. This was similar to the National Skills Commission's September 2022 survey of recruiting employers, where 75% of WA employers reported some degree of difficulty in their recruitment efforts.

¹⁰ Source: WA Treasury Mid Year Review, 2022-2023
https://www.wa.gov.au/system/files/2022-12/2022-23-government-mid-year-financial-projections-statements_0.pdf

¹¹ Source: ABS, 6354.0 Job Vacancies, Australia, January 2023

¹² Source: www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/employment/unemployment

¹³ Source: www.ceda.com.au/ResearchAndPolicies/Research/Workforce-Skills/Jobs-and-Skills-Summit-unlocking-skilled-migration



