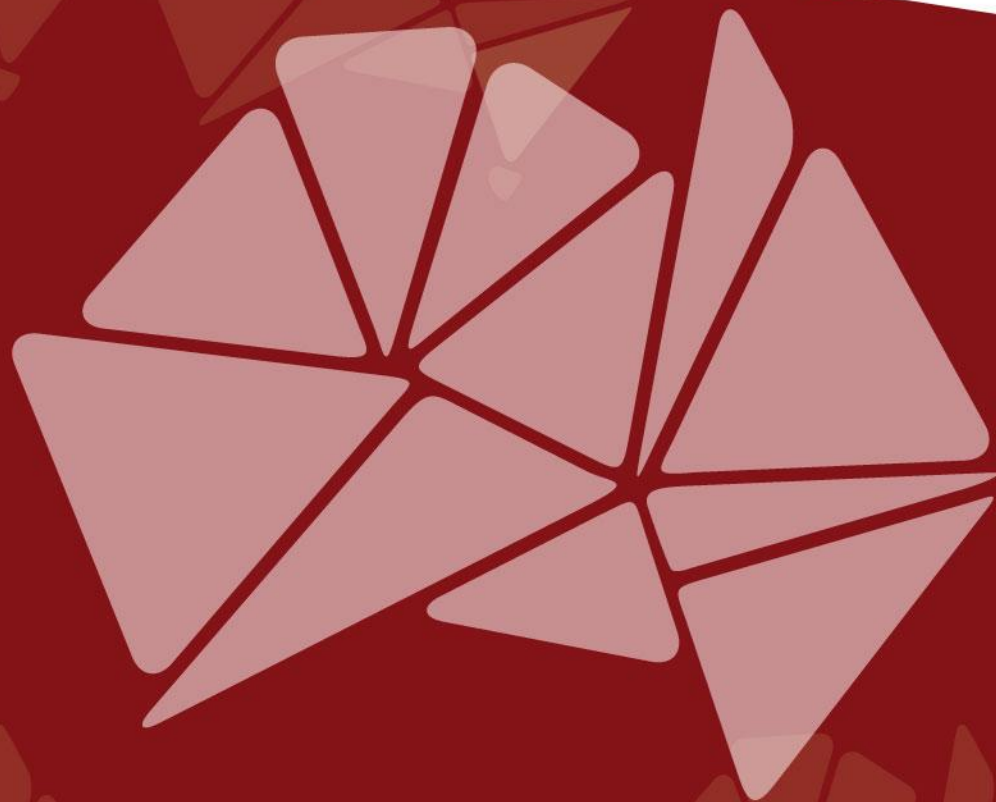




**Australian Workforce
and Productivity Agency**

www.awpa.gov.au

Future focus: 2013 National Workforce Development Strategy



The Australian Workforce and Productivity Agency

The Agency

- administers the National Workforce Development Fund
- conducts skills and workforce research
- drives engagement between industry, training providers and government
- develops and monitors sectoral skills and workforce development
- provides independent advice on sectoral and regional skills needs
- leads initiatives for the improvement of productivity, management, innovation and skills utilisation in Australia



Expert Board – members from industry, academia, economics, representation of employees, education and training

Back row (L to R): Philip Bullock (Chair), Ged Kearney, Peter Anderson, Heather Ridout, Dr John Edwards

Front row: Marie Persson, Prof Gerald Burke, Dr Michael Keating AC, Keith Spence

What we are doing and why

What challenges face our workforce now and over the years to 2025?

How should we address them?



Approach to the 2013 strategy

Scenario



Modelling



Analysis



Strategy

Plausible worlds
(but not predicting the future!)

Projections of demand & supply side implications of the scenarios

Analysing the uncertainty, commonality, differences and risks of the scenarios

The policy recommendations balance aspirational goals and risks, after assessing key differences between the scenarios

Each process informs the next

The four scenarios



Flexible migration



Commonalities

- Ageing population
- Importance of Asia
- Technology
- Sustainability challenge

Varying fiscal capacity

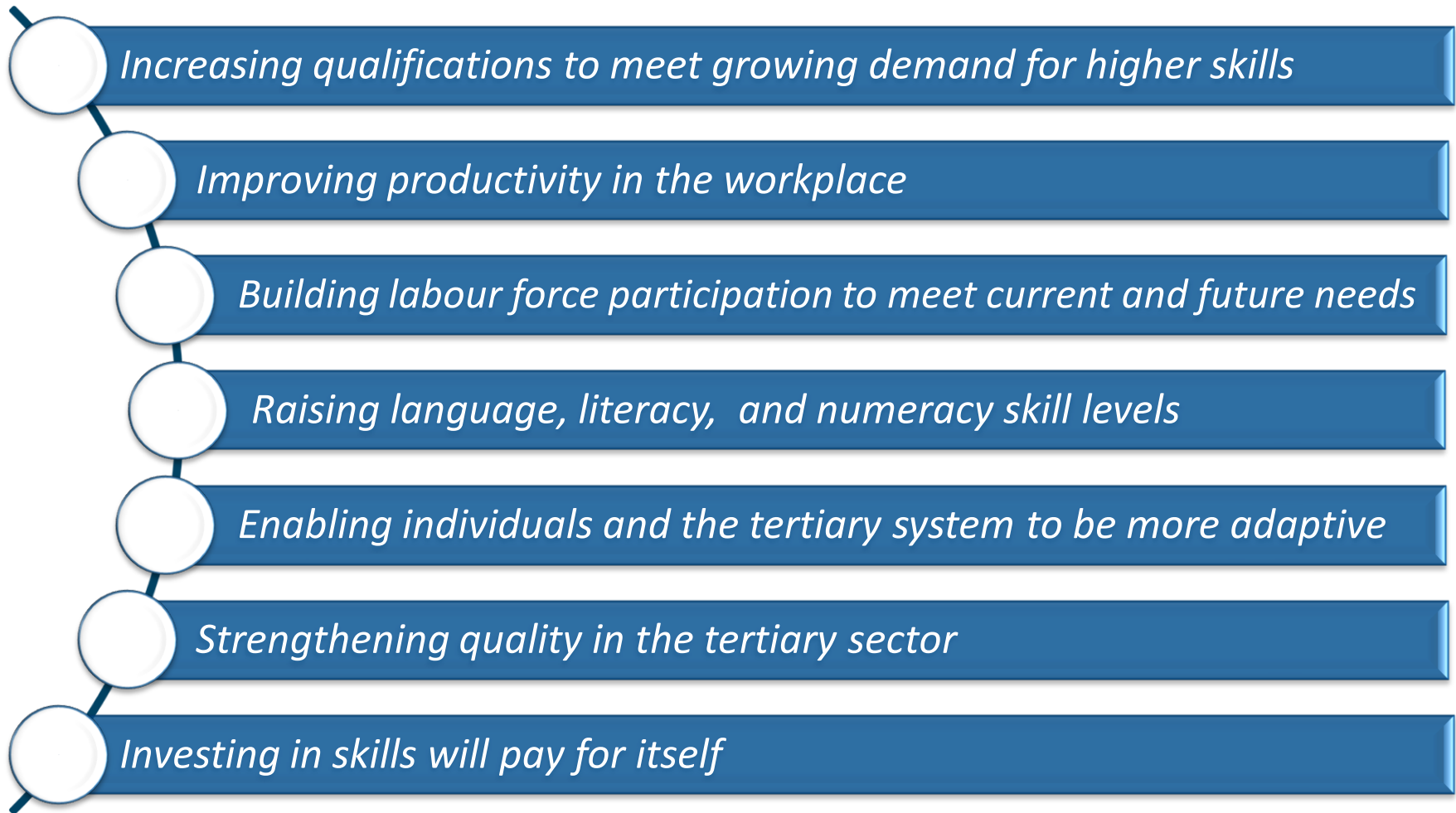
Fluctuating labour participation



Slightly differing industry structures



Positioning the Australian workforce for the future

- 
- Increasing qualifications to meet growing demand for higher skills*
 - Improving productivity in the workplace*
 - Building labour force participation to meet current and future needs*
 - Raising language, literacy, and numeracy skill levels*
 - Enabling individuals and the tertiary system to be more adaptive*
 - Strengthening quality in the tertiary sector*
 - Investing in skills will pay for itself*

A knowledge economy through skills development and targeted planning

- Skills are part of the solution to participation, skills shortage and productivity challenges
- Demand for higher level qualifications is strongest.
- But lower level qualifications are necessary to increase participation and are a pathway to higher level qualifications.
- The increasingly demand-led tertiary system means workforce development plans in priority sectors and monitoring skills supply is critical.

Recommendation:

1.1 – Minimum annual increase of 3% in tertiary education qualifications to 2025



Improving productivity in the workplace

Skills in the workplace

- Skills are used effectively
- Skills are continuously developed
- Skills, techniques and improvements are shared

Management and leadership

- modelling shows increased demand for managers across all scenarios
- management's ability to effectively use the skills of workers is a strong influence on innovation and productivity

Regional workforce development clusters

Common success factor has been ability to consider local, organisational and strategic systems as well as the development of the individual.

Preferred models of regional and industry-specific workforce development involve working in partnership, and acknowledging the importance of wider challenges such as transport, health, housing and education as well as the question of skills development.

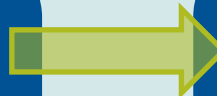
If initiatives such as the Skills Connect National Network prove successful in fostering better coordination at the local level consideration should be given to making a longer term commitment to them.

Initiatives that are already being driven at the local level should be supported and provided with the flexibility needed to make the most effective use of resources.

Participation improves social inclusion

Improving social inclusion

People with low skills



Focus on upskilling

Older workers



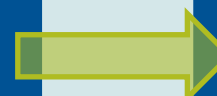
Focus on retention

People with disadvantage



Focus on access & support

People under-represented in the workforce



Focus on removing barriers

Benefits

- People with qualifications 20%* more likely to be in labour force
- Qualification completions assist in lift participation rates and meeting projected labour demand
- Increasing skills of existing workers improves job advancement, opening opportunities for job seekers

Expanding tertiary places is not enough



Align job services and training providers
Expand wraparound services

*ABS, 2011, *Education and work*, Cat no. 6227.0, May, Canberra

Creating a contemporary workplace

Job sharing

Flexible working hours

Potential employees

Tele-commuting

Family-friendly hours



Raising language, literacy, and numeracy skills is critical

We know there is a strong relationship between LLN skills and employment – those with higher levels of LLN skills are more likely to be employed

YET...

44%* of
Australians have
literacy scores
below level 3

55%* of
Australians have
numeracy scores
below level 3

Many employers
report they are
impacted by low
LLN skills yet most
employers are
unaware of existing
programs

LLN development
for adults
continues to be
stigmatised despite
being a widespread
issue

*Source: ABS, 2013, *Program for International Assessment of Adult Competencies Survey*, cat. no. 4228.0, Canberra

Investing in skills will pay for itself

Industry demand for qualifications is projected to increase by between 3% and 3.9% pa



We recommend the expansion of qualification enrolments by a minimum of 3% pa

Public and private funding for tertiary education needs to expand by a little more than 3% pa



Increased funding is in line with projected long term economic growth

The benefits far outweigh the cost:

- the additional public funding in 2025 projected by AWPA exceeds that in the IGR 2010 projection by \$2.1 billion
- the additional public revenues from the effect of increased qualifications on labour force participation, employment and GDP is estimated at between \$6.7 billion and \$24.8 billion

Aims of the Fund

- \$670 million over 5 years from 2011
- help businesses increase their workforce capacity and productivity
- provide Australian workers with the opportunity to increase their skills through formal training
- assist areas of the economy where there is a current or emerging skills need.



AWPA's role in the Fund

- Providing governance and strategic oversight to ensure the effective operation of the fund
- Working in collaboration with DIISRTE, ISCs and industry to:
 - Set priorities, monitor expenditure and outcomes and review guidelines
 - Assess applications
 - Promote the fund to industry
http://www.bigandsmallmedia.com.au/downloads/previews/130306_NWDF_D4.htm
 - Identify good practice and issues to be addressed
 - Develop a robust evaluation strategy for the fund



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Thank you

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