Western Australian Jobs, Education and Training Survey

CCIWA submission

March 2023

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Introduction

The Chamber of Commerce and Industry of Western Australia is the peak body advancing trade and commerce in Western Australia. We are fundamentally committed to using our insights to develop and advocate for public policies that will help realise our vision to make WA the best place to live and do business. As our membership base is diverse in size, across all sectors of the economy, we seek to advocate for the interests of all sectors.

We thank you for the opportunity to provide input into this year's Western Australian Jobs, Education and Training (WAJET) survey to assist the Department in gaining a better understanding of the workforce and skills needs of our State.

In this submission, we seek to answer your survey questions with the data/information we have, which has been sourced from our own economic monitoring and other forms of member engagement.

Which are the most important factors that may affect the current and future supply and demand for workers?

1. Early childhood Education and Care (labour supply factor)

One of the biggest barriers preventing full workforce participation is **the lack of available local childcare services**, which is underpinned by a chronic shortage of early childhood teachers and educators. As revealed by Victoria University's landmark study last year, WA has the lowest rates of childcare accessibility of all States and Territories, with the shortage even more acute in our regional areas.[1]

This is why we have urged the State Government to consider providing further funding to support early childhood education and care providers in WA, including in attracting and retaining more early childhood teachers.

Further to this, in our *Making Paid Work Pay* report, we identified the way Kindy is funded and operated in WA prevents mothers from fully participating in the workforce. WA women with young children are the least likely in the country to work more than 20 hours a week. In addition, WA children are the least likely in the country to attend kindy for more than 15 hours a week.

To this end, we have strongly encouraged the WA Government to address this issue through the way funding is delivered via the National Partnership Agreement on Universal Access to Early Childhood Education (by passing funding on to each individual child). This gives parents more flexibility in balancing their work and care arrangements, and goes a long way to enabling WA mothers to work more hours each week.

[1] ABC News. *Regional WA ranks worst in Australia for childcare availability*, 2022.

2. Housing Shortages (labour supply factor)

The ongoing **housing shortage** also continues to significantly impact the supply of workers. While we continue to advocate for migration reforms to enable WA businesses to access workers more easily, the lack of accommodation available to house these workers remains a critical challenge.

To illustrate the extent of the shortage, in May 2022, REIWA said WA needed to build 4,875 homes each quarter to keep up with population growth, new demolitions and to address the existing shortage and end the rental crisis.[2] Yet, on average, only 3,540 homes have been completed each quarter since 2019, and in the most recent September quarter, only 3,067 homes were completed. REIWA also recently indicated WA needs 18,000-20,000 rentals to achieve a balanced market[3] .

To this end, it is critical we maximise opportunities to use our current housing stock more efficiently, by for example, reforming stamp duty on property taxes which presents a barrier to moving and downsizing, and for households to lease out spare rooms.

3. Investment pipeline (labour demand factor)

We expect **WA's robust investment pipeline** and the State Government's **Asset Investment program** to underpin continued demand for WA-based workers over coming years.

4. Decarbonisation/Green Skills (labour demand factor)

A diverse mix of skills will be required to support **climate change mitigation and adaptation** in WA, from scientists, technical experts and engineers to policy and communications professionals and data specialists. Furthermore, advancement of green energy projects requires the same skills as competing sectors, creating a fiercely competitive jobs and skills market. WA businesses have highlighted the need to import skills from overseas, as well as to upskill locals.

What are the most difficult roles to fill currently?

Our most recent Business Confidence Survey (March 2023) asked respondents about their current in-demand occupations. Figure 1 provides the top three occupations by industry.

[2] PerthNow, 'Perth housing crisis: WA facing shortage of 22,000 homes within four years', 25 May 2022.

[3] Reiwa.com. More properties needed as rents soar to new record. 1 March 2023

Figure 1: Top three occupations in demand by industry

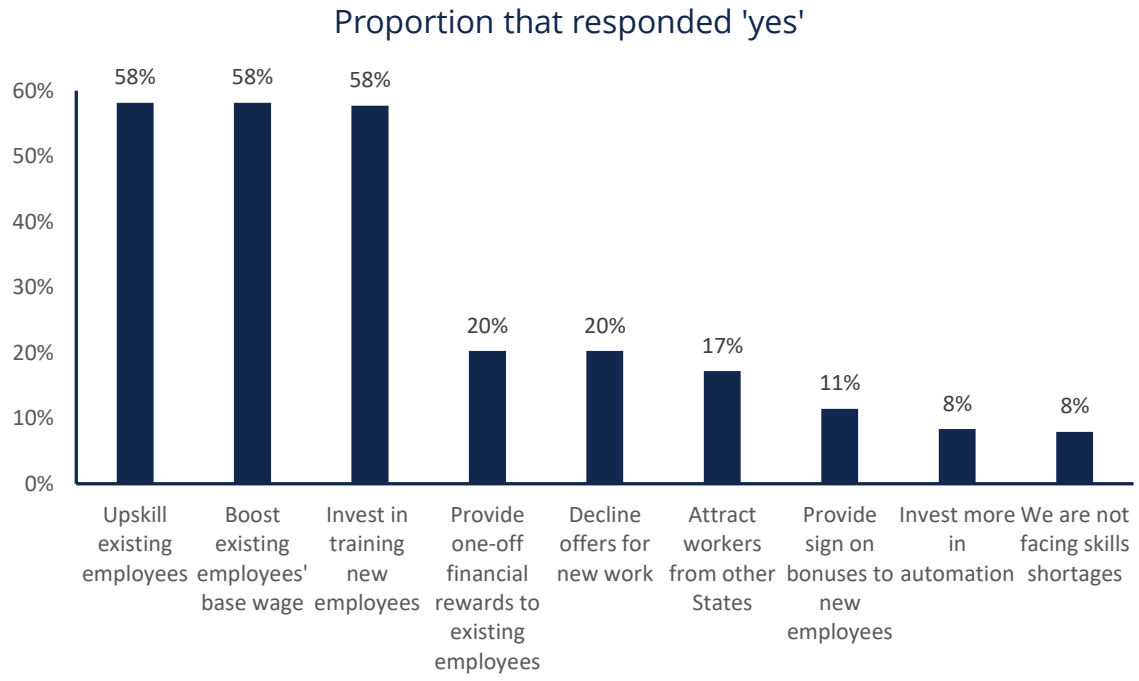
Sector	1	2	3
Agriculture	Managers	Salespeople	Equipment operators
Resources	Mechanics	Technicians	Engineers
Manufacturing	Boilermakers/Welders	Machinists	Salespeople
Construction	Plumbers	Electricians	Carpenters
Retail Trade	Retail Staff	Salespeople	Technicians
Professional Services	Technicians	Engineers	Administrative staff
Education and Training	Childcare Professionals	Trainers	Administrative staff
Food Services	Supervisors/Managers	Chefs	General hospitality staff (waitstaff/baristas etc)

Source: CCIWA Business Confidence Survey March 2023

What workforce/recruitment strategies have businesses typically used, or may consider using in the future to respond to current or future workforce needs?

In our most recent Business Confidence survey (March 2023), we asked how businesses were responding to the skills shortages. Figure 2 shows that businesses are mainly responding by upskilling existing employees, boosting existing employee's base wage, and investing in training new employees.

Figure 2: How businesses are responding to the skills shortages



Source: *CCIWA Business Confidence Survey March 2023*

Which additional strategies may support businesses to meet their skills and workforce development needs?

The labour markets of open economies like WA will always rely on both local workers and migration to meet their skills needs. For our labour market to be able to adapt to changing skills needs, we need the systems in place that develops our local talent and enables us to bring skills in from overseas to be agile, flexible and responsive to change.

With respect to our vocational education and training (VET) system, it is critical that the system is **quicker at responding to the needs of employers**. Various Productivity Commission reviews and evidence from CCIWA's members highlight that the VET system is struggling to deliver the skills employers need.

An effective VET system should be focused on preparing individuals for a lifetime of work and learning and ensuring businesses have people with the skills they need to drive growth and productivity. It requires a business-first — as opposed to a top-down, government led — approach. It is therefore critical that the VET system is driven by the informed choices of students and employers, with the flexibility to deliver a broad suite of quality training options.

One of the key challenges with the process is the lengthy development, approval, and endorsement processes that exist for **developing training packages**. This leads to long delays in delivery to market, by which time the qualifications earned become outdated. This cumbersome process must be rectified to ensure that the skills earned by VET students match employers' needs. It is also important that VET markets are funded in such a way as to ensure the nature of training offered by providers delivers the skills employers want.

We also recommend the Department of Training and Workforce Development and TAFEs have a **simple 'front door' process** for businesses, not-for-profits and private VET providers to develop training courses and programs that meet their specific needs.

Furthermore, **employer facing incentives to take on apprentices and trainees** are also vital. The government can encourage commencements by providing wage subsidies to employers for apprentices in their first year, and to support retention by providing assistance to apprentices through subsidy and ongoing mentoring.

I**mproving the skills recognition process** for overseas workers by making it less arduous and easier to understand would also go a long way in enabling industries to meet their workforce needs.

Lastly, while organisations continue to face skills shortages, increasing the **workforce participation and employment of under-represented cohorts**, such as people living with disability and Aboriginal and Torres Strait Islanders, is more important than ever. There are opportunities to embed meaningful change within the business and broader community by addressing gaps in people's understanding of the benefits of diversity

and inclusion, and the barriers to communication that hamper employees and employers from connecting with one another.

We encourage the Government to support initiatives like the following:

- Awareness-raising campaigns which showcase the diverse skills and achievements of underrepresented cohorts and which use actual business case studies to promote the value diversity and inclusion delivers for workplaces.
- Enabling and celebrating leadership skills within underrepresented cohorts
- Educational programs about the legal context as it relates to recruitment, promotion and evaluation, including the creation of "how-to" guides to align policies and processes.
- Affordable access for SMEs to consultants who specialise in advising on diversity and inclusion policies and strategies.
- Partnerships with specialist employment service providers (e.g. Disability Employment Services).
- The Disability Enterprises employment initiative.

We would also support **targeted training programs** to increase the workforce participation of these under-represented groups.