



The Hon Warren Entsch MP  
Chair of the Australian Parliaments Northern Australia Committee  
Department of Prime Minister and Cabinet  
One National Circuit  
BARTON ACT 2600

Dear Minister Entsch

The Australian Workforce and Productivity Agency (AWPA) would like to thank you for your invitation to provide a written submission to the inquiry into the development of Northern Australia.

While not included in the terms of reference, we believe an analysis of workforce skills and workforce development needs is critical when planning for the economic development of the region. Given the range of infrastructure projects and the accompanying social infrastructure required to support the long term growth of the region, it is important to take stock of the range of skills and capabilities that will be needed for the industries that the region supports.

AWPA has produced a national workforce development strategy and sectoral reports that are all useful templates for this. In 2013 we published workforce studies for resources, food and beverage, ICT sectors and in 2012 produced a report on Building Australia's Defence Supply Capabilities.

Our main message is that as we look to the future, Australia has the need for an increasingly skilled and qualified workforce given the changes in technology, the impact of globalisation, particularly the opportunities available to us of doing business in Asia, and the fact that we have an ageing population. This means, for instance:

- The workforce will need to have transferable skills so they can respond to change and transition across jobs and industries. This requires governments, industry and individuals to invest in skills development.
- We need to make sure that the school curriculum has a strong focus on maths, science, ICT and good careers advice to prepare young people for the opportunities that their region can offer them.
- The workforce in the region may need to grow which means lifting labour force participation by encouraging those with low skills, parents of young children, older workers and people experiencing disadvantage to gain skills and qualifications to enable them to enter or re-enter the workforce.

A workforce strategy for Northern Australia will require an analysis of the demand and supply of skills and taking action to up-skill workers, to attract those out of the workforce into it, and to attract skilled workers from other regions of Australia. If there is a projected shortage despite these actions, then a further consideration is the role of temporary and permanent migration to meet identified skill needs.

Our *Resources Sector Skill needs 2013 Report* examines the sector's changing skills and employment outlook to 2018 may be of assistance to the Inquiry as a useful template and starting point. AWPA commissioned Deloitte Access Economics to model a five-year short term outlook on trends in employment growth and occupational supply under three economic growth scenarios: base case, low growth and high growth. This work focuses on three subsectors at national state and territory and regional level over the five years to 2018 (resources project construction, mining operations and oil and gas operations). In addition this report draws on latest research and data to analyse trends in employment, education and migration.



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The Departments responsible for skills development, training, workforce development in the parts of Australia which comprise Northern Australia (Western Australia, Queensland and Northern Territory) all have skills strategies which will have a common framework but may have different policies regarding entitlement and funding. It will be important to consult with these departments in developing a workforce strategy that supports the economic development of this region.

If your staff would like to see any of the reports I have mentioned – they can be accessed from our website <http://www.awpa.gov.au/Pages/default.aspx>.

Staff in the AWPA secretariat would be happy to provide you with any further details you may require.

Yours sincerely

Philip Bullock  
Chair  
Australian Workforce and Productivity Agency  
24 February 2014