Occupational mobility and skills transferability of worker in transition: systems, perceptions and processes — support document 3

Dr Darryn Snell
Dr Victor Gekara
Dr Krystle Gatt
RMIT University

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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>5</td>
</tr>
<tr>
<td>Research focus and methodology</td>
<td>5</td>
</tr>
<tr>
<td>Summary findings</td>
<td>6</td>
</tr>
<tr>
<td>Introduction: project scope and objectives</td>
<td>8</td>
</tr>
<tr>
<td>Research approach and methodologies</td>
<td>10</td>
</tr>
<tr>
<td>Case study one: Latrobe City and its workforce</td>
<td>13</td>
</tr>
<tr>
<td>Economic transition and industrial restructure</td>
<td>13</td>
</tr>
<tr>
<td>Case study two: City of Greater Geelong and its workforce</td>
<td>18</td>
</tr>
<tr>
<td>How do workers perceive and rate the transferability potential of their skills?</td>
<td>23</td>
</tr>
<tr>
<td>Workers directly employed by power generators</td>
<td>23</td>
</tr>
<tr>
<td>Workers employed by contract firms in the power industry</td>
<td>24</td>
</tr>
<tr>
<td>Ford and Alcoa workers</td>
<td>25</td>
</tr>
<tr>
<td>Employers’ skills assessment and employment transition support</td>
<td>28</td>
</tr>
<tr>
<td>Energy Brix</td>
<td>28</td>
</tr>
<tr>
<td>Alcoa World Alumina</td>
<td>28</td>
</tr>
<tr>
<td>Ford Motor Company</td>
<td>29</td>
</tr>
<tr>
<td>Provision of training and formal accreditation of skills</td>
<td>30</td>
</tr>
<tr>
<td>Job market analysis</td>
<td>31</td>
</tr>
<tr>
<td>How do the agencies responsible for job relocation understand workers’ skills?</td>
<td>33</td>
</tr>
<tr>
<td>Job support actors’ views and application of workers’ skills in the transition process</td>
<td>33</td>
</tr>
<tr>
<td>Do the skills developed over a worker’s career enable them to find new jobs in a wide variety of unrelated occupations?</td>
<td>36</td>
</tr>
<tr>
<td>The value of soft skills in the employment transition outcomes</td>
<td>36</td>
</tr>
<tr>
<td>Discussion</td>
<td>40</td>
</tr>
<tr>
<td>Conclusion</td>
<td>44</td>
</tr>
<tr>
<td>References</td>
<td>46</td>
</tr>
</tbody>
</table>
Tables and figures

Tables

1. Total number of individuals interviewed for each case study

Figures

1. Redundancy and the actors involved in employment transition
2. Map of Latrobe City
3. Map of the City of Greater Geelong
4. Geelong region annual GRP growth rate, 2010-2014
Executive summary

The following report presents the findings of the third stage of a three stage research project investigating cross-occupational skills transfer—meaning occupational mobility that involves little or no additional training and depends heavily upon transferable skills from one occupational context to another (European Commission 2011). It builds on stages one and two which investigated (1) the employment implications of the economic transformation and industrial restructuring occurring in Australia currently and over the past decade or so, and (2) the architecture of the Australian VET system and its capacity to deliver skills that are transferable enough to enable job seekers to find work across different occupations and sectors.

The findings from these stages of the study show that recent industrial restructuring across the economy has caused a drastic reorganisation of industries, with many traditional sectors declining, leading to significant job losses. Since the new emerging industries are considerably different in terms of their operations and skills needs, the conclusion is that retrenched workers require highly transferable skills to enable them to find new work. An analysis of the training system reveals that in its basic architecture key employability skills are embedded at the core of every qualification, enabling the system to deliver reasonably transferable skills. However, the extent of such transferability must be understood within the context of similar occupations or occupational clusters.

Research focus and methodology

In this stage of the study the process of identifying and utilising transferable skills in the context of company closure and worker retrenchment is examined through two regional case studies—the Latrobe Valley and Geelong—in the State of Victoria. Economic and industrial restructuring has had a huge impact on these two regions. A number of prominent companies, which formed the bedrock of regional employment, have and are in the process of closing down, laying off large numbers of workers. These include Ford and Alcoa in Geelong and a number of ageing power generation companies in the Latrobe Valley (e.g. the Morwell Power Station/Energy Brix, Hazelwood, and Yallourn), which have for a long time supported a strong and secure employment base. Their closure or potential closure therefore introduces problematic employment disruption and regional economic instability where the greatest challenge is to limit unemployment through the effective transition of retrenched workers into new jobs.

The study reveals that a typical retrenched worker, in these cases, is a long-term one-employer worker with few, if any, post-school formal qualifications but a range of skills, both technical and non-technical, acquired mostly through work experience and informal on-the-job training. Since the worker has been retrenched out of a company in a sector in decline, there are important challenges presented with regard to their transition.

The overarching objective of this stage of the research, building on findings from the previous two stages, is therefore to understand the transferability value of the skills possessed by retrenched workers and how employment transition actors, including employers, training providers and job support agencies, cultivate and harness their potential to help workers find employment in other occupations within the region.

This stage of the study is guided by three key research questions:
1. How do workers perceive and rate the transferability potential of their skills in relation to future job prospects in different occupations?

2. How do the agencies responsible for job relocation in these circumstances understand and assist workers to understand these skills?

3. Do the skills developed over a worker’s career enable them to easily find new jobs in a wide variety of often unrelated occupations, as described in stage one?

The case studies involved site visits and qualitative interviews with representatives of key stakeholder groups including retrenched or soon-to-be retrenched workers, employers, unions, job support agencies and training providers. The interview sessions explored the nature of the skills workers had, how they were acquired, their level of transferability, whether and how the responsible actors went about recognising their transferable skills, whether or not the transferability of existing skills was a key consideration in the transition process, and any job placement outcomes.

Summary findings

The study shows that at the point of retrenchment, the typical retrenched worker, as described above, does not understand the full range of the skills he/she has and, even when they do, they do not understand the extent of their transferability. This is largely because of two reasons: (1) their view of their skills is shaped by a narrow definition of technical skills, which fails to recognise the value of soft, generic and non-technical skills, and (2) most of these workers’ skills are not formally accredited, thus limiting their application in a credentialist job market.

Conversely, workers retrenched from higher skill level occupations, as well as indirect contractor and company casual employees, are much better at recognising the full range of their skills and seem to have a clear view of their transferability value. These workers tend to have nationally recognised training qualifications and greater labour market experience, positively impacting their ability to attribute greater value to their non-technical skills.

Retrenchment trauma seems to result, in a big part, from a situation of long-term secure employment. Most of the workers interviewed in the study have been in the same employment all their lives, and therefore lack understanding of changes in the job market and the cognitive instruments for its navigation. In some cases, the individuals joined the workforce right after, or even before, completing secondary school and therefore have no formal post-school qualifications and have never experienced the process of job search.

The work of job support actors in the process of transition is very important and, when effectively executed, could help workers in the above described situation easily identify the broad range of their skills and the transferability value in them. An effective transition program is therefore one where adequate resources (time and funding) are dedicated to a guided process of discovery of one’s skill sets and their demand in the market. Training providers are essential to the effective outcome of worker transition; however, they are currently not well integrated in the process. Instead of providing much needed consultation on emerging skill and qualification trends from the outset, their input is determined by employers and job support agencies who bring them in to provide upskilling and formal recognition of workplace skills training services. Likewise, an important role of employment facilitation actors is in how they help steer people’s skills towards sectors and occupations with employment opportunities. In many instances it is observed that the Recognition of Prior Learning (RPL) offered, and advice given to workers on where to attempt to obtain new employment, were not based on an appropriate market analysis.
Ultimately, workers with recognisable transferable skills have better chances at being successful in the job market after retrenchment. The most transferable skills one has tend to be the soft/generic and non-technical ones. Employers should therefore constantly encourage and support their workers to develop these skills through formal accredited training, in order to prepare them for easy transition to the next job. Yet, as some of the interviews in this study highlight, individuals do need to take some personal responsibility to ensure that they accredit/update their skills, and do not become complacent about their employment.
Introduction: project scope and objectives

The overarching objective of the study is to investigate cross-occupational skills transfer—that is, situations where workers are able to use the skills they have developed for, and in, one occupational context to obtain employment in a completely different occupation, without need for significant upskilling or retraining (European Commission 2011). The study is premised on the understanding that in rapidly changing economies where industries are being restructured, cross-occupational mobility is vital for employers and workers to flexibly meet varying employment demands. Occupational mobility can occur in many different contexts and levels, ranging from promotion, taking on different roles within the same workplace for experience, and changing employers but remaining within the same occupation or industry. Although such types of mobility are generally vertical, and for the enhancement of one’s career, this study is concerned with horizontal cross-occupational mobility whereby disadvantaged workers from declining occupations and industries take on new work which may only partially rely on their existing skills. There is considerable speculation about the degree of skills transferability within the Australian labour market and the facilitators and barriers associated with it (Mayer Committee 1992; Misko 1998; Patridge, Chapman and O’Neil 2009). It is generally acknowledged that an individual’s level of skill affects the probability of employment or unemployment during changing economic circumstances (National Quality Council 2010; Skills for Jobs 2013; Sweet 2009). Research has highlighted the importance of acquiring transferable skills in one’s occupational mobility (Curtis & McKenzie 2001; Misko 1995; Misko 1999). Furthermore, research findings show that occupational mobility is more common among people with broadly transferable skills (e.g. machinery operators and drivers and sales workers) and less common among, for example managers, due to skills transferability potential (Sweet 2011).

This study has been developed to build upon the existing significant body of research in this area, but with a specific focus on the enablers and barriers to cross-occupational skills transfer between declining and growing occupations in Australia. It employs a multi-level evidence-based analysis aimed at capturing the complexities and specificities of industrial transformation, skills development and cross-occupational employment mobility, and is guided by four key research questions:

1. What is the skills demand profile in the Australian economy in the prevailing context of economic transformation: which occupations are growing and which ones are declining?
2. What is the nature of skills possessed by retrenched workers and what is their transferability value?
3. To what degree do industry training packages and qualifications, which underpin the Australian VET system, facilitate and enhance horizontal cross-occupational skills transfer and employment mobility in times of industrial restructuring?
4. Do the experiences of workers in declining occupations and industries who are assisted to acquire work in new occupations reflect the skills transferability potential embedded in the training system?

The data collection and analysis are organised into three integrated stages, which are designed to incrementally address the research questions and comprehensively cover the scope of the study. The first stage involved a secondary analysis of ABS Census data to determine how the Australian economy has changed over the past decade, with specific reference to declining and growing industries and
occupations. In this stage we identified declining and growing occupations, as a way of understanding the skills demand profile of the emerging industrial landscape. The occupations identified in this analysis formed the basis for the examination in stage two of the study, where we considered the training architecture itself. The aim was to determine the extent to which the VET system facilitates or impedes cross-occupational skills transfer. In examining this question we considered transferability at two different levels of the training system: we began at the level of skills themselves, and then followed on with an examination at the level of units of competency. These two levels of analysis enabled the research team to make determinations about how well Australia’s training architecture delivers transferable skills opportunities.

In this third stage we investigate the actual practicalities of skills transferability and employment mobility under the identified circumstances of industrial restructure. There is a significant body of literature which underscores the importance of transferable skills when retrenched workers need to find new jobs in different industries and occupations (Sweet 2011; Curtis & McKenzie 2001; Misko 1995; Misko 1999). What is unclear, however, is how well the concept and practice of skills transferability is understood among the workers themselves and the various training system actors and employment facilitators. Having established in stage two of the study that, in theory, the Australian VET system produces reasonably transferable skills, stage three seeks to examine how skills transferability works in practice, and how well workers, employers, training system actors and employment facilitators understand the importance of transferable skills and assist workers to understand these skills.

The analysis in this stage is guided by three key questions:

1. How do workers perceive and rate the transferability potential of their skills in relation to future job prospects in different occupations?

2. How do the agencies responsible for job relocation in these circumstances understand and assist workers to understand these skills?

3. Do the skills developed over a worker’s career enable them to easily find new jobs in a wide variety of often unrelated occupations, as described in stage one?

Findings from this stage of the study will assist us in better understanding how well transferable skills are understood among displaced or disadvantaged workers and those assisting them to find new employment and occupational opportunities.
Research approach and methodologies

This stage of the study utilises case study methods involving documentary analysis and semi-structured interviews with workers, training system actors, and employment facilitators. Through the data collected we examine how and where workers employed in declining occupations and/or threatened industries acquire work in new occupations and industries. We also examine the role various training and employment stakeholders play in the process of placing these workers into new jobs, as well as their perception of the transferability of existing skills.

The analysis involves two case studies which illustrate the transformations identified in stage one, where industrial decline and company closures have led to worker retrenchments. Since company closures and employment loss is widespread within and across regions, we have opted for regional as opposed to institutional case studies so as to capture a wider scope of the situation. The localities of the two case studies are Geelong and the Latrobe Valley in the State of Victoria. Both regions are undergoing significant structural and occupational change as a result of economic transformations occurring within the traditional industries in these localities. For workers employed in these traditional industries, occupational mobility and skills transferability will be important for their ongoing employment.

The case studies are based on accounts and narratives of two categories of informants. The first category includes workers employed in industries undergoing significant change in which job loss has occurred or is expected to occur. Under this category, two types of workers were interviewed: those who had already been made redundant, and those who were still employed but were confronting the prospects of losing their jobs as a result of announced or anticipated company closures. In the case of Geelong, two major closures were considered; the closure of Alcoa’s Point Henry aluminium smelter and it’s rolling and recycling mill, and the closure of Ford’s car manufacturing plant. The workers interviewed for this particular case study were either current or past employees of these two firms.

In the Latrobe Valley case study, interviews were conducted with retrenched workers and those currently employed in the region’s power generation industry. The retrenched workers were employed with HRL’s Energy Brix power station and associated briquette factory, which closed in August 2014. Currently employed power industry employees worked for Yallourn Power Station, Hazelwood Power Station or maintenance contractors affiliated to these two companies. Considerable speculation surrounds the future of these two ageing and carbon-intensive power stations and both were considered for closure under the Rudd/Gillard government’s ‘contract for closure’ program, which aimed to bring about the retirement of carbon-intensive power generation assets as a way to reduce the nation’s overall carbon emissions.

The second category of research participants include a range of training system and employment facilitation actors who either directly or indirectly seek to assist retrenched workers or workers in transition (see Figure 1 below). Included within this category are employers, training providers, unions, Job Service Agencies (JSAs)/jobactive providers, and career counsellors. These actors perform an important role in assisting workers to understand the formal and informal skills they have acquired, the transferability of their skills and how they relate to other occupations, where there may

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1 Job Services Agencies (JSAs) operated from 1 July 2009 and was replaced by the jobactive system that commenced from 1 July 2015.
be local job opportunities for those skills, and how they might succeed in finding employment. The work of these actors has great influence on the decisions and outcomes of workers at the different stages of employment transition.

Figure 1 Redundancy and the actors involved in employment transition

For the purposes of our research we view these various actors as shaping how individual workers come to understand the range of skills they possess, their scope of transferability, and by extension their occupational mobility opportunities. The extent and duration of involvement that a worker has with
these various actors therefore has implications for their understanding, and decisions they may make, regarding future employment or retraining. We have also included representatives from Industry Skills Councils and Federal, State and Local Government departments (e.g. Regional Development Victoria, The Department of Education and Early Childhood Development, local government regional development officers) who perform a role in shaping how training system and employment facilitation actors perceive the local economy in terms of where occupational growth and decline is occurring and where occupational mobility opportunities are likely for disadvantaged workers. Thus, while these actors may have little or no involvement in directly assisting disadvantaged workers, their views may impact on how training system and employment facilitation actors understand workers’ situations, and the advice they may provide relating to the application of workers’ skills in the changing local labour market.

The inclusion of workers and training system and employment facilitation informants within the two case studies enabled the research team to consider and capture workers’ experiences regarding employment loss or anticipated job loss and how they think about their acquired skills, occupational mobility and future job prospects. It also enabled the consideration of how training system and labour market facilitation actors perceive the skills of retrenched or vulnerable workers, and how best to assist them in understanding their skills, occupational mobility, and locating new employment opportunities.

Seventy-seven semi-structured interviews were conducted each lasting between 35 minutes to one and a half hours. The following table provides an overview of the number of individuals interviewed according to the above stated categories and subcategories for each case study:

<table>
<thead>
<tr>
<th>Interviewee type</th>
<th>Latrobe</th>
<th>Geelong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Retrenched or soon-to-be-retrenched workers</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Union representatives</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Training system actors</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Employment facilitators</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Government department officials</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

The interviews were audio recorded, formally transcribed, coded and thematically analysed alongside other data from documents and reports as well as field notes, to identify views, experiences and perceptions of the various actors regarding the role of transferable skills in post retrenchment employment outcomes.
Case study one: Latrobe City and its workforce

Geography and economic landscape

Latrobe City is a local government area located about 150 kilometres east of Melbourne, the capital city of Victoria. Latrobe City covers a geographical area of just over 1,400 square kilometres and is made up of four major urban areas—Traralgon/Loy Yang, Morwell, Moe (including Newborough) and Churchill—and several smaller townships, including Yallourn North, Boolarra, Yinnar, Traralgon South, Glengarry, Toongabbie and Tyers. Its population is approximately 70,000 with nearly 80 per cent residing in the four major urban areas. Latrobe City is typically referred to as the Latrobe Valley due to the local government boundaries covering much of the Latrobe Valley geographical region. This region is renowned for its rich natural resources—brown coal (lignite), timber and water in particular—and its influential electricity generation industry, which produces some 85 per cent of Victoria’s electricity requirements.

Figure 2 Map of Latrobe City
For the past two decades, the Latrobe Valley has also acquired the reputation of being one of the most troubled regional areas of Australia (Vinson, Rawsthorn, Beavis & Ericson 2015; Vinson 2004), stemming from an estimated loss of approximately 5,000 jobs from a workforce of 8,500 when the State Electricity Commission of Victoria (SECV) was privatised in the late 1980s and early 1990s (Kazakevitch et al. 1997; Birrell 2001). Such privatisation and ongoing industrial restructuring in the power generation and manufacturing industries has transformed the once vibrant region into one of the country’s most economically depressed regions.

The Latrobe Valley power industry consists of four major coal-fired power generators (Hazelwood Power Station, Yallourn Power Station, Loy Yang A and Loy Yang B). These power stations are ageing and considered to be a major contributor to Australia’s high carbon emissions. Over the past five years, there have been Federal and State government carbon-emission reduction initiatives that have sought to bring about the closure or partial closure of selected generators, primarily Hazelwood and Yallourn Power stations, which are the oldest of the generators (see Victoria Government 2010; Australian Government 2011; Latrobe City 2010). The Gillard Government’s ‘contract for closure’ program was by far the most ambitious of the initiatives which aimed to buy out and shut down 2000 megawatts of brown coal fired power by 2020 (Australian Government 2011). To-date these programs have been unsuccessful in reducing carbon emissions from Latrobe Valley generators, and have contributed to ongoing uncertainty within the sector and within the community (Fairbrother et al. 2012; Snell 2011). However, it is generally accepted that these power generation assets continue to face an uncertain future as a result of their age, their carbon-intensity and declining demand for electricity as heavy users like the Geelong Alcoa smelter, automobile and other manufacturers wind down their operations. For Yallourn and Hazelwood power stations, the question is no longer about if they have a future, but how much longer they will remain operating.

There’s a little touch of the power industry everywhere and in every workshop you go to.

This view expressed by a 48 year old boilermaker highlights the historical importance of the power generation industry in the Latrobe Valley. The social, economic and employment impact of power generator closure on the Latrobe Valley community has been of significant concern for national, state and local governments for some time (Victoria Government 2010; Latrobe City 2010; Australian Government 2011). A number of government initiatives and strategies have been developed to assist the region in diversifying its economy and stimulating job growth in response to the challenges faced in the Latrobe Valley, and in preparation for the likelihood of a power generator closure (see Victoria Government 2012; Fairbrother et al. 2012). Among these strategic initiatives has been the formulation of a comprehensive economic development plan known as the Latrobe Valley Industry and Employment Roadmap (Victoria Government 2012). To what degree these plans and strategies will assist the region and its workforce to transition away from its historical reliance on the brown-coal power generation industry, however, remains unclear.

Today the Latrobe Valley is a region with significant social disadvantage and higher than average unemployment rates (see Vinson, Rawsthorn, Beavis & Ericson 2015) struggling to reverse its economic and industrial misfortunes. An analysis of the 2006 and 2011 ABS Census data show the significant changes occurring in employment in the past few years. The results presented in Table 2 indicate a significant employment decline across all the major industries in the region. It further demonstrates that full-time secure jobs are being rapidly replaced by part-time ones, thus suggesting a growing casualisation of employment in the region.
<table>
<thead>
<tr>
<th>Industry</th>
<th>Full-time</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tr>
<td></td>
<td>2006</td>
<td>2011</td>
<td>+/- jobs</td>
<td>%</td>
<td>2006</td>
<td>2011</td>
<td>+/- jobs</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>394</td>
<td>280</td>
<td>-114</td>
<td>-28.9%</td>
<td>164</td>
<td>168</td>
<td>4</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>188</td>
<td>287</td>
<td>99</td>
<td>52.7%</td>
<td>24</td>
<td>24</td>
<td>0</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2429</td>
<td>2092</td>
<td>-337</td>
<td>-13.9%</td>
<td>350</td>
<td>338</td>
<td>-12</td>
<td>-3.4%</td>
<td></td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>1710</td>
<td>1265</td>
<td>-445</td>
<td>-26.0%</td>
<td>154</td>
<td>125</td>
<td>-29</td>
<td>-18.8%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>1991</td>
<td>1512</td>
<td>-479</td>
<td>-24.1%</td>
<td>273</td>
<td>291</td>
<td>18</td>
<td>6.6%</td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>500</td>
<td>471</td>
<td>-29</td>
<td>-5.8%</td>
<td>133</td>
<td>108</td>
<td>-25</td>
<td>-18.8%</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1680</td>
<td>1361</td>
<td>-319</td>
<td>-19.0%</td>
<td>2099</td>
<td>1740</td>
<td>-359</td>
<td>-17.1%</td>
<td></td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>446</td>
<td>497</td>
<td>51</td>
<td>11.4%</td>
<td>921</td>
<td>987</td>
<td>66</td>
<td>7.2%</td>
<td></td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>555</td>
<td>595</td>
<td>40</td>
<td>7.2%</td>
<td>174</td>
<td>198</td>
<td>24</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>257</td>
<td>144</td>
<td>-113</td>
<td>-44.0%</td>
<td>118</td>
<td>96</td>
<td>-22</td>
<td>-18.6%</td>
<td></td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>467</td>
<td>373</td>
<td>-94</td>
<td>-20.1%</td>
<td>221</td>
<td>184</td>
<td>-37</td>
<td>-16.7%</td>
<td></td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>210</td>
<td>228</td>
<td>18</td>
<td>8.6%</td>
<td>78</td>
<td>68</td>
<td>-10</td>
<td>-12.8%</td>
<td></td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>636</td>
<td>636</td>
<td>0</td>
<td>0.0%</td>
<td>265</td>
<td>286</td>
<td>21</td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>459</td>
<td>312</td>
<td>-147</td>
<td>-32.0%</td>
<td>247</td>
<td>216</td>
<td>-31</td>
<td>-12.6%</td>
<td></td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>1436</td>
<td>1430</td>
<td>-6</td>
<td>-0.4%</td>
<td>516</td>
<td>591</td>
<td>75</td>
<td>14.5%</td>
<td></td>
</tr>
<tr>
<td>Education and Training</td>
<td>1365</td>
<td>1329</td>
<td>-36</td>
<td>-2.6%</td>
<td>974</td>
<td>964</td>
<td>-10</td>
<td>-1.0%</td>
<td></td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>1495</td>
<td>1780</td>
<td>285</td>
<td>19.1%</td>
<td>1720</td>
<td>2001</td>
<td>281</td>
<td>16.3%</td>
<td></td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>96</td>
<td>81</td>
<td>-15</td>
<td>-15.6%</td>
<td>127</td>
<td>131</td>
<td>4</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>645</td>
<td>616</td>
<td>-29</td>
<td>-4.5%</td>
<td>253</td>
<td>244</td>
<td>-9</td>
<td>-3.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16959</td>
<td>15289</td>
<td>-1670</td>
<td>-9.8%</td>
<td>8811</td>
<td>8760</td>
<td>-51</td>
<td>-0.6%</td>
<td></td>
</tr>
</tbody>
</table>


The consequence of the industrial restructuring noted above is the transformation in occupations as illustrated in Table 3, which displays the 10 occupations which have experienced the most growth and decline in Latrobe City from 2006 to 2011. It indicates that most of the employment growth in the region is in service related occupations, while much of the decline in occupations belongs to traditional manufacturing. The direction of job growth in Latrobe was jokingly described by a local union organiser, who stated: ‘the real thing is we’re going to become a country of baristas and that’s about it at the moment. That’s about the only thriving industry’. Today, the largest employer is Latrobe Regional Hospital (approximately 1,400 employees) with Health and Community Services the largest employing sector. Australian Paper Pty Ltd., one of the only remaining paper mills in Australia, is the second largest employer with just over 1000 workers. Centrelink also employs a considerable number of workers in their Latrobe Valley call centre.
Table 3  Occupational growth and decline in Latrobe City, 2006, 2011

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2006</th>
<th>2011</th>
<th>+/- jobs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>609</td>
<td>777</td>
<td>168</td>
<td>27.6%</td>
</tr>
<tr>
<td>Aged and Disabled Carers</td>
<td>372</td>
<td>504</td>
<td>132</td>
<td>35.5%</td>
</tr>
<tr>
<td>Nursing Support and Personal Care Workers</td>
<td>164</td>
<td>222</td>
<td>58</td>
<td>35.4%</td>
</tr>
<tr>
<td>Food and Drink Factory Workers</td>
<td>53</td>
<td>95</td>
<td>42</td>
<td>79.2%</td>
</tr>
<tr>
<td>Child Carers</td>
<td>234</td>
<td>274</td>
<td>40</td>
<td>17.1%</td>
</tr>
<tr>
<td>Social Workers</td>
<td>51</td>
<td>86</td>
<td>35</td>
<td>68.6%</td>
</tr>
<tr>
<td>Other Building and Engineering Technicians</td>
<td>83</td>
<td>115</td>
<td>32</td>
<td>38.6%</td>
</tr>
<tr>
<td>Plastics and Rubber Production Machine Operators</td>
<td>4</td>
<td>32</td>
<td>28</td>
<td>700.0%</td>
</tr>
<tr>
<td>Health and Welfare Services Managers</td>
<td>44</td>
<td>72</td>
<td>28</td>
<td>63.6%</td>
</tr>
<tr>
<td>Generalist Medical Practitioners</td>
<td>100</td>
<td>126</td>
<td>26</td>
<td>26.0%</td>
</tr>
<tr>
<td>Declining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Fitters and Machinists</td>
<td>604</td>
<td>456</td>
<td>-148</td>
<td>-24.5%</td>
</tr>
<tr>
<td>Inquiry Clerks</td>
<td>326</td>
<td>205</td>
<td>-121</td>
<td>-37.1%</td>
</tr>
<tr>
<td>Sales Assistants (General)</td>
<td>1790</td>
<td>1672</td>
<td>-118</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Chemical, Gas, Petroleum and Power Generation Plant Operators</td>
<td>404</td>
<td>287</td>
<td>-117</td>
<td>-29.0%</td>
</tr>
<tr>
<td>Shelf Fillers</td>
<td>256</td>
<td>156</td>
<td>-100</td>
<td>-39.1%</td>
</tr>
<tr>
<td>Machine Operators (not further defined)</td>
<td>140</td>
<td>45</td>
<td>-95</td>
<td>-67.9%</td>
</tr>
<tr>
<td>Motor Mechanics</td>
<td>329</td>
<td>245</td>
<td>-84</td>
<td>-25.5%</td>
</tr>
<tr>
<td>Secretaries</td>
<td>189</td>
<td>106</td>
<td>-83</td>
<td>-43.9%</td>
</tr>
<tr>
<td>Livestock Farmers</td>
<td>321</td>
<td>246</td>
<td>-75</td>
<td>-23.4%</td>
</tr>
<tr>
<td>Store persons</td>
<td>208</td>
<td>137</td>
<td>-71</td>
<td>-34.1%</td>
</tr>
<tr>
<td>Total</td>
<td>6281</td>
<td>5858</td>
<td>-423</td>
<td>-6.7%</td>
</tr>
</tbody>
</table>


Employment in the power generation industry

The employment figures provided in government reports for the Latrobe Valley’s power generation industry vary significantly, from between 2,500-5,000 workers (Fairbrother et al. 2012, p.30). This difference is primarily due to variations in employment measurements and who is considered to be employed in the industry. Smaller estimates only measure those directly employed by the generators while others include the employees of contract firms who are closely associated with the industry. The highest estimates also include workers who become involved in 'outage' related maintenance work which is sporadic but well paid and provides an income for many of the region’s skilled but casualised workers. The result of these different employment arrangements and relationships between power generators and their associated contractors is that the work and employment experience for workers within the industry varies significantly (Fairbrother et al. 2012, p.30).

Interviews with stakeholders, employers and workers in the Latrobe Valley region indicate that employees directly employed by the generators tend to have the most secure and best remunerated...
jobs in the region. These workers tend to be skilled or semi-skilled but often do not have formally
recognised post-school qualifications. The workforce comprises mainly older men, many of whom
began their careers with the SECV prior to privatisation and have only worked within this industry.
Workers employed by contract firms, on the other hand, tend to have nationally recognised
certificates and trade qualifications, but are in less secure forms of employment. Full-time employees
of contract firms have the highest level of job security but this security is typically only for the
dURATION of the firm’s contract with the power generators. Most of the work performed by these
workers relates to mine and power generator maintenance, road construction, fire safety, security
and other activities outsourced by the generators. These contract workers also confront an uncertain
future and have therefore been included in the study. A third category of power industry workers are
casual workers who perform specialised work for either the contract firms or the power generators on
a needs be basis, such as major maintenance projects, including mine rehabilitation or turbine
outages and overhauls. The remuneration for this casual work is significant but the work is short lived.
Unlike the work experience of the direct employees of power generators who have typically only
known the one employer full-time, casual contract workers have typically worked for a range of firms.
In many cases, these contract workers have also worked for firms servicing other types of industries
(e.g. oil and gas, pulp and paper, food manufacturing) located both within and outside the region. In
considering questions about skills transferability and occupational mobility it is important to
understand these distinctions in skills, qualifications and labour market experiences between the
different categories of workers.

The first major test-case of what the impacts of a power generation closure might mean for workers
in this industry came in August 2014 when a small Morwell power generator, known as Energy Brix,
ceased operation. Energy Brix, also known as the Morwell Power Station, was a small generator
producing about 170 megawatts of power that had operated since 1956. The electricity produced by
Energy Brix supplied electricity into the national grid, as well as powering a co-located briquette
factory. With declining demand for briquettes and ageing technology, the Energy Brix power plant and
briquette factory were no longer commercially viable. The closure of Energy Brix resulted in the loss
of approximately 70 direct jobs and up to 30 additional contractor positions (Nelson 2014). The skills
sets of these workers and the challenges associated with their occupational mobility are similar to
those which workers in the other larger Latrobe Valley power plants are likely to confront. Included
among the workforce are a large number of unskilled to semi-skilled occupations associated with
cleaning, general labouring and assistance to operators of boilers and turbines. Other occupations
include boiler operators and plant controllers, who look after boilers and turbines, which represent
more highly skilled occupations (although few have nationally recognised post-school qualifications)
and trade qualified electricians, boilermakers, fitters and turners and mechanical engineers who
represent the highest skilled and qualified employees.

This case study includes interviews with retrenched Energy Brix workers as well as workers employed
by other Latrobe Valley generators and associated contractors. Generally, the workers employed
directly by the generators tend to be older than workers employed by power industry contractors.
Workers employed by contractors tend to have nationally recognised post-school qualifications and
certificates and have typically worked for different employers throughout their careers. Workers
employed directly by the generators, on the other hand, tend to have fewer nationally recognised
qualifications and have often only worked in the same occupation for the one company. These
differences in skills, qualifications and labour market experiences impact on the way these workers
come to perceive their skills and their occupational mobility prospects.
Case study two: City of Greater Geelong and its workforce

Geography and landscape

The City of Greater Geelong is located southwest of Melbourne. It is the largest municipality in the Geelong Region, with 224,926 residents (ABS, Regional population growth, Australia (3218.0), 2014), and is located on the shores of Port Phillip Bay. It covers an area of 1,247 square kilometres, which is primarily urban with the vast majority of its population living in the city, while other significant settlements within the local government area include: Anakie, Balliang, Barwon Heads, Batesford, Ceres, Clifton Springs, Drysdale, Lara, Ocean Grove, Portarlington and St Leonards.

As a whole, the Geelong Region has a vast array of industries that contribute to its economy, including forestry and timber, agriculture, tourism and hospitality, and mining in the expansive rural areas in the western and central parts of the region. The region has many natural attractions, such as the iconic Great Ocean Road that runs through the coastal towns of Torquay, Anglesea, Lorne and Apollo Bay, and several marine parks and the Otway Ranges. The region’s natural beauty underpins recent population growth and economic diversification into retail, health, education and other social services (G21 Regional Alliance 2014).
Economic transition and industrial restructure

With its great potential, the City of Greater Geelong has increasingly become one in transition, stranded between its history and its future. Its post-World War II legacy as a stronghold of heavy industry led by large-scale manufacturing companies is fading (Potter 2014). In 2013 Boral Cement cut 90 jobs at its Geelong cement plant and Target cut 260 staff from its Geelong headquarters. This was followed by the closure of Qantas/Forstar heavy maintenance fleet at the Avalon regional airport in March 2014 with 300 job losses, and Shell selling its oil refinery in the same year, which also contributed to some job losses (ABC News 2014).

Two of the largest companies to cease/downscale manufacturing in the region were the Australian arms of Alcoa World Alumina and Ford Motor Company. Alcoa is an aluminium smelting company established in 1961. Up until 2014 it operated out of two locations in Geelong; at the Anglesea power station it generated electricity using brown coal, which was transmitted to Point Henry to power the smelter. The company used about 1.1 million tonnes of brown coal to supply about 41 per cent of the total electricity it needed to produce about 190,000 tonnes of aluminium per year at its smelter. Their 900 strong Geelong workforce was mainly made up of a mixture of mechanical and electrical trade workers and semi-skilled jobs such as machine operators. Alcoa also had professional staff, including engineers, accountants, managers and human resources officers. Alcoa closed its Point Henry aluminium smelter in July 2014 and its rolling and recycling mill at the end of 2014, with a total loss of 800 jobs, including employees who had worked for the company for over 40 years.

Ford, on the other hand, has been downsizing since mid-2013, and will close by October 2016, causing 510 job losses at its Geelong body shop and engine plant (ABC News 2013; Balinksi 2014; Drill, Landy & Hurley 2014). The company however insists that it will continue to employ more than 1,500 people in Australia in research and development and dealerships after 2016 (ABC News 2013). Ford, a subsidiary of Ford Motor Company of Canada, operates out of two locations (Geelong and Campbellfield) and manufactures, imports and distributes small, medium and large passenger vehicles, four-wheel drive and commercial vehicles for domestic and export markets. The Geelong plant, established in 1925, was the original location. It is the third largest automotive manufacturer in Australia, which, at its peak employed more than 3,000 employees across its Geelong and Broadmeadows factories (Ford 2015). A number of factors are associated with these closures, including the “global oversupply of aluminium, dramatically falling aluminium prices and a high Australian dollar” (Drill, Landy & Hurley 2014), the high cost of producing vehicles in Australia, amounting to double that of Europe and four times that of Asia, and high export tariffs which have crippled the local automotive manufacturing sector.

Manufacturing accounted for 36 per cent of Geelong’s workforce in 1971, but by 2011 its share had fallen to 11 per cent and the raw number of manufacturing jobs had halved to just over 10,000. These closures illustrate the general industrial restructuring that has gone on throughout the region in recent years, whereby more stable traditional heavy industries have declined giving way to new, more serviced-oriented industries (see Table 4). Healthcare, social assistance and retail jobs are on the rise, while construction is catching up (Potter 2014). However as an illustration of the great economic potential of the region, despite losing thousands of manufacturing jobs over decades, its unemployment rate hovers slightly above the Victorian average. Thus the data suggest that Geelong is not so much losing jobs, as shifting them from one sector to others (Potter 2014).
These transformations have had a significant destabilising impact on employment, particularly in terms of growing job insecurity and employment casualisation as full-time jobs are increasingly replaced with temporary and part-time ones as illustrated in Table 4. As further demonstrated in Table 5, displaying the 10 occupations which have experienced the most growth and decline in the City of Greater Geelong from 2006 to 2011, many of the occupations that are on the decline belong to traditional industries, mostly in manufacturing and construction. The growing occupations belong to more service oriented industries, mainly in healthcare and social assistance.
### Table 5: Occupational growth and decline in City of Greater Geelong, 2006, 2011

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2006</th>
<th>2011</th>
<th>+/- jobs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Nurses</td>
<td>2187</td>
<td>2597</td>
<td>410</td>
<td>18.7%</td>
</tr>
<tr>
<td>Aged and Disabled Carers</td>
<td>937</td>
<td>1321</td>
<td>384</td>
<td>41.0%</td>
</tr>
<tr>
<td>Child Carers</td>
<td>614</td>
<td>850</td>
<td>236</td>
<td>38.4%</td>
</tr>
<tr>
<td>General Clerks</td>
<td>1653</td>
<td>1842</td>
<td>189</td>
<td>11.4%</td>
</tr>
<tr>
<td>Receptionists</td>
<td>1221</td>
<td>1379</td>
<td>158</td>
<td>12.9%</td>
</tr>
<tr>
<td>Architectural, Building and Surveying Technicians</td>
<td>292</td>
<td>444</td>
<td>152</td>
<td>52.1%</td>
</tr>
<tr>
<td>Bar Attendants and Baristas</td>
<td>381</td>
<td>521</td>
<td>140</td>
<td>36.7%</td>
</tr>
<tr>
<td>Contract, Program and Project Administrators</td>
<td>472</td>
<td>606</td>
<td>134</td>
<td>28.4%</td>
</tr>
<tr>
<td>Plumbers</td>
<td>484</td>
<td>614</td>
<td>130</td>
<td>26.9%</td>
</tr>
<tr>
<td>University Lecturers and Tutors</td>
<td>305</td>
<td>431</td>
<td>126</td>
<td>41.3%</td>
</tr>
<tr>
<td>Aircraft Maintenance Engineers</td>
<td>598</td>
<td>492</td>
<td>-106</td>
<td>-17.7%</td>
</tr>
<tr>
<td>Shelf Fillers</td>
<td>567</td>
<td>443</td>
<td>-124</td>
<td>-21.9%</td>
</tr>
<tr>
<td>Sales Assistants (General)</td>
<td>5058</td>
<td>4931</td>
<td>-127</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Managers (not further defined)</td>
<td>366</td>
<td>228</td>
<td>-138</td>
<td>-37.7%</td>
</tr>
<tr>
<td>Inquiry Clerks</td>
<td>481</td>
<td>333</td>
<td>-148</td>
<td>-30.8%</td>
</tr>
<tr>
<td>Textile and Footwear Production Machine Operators</td>
<td>394</td>
<td>227</td>
<td>-167</td>
<td>-42.4%</td>
</tr>
<tr>
<td>Call or Contact Centre Workers</td>
<td>325</td>
<td>122</td>
<td>-203</td>
<td>-62.5%</td>
</tr>
<tr>
<td>Secretaries</td>
<td>611</td>
<td>399</td>
<td>-212</td>
<td>-34.7%</td>
</tr>
<tr>
<td>Machine Operators (not further defined)</td>
<td>347</td>
<td>122</td>
<td>-225</td>
<td>-64.8%</td>
</tr>
<tr>
<td>Metal Fitters and Machinists</td>
<td>958</td>
<td>694</td>
<td>-264</td>
<td>-27.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18251</strong></td>
<td><strong>18596</strong></td>
<td><strong>345</strong></td>
<td><strong>1.9%</strong></td>
</tr>
</tbody>
</table>


The above noted job losses are consistent with Geelong’s declining regional output from 2010 to 2014, as illustrated in Figure 4. While manufacturing still makes an outsized contribution to Geelong’s measured output, with smaller manufacturing firms like Boundary Bend Olives, the Little Creatures brewery and high-tech wheel-maker Carbon Revolution contributing about $10.7 billion, or 43 per cent of the region’s manufacturing total, it is a sector in decline within the region and elsewhere (Potter 2014; Fairbrother et al. 2013, p.103).
Like the situation in the Latrobe Valley, this state of economic flux means more people will need to look for jobs in emerging occupations. Thus, there is an increasing need to identify emerging industries, and to assess future skills, training resources, and the potential for occupational mobility. As employment becomes more temporary and casualised, employers need to appreciate the importance of transferable skills in order to ensure agile occupational mobility and reduced unemployment.
How do workers perceive and rate the transferability potential of their skills?

Worker perceptions about their skills, the transferability of their skills, and their future job prospects are conditioned by their organisational and employment experiences. In this section we consider how workers perceive their skills and consider if these views differ between employees of power generators, contract firms, Alcoa and Ford.

Workers directly employed by power generators

...you're more or less trapped, or confined to the generational power station industry.

This view expressed by a power station operator of a Latrobe Valley generator was commonly expressed by workers employed by power generators in the mines or power stations. Most of these workers thought they had a job for life and never considered the need for developing transferable skills. Few had even considered what transferable skills they had developed over the years working in the same organisation and often in the same job. One power station unit controller stated:

It’s difficult to say [if I have transferable skills]. I’m not too sure. I’ve never gone for a job interview outside of the industry. So it’s a bit hard to relate to how well other industries would accept my [skills].

When workers were asked about their transferable skills they overwhelmingly focused on their technical hard skills which they perceived to be highly specific. For these workers, these were their ‘real’ skills. While some perceived that these skills were relatively transferable between the different power generators, others thought that the significant technological differences between power generators even made this level of occupational mobility questionable. Former Energy Brix workers were particularly concerned about this barrier to their occupational mobility. As one worker commented:

... we are technologically backward in that regard…I think that would be probably the main stumbling block.

For the employees of power generators most skill development occurs in-house. If workers have certificates and qualifications they tend to be specific to the firm or the former SECV, which had developed an apprenticeship system specific for the industry. This situation places these workers in a disadvantaged position in a labour market where qualifications are given increased importance. The identification of transferable skills for these workers is also made much more difficult when they do not have formally recognised qualifications.

While many of the workers do not have formal post-school qualifications, training package qualifications developed by E-Oz Energy Skills Australia would align with many of the occupations performed by these workers, such as Certificate IV in ESI Generation (Operations) or Certificate IV in ESI Generation (Systems Operation). It was noted by several of the former Energy Brix workers that prior to being retrenched Energy Brix did offer employees the opportunity to undertake Recognition of Prior Learning (RPL) with the aim of developing nationally recognised qualifications for the work they performed. The uptake among workers, however, appeared to be relatively small. For some, the RPL
process seemed overly complex and daunting, while others did not think having a qualification was going to assist them greatly in acquiring another job, particularly given the number of jobs requiring these qualifications were in decline.

However, at the same time it was often commented on that the industry was increasingly expecting new recruits to have qualifications, particularly trade qualifications, even though the job advertisements did not require this level of skill. A 45 year old service coordinator who had worked with the one power generator since she left school at the age of 18 observed:

I’ve noticed over the last ten years instead of just employing ordinary people or a person off the street they’re always looking for tradesmen now, which wasn’t the case twenty years ago.

Some perceived this as a way for the other power generators to discriminate against the older, more skilled, but unqualified workers in the industry.

Workers employed by contract firms in the power industry

I’ve got a wide range and variety of skill knowledge.

Workers employed by contract firms had a very different perception about their skills and the transferability of their skills. These workers tend to be younger and highly qualified trades persons (e.g. electricians, fitters and turners, boilermakers, construction workers), often with very specialised skills such as sheet metal fabrication and insulation, high pressure welders or high voltage electrical fitters. Many of these workers also hold a range of certificates related to working at heights, crane driving, rigging and scaffolding. Most have experienced working for a range of different employers and having to go through job application and interview processes. These workers are much more confident about their skills than the workers employed directly by the generators. In interviews they would often talk about the many jobs they have had throughout their career and how they went about looking for work when confronted with job loss, which was not an uncommon experience particularly for the casual contract workers. For these workers, being able to find alternative employment demonstrated to them that they had transferable skills.

What these workers considered to be transferable skills, however, was not dissimilar to what workers employed directly by the power generators expressed. When asked what they considered to be transferable skills they focused overwhelmingly on their technical/hard skills. When they spoke about occupational mobility it was largely between very similar occupations requiring the same type of skills. A sheet metal insulation worker, for example, stated:

Sheet metal insulation is very much a trade that can be very applicable to everything. It’s only the specifications that change on job sites. So you might have thermal insulation which is hot, or you might have cold insulation for freezing temperatures, or specifications for fire-proofing or just weatherproofing, or just noise or anything.

This focus on technical/hard skills has meant few workers have considered what other skills they may have acquired which enable them to move into very different types of occupations. Nonetheless, confronted with job insecurity and having to actively search for employment opportunities they have developed a view that their skills were their greatest asset. While they raised significant concerns about the future of the power industry and the region more generally, they were confident that they could find similar jobs elsewhere in the country where their skills were highly sought after. Even workers with highly specialised skills, such as conveyor belt splicing, felt like they could find work somewhere if jobs within the region disappeared. As employees of contractors, these workers seem to be resigned to a working life in which jobs and work comes and goes, and there is increased
competition in the labour market: ‘There’s always three or four people lined up outside for your job’. For them it is their skills and accumulated labour market experiences which provide them the key to occupational mobility and economic survival. Job insecurity has meant these workers have had to be quite resilient and be prepared to go for periods without work or an income. While there was a desire to remain living and working in the region, most acknowledged that they might need to relocate to find work if the industry continued to shed jobs. This was not an unfamiliar experience for many of them. As one contract worker summarised:

It’s just the uncertainty. Some people can handle it, some people can’t… It’s just how I work. I’ll even have to travel to Melbourne. I’ve done it before, I’ll do it again.

Many contract workers also had an appreciation for ongoing accredited training, and if need be, retraining. Some workers had undertaken training out of work hours or between contracts in order to improve their chances in the labour market, or to further their own particular interests. In their mind, this additional training and certification provided increased occupational mobility and opened up the potential for employment opportunities beyond the power industry.

**Ford and Alcoa workers**

We have got no skills to get into those [Health Care and Community Services] industries. We have good discipline… issue resolution, how to deal with people, how to work in groups and teams, but how do you actually articulate that to a new employer in an interview? It’s not easy.

The above quote sums up a common feeling among many retrenched workers across the Alcoa and Ford workforces facing retrenchment after many years in the same employment. It is also an accurate articulation of the transferability challenge, i.e., what are transferable skills, where can they be applied and how do we recognise them? Clearly, the quoted worker does not recognise soft/core or non-technical generic skills as useful in the transition.

The most important question in the mind of a retrenched, or soon-to-be-retrenched (STBR) worker, is how to secure another job as soon as possible and adjust to the new environment successfully. As explained by a STBR worker at Ford, ‘There is always this level of nervousness around what are you going to do next’. Another Ford worker illustrates this question thus:

But the biggest concern that I have is that, will I be able to do that job? Will I be able to break out of the system or the mould that I’m in at the Ford Motor Company, the way we go about our business that I’ve been doing, coming to work every day. If I go into a new business and, what are their expectations and all those sorts of things. So that’s a bit of a concern to me.

In making considerations about post-retrenchment employment a natural process is to think about what skills one has and which jobs they might be applied to. One of the key questions posed to the workers is whether they thought their skills were useful and for which occupations.

The vast majority of Ford and Alcoa workers interviewed believed they had many useful skills, but when pushed with regard to where they saw those skills securing them a job, similar to the workers directly employed by the power generators, only a few saw beyond the limited scope of related industries. Like the worker quoted above, not many were able to recognise transferability in their skills. Seemingly, this was because many of the workers were paying more attention to what they perceived as their core skills, i.e. specific hard manufacturing skills, e.g., machine operations, electrical engineering, engine assembly etc. For example, one STBR worker at Ford is highly skilled in the rare area of high-tech equipment. His most treasured skills, as far as he is concerned, are the specific hard ones. Some of the companies he sees as practically suitable destinations for him are
Carbon Revolution (an emerging advanced manufacturing company in Geelong that makes carbon fibre wheels), Holden and Toyota. Unfortunately he is also aware that the latter two companies are soon closing down, while the former is a small start-up whose future is not clear. Another STBR worker at Ford faces the same dilemma. He is an electrician who has obtained a Certificate IV in Electro-techtronics. He considers his skills to be transferable but only to related occupations and therefore recognises that there is not much work in the Geelong area in the electrical field. Like the above stated worker, his idea of transferability only extends to jobs in the same occupation but could be in a different workplace or industry.

At Alcoa similar experiences are highlighted. An ex-Alcoa worker, for example, confronted the same dilemma when she lost her job. She worked in the ‘pot room’, i.e. working with molten metals. She faced a major challenge in finding work because the manufacturing sector, where she focused her search, was in decline with very few job opportunities. It is only when she completed a Certificate III in Business Administration and Medical Terminology that she was able to find work. She continued to study for a Certificate IV in Business Administration.

There were other workers whose view of skills transferability was much wider and not just limited to immediately identifiable manufacturing occupations. This group of workers tended to look more to their generic non-technical skills and were therefore able to consider job opportunities further afield to non-traditional occupations. However, the majority of these tended to be employed in more managerial type positions, rather than on the shop-floor. One STBR worker, for example held various roles at Ford including Engineering Patternmaking, supervisor and middle management, and projected a highly positive outlook:

> I think I have transferable skills, and what has really galvanised my view is over the last few years, when we announced closure, being on Linkedin, from time to time I will be approached, I have been approached yesterday by a national logistics company about whether I am interested in a particular role.

He sees a lot of transferability value in his generic skills but doubts that many of his colleagues have picked up these same skills sufficiently:

> Some of the skills they [Ford workers] have are very transferable: How to form a relationship, how to influence and lead, yet the guys on the shop floor have not picked these skills up. It comes down to personalities as well.

One of the Ford workers interviewed for this project does not want to find work that utilises his technical skills because he sees no future in the industry. He however believes in the strength of his generic skills, which may assist him to obtain work as a training coordinator, safety officer or recruitment coordinator. Similar views were expressed by other Ford workers regarding the value of non-technical skills. Having worked in various roles, including as a Machinery Operator and Shop Steward, and undertaken various training courses in Process Manufacturing, Warehousing Operations and Occupational Health and Safety (OH&S), an STBR Ford worker felt confident that he would find a job in areas where he would utilise his training in OH&S as well as his inspection skills. A former Alcoa employee likewise has utilised some of his generic skills acquired at work, e.g. OH&S, and continued to work as a bush-fire volunteer assistant. He concluded that many of the skills he acquired on-the-job are highly transferable, although many of his colleagues may not recognise this immediately. Belonging to this category of workers who have chosen to apply their skills outside the traditional box, are those who have chosen to branch out into small business. For instance, one Ford employee contends that the skills she acquired in Financial Management, as well as Information Technology (IT),
at Ford would enable her to run a small business. These two views of the transferability value of skills represent the broad range of workers interviewed, both at Alcoa and Ford.

Two important considerations seem to influence Alcoa and Ford workers’ views on their skills. First, is the length of employment at the same organisation, and second is the amount of accredited training they have received, and whether they have formal post-school qualifications. In most of the traditional industries, like manufacturing, which mostly rely on unskilled and semi-skilled workers, the majority of the workforce joined their companies at a very early age, generally straight out of school. One Ford worker, for example, joined at age 16 and has been with the company for 16 years. Two who have been employed for 28 years joined at 15 and 19 years of age respectively. The majority of the workers now retrenched or STBR from Ford have been with the same company for over 20 years, with some clocking over 30. The same applies to ex-Alcoa workers.

For many of these workers, most of their skills were acquired in the workplace, with little or no formal accredited training. Therefore, only a few of them possess any formal post-school qualifications. Thus while, as explained earlier, many perceived their skills and experience as valuable, they did not see them as useful in transitioning them into new jobs, largely because, as was explained by a Ford interviewee: ‘today you need a certificate to get any sort of job’. This labour market reality lead another participant who has worked for Ford for 20 years and received no accredited training, to pose the question, ‘the skills I have got, who is going to recognise them?’ The combined problems of lack of formal qualifications, length of time on the same job and age, were summed up by an STBR Ford employee:

Some of the skills they have are very transferable... Some of the people here have been here nearly 40 years doing the same job, and they’re the people that I’m concerned about, in their late 50s without any particular qualification, where I just hope that some employers external to Ford can accommodate where they’re at. I don’t know. I hope they can.

This is further emphasised by a retrenched Alcoa worker, particularly regarding formal qualifications:

I was fortunate in [that] I worked in a period with Alcoa over the years where a piece of paper wasn’t that important. If you could do the job and do the job to the satisfaction of your manager, then you were the one to do that job. Some of that changed over the years, towards the end, but it was more that, if you had the skill set and the ability, then the job was yours.

The challenge is expressed by a training provider involved in the transitions in Geelong who observed that a major difficulty for retrenched workers who possess great skills is that their skills have never:

...been recognised, so they have never been able to transfer those skills over to paper. They find that difficult and frustrating and also demoralising, that they’ve got to go through this [accreditation training] process...

Based on these realities displayed in the perceptions of workers of their own skills, employment support agencies as well as other actors, including unions, employers and training organisations, have to devise appropriate and effective ways of supporting retrenched workers through their transition to new employment. In the next two sections we examine how these actors go about this task and the extent to which they consider existing skills in the process. We begin with an assessment of the effectiveness of the attempts that have been made to identify workers’ transferable skills and the use they are put to.
Employers’ skills assessment and employment transition support

Energy Brix

In the case of Energy Brix, a couple of years prior to announcing closure the company had encouraged its workers to consider undergoing RPL processes for the purposes of obtaining formal qualifications. As stated previously, many workers did not take up this opportunity. The company also engaged the Victorian Government’s Workers in Transition Program just prior to the closure, which held information sessions with the workers involving JSAs, Centrelink, the local TAFE provider, unions and other support agencies. These sessions provided workers the opportunity to learn about their entitlements, support services available to them, and how to go about seeking financial, employment and training assistance. These sessions are relatively common in Victoria when employers make workers redundant, and are considered to provide important assistance to workers during a very difficult situation. However, in interviews with former Energy Brix workers who attended these meetings, few could recall much about the details of these meetings or how they assisted them. This may be due to the timing of the meetings which occurred on the day they were told about the closure or how much time had passed from when these meetings had actually occurred. Another explanation may be due to the fact that there was little or no follow-up with workers following these meetings. As explained by a union representative:

Once [the retrenched workers had] left that room, they'd got their bit of paper saying if you want training go to contact this number, contact TAFE. Information pack on what Centrelink could offer, information from Job Search providers and see you later. There was no follow up, no follow through. To this day I don't think there has been, and that was an issue. There's no tracking at all.

Although the announced closure of Energy Brix was not unexpected, given the age of the facility and indications by the company that it was becoming increasingly unviable, a number of participants interviewed indicated that the rapid pace of the closure process took many by surprise, particularly the workers. A union representative, who had personal experiences with being retrenched, noted that it was important for workers to develop a ‘transition plan’ but there was not sufficient time provided by the company for workers to develop these plans as ‘it was just all of a sudden’.

Alcoa World Alumina

Following the announcement of the intention to close the Point Henry aluminium smelter in February 2014, Alcoa workers had very short notice until actual closure and redundancy, which occurred in July 2014. The rolling mill closure followed at the end of 2014. The task and challenge was how to transition workers into new jobs across different occupations. Consequently, following the closure announcement, the company announced, in May of 2014, that it would be assisting its NSW and Geelong employees with a $4 million dollar package (ABC News 2014), comprising:

- One-on-one career counselling
- Information sessions
- Support for RPL
- Short term courses with Gordon TAFE
Financial support for employees to undertake their own accredited training towards securing sustainable alternative employment (Alcoa 2014); and

General pastoral support

Recognising the fact that most of the Alcoa workers (some of whom had been with the company for over 30 years), possessed skills in an ageing, low-tech plant, with a low potential for transferability (Potter 2014), the company offered them assistance in remodelling and remarketing themselves for other jobs (ABC News 2014). Alcoa also provided $2000 to workers to fund tuition for accrediting skills already acquired at work. The training was provided approximately four months before the company closed, some in their own time and some in work time, via a nomination process. Furthermore, career counselling was made available, which included training on resume development, on how to do online applications, and in job search basics. It further set up information sessions to equip workers with the knowledge they needed to navigate through the transition. Various speakers were invited to present at these sessions, including investment consultants, superannuation and health funds, etc.

Ford Motor Company

The decision to close the Geelong and Broadmeadows factories was announced in May 2013. The company, according to the notice, would shut its manufacturing operations in October 2016, after some 100 years of car making in Australia. Following the announcement, employees were given the opportunity to take a voluntary redundancy package with a minimum of 3.1 weeks per year of service in compensation. Ford lowered vehicle production through the voluntary redundancy program and redeployment of employees to other non-manufacturing areas, however by mid-2014, 230 workers were stood down in forced redundancies (Drill & White 2014). Workers who were later hit with forced redundancies received four weeks’ per year of service, with an additional week per year bonus, capped at 90 weeks’ pay (Drill 2012).

The assistance provided by Ford to help workers affected by the closure to transition to life after they leave the company, is a lot more extensive than that provided by Energy Brix and Alcoa. The ‘Ford Transition Program’, as it is named, was made possible by the award of $5 million from the Australian Government’s Department of Industry to the national automotive industry training advisory body, Auto Skills Australia (ASA). The objective is to work with Ford and other stakeholders to develop and implement a comprehensive employment transition Program (Drill & White 2014). The Program includes funds for training (up to $1000 for each worker, excluding for equipment or books). Ford workers may also be eligible for State Government funding from the Victorian Workers in Transition Program or the Victorian Training Guarantee funds. The Program includes dedicated ASA staff working in Ford sites and on request with businesses in the Ford supply chain. The role of the ASA staff, referred to as Transition Program Coordinators, is to hold at least one one-on-one consultative meeting with each worker for the purposes of helping them to develop a transition plan where they:

- discuss with each worker what their individual transition process might look like
- ensure workers have sufficient information to help with their decision-making on suitable destinations
- link workers with external job support agencies that can help them, with a particular focus on connecting workers with providers of skills recognition and re-skilling and training, where needed. The primary aim is to ensure that workers have the right skills to find new employment once they leave their current employer (Auto Skills Australia 2014).
In the first consultative meeting, the coordinator ensures that each worker considers all aspects of their life circumstances when deciding where to go after Ford. At the end of the first meeting, a preliminary personal transition plan is developed that includes agreed actions to be taken by the worker and the Coordinator on behalf of the worker. The Coordinator encourages the workers to develop a Plan A and a back-up Plan B.

Additionally Ford workers are encouraged to participate in information sessions arranged by the Transition Coordinator, which involve local representatives from government and non-government agencies coming into the Ford workplace to explain their services, including: financial (e.g. general financial education, superannuation, transition to retirement, Centrelink), career counselling and job preparation (e.g. resume writing and job search assistance), education and training, and job placement. Job fairs have also been organised by Ford, which brought together 30 local businesses and organisations who need employees, to explain the employment opportunities in their organisations. Ford has been supportive of its workers moving on to new work if they find a job whilst still working for the company. In order to provide this support but still maintain production levels, they have brought in contractors, in some instances former Alcoa workers, to come in for 6, 8, 12 or 18 months to assist with skills shortfalls.

Provision of training and formal accreditation of skills

How well workers transition following the kinds of retrenchment described above depends primarily on the attitudes and actions of their current or former employers. A helpful retrenchment process is where employers, knowing the situation, prepare their workers in a variety of ways, including personal and professional counselling, financial assistance with retraining, RPL processes, and job search assistance. Workers should be provided adequate information on future employment possibilities, based on available opportunities and the workers’ skills profiles. This process is essential considering the trauma associated with retrenchment, particularly for workers who have maintained the same employment for decades and relied on the promise of job security that traditional industries offered. The sense of disorientation caused by retrenchment is captured by a Ford worker who observed that ‘the biggest killer in this place is change’ and explained that without adequate support, most of his colleagues would not know where to look or go. With that said, as has been the case with many ex-Energy Brix and Alcoa workers who have chosen to not regularly update or accredit their skills, nor engage with the transition process afforded to them by their employers, there is also a level of personal responsibility that workers must maintain.

The Energy Brix, Alcoa and Ford transitions were handled differently, mainly because of the amount of time allowed for the transition period. As explained earlier, the workers at Alcoa, like those retrenched from Energy Brix, were given very little notice and, although Alcoa offered its workers a significant amount of support (counselling, training and RPL, financial support), it seems to have been provided within a very short period of time and at a time when it would have been all too much for workers to meaningfully digest as a result of going through the trauma of job-loss. An employment facilitator in the Geelong region described this practice as ‘...too much information at a sensitive time... information overload’. Some Geelong employer and union representatives, however, viewed the government’s response to the Alcoa closure process as a serious betrayal of the community and the workers. Such criticism was illustrated by a union official who saw their lack of action as stemming from a ‘don’t care attitude’:

> there was absolutely no assistance from the Federal Government at all and it was all happening...
> nothing, not a cent, nothing.
According to a former Alcoa employee this attitude, particularly from the Federal government, was a result of the government not deeming the Alcoa situation as serious enough to warrant assistance, due to the numbers of workers being retrenched. In contrast, Ford gave a notice of three years from May 2013 to October 2016, during which an elaborate and well-funded (with Federal Government money) transition program was put in place to assist workers in all aspects of their transition. The most critical type of support retrenched or STBR workers require is assistance with understanding how their skills can help them to obtain a new job. Ideally this assistance will be provided by employers prior to closing down their operations. Furthermore, the effectiveness of such support relies on a thorough analysis of existing skills against job-market opportunities. For example, with Ford and Alcoa different kinds of training have been offered, but the process suggests a substantial difference in employer attitudes. With Alcoa, financial support was made available for workers to obtain ‘white cards’, i.e., tickets to enable them to find work in the construction industry as scaffolders, riggers, machine operators, and traffic control managers. Approximately 500 white cards were issued but, as it turned out, there were far fewer jobs available in construction. Funding was also made available for workers to obtain formal qualifications for the skills they acquired on-the-job, yet the situation suggested that those skills, which were mostly specific to Alcoa operations, were not in great demand. As a result, nearly 10% of the retrenched Alcoa workers chose to retire, many of the machine operators obtained fly-in-fly-out work in Queensland, as well as employment in domestic construction, while others started their own small businesses. The important conclusion therefore is that the employer may not have performed the necessary analysis of what skills the individuals required to take them to the next job.

Once again, as was explained by a union representative, the Ford case (in reference to the comprehensive transition program established for its workers) sits in stark contrast:

If you have a look at what Ford have done and how [they] have handled it - and I know that [Alcoa] only had six months to try and cram everything in - but I’ve got to tell you Ford with their training, the transition, the whole lot, I think if you wanted a model, if you wanted to model, they’re it. If you wanted [to show] how not to do it, Alcoa is the example.

Of note is Ford’s encouragement of workers to formalise their skills or obtain further qualifications prior to the announcement of closure, which is seen as being highly supportive of staff learning. One former Ford employee interviewed for this project stated that Ford offered to pay its trade workers at an increased rate if they obtained a qualification, and they also provided financial assistance by funding the training.

Job market analysis

An examination of a study of the Ford Transition Program, administered and managed by Auto Skills Australia (ASA), made clear that regional job market circumstances, regarding declining and growing industries, form a central part of the advice and assistance provided to workers in their decisions about future employment. For example, an assessment of Ford workers’ Plan As shows that 7 per cent of employees planned to transition into the area of health and community services, 4 per cent in aged care and disability services, 4 per cent in health services assistance, and a further 3 per cent in retail. Likewise, the assessment of the workers’ Plan Bs indicates that 11 per cent could see themselves as working in the area of health and community services, 4 per cent in aged care/disability, 3 per cent in retail, and 2 per cent in corrections services (Automotive Skills Australia 2015). Considering these industries are experiencing growth in the region, the transition team made sure that they were at the centre of discussions regarding existing skills and any gaps requiring attention. Thus, training opportunities and skills recognition processes were structured on this basis. According to the ASA
transition manager stationed at Ford, skills transferability analysis was a major part of the discussion in a series of one-on-one consultation meetings with workers. For example, the ASA process begins with the question of what work the workers think they might be able to do and where they might want to go for those jobs. In individual consultation sessions the workers are taken through a process of self-discovery geared towards establishing the full range of skills they possess, which could be used to transition them. Workers are also asked to examine their non-technical, generic skills and the activities they do outside of work as additional clues for where they might look for work moving forward. Based on this analysis decisions are made on any accredited training that might be required to formalise those skills for which the workers have no post-school qualifications, and in which industries and occupations they might start looking for jobs. This comprehensive process was detailed by the ASA Ford resident case manager in the following way:

So we've got people who are working on formalising their skills really in the form of say project management, health and safety, where they have an expertise here but no paperwork. Nothing transferable that would give them currency outside, but loads and loads of good experience. So I'm just matching it up with a qualification to make them more attractive in the workforce. So that's really from the skills... So the only thing I would say to anybody who comes to me is that if you narrow your options and you're narrow minded on your views and what you need to do and what you're going to go for, that you could be hamstringing yourself.

This particular Ford Transition Program official conducted more than 300 individual sessions and concluded that although time consuming, they are worth it. Apparently, following these sessions many workers have been able to identify different, non-manufacturing occupations where their existing skills could take them, mostly in the growing sectors, as illustrated previously. For example, realising that Ford maintains a very comprehensive health and safety regime, many workers have been encouraged to take up accreditation training in OH&S which could get them jobs as Safety Officers in many different sectors, especially the growing construction industry. Some have accredited their training and training assessment skills as well as IT skills.
How do the agencies responsible for job relocation understand workers’ skills?

Job support actors’ views and application of workers’ skills in the transition process

Once learning of retrenchment, generally the first actors that retrenched workers in unionised firms request assistance from are union delegates or officials. The union representatives operating out of the Latrobe Valley interviewed for this project thought of skills transferability in terms of the use of technical skills being used by workers in a new position with relatively the same job title, but for a different employer. There was no real mention about the potential for horizontal occupation mobility, rather, it was stated that retrenched workers from the Latrobe power generation industry could pick up storeman type work or low level employment in food manufacturing.

One of the people who worked as an employment facilitator for displaced power industry workers, including those at Energy Brix, stated that it was not always easy to get these workers to understand the importance of soft skills in securing future employment. They speculated that this difficulty may stem from what has been noted as the workers’ own emphasis on the importance of the skills they have, and their sense of entitlement, which has led to an expectation that they will ‘work in this job forever’. Consequently, many of them have not ‘bother[ed] retraining or upgrading their skills’, and they hold feelings of being ‘owed’ something because they have been retrenched. It was also noted that many of the workers struggled to understand the importance of qualifications and how the skills they had developed over many years may relate to formally recognised qualifications which may assist them in finding their next job. The employment facilitator stated:

A lot of these guys in these workplaces, they do these tasks but they don’t relate them to qualifications. A lot of them could easily have a qualification but they don’t relate what they do every day to a qualification; they've never had to. But now you have to have that piece of paper today and that's what you have to do...

According to her, older workers often proved to be the most challenging to work with, as they were often ‘angry’, ‘disheartened and disappointed’, and negative about their chances of finding another job. A union representative expressed a similar view when they stated:

...they are a difficult workforce to re-educate because they've been doing these jobs long term in that industry. We didn't realise the difficulty, or our union didn't seem to appreciate the difficulty for these people to transition.

Employment facilitators have to adopt a range of strategies to overcome these challenges so that workers come to appreciate their transferable skills. One Latrobe Valley employment facilitator described her approach in these terms:

I'd sit with them and say, right, what can you do, what have you been doing in the last 10, 15, 20 years you've been here. They'd start stringing off all these tacit knowledge skills that they have. Then because of my knowledge of training... I was able to advise some of these guys, oh you could do this or you could do that course, all your knowledge you'll have competencies in this area. They'd walk out saying, hey, I'm not so bad after all, I have got abilities to move on and grow.
Other employment facilitators in the region spoke of similar strategies of getting workers to identify the range of skills they had developed, including 'soft' skills. When it came to the question of transferable skills, employment facilitation actors said they rarely used that descriptor when working with retrenched workers, and preferred to talk about skills involving communication, leadership or the ability to use a computer. Some stated they obtained this information through interviews [with retrenched workers], going through their resume, talking about what they've done, talking about hobbies and skills and what they do outside of work.

The importance of skills developed outside the workplace was frequently stressed as an important component to understanding the soft and transferable skills that a worker may have acquired. As one JSA spokesperson explains, job seekers generally...

...do not see the value... of what [they] do that [they] don’t get paid for, and a lot of times in transition it's those skills that you've got that are going to help you transition, not necessarily that you've been a mechanic for 20 years, presumably on different sites.

Through these various strategies and processes employment facilitators maintained that they were able to open up a conversation with workers about transferable skills without necessarily referring to them in such a way. A recurrent theme among the JSA representatives was that it were these soft skills that retrenched workers needed to understand if they hoped to acquire new jobs:

What gets you in the door is the soft skills. It's the attitude, the reliability et cetera. What keeps the job is whether you can do it.

The fact that workers directly employed by the generators did not recognise their transferable skills is hardly surprising. Many of those interviewed argued that the development of transferable skills was not generally encouraged by the power generators, as these employers preferred that their employees only have the specific skills necessary to perform their specific roles:

The employers who have employed them for all this time have never seen any reason why they should encourage [workers] to develop [non-specific] skills... they don't need it to do their job. But what happens when that job is over?

As a result, many of these retrenched workers who received assistance from JSAs and other employment facilitators were found to not have computer, literacy or numeracy skills, which created serious issues for these workers when they were attempting to apply for jobs and obtain new work.

The actual support received by Energy Brix workers from employment facilitators such as JSAs following retrenchment, however, appears to be minimal. According to the former Energy Brix workers interviewed they received little or no help from JSAs when they made contact with them:

They'd say, can't help you. You can't come into an interview. We can't do anything for you. Which is disappointing, but not unexpected.

The primary reason for this is that most were only eligible for stream one funding. JSAs categorise unemployment cases depending on how long the worker seeking assistance has been out of a job. Stream one job seekers are those that are recently unemployed, while those in stream two are long-term unemployed. More support (state funding) is allocated for the former. Thus the JSAs have developed the last-in-least-supported approach because they get more money for providing support to longer-term unemployed. A JSA representative confirmed this was the case:

Generally, a worker in transition who has just been made redundant falls under that stream one, because they have recent work history, et cetera, they haven't necessarily got the barriers that
someone who's been unemployed for 12 months or more. So the problem now that they face is that the level of assistance they need or have access to is limited in the first 12 months because they don't tick over to stream two until [after] the first 12 months.

Given this situation, most retrenched power industry workers have had to rely on their own social networks and/or abilities to find new employment. This was not easy and some retrenched workers complained that they were not appropriately advised ‘where the jobs are and where jobs are headed’ by those who were enlisted to assist them. For some, the decision was to retrain. The decision to retrain may be a reflection of worker perceptions that they do not have transferable skills, which may have been reinforced by other actors including some JSAs and RTOs operating within the Latrobe Valley region. Had these workers perceived their skills differently, and learned how to better articulate to potential employers the wide range of skills that they had, perhaps retraining might not have been as necessary. In the Ford and Alcoa cases, on the other hand, a number of actors are identified as active in the employment transition process. These included JSAs, unions, training providers, professional counsellors and specifically appointed transition managers, as in the case of Ford. Interviews with representatives of some of these organisations reveal a great deal in regards to perceptions of the transferability of the skills of workers from the two companies. A JSA/jobactive employee was clear in his view that the skills that Geelong manufacturing workers hold are not transferable:

As far as transferable skills into other industries, I guess, the skills aren't that transferable. Like the manufacturing industry is quite hands-on and machine operation skills, that sort of thing. How do you transfer that to another role? Like it is quite hard to transfer. So I think they are looking at more up-skilling or re-educating. A lot of them have been in the industry for years, so they're perhaps mature age. So that obviously adds to the difficulty of finding other employment... [and they] don't have nationally recognised qualifications either.

From the interview it was clear that the JSA’s main approach was to only look at those occupations where job-seekers’ hard technical skills were a match. This reveals a rather narrow view of workers’ skills, and ignores any non-technical generic and informal skills acquired in the course of their employment. This is in contrast to the view that seems to inform the reflective approach taken by the ASA, in transitioning Ford workers.
Do the skills developed over a worker’s career enable them to find new jobs in a wide variety of unrelated occupations?

The value of soft skills in the employment transition outcomes

Alcoa and Ford workers

Discussions with participants from the various groups of actors in the transition process suggests that soft skills, which tend to be little discussed, are becoming an important asset for job seekers generally, including retrenched workers. The skills highlighted fall into three categories: (1) key employability skills, including: communication, teamwork, problem solving, initiative and enterprise, planning and organising, self-management, learning and technology; (2) core skills of literacy, numeracy and IT; and (3) personal attributes related to attitudes and ethics in the workplace.

The data show that, in addition to the generic key employability skills, individual attitudes and work ethic have become a major consideration for employers. For example, a representative of an employer that has hired several former Ford and Alcoa employees explained that they generally hired workers on the basis of attitude, as the workplace skills they possess are not relevant to the workplace. Another employer put emphasis on reliability, punctuality, teamwork, and ‘understanding that they have a job to do and they [should] do it to the best of their ability’, in addition to ‘safety, quality control, following documented procedures and cost understanding’. Other skills highlighted in this broad category include the ‘ability to influence and negotiate and build rapport with people... organisational awareness... [and] working within policies, guidelines and frameworks’.

It appears, however, that the first hurdle for most of the workers, both at Alcoa and Ford alike was how to approach the open job market. Apart from the problems associated with securing long-term employment, the implication is that many retrenched workers in that context do not know where or how to approach the employment market, i.e. they lack job hunting skills. As described by Ford’s Transition Program official, what might seem like a simple task to the seasoned job seeker can be very daunting:

There is a recognition that anybody over five years at Ford, or any other organisation is institutionalised, they haven’t had to look over the fence at anything else. The majority didn’t have resumes, and the majority had no idea what the game and the labour market is outside.

The first task that many of the organisations involved in the transition assistance process have had to do therefore is to train people on how to adapt to their new employment circumstances, and how to approach the labour market as job-seekers. This includes developing skills on how to search for jobs online, write resumes, develop applications and prepare for interviews. As expressed by one worker, how to ‘sell yourself’. Training providers have, for example, been engaged to provide basic computer skills. At Ford, computer facilities have been set up for people to practice their computer skills for this reason. Because of the limited time allocated for the transition at Alcoa, only quick and intensive, training sessions were offered covering most of the essentials, e.g. resume development.
Although the Alcoa transition process has been described by union officials as an illustration of ‘how not to do it’, it is also acknowledged as a situation where the employer tried to achieve too much in too short a time frame, due to the short closure notice. Thus, although various employment support agencies were brought in to assist, there was little time allowed to establish a transition process similar to Ford. It is largely for this reason that a systematic skills assessment was not undertaken and why much of the training provided was never properly market targeted. Consequently, only a small number managed to secure employment as shown in a study conducted by the Australian Workers Union. The study involving a survey of 102 retrenched Alcoa workers shows that, by the time the study was administered, approximately a month after closure, 44.1 per cent had applied for jobs (45), 53.9 per cent had undertaken training (55), 33.3 per cent had had an interview for a job at the time of the survey (34), 3.9 per cent had obtained new employment (4), and 77.4 per cent had seen an advisor or counsellor to help them through the period (79). Out of the workers who had undertaken training, 20 completed a course in the area of construction (white card, rigging, dogging, traffic management, etc.), three intended to work for themselves/start a business, two had completed an OH&S course, one a warehousing course, another in food handling, and nine had stated they intended to retire. As highlighted earlier, almost 10 per cent of the workers chose to retire.

Additional insights into where Ford workers may find employment comes from a recent Department of Employment report examining labour market outcomes of people exiting Motor Vehicle and Motor Vehicle Part Manufacturing (MVMVP) in Victoria and South Australia between the years 2006 and 2011. This report found that around three quarters of these workers had found employment in another sector by 2011, a further 20 per cent were not in the labour force, and 5 per cent were unemployed. The report indicated that former automotive workers found new jobs across a range of sectors, including:

- Sectors related to automotive (Automotive Repair and Maintenance, Road Freight Transport, and Motor Vehicle and Motor Vehicle Parts Wholesaling (MVMVP)), and
- Unrelated sectors (Building Cleaning, Pest Control and Gardening Services, Public Order and Safety Services, Cafés, Restaurants and Takeaway Food Services).

These findings suggest that workers facing redundancy in the automotive industry possess a wide range of useful skills and an equally wide variety of potential employment options outside the manufacturing sector. Yet interestingly, there was a difference in the labour market outcomes of those employed in different roles. For example, in 2011 Machine Operators held an unemployment rate of 15.3 per cent, and Panel Beaters, Vehicle Body Builders, Trimmers and Painters held a rate of 14.7 per cent, which is much higher than the 6.5 per cent rate recorded across the entire MVMVP population, whereas Fabrication Engineering Trades workers only had an unemployment rate of 4.3 per cent. These findings suggest that “workers skills are specific to MVMVP Manufacturing, and may not be readily transferable to other sectors” (Department of Employment 2015, p.4). A difference in the labour market outcomes of those with formal qualifications exiting the MVMVP industry was also found: Those with only a year 10 equivalent level of education had an unemployment rate of 9.8 per cent in comparison to 3.5 per cent unemployment among people holding a bachelor degree or higher. Furthermore it was found that “those who had increased their level of educational attainment or completed an educational qualification in another field between 2006 and 2011 were more likely to re-enter employment than those whose highest qualification remained the same” (Department of Employment 2015, p.5).

Whereas the full outcome of the transition process put in place at Ford is yet to be seen, the atmosphere is significantly positive and a lot of the STBR workers appear to be highly optimistic about
future employment prospects. It is fair to conclude, from the information available and the interview data, that this was not the case with Alcoa workers.

**Power industry workers**

The employment transition outcomes for power industry workers are uncertain. Most interviewees took a very negative view on the prospects of Latrobe power generator workers finding alternative employment. A CEO of a power industry contract company expressed this common view in these terms:

> ...unless we’re talking about building another similar type of plant here in the Latrobe Valley the reality is most of our guys are going to struggle or be forced to relocate to chase the work.

A general manager of a different contract firm stated:

> Those guys have skills that are 90 per cent applicable to the power generation industry and it’s going to be very hard to reskill those guys.

These sentiments reflect the general view that these workers have very few transferable skills. These views, however, do not tell the whole story of power industry employees, their skills and where there may be other opportunities for them to find employment.

The Energy Brix closure provides us some insights into the challenges that power industry workers more generally may confront. According to a former Energy Brix union delegate who remained in semi-regular contact with some 31 of his former colleagues: 10 workers (32 per cent) had found some form of casual work, 9 (29 per cent) had found full-time work, 7 (23 percent) were unemployed, 3 (10 per cent) were retraining for a different occupation and 2 (6 percent) had decided to retire. For those employed in casual and full-time work roughly half were continuing to work in the power industry, with the other half finding work in a range of unskilled and semi-skilled occupations. According to the union delegate, most of these employed workers acquired employment through their social networks rather than a formal application process. Nonetheless, one would expect that the skills developed while working at Energy Brix would have assisted them in acquiring and performing their new jobs. In the case of those workers remaining within the power industry specific hard skills may have been the most important in acquiring new positions, while for those moving into different types of occupations soft and generic hard skills would have been important to their successes.

As highlighted previously, the challenges are likely to be greatest for those workers who have little or no labour market experiences with no formal post-school qualifications. For those with qualifications and accustomed to applying for and searching for work, occupational mobility is likely to be much easier. Many of these workers are familiar with travelling outside the region to find work when there are not jobs locally available, including fly-in-fly-out work in other resource-based regions. These are options for other displaced workers, for as one Latrobe Valley employer stated: ‘they have specific skills that suit the mining and heavy industrial hotspots of Australia’. However, without recognised qualifications and social networks in these other locations, which many power industry workers do not have, it will not be easy. As one contract worker noted:

> For most people, it’s very hard to get a start-in if you’ve never worked for them before, no matter what qualification you have.

If they chose to find work within the region they will likely have to settle for less pay and less secure forms of work (short-term casual work) as appears to be the case for many of the former Energy Brix workers. Finding full-time secure employment is perceived by most people interviewed as becoming increasingly difficult within the region. As a manager for a maintenance contractor stated:
there is still a lot of experienced people that due to redundancies over the years, have ended up
in the casual market.

In order to improve the job prospects for displaced workers locally there is a need to better
understand how the skills of power industry workers may relate to different occupations in other
industries. Currently, there does not appear to be much effort by training system or employment
facilitation actors to understand how skills utilised in the power industry may also be of benefit to
other occupations in other industries, such as food manufacturing, or Gippsland’s Bass Strait oil
and gas industry which is located about one hour from the Latrobe Valley. A human resources manager
of an oil and gas contractor interviewed for this study initially expressed the view that the skills sets of
power industry workers were too significantly different from those in the oil and gas industry to
enable occupational mobility between the two. Yet, she then acknowledged that some workers were
in fact doing so, and thus the industry might offer some prospects for employment for retrenched
power industry workers. Similar to the power industry, the oil and gas industry has an ageing
workforce and has found it difficult at times to find appropriately skilled workers locally or those
willing to relocate to the region. Not only does the oil and gas industry rely upon some similar skill
sets and qualifications as the power industry (e.g. fitters and turners, electricians, high pressure
welders, etc.), but there are similar safety and training standards so ‘they’re very used to the
environment they’re going to be going into’ (oil and gas contractor, HR manager). She did note,
however, that one of the major barriers for occupational mobility between similar trade related
occupations in the power industry (e.g. electrical, construction, fitters) appears to be associated with
the specific training requirements of Esso; the principal oil and gas company in control of the gas
fields. In order for a qualified trades person to work in the industry they must undergo additional Esso
training which can be quite extensive and costly for contractors to deliver:

It’s about a month to get someone who has got no Esso qualifications trained up... So let's say a
rigger scaffolder coming from the power industry to us it's about a month's worth of training.

Although not explored in this case study, it is likely that certain occupations within the growing dairy
and food manufacturing industry that surrounds the Latrobe Valley may also offer skills transferability
opportunities. The sorts of skills used by unit controllers in power stations to regulate heat and steam
within boilers, for example, are likely to be somewhat similar to those used by dairy operators.
Identifying the similarities in skills between these sorts of occupations requires a more sophisticated
approach to understanding and analysing occupations and occupational clusters than what is currently
taking place.

The region’s strongest employment growth, however, is in the service sector. Transitioning into
occupations within this sector will likely require considerable retraining but there are clearly soft
skills which exist among the power industry workforce which will assist in facilitating this process. For
example, one former Energy Brix worker has obtained employment at a Latrobe Valley funeral service
as an undertaker since being retrenched. He noted that it was his ‘people skills’ that landed him his
current position. For some workers retraining is already being pursued in anticipation of further job
losses in the power industry. Older workers, however, often questioned if retraining would benefit
them given their age and concerns about age discrimination. Others questioned if job growth in these
sectors was sufficient to justify undergoing retraining. For them training alone was not going to solve
their problems in finding employment if job opportunities were not available. These were some of the
common concerns as these workers confronted an uncertain future and tried to make informed
decisions about their skills, occupational mobility opportunities and retraining.
Discussion

As discussed in reports one and two, the importance of a workforce with cross-occupational transferable skills cannot be overstated. The benefits accrue to: industry because of the availability of a pool of workers with desirable employability skills; to the individual worker because of the additional employment opportunities available across occupations; and to the state because of a reduced unemployment burden and greater capacity to address occupational skills shortages. This research, based on two regional case studies, confirmed these arguments. It however further reveals that fully understanding and operationalising the concept of skills transferability is neither easy nor straightforward. A number of key questions must be considered in the process of effective and beneficial application of this concept: (1) Where are the occupational job opportunities? (2) Do the workers or job seekers in question have transferable skills and what do they look like? (3) How do we recognise the transferability potential of skills? And (4) who is best placed to identify this potential and how can their knowledge be appropriately used?

The two case studies consider situations in which workers have been retrenched or are facing the real prospects of being retrenched due to industrial change. The occupations they have been, or are currently working in, are in decline or presenting significant challenges for them in finding employment in similar jobs. An understanding of their transferable skills and how they may assist with occupational mobility into different areas of employment is therefore crucial. The case studies were designed on the premise that worker understanding of their skills and their transferable potential emerges from: the lived experience of the workers while undergoing training, performing their jobs and acquiring knowledge and competing for jobs in the labour market; and their engagement with various training system and employment facilitation actors whose role is to assist workers in acquiring employment, as well as providing career and training advice. With the many actors involved in employment transition processes during mass industrial restructuring and retrenchments, as experienced in the Latrobe Valley and Geelong, there is clearly need for a well organised, well-resourced and managed system. This system should, most importantly, focus on a comprehensive analysis of the employment market, where occupational demand is declining and growing, and how the skills possessed by the retrenched workers mirror into the landscape. The four broad questions set out above must be at the core of this analysis.

There is considerable speculation about jobs and the future of occupations in the Australian economy (see CEDA 2015). Technological change, globalisation, and industrial and organisational restructuring are predicted to have significant impact on both the number and types of occupations in the years ahead. In report one, the significant changes in occupational fortunes between the 2006 and 2011 census period were documented. This report confirmed that occupations located in the service oriented sectors, including hospitality, healthcare, retail and education and training tended to be growing while occupations in manufacturing were largely in decline. Although manufacturing activity is still occurring and will continue to occur into the future, the jobs of the future in the two regions, as well as the whole of Australia, are set to be significantly different. The question then is what happens to the retrenched workers and do they have skills which can help them obtain work in these new workplaces.

The challenges, as illustrated in these case studies are two-fold. First, most of the workers lack formal post-school qualifications for the skills they possess, acquired through work experience as well as informal on-the-job training. As illustrated in the interview quotes selected above and from our general knowledge of trends in the Australian job market, growing credentialism means little space
for undocumented skills. Secondly, the majority of these workers have been with one employer for many years, in some cases over 30 years, mostly doing the same type of work. The accreditation of skills through RPL or other forms of assessment prior to or soon after retrenchment is certainly an important step to overcoming some of the challenges that retrenched workers in this category are likely to confront when searching for new job opportunities. Too often in these retrenchment situations, however, skills are accredited into qualifications where there are limited job prospects. In the case of Alcoa, for example, instead of trying to match existing skills to jobs available in the regional job market, many workers retrained or had their skills assessed into qualifications with limited job opportunities. Similar problems emerged at Ford during the early stages of downsizing and Energy Brix, where workers were being encouraged to get their skills formally accredited into qualifications for the occupation that they were currently performing, but soon to be made redundant from. As many of these workers that were interviewed had concluded, this made little sense given these occupations and associated qualifications were rapidly becoming obsolete in the labour market due to the industrial changes taking place.

Training providers have the potential to play a much larger role in the transition of retrenched workers. Currently the input of training providers is not as well integrated as it should be and instead, they are seen as invitees to provide a training service as opposed to being an integral part of the consultative process. For example, in the cases of the Latrobe Valley power industry and Alcoa, employers and JSAs decided what further training workers would be provided, and which workplace skills would be formally accredited through RPL, and directed training actors to provide this training. In most cases, there is a lack of effective and meaningful consultation on the part of training providers in the transition process, even though, as our interviews with training providers involved in the Victorian Workers in Transition Program confirmed, they are in the best position to draw on their experience and knowledge to provide advice on which skills, qualifications and courses are in demand and which are not. In order for the transition process to be more effective it needs to be more comprehensive, but at the same time there needs to be greater synthesis of assistance provided on the part of all the actors involved, and more clearly defined roles that are appropriately applied. Training providers are best placed to develop a continuous skills market analysis which provides an understanding of what skills are valuable for retrenched workers and use this to advise employers and workers appropriately. Currently, the decision is left to workers (who have little understanding) and employers (who are often impervious) and JSAs (who are more concerned with the returns from the different categories of the unemployed). Additionally, training providers can also design courses with relevant application based on regional economic circumstances.

The research shows that there are some workers who have a clear understanding of the skills they have and their value in future employment prospects, while some see little use for their skills beyond their current employment. In most cases, those belonging to the first group are either people who have not been with one employer for too long or, if they have, they tend to belong to the high skill level category of workers. In the previous stages of this study we highlighted and discussed the different skill levels ranging from semi/unskilled (skill level 1) to highly skilled management level (skill level 5) workers. People with the experience of changing jobs are in a better position to recognise the transferability value in their skills and are unlikely to suffer the same extent of trauma and disorientation as their counterparts. This is illustrated in the accounts of trade qualified contract workers in the Latrobe Valley case. For those workers with limited labour market experience and no formal post-school qualifications, perceptions of their skills are very different. Their view of their skills tends to be narrowed to only the immediately identifiable technical skills. Thus, in most of the interviews, many of them did not think that their existing skills could help them get jobs in other employing sectors in the region. Consequently, their scope of job search was limited to similar...
occupations and sectors, which in the case of manufacturing, are in decline. This is because, first, they were unable to recognise the importance of non-technical skills and, second because they lacked formal qualifications which made it far more difficult to document what transferable skills they may possess.

As highlighted from the literature, and confirmed by some of the employers and other employment actors in the study, it is soft, non-technical and generic skills which are playing an increasingly important role in employment outcomes. Employers are interested in people with communication, team work and critical thinking skills, the capacity to learn and adapt quickly to new employment settings, and other employability attributes, such as attitude towards work and others. There is little doubt that the workers interviewed in Geelong and the Latrobe Valley possessed many of these ‘soft’ skills but few could articulate them and/or considered them to be important skills. Furthermore, many of the workers lacked basic job market navigation skills, including writing resumes, computer and internet skills, job search and application skills, in addition to the necessary confidence to face and manage the challenges of job hunting in the modern employment market.

Training system and employment facilitation actors can perform an important role in assisting workers to understand the importance of generic hard and soft skills in occupational mobility and the broader employment opportunities beyond those constrained by technical hard skills. In interviews with training system and employment facilitation actors in both Geelong and the Latrobe Valley, there was an acute awareness of the importance of ‘soft’ and ‘generic hard’ skills for employment success in the labour market. Many of those interviewed clearly worked with job seekers on getting them to recognise these non-technical skills, how they have used and developed them in the workplace and non-workplace settings, and the value of these skills in improving their chances of transitioning to other areas of employment. The level of engagement by workers with these various training and employment facilitation actors, however, seems highly varied between the cases studies. Clearly, an effective transition program is one in which the various employment, training and job support agencies assist the worker through a process of recognising the value of their technical and non-technical skills, formalising the most important skills and identifying appropriate occupations and sectors where their skills apply. That is, a comprehensive skills transferability analysis. Apart from a willingness to participate on the part of STBR workers, this requires sufficient time, adequate funding, and appropriate knowledge about the local labour market, the skills associated with occupational clusters and employment transition skills and experience.

Transition outcomes in the cases analysed vary significantly, mostly depending on the management and resourcing of the process. As noted earlier, the employment outcomes for Ford and Alcoa workers were different with the former being much more positive. This is in spite of the fact that a similar amount of money was provided in each case, i.e. $5 million for Ford and $4 million for Alcoa. The difference appears to be about time and transition management. Since the various actors must engage in a comprehensively coordinated process to identify the full extent of workers’ skills, provide accreditation training where needed, and then determine where they should seek employment, the allocation of the appropriate amount of time is the key to success. Time is also required to hone their job-search skills as highlighted above. Whereas Ford initiated the transition process three years in advance of final retrenchment, thus allowing the transition team sufficient time and space, Alcoa only provided six months. Within this short period of time, an attempt was made to perform all the transition steps highlighted above. For workers in the middle of a difficult and traumatic situation of retrenchment, it was all too much, as explained by key interviewees.

In the case of the Latrobe Valley, Energy Brix workers experienced a similar situation to the workers at Alcoa. Like Alcoa, Energy Brix had indicated that its business was becoming increasingly unviable
several years before the closure. Government support had been provided to both Energy Brix and Alcoa (as well as Ford) to enable them to remain operating prior to their announced closure. These were major signs that these companies were in trouble and their closure was not unexpected within the local communities when it was officially announced. However, unlike the Ford situation, retrenched workers at Energy Brix suffered the multiple disadvantage of having neither the time nor adequate industry or government funding set aside to assist their transition. Furthermore, as newly retrenched workers, their situation was not given any attention by JSAs because of their last-in-least-supported approach based on the prevailing job support government funding arrangements. While the workers were provided some opportunity to undertake RPL and attend information sessions associated with the Victorian Workers in Transition Program prior to being retrenched, there was limited post-retrenchment support for these workers. In contrast to Geelong, where a Workforce Development Centre had been established to provide supplemental assistance for stream one job seekers, like the retrenched Alcoa workers in areas related to resume writing, career advice and counselling as well as information on regional employment opportunities, no equivalent operated in the Latrobe Valley. As a result, these workers had little opportunity to have their skills analysed or receive support to find alternative forms of employment. Furthermore, there seems to have been an assumption among both the workers and those within the training and employment facilitation system that their existing skills were generally obsolete and retraining was the only real option. For these workers, finding future employment would rely upon their social networks, submitting job applications with limited interviewing and labour market experiences, relocating to areas where their skills were in greater demand, or deciding to pay for retraining in the hopes that it would enable them to acquire work in other occupations.
Conclusion

During the transitions described in this report the notion that workers coming out of the manufacturing and power industries have obsolete skills that are unusable elsewhere in the regional economies has been aired strongly by the workers, as well as the training system and employment facilitation actors whose role is to assist them. Based on this advice, retrenched workers are commonly directed to take up training to develop alternative skills as the only way to regain entry into the job market. Many workers also believe this argument. Our findings however suggest that this is a misconception based on a narrow view of a person’s range of skills, limited to hard technical skills. Our argument therefore is that, although retraining is both necessary and good, it must be based on a needs-analysis of what the worker already knows and can do, and should therefore be a way of formally recognising and accrediting existing skills and/or enhancing and redirecting them in a particular employment path.

Our study of the Latrobe Valley and Geelong retrenchment and employment transition processes show that, even when individual workers do not recognise or acknowledge it, they do possess a wide range of skills, some of which are either immediately transferable or can be shaped through additional training to become transferable. The fact that many of these workers have been able to find employment, often in very different occupations, without retraining and limited assistance from employment facilitators, suggests they did have transferable skills.

Generally people in higher skill level occupations tend to be able to recognise and apply their transferable skills much better. This is because they see value in the soft and generic skills they have acquired at work and, in some cases, received accredited training for. The same applies to people who have experienced regular changes in their employment. These two categories of workers also have the added advantage of being skilled in basic, but essential, employment market navigation skills.

These findings confirm the conclusion in stage two of this study that generic, non-technical skills are the key to employment mobility. In that report we concluded that whereas hard specific skills can be transported across a limited family of related occupations, soft and generic skills are capable of much broader transferability. We also noted that generic employability skills form an essential training component of Australia’s VET but, however, as illustrated by our case studies many workers never have the opportunity to undertake formal training under the structured training package. Yet, many of the employability skills would have been developed over time based on work experience as well as informal on-the-job training.

Our conclusion, in stage two that the system is capable of developing transferable skills extends to these cases in the sense that, employment facilitators can provide advice to workers, get them to recognise, and accredit their skills into appropriate qualifications where there are real job prospects. Workers may have to do additional training to acquire full qualifications, but at least existing skills are recognised in ways that assist them in occupational mobility and job transition that is aligned with local labour market needs.

Employment and training system actors therefore have a significant responsibility to assist workers in transition so that, in the cases here where outcomes have been unsatisfactory, it is not accurate to say that workers lack transferable skills. Rather, it may be a failure on the part of the support system. Furthermore, in recognition of the growing trend in credentialism, employers have significant responsibility to ensure that workers’ skills are continually upgraded with appropriate accreditation.
This would avoid the last minute rush to RPL soon-to-be-retrenched workers, as observed in the
Energy Brix, Alcoa and to some extent the Ford cases. However, as we have indicated throughout the
report, for RPL to be effective there also needs to a willingness on the part of workers to engage in
the process.
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