



THE TRANSITION OF THE AUSTRALIAN CAR MANUFACTURING SECTOR

Outcomes & Best Practice Summary Report | JULY 2019



Australian Government
Department of Employment,
Skills, Small and Family Business



Image Source: Holden Press Room (<https://media.gm.com/media/en/holden/manufacturing.html>)

12 MONTHS POST CLOSURE: FAST FACTS

85% are in the jobs market, and of these...¹

82% are working



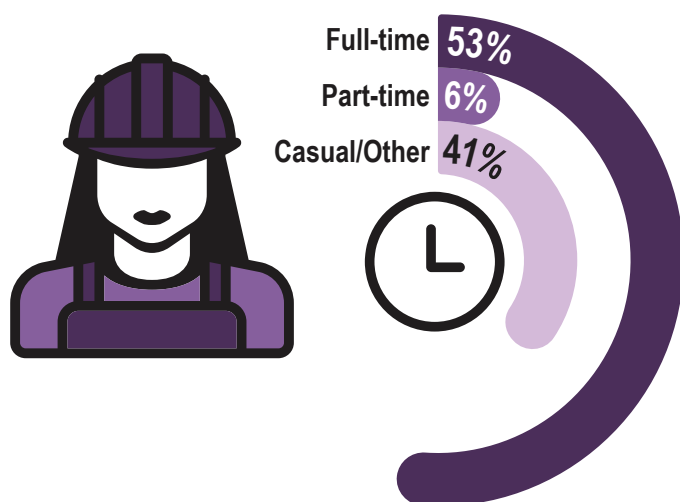
¹ 85% of the total sample is in the jobs market, this includes those working plus those looking for work

78% are employed

4% started own business

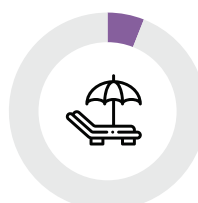
18% are looking for work

Work status



What else are they doing²?

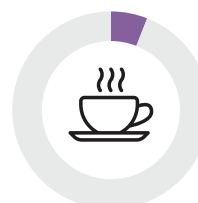
² 15% of the total sample is not in the jobs market



6%
Taking a break



3%
Studying



6%
Retired

Where did they find jobs³?

³ Top 3 industries



35% Manufacturing



13% Transport, Postal & Warehousing



9% Construction

What training did they do⁴?

⁴ This is a measure of all formal training undertaken by workers at some point during transition



70%
Licences & Skill Sets



24%
Vocational Training



4%
Graduate Cert or Diploma



2%
University / Higher Education

Satisfaction with pay



85% said they were satisfied with their current salary

Well being



84% felt positive about their physical & mental health



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OVERVIEW OF THE TRANSITION

Introduction

The closure of the Ford, Holden and Toyota car manufacturing plants (referred to as 'the original equipment manufacturers' or 'OEMs'), and the flow on to the supply chain companies, in Australia in 2016 and 2017 was one of the most significant structural adjustments seen in Australia's manufacturing sector.

In response to the closures there was a coordinated response by governments, the OEMs, and the supply chain companies, to manage the transition and support workers into other jobs, further study or other pursuits. Governments and the OEMs committed to implement best practice in terms of a successful industry transition and support for workers.

This report examines the outcomes and best practice lessons from the support provided to assist retrenched workers.

The transition of car manufacturing in Australia

In early 2013 and early 2014, the three OEMs announced their intention to cease car production in Australia by the end of 2017. Following the announcements, the Australian Government estimated that the closure of the OEMs' plants and closure or downsizing in the automotive supply chain could result in 27,500 direct job losses nationally, with the job losses staggered over several years.²

It was thought that 6,600 would be those directly employed by the OEMs, with the remaining 20,900 employed within some 215 supply chain businesses, 140 in Victoria, 75 in South Australia with a smaller number of businesses across the rest of Australia. The initial expectation was that up to 75% of these companies might close, with the majority of job losses expected in Victoria (66%) and South Australia (18%).¹

Estimates of actual job losses are closer to 14,000; just over half of the original 2014 estimate. The majority of this reduction from the original estimate is due to fewer job losses from supply chain companies. As of May 2019, less than a quarter of the supply chain companies had closed. Many of the remaining firms diversified and a number of firms had downsized their workforce. This is largely attributed to the extensive lead time allowing supply chain diversification.

In addition, the OEMs retained functions in Australia such as

research and development, design, sales and marketing, and corporate functions that resulted in more jobs being retained in Australia than first estimated. Workers in the OEMs had the opportunity to retrain and transfer into new functions within the company.

Services offered

The three year early notification enabled extensive stakeholder collaboration and coordination in designing support initiatives. The Australian, Victorian and South Australian Governments, together with the OEMs, offered around \$380 million worth of support for workers in the OEMs and the automotive supply chain, as well as government programs to assist supply chain companies to diversify.

The main Australian Government programs were:

- ▲ Growth Fund comprising:
 - *Automotive Industry Structural Adjustment Programme*
 - *Skills and Training Initiative* (delivered by Holden through Transition Centres and Toyota through the DRIVE program)
 - *Next Generation Manufacturing Investment Programme*
 - *Automotive Diversification Programme*
- ▲ Ford Transition Program through Auto Skills Australia
- ▲ Automotive Transformation Scheme²
- ▲ Innovation and Investment Funds

¹ Australian Government (2014), Growing Opportunities: South Australian and Victorian Comparative Advantages: Report of the Panels for the Reviews of the South Australian and Victorian Economies.

² The Automotive Transformation Scheme started in 2010

State Government programs were:

- ▲ Victorian Automotive Supply Chain Training Initiative
- ▲ Victorian Automotive Supply Chain Transition Program
- ▲ Victorian Local Industry Fund for Transition Program
- ▲ South Australian Automotive Workers in Transition Program
- ▲ SA Automotive Supplier Diversification Program
- ▲ SA Government Beyond Auto wellbeing and resilience counselling support

In addition to government programs, Ford, Holden and Toyota each provided additional resources to support their workers. This included assistance to redeploy to new roles within the companies.

While the support offered for workers varied they included a combination of:



Information on existing support services available and how to access them



Career advice and local labour market information including jobs in growth areas



Skills recognition and training support including financial assistance with training costs



Resume, application, interview and job search assistance and job fairs



Health and wellbeing support, including financial counselling



The continuation of some services and support measures post closure

This study

This report details the outcomes for those workers who were impacted in the OEM car plants and the supporting supply chain companies. Outcomes were measured 3, 6 and 12 months after retrenchment. The report also looks at the lessons learnt and highlights best practice in terms of supporting the transition of workers in industries facing large scale structural adjustment. Results from these surveys have been incorporated into this report.

Interviews were held with workers, companies and key stakeholders, and telephone surveys were conducted directly with retrenched workers in Victoria and South Australia who accessed support under both the Australian Government's Automotive Industry Structural Adjustment Program and the South Australian Government's Automotive Workers in Transition Program. The Victorian Government surveyed workers who accessed services under their respective programs.

Outcomes of the Ford Transition Program were evaluated in a separate study involving 3 and 6 month surveys² of workers after retrenchment. Ford workers were also interviewed at the 12 month post closure point as part of this study. Toyota and Holden designed similar survey instruments and contacted workers at 3, 6 and 12 months post-closure, and the survey results have been incorporated into this report.

While not all workers were contactable, and some workers chose to participate only in the initial survey, the average response across all the surveys for the OEM workers was a very positive 74%. There was generally a willingness for workers to participate and an appreciation for the efforts of the OEMs and governments in maintaining contact and following up on the transition outcomes of the workers.

The information presented on workers in this summary is generalised across the OEMs and supply chain companies.

² ACIL Allen and Wallis Consulting (2017), Ford Transition Program Evaluation, a report to Auto Skills Australia.

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OUTCOMES FOR AUTOMOTIVE MANUFACTURING WORKERS

About the workers

While the range of assistance to workers was broadly accessible across the different programs, the different profile of workers required a flexible and tailored approach for individuals.

Workers were typically



Mature age

Workers were typically mature age with supply chain workers generally younger and therefore less likely to retire (53% of supply chain workers were in the 50-60 age group compared to up to 58% for some OEMs).



Male

Workers were predominantly male, with the supply chain having a greater proportion of females (94% on average male workers for OEMs compared with 77% for supply chain workers).



Had a variety of skills

Workers in the supply chain had a higher proportion of workers with post school qualifications (63%) compared to those in the OEMs (58%).



Had diverse roles

Covering blue collar, production and white collar administrative workers.



From a diverse background

Around 15-32% of workers at OEMs were from a culturally and linguistically diverse background.



Had access to redundancy payouts

Lower redundancy payments in the supply chain companies meant that fewer workers were inclined to have a lengthy break between jobs.



Good employment outcomes after twelve months

- ▲ Employment rate for workers from the OEMs at 12 months ranged from 77% to 93%, with an average 84% employment rate.
- ▲ Employment outcomes of supply chain workers at 12 months were similarly strong, averaging around 79% across both Victorian and South Australian suppliers.



Majority in full time employment

- ▲ Across all OEMs, on average 59% were in full-time employment at the 12-month stage, another 34% were working in casual roles (with many of these working full-time hours), and a further 5% working part-time.
- ▲ Around 47% of the supply chain were in full-time roles, 42% in casual roles, and 7% in part-time positions.
- ▲ Additionally, around 6% of workers from OEMs started their own business, 2% from supply chain companies.

The employment status of workers varied over time. Workers who secured work shortly after closure were more likely to secure full-time positions. Workers were more likely to accept casual or part-time roles the longer they remained unemployed.



Manufacturing sector still a significant employer



35% Manufacturing



13% Transport, Postal & Warehousing



9% Construction

Manufacturing, construction and transport and logistics sectors were the main areas of employment after 12 months. The recognition of transferrable skills and the opportunity to retrain and upskill enabled workers to find employment in totally new sectors, including the growing health care and social assistance sectors.



Broad range of training delivered

Around 70% of the training was for licences, tickets and skill sets, and a further 24% for vocational qualifications, predominantly at Certificate level.

- ▲ A broad suite of training options were available from tickets and licencing, skillsets, full Vocational Education and Training (VET) qualifications and university qualifications. Career advice was in most cases required prior to accessing training opportunities.
- ▲ Between 63% to 75% of OEM workers undertook some form of formal training prior to closure. The level of training is likely to be even higher as many workers also accessed informal training offered by their employers including foundation skills⁴, information sessions, digital literacy, financial literacy and resilience training. These informal training options were taken in addition to formal training qualifications.



70%

Licences
& Skill Sets



24%

Vocational
Training



4%

Graduate Cert
or Diploma



2%

University /
Higher Education



High satisfaction with new employment salary

- ▲ Workers had a high level of satisfaction with their new salary at 12 months (86% for OEM workers and 84% for supply chain workers).

Workers were accustomed to relatively good employment conditions and salaries, and a significant effort was made by OEMs to communicate realistic expectations for different industries or roles.

⁴ Such as language literacy and numeracy.



Some chose to have a break, study or leave the workforce



6%

Taking a break



6%

Retired



3%

Studying

Note: 15% of the total sample (average for all workers)

- ▲ A small number of OEM workers retired (9%) or were still taking a break (8%) at 12 months. Those taking a break dropped significantly from 22% at 3 months after closure. A small proportion (2%) were still studying at 12 months.
- ▲ The number of workers who retired in the supply chain was small (3%), reflecting the younger age profile and the fact that many supply chain workers did not receive a significant redundancy package. At 12 months, 4% were taking a break and 3% were studying.
- ▲ At 12 months, 30% of supply chain workers had undertaken some form of additional training post-closure.

Given the timing of plant closures in October, and access to retrenchment payments, many workers took the opportunity to initially have a break, especially over the Christmas and January school holiday period.



Health and well-being outcomes comparatively good

- ▲ The health and wellbeing of the workers were generally at or better than the national average as measured by the ABS National Health Survey (2017-18). While 'moderate' stress levels increased at the 12-month stage (from 15% at 6-month stage to 21% in the case of one OEM), the mental health and wellbeing of the workers remained low with 68% at low stress levels after 12-months.

The low stress levels of workers, even at the 12-month stage, highlights the benefits of the long transition and the substantial health and wellbeing support provided by employers and governments. This was a welcome outcome given the significant change faced by many workers, and the fact that many had been with their employer or in the industry for a significant period of time.



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LESSONS AND GOOD PRACTICES IDENTIFIED

BEST PRACTICE SUPPORT

BENEFITS & OUTCOMES

TRANSITIONING WORKERS

- Early notification to workers allows support to be communicated early and often
- Tailored career advice and local labour market information via case managers
- Transferable skills recognition and training support including funding
- Resume, interview and digital job search assistance
- Health and wellbeing support, financial counselling
- Dedicated transition hubs or information centres



- Time to mentally process information, change
- Time to consider career options
- Quicker transitions to new jobs
- Ability to upskill or retrain into new careers
- Easy access to information from a central location

COMPANIES / INDUSTRY

- Early notification / long lead time of closure or restructure
- Transition support demonstrates a caring employer
- Access to support and training in paid work time
- Proactive engagement with the media
- Dedicated transition hubs or information centres, staffed by case managers, to deliver tailored support services



- Continued engagement of employees
- Maintain production productivity, quality
- Companies who support their workers maintain their good reputation and loyalty of customers
- Maintain staff attendance levels until end of production
- Shape the narrative around the closure/restructure in the media

GOVERNMENT & COMMUNITY

- Provide a clear single access point for information on all existing support and how to access them
- Close collaboration with all stakeholders for communications, data collection
- Flexible support available outside of work hours
- Access to information for the whole family / support network
- Long lead time allows for focus on industry diversification and worker skills development
- Support for supply chain businesses and workers



- Quicker transition to new employment, study, focus on future
- Increased financial literacy improves financial security, reduces reliance on government income support
- Maintain skills in economy as workers transfer to new employers
- Family engagement supports mental health and other outcomes
- Services enhanced by data and user feedback
- Industry diversification

LESSONS AND GOOD PRACTICES IDENTIFIED

continued



Early notification of closure with extensive lead time

The early notification of closure and the significant lead time were key factors that enabled the successful delivery of career advice, upskilling and transition of many workers. This provided considerable benefit to workers, communities and companies in managing a successful transition.



COMPANIES
Increased productivity and production quality



COMPANIES
Increased worker attendance and loyalty



WORKERS
Better transition outcomes



Benefits for companies

The OEMs originally had concerns that the long lead time prior to closure would negatively impact on productivity, absenteeism and quality. In fact, the opposite appeared to be the case. The long lead time allowed the OEMs to manage an orderly transition, where the transition of workers was integrated into the overall planning and operation of the business. The OEMs were able to continue to meet, and in many cases exceed, key performance metrics such as production, quality and attendance.

The long lead time, the clear closure goals by the OEMs, and the extensive transition support provided to the workers, resulted in the workers' continued loyalty to and engagement with their employers. Many workers who had a new job to go to, negotiated with their new employers a start date that allowed them to stay until the completion of the final car.

The offer of attractive redundancy payments at completion of production helped the OEMs to maintain staffing levels until the end of production. The OEMs implemented some innovative practices to assist with maintaining staffing levels such as offering pro-rata redundancy payments if a worker left earlier to start another job and backfilling that worker's position. Where an early release was not possible, a portion of accrued sick leave was paid out as part of the redundancy package to reduce absentee rates.

The data and best practice lessons also provided the OEMs with company specific evidence on what worked well in closing or downsizing plants. At the time of writing, a number of other large companies undergoing similar change are seeking advice on best practice in socially responsible restructuring after the positive example set by the OEMs in Australia.



Benefits for workers

For workers, the longer lead time allowed for better preparation and a detailed focus on career planning and the exploration of job options. It allowed them to have greater control and ownership of their career planning and training, with access to a wide range of additional services such as digital literacy and resilience training. For many workers it has also provided time to undertake Certificate III or IV qualifications and higher education qualifications in some cases.

The longer lead times also allowed for workers to adjust psychologically, having time to overcome the initial shock and grief from the closure announcement to then start thinking and planning for the next stage in their transition.

The long lead times also provided the opportunity to understand the local labour market and to proactively engage with potential new employers to promote the transferable skills of automotive workers. Significant efforts were made by all the OEMs to highlight the workers' significant technical and transferrable skills. The phased shut down enabled some workers to be released early if a suitable job was found.

The use of dedicated transition hubs was an effective delivery method for services. OEMs provided onsite transition support to their workers. Supply chain workers were able to access support at local locations through government programs. A detailed overview of services delivered are provided in Appendix A of *The Transition of the Australian Car Manufacturing Sector: Outcomes and Best Practice Main Report, 2019*.

CASE STUDY

Ford



Auto Skills Australia (ASA) delivered support, through the Ford Transition Program, to assist Ford workers and workers in the supply chain to transition to alternative employment. ASA had dedicated onsite case managers at Broadmeadows and Geelong and placed a strong focus on supporting workers to develop an individual career transition plan and addressing training needs. The support also focused on the provision of language, literacy and numeracy and digital literacy training.

Image Source: Auto Skills Australia (ASA)

CASE STUDY

Holden



The Holden Transition Centres at Elizabeth and Port Melbourne had the advantage of being accessible to workers, suppliers and their families without the need to go through security. Morning teas were hosted with partners and a kid's corner was set up to occupy children during visits. Kiosks were established by the Department of Human Services (Centrelink) to provide advice on government payments including Centrelink and Child Support queries. The Holden Transition Centre continues to provide local career transition support in Elizabeth on request, and the Port Melbourne site will continue to operate until end 2019.

Image Source: Holden

CASE STUDY

Toyota



Toyota's DRIVE (Dedicated, Ready, Individual, Vocational and Energised) program provided individualised support to affected workers onsite at Altona, Port Melbourne and Woollooware Bay. The DRIVE case managers were a key to the delivery of support. As well as individual support, DRIVE hosted a variety of information sessions and workshops open to all affected workers. For workers aged 55 or over who were choosing to retire, DRIVE also provided a comprehensive retirement preparation program covering a range of topics, including study, community involvement, social activities and volunteering. Separate to the DRIVE initiative, Toyota also dedicated funding towards supporting their supplier's workers.

Image Source: Toyota

CASE STUDY

Government Support

Government support for automotive workers primarily focused on supporting supply chain workers. The Australian Government primarily supported workers through jobactive providers, the Victorian State Government through Skills and Jobs Centres and the Jobs Victoria Employment Network and the South Australian State Government through the Automotive Workers in Transition Program. State and national support strategies were coordinated to reduce gaps and duplication in services and communication products.



Image Source: Australian Government Department Employment, Skills, Small and Family Business / Victorian State Government / South Australian State Government

INSIGHT

In many cases, workers felt there was information overload initially. This was especially the case where companies and/or workers were not ready to hear and participate in the support, whether because they are still digesting the news of their impending job loss or other circumstances. There was a peak in the uptake of training and other support 15 to 18 months prior to closure.

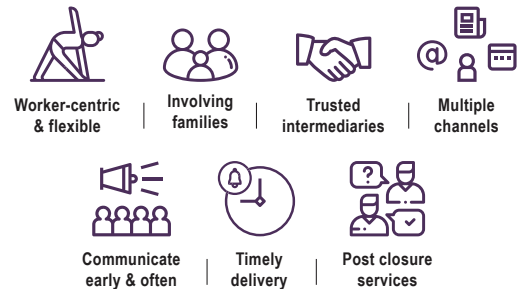
LESSONS AND GOOD PRACTICES IDENTIFIED

continued



Tailored, clear and timely information for workers

It was important to ensure that the information delivered to workers was timely, tailored to their needs and age, worker-centric and, where possible, delivered through a trusted intermediary. It was important to understand the informal networks within the organisations and using people who are respected to assist in promoting key messages and information.



Worker-centric and flexible

- Services were designed and tailored to the needs of workers rather than a rigid set of guidelines.
- Workers were provided with one on one career advice sessions, often with dedicated case managers that provided a consistent contact person throughout the transition period.
- Services were tailored to recognise that many workers had never undertaken a formal job interview or had not updated their resume in many years. The provision of support in preparing a resume and interview skills was particularly important. A range of services from basic to more advanced, such as for digital literacy training, was delivered via tailored services.



The importance of trusted intermediaries

- Workers took advice and sought information from credible and trusted sources, including informal networks within the organisation and people who were 'looked to' or part of formal organisational structures.
- Government service agencies and employment service providers engaged staff with previous automotive sector experience to engage more effectively with workers and management. Holden and Toyota trained workers as case managers to support their colleagues through the transition support. The OEMs engaged senior union shop stewards, site supervisors and team leaders, as 'champions' on the plant floor to engage with workers and communicate strategy.



Involving families

- Engaging with partners and adult / teenage children was an effective way of delivering and reinforcing information to workers, especially those with English as a second language. This included sending letters and information to the home and inviting partners and family to the job fairs and allowing workers to bring a family member to information sessions. Family engagement also supported family unit decision making.



Multiple channels

- To fully engage with workers, multiple channels were used including newsletters, radio, online, via smartphone apps, SMS, telephone, face-to-face meetings, shop floor meetings, handouts and via families and partners/spouses.
- Dedicated transition centres established by the OEMs and the state governments were a focal point for information and the delivery of services.
- Showcasing workers' transition stories in their own voice and distributing those case studies through social media and newsletters was an important strategy to encourage those workers who were not engaged in forward planning.

Clear information

It was important to tailor and time the information and services for workers across multiple periods in the transition process.

Communicate early and often

- Businesses and governments communicated early to workers to reassure workers of the help available.
- Repetition of consistent messaging and information was important, particularly over extended periods of time as it provided an opportunity for workers to engage with the support available at a time that best suited them and when they are ready to act and access support.

Clear communication and messaging

- Information on printed handouts and websites was simple and easy to follow, and in a format that was suitable for workers. Bureaucratic language was avoided and information sessions took into account the ability of workers to absorb sometimes complex information about multiple services.
- Information was available in different languages to increase the engagement with culturally and linguistically diverse groups of workers.

CASE STUDY

Targeted advertising



All programs used a variety of communication mediums to promote their services. As an example, the Victorian State Government advertising campaign, Another door opens, appeared in local papers, shopping centres, digital and Culturally and Linguistically Diverse (CALD) channels, highlighting support and services to automotive supply chain businesses and auto workers who were being retrenched.

Additionally, a 16-week radio advertising campaign, featured across four metro and regional stations and 10 CALD stations (five languages).

Image Source: Victorian State Government

Timely delivery

- An example of the timely delivery of services was the scheduling of large scale jobs fairs. These events occurred 1 to 3 months prior to the final closure dates. Workers brought along their updated resumes to engage directly with local employers. Similarly, it is important that prospective employers had enough time for recruitment processes between attending the jobs fairs and the final release dates of workers.



Image Source: Australian Government Department of Employment, Skills, Small & Family Business

Post-closure services

- Support was provided to workers through dedicated and accessible transition or outreach centres offered by OEMs between 6 and 26 months post-closure. This assisted workers who were finding it more difficult to secure work than they anticipated. Where post-closure services ceased, arrangements were made for those still seeking support to connect with ongoing government services. Post closure services included job search assistance, training courses and funding, and access to health and wellbeing support such as gym facilities and telephone counselling services.
- Informal arrangements such as regular morning teas for workers provided ongoing social support to workers and an informal channel for providing information on services or job opportunities.
- Government services also provided ongoing support to the supply chain both before and after closure.

LESSONS AND GOOD PRACTICES IDENTIFIED

continued



Case management model to deliver advice and information



Case management



Good quality employment info



Promote transferable skills



Job search assistance



Financial advice



Health & wellbeing



Case management model

- Case managers addressed the needs of retrenched workers and had a good understanding of the industry/organisation. The case managers were appropriately trained and trusted by workers and the company to act as a bridge between management and workers where needed. In some cases existing staff were trained and upskilled to be case managers which proved effective.
- Well-informed career counselling and planning services was offered to workers with a key activity being the development of a career transition plan.
- Case managers communicated to workers realistic expectations in terms of the time taken to find work, salary and future job opportunities. Case managers also understood the specific skills and attributes of the worker to underpin sustainable employment outcomes.



Good quality employment information

- Effective career advice and counselling delivered by case managers considered the skills and aspirations of retrenched

workers, and was also aligned closely to actual jobs in demand at both the local and economy wide level. Training was recommended and supported where a gap was identified between the current skills of workers and skills required to secure a specific job.

- Information on local employment opportunities that complemented national and state-wide employment data was provided. Specific information on jobs in demand in the local area and the skills and tickets/ licences required for these jobs was provided to and highly valued by the workers.



Promote transferable skills

- Identifying and promoting the transferable skills of workers was prioritised. This helped workers to articulate and highlight in their resume how their skills could transfer to other sectors, workplaces or employers. This included a recognition of specific technical skills as well as soft skills.
- Some OEMs actively encouraged employers to tour their production facilities to see their workers in action. Potential future employers gained an appreciation for the skills of the workers and how these workers could add value to their new workplaces.

CASE STUDY

Case Managers



All OEMs employed a strong case management model. As an example, workers at Toyota had the option of using either internal or external case managers. Ten staff from Toyota were trained as case managers and undertook a Certificate IV in Career Development.

Toyota workers preferred internal case managers given their understanding and knowledge of the automotive sector and

shared the challenges being faced by workers.

Workers had three to eight meetings with their case manager and being able to work with one case manager was what workers appreciated most about the Toyota DRIVE Centres.

Source: Stage 1 review of the response to the closure of the automotive manufacturing sector
Image Source: Toyota



Job search assistance

The companies and governments assisted workers to be job ready and have confidence in searching for work by providing a broad range of job search assistance. This included support with:



Résumé writing and preparation of cover letters



Networking skills and self-marketing



Interview techniques



Online job seeking and using social media, such as LinkedIn



Information on the labour market, including growth industries



Information on volunteering and self-employment opportunities and support



Connecting with employers through Job Fairs and factory site visits



Financial advice

- General financial advice was provided both prior to and post closure to help workers decide on how best to use their redundancy payments.
- Superannuation companies provided information sessions on how the payments could affect their retirement plans. This information was particularly important for older workers who were considering a transition to retirement as well as re-employment options.
- The government provided information on how redundancy payments affect eligibility for income support and other government payments. The government also promoted free financial counselling services and other budgeting resources available.



Health and wellbeing services

- Health and wellbeing services were provided on site by employers and through offsite providers and community-based facilities to help workers manage anxiety and mental health issues.
- A broad range of services was provided to workers and their families to access at a time and place that suited their needs.
- Resilience training was offered to workers and their families through both formal and informal channels such as schools or sporting clubs to provide tools to help deal with the transition.
- Access to ongoing health and wellbeing support was also part of post-closure support at outreach and transition centres.

CASE STUDY

The power to be positive



Image Source: Port Adelaide Football Club

In South Australia the Port Adelaide football club partnered with the South Australian Government and car companies in connecting with workers in the supply chain. This included:

- club chairman David Koch delivering a financial planning seminar prior to a major match
- in partnership with the South Australian Health and Medical Research Institute, delivering Wellbeing and Resilience training and Power to be Positive programs

to workers from four affected supply-chain businesses and children of affected workers in five northern and southern suburbs schools

- producing video packages featuring Port Adelaide players and officials discussing the challenges affecting players and how to build resilience
- delivered short workshops at five supply chain companies near closure to present on resilience strategies and share personal experiences.

LESSONS AND GOOD PRACTICES IDENTIFIED

continued



Training and foundational skills

Training tailored to the specific needs of workers was provided in response to a career plan that identified employment opportunities. The training took into account the worker's existing and transferrable skills, as well as offering foundation skills support where needed.



Assistance to retrain



Paid time for training



Foundation skills training



Career advice and assistance to retrain

- ▲ Funding for training was available from government and OEMs for the full suite of vocational qualifications as well as for skill sets, tickets and licencing.
- ▲ At least 82% of Toyota workers accessed a career plan and advice. Toyota also provided funding for higher education qualification which were undertaken by around 4% of workers. Around 70% of the training was for licences, tickets and skill sets.
- ▲ In the supply chain around 25% of training was for vocational training with 10-12% at the Certificate III level and a further 11% at the Certificate IV and Diploma level.
- ▲ For OEMs it was important to partner with training providers who were well established, provided full support to workers, offered flexibility of training delivery both on-site and offsite, had strong links to industry and future employment pathways and who placed a strong focus on quality of service delivery.



Time off or paid time for training

- ▲ Workers with the OEMs attended training either in paid company time, onsite before or after their shift, or in their own time. Training included career advice sessions, workshops and short training or health and wellbeing courses. The high level of workers who successfully transitioned to new opportunities post closure reflects the success of company support for training.
- ▲ Workers who chose to study in their own time, such as university or other higher education courses, were supported. Case managers were heavily involved in understanding the career aspirations of the workers and ensured the workers understood the demands of additional study. Although undertaken outside of work hours, the OEMs financially supported many workers.
- ▲ Services were designed to provide workers access to some training funding post closure as well. This supported workers who had not accessed services prior to closure due to uncertainty of their future career path or job opportunities.



Foundation skills: Language, Literacy and Numeracy and Digital Literacy

- The OEMs and supply chain companies provided foundation skills training for workers, including Language, Literacy and Numeracy (LLN) and digital literacy. This training helped build the confidence of workers and assisted them to secure jobs that required literacy, numeracy or digital competency.
- Case managers quickly identified workers needing assistance in filling out paperwork or understanding key messages from workshops. This was particularly the case for some companies with a large number of workers from a non-English speaking background who had otherwise assisted each other to understand workplace requirements. The case managers encouraged these workers into LLN or digital literacy training in a supportive way.
- The LLN and digital literacy services were extremely well received by workers. There was an increased demand for digital literacy assistance, especially closer to the time of closure of the OEMs, as workers increasingly searched for jobs and lodged applications online. Workers realised that an ability to use a smartphone was not enough digital competency to support them moving forward.
- LLN support and training was also offered offsite through community and other providers. Workers accessed these services outside of the workplace and were supported after they left the workplace. Community providers provided an alternative for small to medium businesses who did not have the resources to fund or offer on-site training.

CASE STUDY

Digital Literacy and LLN

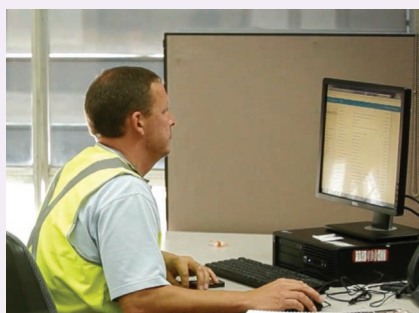


Image Source: Holden Transition Centre

The Holden Transition Centre at Elizabeth had a dedicated IT suite where courses on digital literacy could be booked. There was a strong demand for digital literacy training, including use of computers, email, word processing, spreadsheet applications, undertaking job search online and use of social networking applications.

Through the case management process for Ford workers Auto Skills Australia (ASA) identified a need to improve the language, literacy and numeracy of many workers, especially those where English was a second language.

To facilitate the LLN training, ASA engaged a full time LLN practitioner and offered in house training before workers were referred to a training provider for upskilling.

Consultations with workers and Ford management highlighted that the provision of LLN was a very successful part of the ASA Ford Transition Program. It was extremely well received by workers who found the LLN training valuable in providing them with the foundation skills and confidence to then succeed in higher level training.

LESSONS AND GOOD PRACTICES IDENTIFIED

continued



Strong collaboration fundamental to effective worker centred delivery

Collaboration occurred at multiple levels and a number of governance arrangements were established at the national and local levels to oversee the delivery and continual improvement of services to both workers and employers.



Coordinated delivery



Flexibility



Data collection



Coordinated delivery

- ▲ A National Governance Committee, consisting of Australian Government, State Government representatives and OEM management, coordinated services, focused on continual improvement and provided a communication avenue to underpin the worker-centric focus for the delivery of services.
- ▲ Victoria and South Australia consolidated information covering the full suite of state government and Australian Government services. Fact sheets, websites and other communication material detailing all available services were developed and processes established to provide cross referrals to other programs.
- ▲ A National Automotive Facilitator, Geelong Employment Facilitator and an Adelaide Employment Facilitator helped coordinate efforts and resolve issues and align broader strategic objectives and policy with actual service delivery on the ground.
- ▲ The Australian Government partnered with the Victorian and South Australian State Governments and Toyota to deliver six jobs fairs across two states. The joint funding allowed more events to be run than otherwise possible with one funding source, and the combined resources resulted in positive outcomes for all involved. The six jobs fairs offered around 8,900 jobs at the events and were attended by over 14,000 job seekers.

CASE STUDY

The National and Employment Facilitators

The Australian Government appointed Facilitators to provide a local, on the ground presence, in regions most affected by the automotive transition. The Facilitators worked directly with impacted workers to connect them with employment services, job opportunities, training and a range of other support services.

The National Automotive Facilitator reported directly to the National Governance Committee, communicating on the ground

feedback to industry and government decision makers.

By working with affected automotive firms, the Facilitators raised awareness of available support for businesses including government funding for diversification.

The Facilitators ensured a co-ordinated approach to service delivery by working across all levels of government and allowed individual workers and businesses to have a single point of contact.



Image Source: Australian Government Department of Employment, Skills, Small & Family Business



Flexibility to meet the changing needs of workers

- Close collaboration between stakeholders ensured services responded to the changing needs and intentions of the workers throughout the transition period.
- The case managers in the OEMs were valued highly by the workers in helping to identify their needs, the services required, and any gaps in services which allowed for a re-adjustment of services as required.



The value of data and information sharing

- All stakeholders involved recognised the importance of data and committed to widely sharing the success stories from the automotive industry experience.
- Research and outcomes from previous automotive closure events such as Mitsubishi (2008) and Bridgestone (2010) informed the OEMs' strategy, response and services offered to workers. The governments' responses were similarly informed by experience and best practice in supporting workers and industry through past structural adjustment events in Australia.
- Discussions held early in the transition period with key stakeholders agreed to common definitions and data collection items, standardised collection timeframes and committed to sharing information. This resulted in an agreement to survey workers at the 3, 6 and 12 month post closure stage and to standardised reporting of outcomes.
- The collection and analysis of data in the early stages of the transition allowed all stakeholders to continually adapt their programs and services in response to worker or employer

feedback. A desire for continuous improvement resulted in enhanced services throughout the transition period.

- Industry and government were co-invested in the continued improvement of the services, and programs delivered were informed by the sharing of data. Individual companies and government improved their services based on the feedback from the other stakeholders' initiatives.

INSIGHT

A significant challenge for most the companies in the supply chain was the need to maintain production until the closure of the OEMs. Therefore, the extent of company downsizing or timing of closure was unclear as companies continued production while exploring new opportunities to diversify.

Successful engagement with supply chain workers required good engagement with the management of those companies to ensure that workers could avail themselves to the support available without undermining the commercial interests of the company.

The outcomes for the retrenched workers were very positive, due in large part to the co-ordinated support efforts of government and the companies.

Valuable lessons were learnt along the way regarding the effectiveness of the support programs and associated practices; these were used to adapt and improve the efforts of governments and the companies.

These lessons provide a valuable resource to assist other sectors that may face similar structural transition.

The Transition of the Australian Car Manufacturing Sector: Outcomes and Best Practice Main Report details the support programs, their outcomes, lessons and best practices that enabled the achievement of these outcomes.

