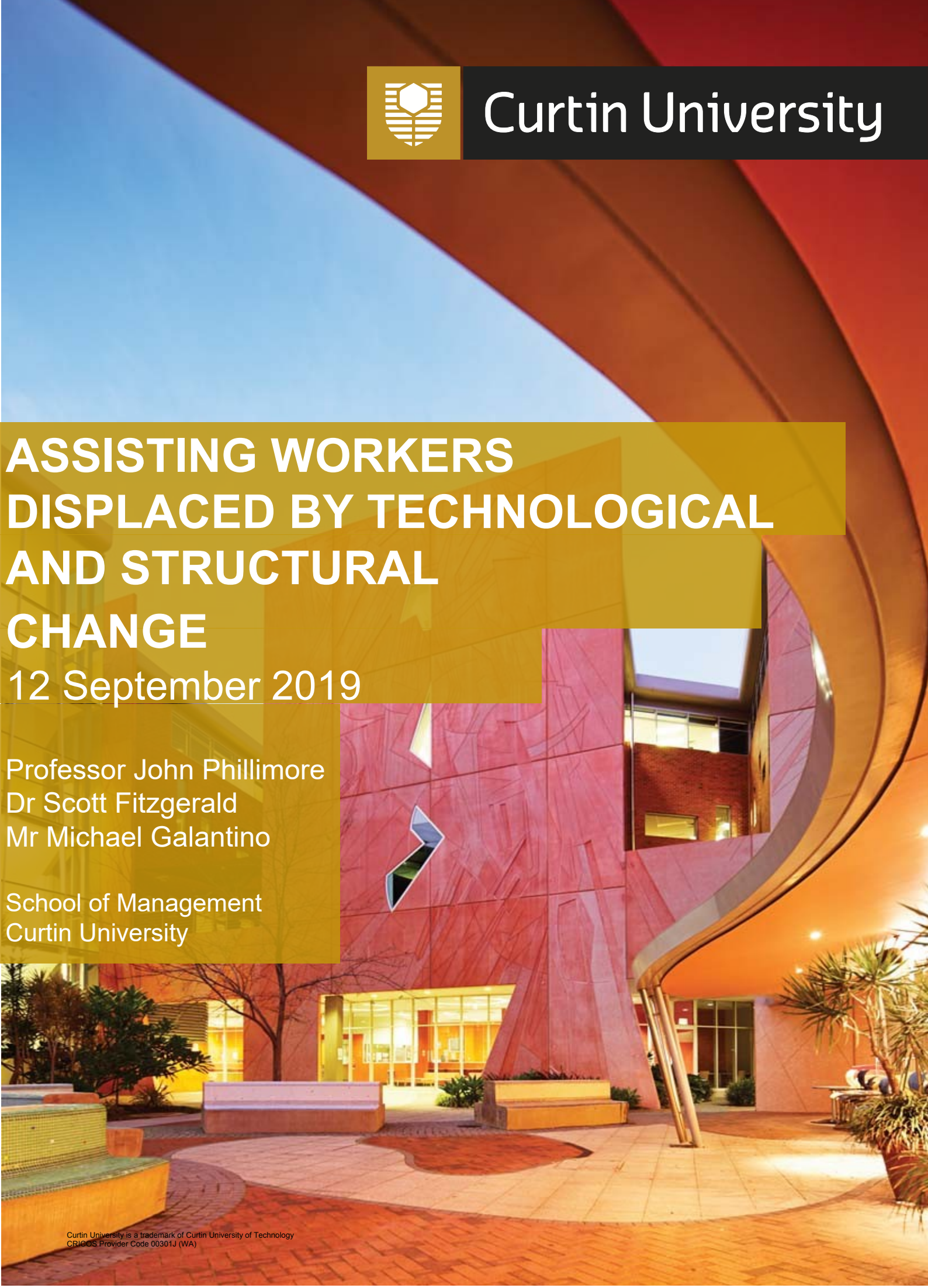

Curtin University

ASSISTING WORKERS DISPLACED BY TECHNOLOGICAL AND STRUCTURAL CHANGE

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1. Introduction

While the full impact of technological change, digitisation and artificial intelligence on the future of work remains unclear, it is likely that a significant number of workers will be displaced or made redundant from their existing occupations and jobs. In addition, the transition towards renewable energy sources is putting pressure on workers in fossil fuel-based industries such as coal mining and coal fired power generation, particularly in regional areas where job alternatives may not be readily available.

Workers are more likely to look positively upon the possibilities presented by technological, structural or energy change if they can have confidence that they will be equipped to seize new employment opportunities. They can be assisted in this by industry, government and training institutions supporting them in retraining and labour market search activity.

This report reports on national and international experience in policies and initiatives aimed at assisting displaced workers, especially in the context of rapid technological change. It also looks at how Australia compares in dealing with the issue of worker displacement. It is based on a review of the academic literature, and of several recent reports by bodies such as the OECD (ILO, 2018; OECD, 2016, 2018b), ILO (Organisation, 2019), trade unions (Sheldon, 2018), governments (Jobs Queensland, 2018) and business (Forum, 2018).

The report is structured as follows. Following this Introduction, Section 2 introduces the context within which current thinking about policies for displaced workers is taking place. Section 3 outlines key issues and considerations relating to worker displacement from an international perspective, drawing in particular on a 2018 review by the OECD of policies and practices in nine member countries. Section 4 focuses on Australia's labour market provisions and trends relating to displaced workers. Section 5 outlines how structural adjustment has been handled in Australia, through industry, enterprise and labour market programs, and summarises best practice based on this experience. Section 6 looks briefly at the issue of energy transition. Section 7 concludes with a discussion of past and potential State Government involvement, given that many of the principal legislative, financial and policy levers rest with the Commonwealth.

2. The Context

The issue of how best to support workers facing retrenchments and redundancies has been the subject of increasing attention from policy makers in recent years. This has occurred for several reasons. One is the impact and aftermath of the Global Financial Crisis (or Great Recession, as it is known in the US) of 2008-2010, during which time unemployment rates surged in many economies, displacing millions of workers. Although unemployment levels have fallen again in most countries (The Economist, 2019), policy makers and researchers have been keen to

understand the extent to which displaced workers managed to find jobs again, as well as the quality of those jobs.

A second reason surrounds the rise of discussion about the 'future of work', which is a subject attracting worldwide attention from citizens and policy makers alike. There are concerns that workers are at increased risk of being displaced in future from technological change, in particular automation and digitalisation, and the impact that will have both within and between industries.

The issues involved in the future of work debate are complex and multi-faceted, and there is a lack of consensus in many aspects under scrutiny.

On the technology side, for example, there are widely contrasting views on the likely number of jobs the economy will create and need into the future, and how they will be distributed between and within countries, regions and industries.

Similarly, while there is widespread recognition that occupations, skills and tasks are changing, with consequences for education and training institutions, there is less agreement about whether the trend will be towards a general upskilling of the workforce with automation eliminating the lowest skill jobs, or a bifurcation into high and low skill occupations and a 'hollowed out' middle.

The future quality of jobs and of work life is also a subject of significant uncertainty and debate. Trade unions and other observers express concern about the rise of insecure, less well paid, 'gig' work; while others (including most employer groups) note the lack of evidence for this in many countries alongside widespread increases in employment and labour force participation.

Of course the outcome is not pre-determined but will instead depend on the actions and policies of the actors involved, including governments, employers, unions, and civil society more generally. Competition between companies, combined with different policy settings at a national and regional level, will likely result in different outcomes across countries and regions. Likewise, decisions about work organisation and design by employers and their workforces will have a major impact on job tasks and skill requirements.

Structural change at an industry level is not new, of course. The 1980s and early 1990s witnessed the first stages of the ICT revolution, combined with a general liberalisation and globalisation of product, finance and labour markets. This led to declines in traditional manufacturing and some service employment in many OECD countries, including Australia. The difference, according to some, about the current round of structural change is that digitalisation, robotisation and AI will threaten medium and higher skill white and blue collar jobs and workers, with no guarantee that the new jobs being created will be sufficient in number, or equivalent in skills, quality or wage levels. Massive disruption is already evident in industries such as print media, taxis, banking and postal services, with fears of it spreading to other sectors in which routinisation of tasks can be undertaken. Even if the number of new jobs rises to match or surpass the displaced jobs, the transition process is unlikely to be easy.

A third factor focusing attention on displaced workers arises from the global challenge of tackling climate change and the need to move away from reliance on fossil fuels and towards

renewable energy instead. While the required scale and timing of this energy transition is a subject of debate in most countries – perhaps nowhere more so than in Australia, which is heavily invested in both the old and new energy economy – there is little doubt that coal mining, coal fired power generation, and over time also oil and gas related industries, will come under increasing pressure. This is likely to result in plant closures, especially of ageing infrastructure, putting jobs at risk. Automation and technological upgrading means even new investment in 'old', fossil fuel industries, is unlikely to generate many net new jobs.

In Australia, a fourth reason for the focus on displaced workers has been the closure of the domestic automotive manufacturing industry in recent years. This directly affected almost 50,000 employees (including the car manufacturers themselves plus their suppliers) and was accompanied by government and company assistance programs aimed at easing the transition for the workers and communities involved. A number of evaluations have been undertaken of these and related programs, with lessons learned in order to develop a series of best practice principles for future support.

Despite these different backgrounds and sometime competing scenarios about the direction and scale of future change, it is generally accepted that some workers are more at risk of being displaced from their jobs than others (Forum, 2018; Manyika et al., 2017; OECD, 2018a). In particular, jobs in manufacturing and some aspects of mining and agriculture are regarded as 'highly automatable'. Low-skilled routine work is at particular risk. Workers in regional areas with less diverse local economies are also likely to find it harder to get replacement work, especially work with comparable wages and conditions.

The recognition of these issues is reflected in several recent reports on how to improve the prospects of workers facing loss of employment due to technology or energy transition. We draw upon these reports in the discussions below.

3. International Experience – An Overview

Between 2013 and 2017, the OECD conducted *Back to Work* reviews of nine countries (Australia, Canada, Denmark, Finland, Japan, Korea, New Zealand, Sweden and the USA) to examine and compare policy approaches to job displacement. An overview of the findings from these reviews (supplemented by data from other countries) was published as a chapter in the *OECD Employment Outlook 2018* (OECD, 2018b). We summarise the key findings in this section. The Australian review (OECD, 2016) is summarised in Section 4.

According to the OECD, around one fifth of jobs are created or destroyed each year, and around one third of all workers are hired by and/or separate from their employer. Most of these changes are voluntary, and reflect a dynamic economy. Indeed, labour mobility from declining sectors and companies to growing ones is essential to productivity growth and rising living standards.

But an important segment of job turnover is involuntary, i.e. "workers who lose their jobs because their employer downsizes its workforce or goes out of business altogether" (OECD, 2018b, p. 128). These are what we refer to in this report as 'displaced workers' (commonly

referred to in Australia as 'retrenched' workers). It is estimated that between 1% and 7% of workers with at least one year of job tenure, are displaced each year. Job displacement tends to rise during economic downturns.

Given that overall job mobility is generally a good deal higher than involuntary job turnover, not all workers experiencing job displacement will necessarily suffer large or enduring costs. However, some certainly will, and the transition process for many workers who find themselves involuntarily displaced through redundancies can often be painful, especially for specific groups of workers.

Policy makers are generally concerned to ensure affected workers are able to find a new job relatively quickly, of a kind and at a wage level at least commensurate with their previous job. The process of being displaced, and the rate and quality of re-employment, can also impact on workers' families and their communities. Some mass layoffs can have region- and even economy-wide consequences.

In terms of scale, as noted above, job displacement is quite common. The OECD finds that many displaced workers find a new job quite rapidly, but most experience significant losses of income and could benefit from re-employment assistance and income support. Income loss is understandably greatest during the period between jobs (despite unemployment insurance existing in many countries), but even after finding a new job, income losses can continue. The risks of both joblessness and earnings losses after being re-employed are particularly significant for older and long-tenure workers in blue-collar jobs.

The OECD notes that there is wide variation between countries in the rate of re-employment and earnings loss, suggesting policy and institutions can make a big difference. In Finland and Sweden, almost 90% of workers are re-employed within a year, compared to around 30% in France and Portugal. There are also significant variations within countries, suggesting more tailored and individualised re-employment and re-training support is needed (OECD, 2018b, p. 126).

The range of measures designed to reduce labour market adjustment costs for displaced workers can be thought of in various ways. The following Table is adapted from the OECD report, and focuses on the extent to which support can be targeted at displaced workers as opposed to being generally available to all unemployed workers. It also separates out direct from indirect support measures.

Table 1: Measures to Address Labour Market Adjustment for Displaced Workers

Type of Measure	Direct	Indirect
General	Unemployment insurance / benefits available to all unemployed workers, with common rules	Macroeconomic and structural policies to promote growth and employment
	Active labour market programs available to all unemployed, with common rules	'Framework' policies to assist efficient reallocation of labour in response to structural change, e.g. housing and labour market policies
	Public insurance schemes to cover unpaid entitlements if employer declares bankruptcy without making provision to fully compensate workers	Education and training policies to meet and anticipate skill demands
Targeted	Special adjustment or income assistance measures for displaced workers	Industry redevelopment or rationalisation programs
	Employment protection legislation and rules regulating layoffs	Local economic development policies
	Private outplacement services offered to displaced workers by companies or unions	Trade policies to restrict imports impacting on the industry

Source: (OECD, 2018b, p. 139)

A related taxonomy separates out the direct measures into two main categories that are themselves each divided into two types (OECD, 2018b, pp. 127-128).

The first category consists of ***proactive measures*** that aim to deter, prevent or limit the prevalence of job displacement. The OECD identifies two measures of note.

First, *preventive measures* aim to increase the costs on companies of resorting to job layoffs in the first place. Imposing such costs, it is thought, may prevent the job losses, or at least get companies to consider more closely whether they are necessary. Such measures include employment protection legislation or regulations that impose costs on employers for dismissing permanent workers (e.g. severance payments), or place procedural obligations on them (such as mandatory consultation, or a requirement to use short-time working in the first instance). The OECD advocates a 'light touch' when it comes to job loss prevention, as imposing too heavy a cost for dismissing workers can have the effect of making employers reluctant to employ people in the first place, and can have efficiency costs in terms of labour productivity. This is commonly cited as a problem in France, for example. Short time working, by contrast, was considered to have some success in the Global Financial Crisis in Germany and Japan.

A second proactive approach consists of *early intervention measures* that are widely regarded as crucial steps in promoting timely re-employment. Actions such as mandating longer notice periods of impending layoffs, rapid response employment services, and guaranteeing access by affected employees to outreach services, were all found to be important in enabling displaced workers get an early start in finding a new job. Early notification can reduce the time in-between jobs for workers, and indeed allow them to actively search for a job from their existing

job, which often produces superior outcomes, as the longer a person is unemployed, the more their job prospects diminish. Early notification of mass layoffs also allows for group services (financial, job search, counselling, etc.) to be more easily organised. Such group activities are not just more efficient, but also more effective in allowing for peer support and the provision of information tailored to workers in similar circumstances.

The OECD notes that the involvement of employers and unions in early intervention activities varies considerably. In Sweden, the two parties form Job Security Councils and effectively perform the role taken by public employment services in other countries. Combined with a long notice period, this system helps produce a very high re-employment rate, which extends to individual and small-scale layoffs. Finland has a tripartite system that also produces good results. The OECD also notes how "constructive employer engagement is of great value in providing prompt and effective re-employment assistance to displaced workers" (OECD, 2018b, p. 147). Such engagement is achieved by a combination of legal compulsion, in some cases, along with "incentives and moral suasion" such as in Quebec where employers are required to provide outplacement assistance activities, but given a subsidy towards the cost of doing so.

The second category of direct measures consists of ***activation strategies*** aimed at assisting workers into new employment and providing adequate income, once displacement has been decided upon. Again, the OECD notes two types of strategies in this category.

The first is *active labour market programs* (ALMPs). All displaced workers should have access to basic job search services, but there is often a need for more intensive re-employment and re-training for some groups. The OECD found that in many countries, workers had to wait considerable periods to qualify for employment assistance, as they were ineligible while still at work and sometimes even during their redundancy period. Removing these time restrictions was particularly important in cases of mass layoffs. More generally, OECD and other research has "concluded that higher ALMP spending is associated with better aggregate labour market outcomes" and that this finding is replicated for the re-employment of displaced workers (p. 152). ALMP expenditure levels per unemployed person vary significantly across the OECD, and also in terms of the balance of spending between training, direct job creation, employment incentives and administration.

There is also clear recognition that most countries' public employment services are not well suited to dealing with displaced workers, especially in mass layoff situations. Most employment services are geared to the needs of people with limited labour market ties, and focus on moving them into low skill, low-wage work. By contrast, displaced workers often have substantial employment track records in previously secure and relatively well-paid jobs, and are seeking a replacement job of similar quality. This means that activation needs to deal with the different motivations, employability and earnings opportunities characterising displaced workers, which is likely to require a different and more individually tailored approach. This might include skills audits, recognition of prior learning, support with job search, and financial counselling (both to deal with initial severance 'windfalls' and with later income loss).

Nevertheless, targeted (as opposed to general) labour market support measures can have drawbacks, in that they may duplicate programs, be administratively cumbersome (e.g. in determining eligibility criteria), and introduce inequities in access to support.

The second activation strategy relates to *income support*. There are widely varying levels and systems of income support for unemployed workers across the OECD, with a key challenge being how to provide income security without undermining incentives to work. This is a complex topic that applies to non-displaced unemployed workers as well. However, in virtually all countries, redundancy payments and unemployment insurance / benefits are likely to only cover part of the earnings losses facing workers, especially if their new job is part-time or at a lower wage. In several countries, severance pay delays the receipt of unemployment benefits (and access to employment services), which can be deleterious to displaced workers' future job prospects. Some countries have special provisions for displaced workers, such as temporary wage supplements. Wage insurance has been proposed in recent academic work, but has not been tried to any great extent so far.

The OECD concludes its overview of 'back to work' reviews by noting that other policies can also assist in managing labour market restructuring. These include the indirect policies noted in Table 1 above, such as economic revitalisation programs in regions hit by layoffs, and policies and systems for meeting new skill needs.

The most important lesson, however, is to be aware of and respond to the differences between displaced workers and other job seekers. These include the greater scope that exists with displaced workers for proactive measures, for example during the notice period; and the potentially large contribution that employers can make to helping their workers successfully transition to new jobs, preferably in cooperation with unions and other labour market actors.

4. Australia's Labour Market Structures and Institutions in Comparative Perspective

The OECD country review of Australia's policies and performance in dealing with displaced workers (OECD, 2016) is comprehensive (136 pages) and deserving of reading in its own right. Here, we can only highlight some of its main points. In section 5, we look in more detail at the most common form of assistance offered – Structural Adjustment Programs – as well as at some employer-based support schemes.

In terms of the incidence and impact of job displacement, the OECD notes the following (all page numbers relate to OECD, 2016):

- Since 2000 the Australian labour market has been relatively strong compared to other OECD countries, although its performance has weakened somewhat since 2011. Australia is also notable for its high rates of part-time and casual employment.

- Overall job turnover is quite high, with just under 20% of all employees leaving their jobs every year (p. 30).
- Around one fifth of job separations can be considered to be involuntary, although this figure rose to 35% in 2009 during the GFC, then fell back, then rose again in 2013 (p. 30).
- Looking only at workers with at least one year job tenure, displacement rates varied from a low of 1.9% in 2008 to a high of 4.1% in 2010. On average, Australia has a relatively high displacement rate compared to other OECD countries (p. 31).
- However, most displaced workers find a job reasonably quickly, with 70% being re-employed within one year, and 80% within 2 years (p. 35). This is higher than the OECD average (see *Figure 1* copied from OECD, 2016).

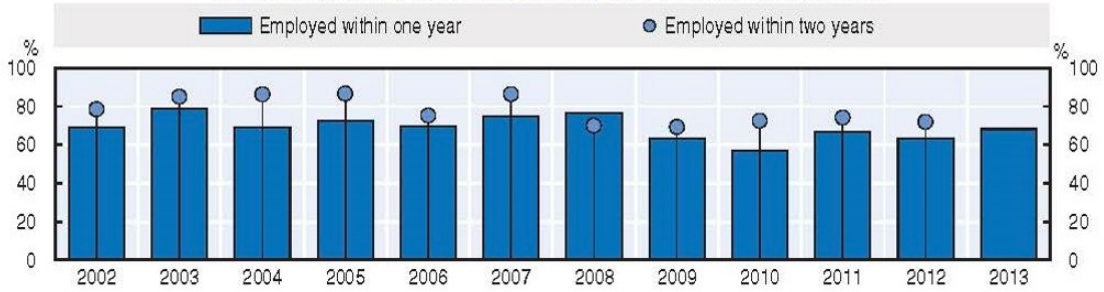

Figure 1: Percentage of displaced workers re-employed within two years, 2002-12 (Back to Work Australia, p.37)

- Some displaced workers find it more difficult to get a new job, in particular older, casual and part-time workers. Sectors that are over-represented include manufacturing and construction. Workers with long (over 20 years) and short (1-4 years) tenures have lower re-employment rates than intermediate tenure workers (5-19 years).
- Incomes of displaced workers can fall significantly, especially in the first year. However, there is great variability, even among those who find a new job. After three years, around 45% of displaced workers in a new job are earning more than a 10% increase on their old wages (although this partly reflects the increase in casual work, which attracts a wage loading), while around 30% have earnings more than 10% lower than before (p. 40).
- Job quality tends to decrease following displacement, especially in the first year post-retrenchment. The OECD reports that "while almost four out of five displaced workers were on permanent contract before displacement, only 55% of those who are employed in the two years following displacement get such a contract in the first year and 62% in the second year" (p. 42). Many also end up in labour hire companies with similar entitlements to casual work in the first year post-displacement.
- Around half of displaced workers who find work, change occupation; around 12% experience skill downgrading, "implying sizeable human capital losses" (p. 14).

In summary, the Australian labour market's flexibility and good performance overall is reflected in these outcomes. But the OECD also notes that some groups of workers find it

difficult to bounce back. The less buoyant labour market of recent years also leaves no room for complacency.

To help explain these trends and outcomes in worker displacement and re-employment, the OECD looked at Australia's labour market institutions and policies. In general it found that employers in Australia are able to hire and fire employees relatively easily, and face low costs in doing so by international standards. While it can be argued that this has contributed to Australia's economic success by increasing labour market flexibility and responsiveness to demand conditions, it also places most of the onus of adjusting to change onto the displaced workers themselves, who must seek out new employment or training opportunities. Governments and businesses have few statutory or industrial obligations to assist displaced workers and there are few examples of active re-training programs. The main exceptions to this are the various Structural Adjustment Programs instituted in a small number of regionally significant industries facing mass layoffs.

Specifically the OECD country review makes the following key points about Australia's labour market institutions:

- For small companies with less than 15 employees, there are virtually no obligations towards workers they dismiss for economic reasons.
- For companies with 15 or more employees, notice periods are short by international standards and notification usually occurs after retrenchments have occurred, leaving employment services with minimal time to prepare assistance to affected workers or regions (see (*Figure 2*).

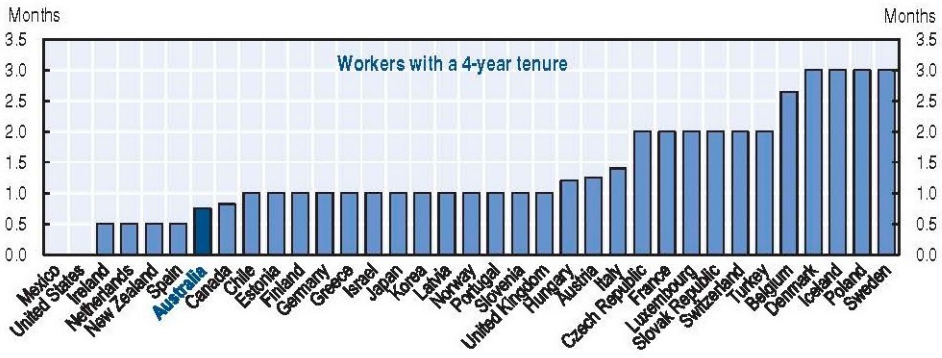

Figure 2: Notice period for individual dismissal in months, 2013 (Back to Work Australia, p. 104)

- Consultation requirements with employees and unions are minimal and barely enforced.
- Statutory severance pay is also low by international standards, although some EBAs provide for larger amounts.
- There is no obligatory short-time work scheme to prevent layoffs in times of downturn.

Overall, there are few cost or procedural inhibitions to employers wishing to resort to dismissals, reflecting the flexibility evident in the Australian labour market. In the terms of Table 1 in Section 3 above, Australia has few 'proactive' measures in place for displaced workers.

Turning to 'activation' policies, income and employment services support is also limited:

- Apart from SAPs (see section 5), "there are no labour market programs specifically targeted at displaced workers in Australia" (p. 67). Therefore displaced workers are reliant on general policies and programs.
- Severance pay is not high by OECD standards, and its receipt delays eligibility for unemployment benefit.
- "Australia ranks among the lower third of OECD countries in terms of total labour market program expenditure, and active labour market spending [e.g. training] is especially low" (p. 68) (see *Figure 3 and Figure 4*).
- Income testing means a large proportion of displaced workers are not eligible for unemployment benefit (e.g. if their spouse is working).
- Displaced workers who are ineligible for income support have traditionally had access to only very limited re-employment services.
- Australia has the OECD's only fully privatised employment services system, which is not well adapted to the needs of most displaced workers, focusing instead on the most disadvantaged job seekers.

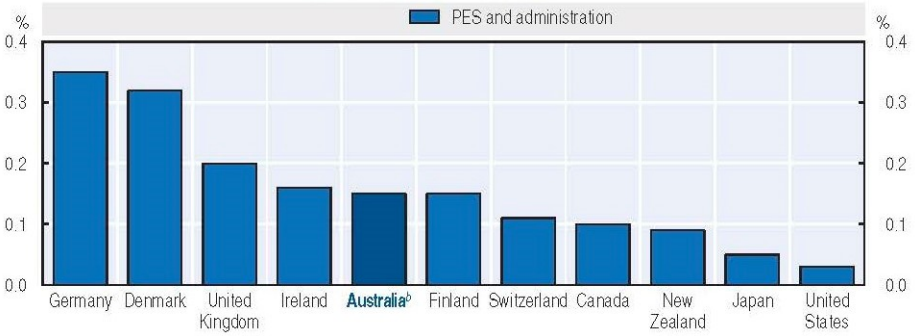

Figure 3: Investment in Category 1, 2013 – Public Employment Services and Administration (Back to Work Australia, p. 70)

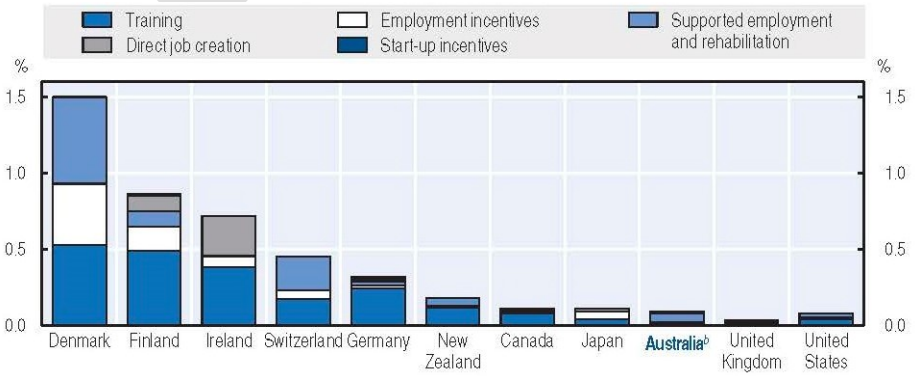

Figure 4: Investment in Categories 2 – 7, 2013 (Back to Work Australia, p. 70)

In summary, the delay in qualifying for income support and employment assistance can be very negative for displaced employees and make it harder for them to return to employment.

The OECD did note some positives, however:

- Some intensive support programs were considered to have worked well, for example the Jobs and Training Compact introduced during the GFC (p. 17).
- Recognition of Prior Learning (RPL) is quite advanced in Australia and could be expanded to assist more displaced workers (p. 21).
- Some past coordination efforts between the Commonwealth, States and industry stakeholders have been successful, including Local Employment Coordinators, employment facilitators, and Rapid Response Teams. However, the report also cited examples of poor coordination, with mixed and inappropriate messaging (p. 19).

The OECD report concludes that "intervening early is probably the most (cost-) effective way to provide support to displaced workers" (p. 18). This currently requires employers to voluntarily notify Centrelink or government, as there is no additional statutory requirement upon them to do anything in cases of collective dismissal, while the notice period for individual dismissals is extremely short.

Other recommendations made in the report (p. 22) include:

- Developing economic forecasting and risk analysis at the regional level to anticipate potential downsizing and prepare new investment measures;
- Considering a mechanism to encourage short-time working in periods of temporary low demand;
- Strengthening employers' responsibilities for workers they are considering dismissing, by introducing a longer notice period for collective dismissals, increasing the enforcement of consultations with unions or employees, and requiring employers to keep training records that can assist with RPL;
- Moving away from a narrow sectoral (SAP) approach to support for displaced workers so that all sectors are covered;
- Improved coordination between Commonwealth and State governments in planning and implementing interventions;
- Expanding training and skills assessment aspects of programs aimed at displaced workers; and
- Piloting appropriate employment services to at-risk workers in a few areas.

Next we turn to look at some of the specific programs in place affecting displaced workers, commencing with the most significant – the Structural Adjustment Programs (SAPs).

5. Australian Experience with Supporting Displaced Workers – SAPs and Beyond

5.1 Structural Adjustment Programs

Systematic government support for displaced workers in Australia has been limited in the main to Structural Adjustment Programs (SAPs), which involve provision of significant funds to a relatively small number of industries and companies, covering less than one per cent of all workers affected by restructuring. These industries and companies can generally be characterised as being:

- regionally significant employers;
- impacted negatively by government policies, such as trade liberalisation and tariff reductions (steel, automotive, textiles, clothing and footwear); tougher emissions or other environmental regulations (coal mining, power stations, fisheries, forestry; or changing market regulations (taxis); and
- comprised of many blue-collar and/or low-skill employees.

A significant amount of research exists on evaluating structural adjustment, types of structural adjustment, how to prepare for it at an economic, social, and (Consulting, 2017)policy level, and how to handle it. There have been meta-analyses, case studies, and evaluations of structural adjustment programs (SAPs), including recommendations from the OECD(2016), UN, ILO (Botta, 2019; Organisation, 2015), universities (Sheldon, 2018), federal and state governments (Business, 2019; Nous Group, 2013) , private consultancies (Consulting, 2017), and more.

Jobs Queensland, in conjunction with the National Centre for Vocational Education Research (NCVER), released a series of related reports that sought to understand both the effects of industries undergoing transition and the strategies needed to support the workforce of these industries (Jobs Queensland, 2018, 2019a, 2019b; Queensland, 2018). A key issue identified by Jobs Queensland is that industry transition processes, although common and continuous in all industries, will require the implementation of distinctive adjustment responses that are case-specific, reflecting for instance the nature, size and location of an industry or enterprise and the speed, severity and magnitude of the industry transition. The specifics of the industry in question need to be kept in mind when considering the implementation of a 'best practice' model of support for workforces affected by transition.

Beer (2018) argues that, by international comparison, Australia has a relatively poor record of managing change associated with substantial industry transitions within its economy. This, he suggests, "indicates a need to first better understand the processes of restructuring, and second, the need to reshape the ways in which economic transformation are dealt with at the local or regional scale". Beer (2015) found that although structural adjustment programs (SAPs) have been "remarkably common" across Australia, policy makers have been confronted by the reality that there is no single action or policy measure that can be used to best facilitate structural adjustment and success may depend on the assemblage of a mix of policy measures.

Beer (2015) provides a typology of such programs based on the 135 SAPs initiated in Australia between 2000 and 2012. This includes four main types of programs:

1. ***Industry Restructuring Programs***: aimed to help industries adapt or adjust to new economic conditions in order to remain viable in the longer term, e.g. automotive, TCF, steel, forestry, fisheries, and taxi industries.

2. ***Enterprise Assistance Programs***, designed to help individual enterprises remain in the industry e.g. Ford Australia, and BlueScope Steel. (Note there are also some privately sponsored EAPs, not associated with a broader SAP. These will be considered further below).

3. ***Labour Market Programs***, designed to assist individual workers who are displaced through industry transition processes.

4. ***Investment Attraction Strategies***, which provide funding pools typically to attract new investment in affected regions in order to diversify their economies and provide new employment opportunities.

Given the assessment of the comparatively poor track record of SAPs in Australia, the Jobs Queensland report (Queensland, 2018) identifies 8 key elements required for a successful SAP:

1. ***Time***: Interventions need to be implemented early but planning should be based on the long-term impact of structural adjustments, particularly where such processes of industry transition are focused on a regionally clustered industry. It can take time for workers and other affected stakeholders to make future plans and act on them and expecting that short-term interventions will produce long term positive economic or social outcomes is unrealistic.

2. ***Anticipatory planning***: Clearly, early assistance programs and initiatives, and therefore, early identification and planning, are imperative as they allow all relevant stakeholders to develop and coordinate their responses so that they are fully operational by the time that they are necessary and are more likely to reduce the probability, extent and size of adverse events associated with industry transition. Central elements of successful anticipatory planning include undertaking a skills gap analysis of the affected region; planning for the impacts to social infrastructure (such as health or housing services); and undertaking social impact management plans.

3. ***Governance/information dissemination***: The establishment of governance or consultative committees is crucial. Through their role in communicating with the wider community, they provide a forum through which concerns can be discussed and addressed, social and economic relationships can be strengthened and built, and job opportunities can be identified. The inclusion of representatives from employers, unions, different levels of government, and NGOs, enable pertinent information to be shared with all relevant stakeholders.

4. ***Focus on affected region***: A key component of anticipatory planning should be regular assessments of regionally specific structural changes by local and state governments. When implemented, industry transition programs should focus on new initiatives at

regional level given that workforces are relatively immobile. Practical strategies need to be identified with regards to regional financial assistance from different levels of government, the provision of appropriate local reskilling programs, and inclusion of local enterprises in the goods and services value chains of new industries to expand employment in the region. Initiatives such as online community talent tools can support the employment of local people.

5. ***Human capital***: As well as planning and providing retraining/upskilling/etc., it is important to help affected workers recognise how their current skills may align to other jobs available in the region. While an individualised case management approach is most effective, it is important to be realistic about the ability of workers (particularly those nearing retirement) to easily transition to new employment or seek roles that require intensive retraining.

6. ***Economic diversification***: Industry transitions highlight the importance of a diversified industrial base for the viability of regions. Clear strategies that leverage existing regional capacities through initiatives such as infrastructure grants and training can help underpin new industry investment and diverse employment opportunities.

7. ***Local coordination and case management***: The effectiveness of structural adjustment initiatives has been enhanced by dedicated administrators who understand specific local needs in affected regions and can act as defined point of contact for different programs. Rapid Response Teams established by the Australian and state governments as part of structural adjustment programs have proved to be highly successful in localised coordination and case management of training programs and investment initiatives.

8. ***Evaluation***: A key component of successful industry transition initiatives is an evidence-based approach and ongoing evaluation practices, which drive processes of learning, adaptation and adjustment.

A synthesis of other key reports on structural adjustment (ACAS 2014, ILO 2015, OECD 2016, Nous Group 2017, ITUC 2018, Department of Employment Skills and Small and Family Business 2019) reveals four additional criteria crucial to success:

1. ***Tripartite committees/bodies to plan and oversee initiatives***: Involvement, joint-decision making, and information sharing at all levels between organisations, unions and workers, and the government (and in certain cases, wider communities and families of workers), has been found to improve structural adjustment.

2. ***Redundancy pooling***: this involves coordinating enterprises in the same industry so that redundant workers from a closure can transition immediately to another job. Where possible, retrenched workers, who have not opted for retraining or early retirement, should be transitioned to other operations within the industry that are still operational.

3. ***Dedicated services for managing the wellbeing of affected workers***: Services should be offered during and after the transition process to manage the psychological wellbeing of workers, given that many aspects of the transition would be unfamiliar and stressful to many affected workers.

4. ***Tighter regulation of job service providers***: Private jobs services providers may need to be more tightly regulated to ensure efficiency, capability, proper prioritisation and sustainability of outcomes, and satisfaction of clients.

Although a range of sectors has received assistance through SAPs, agriculture and the manufacturing industry have been the largest recipients of structural adjustment assistance from Australian governments (Beer 2015). A review of industry case studies undertaken by Jobs Queensland (2018a) indicates that not all key elements for success have been present across different industry SAPs, with agricultural programs having markedly fewer components as opposed to automotive manufacturing.

Case study	Time	Anticipatory Planning	Governance and Information Dissemination	Focus on the Affected Region	Human Capital	Economic Diversification	Local Coordination and Case Management	Evaluation
Mining	✓	✓	✓	✓		✓	✓	
Automotive Manufacturing	✓	✓	✓	✓	✓	✓	✓	✓
Gas		✓	✓	✓	✓			
Commercial Fishing	✓	✓	✓		✓			✓
Oil Refining			✓		✓			
Agriculture		✓		✓		✓		
Renewable Energy				✓		✓		
Print Media					✓			

Source: Jobs Queensland 2018a: p.8

5.2 Automotive Industry

Given not only the scale of investment and timeframe but the scope of SAPs associated with the Australian automotive manufacturing sector, it's worth reviewing these initiatives and the assessments of their outcomes. Following earlier closures of Nissan and Mitsubishi, the end of vehicle assembly operations at General Motors Holden, Ford and Toyota in 2017 posed some significant challenges to workers and communities, particularly in northern Adelaide, outer Melbourne and Geelong. With the continuation of only small scale vehicle production, widespread loss employment within the wider supply chain of 160 businesses was also expected. In total the closure of the major automotive manufacturing operations was estimated to affect up to 30 000 jobs in South Australia and 100 000 jobs in Victoria (Beer 2018).

The Jobs Queensland (2018a) report highlights the automotive manufacturing industry SAPs underline the importance of *time* and *anticipatory planning*, a finding consistent with the fact

that the processes of automotive industry transition were in part the outcome of government policy initiatives over more than 30 years (Barnes, 2016; Browne-Yung, Ziersch, Baum, Friel, & Spoehr, 2019). In the last decades of the industry's operation enterprise assistance programs included the Automotive Competitive Investment Scheme (2001-2011), and the Automotive Transformation Scheme (ATS) (commencing in 2011) which together made approximately $7.5 billion available in funding to encourage competitive investment, innovation and economic sustainability. The Abbott Coalition government reduced these automotive industry subsidies following its election in 2013.

Following the ending of automotive production, the Australian Government terminated the ATS in January 2018 and remaining programs focused on *diversification* of manufacturing, employment assistance and *human capital* formation, including the $155 million Growth Fund and the $100 million Advanced Manufacturing Fund to help automotive workers and supply chain businesses (including an extension of the Automotive Industry Structural Adjustment Programme and the Next Generation Manufacturing Investment Programme)(Australian Government, 2017; Senate Economics References Committee of Australia, 2015). A Skills and Training Initiative (STI) was developed as part of a $155 million Growth Fund and Holden and Toyota each contributed $15 million to the initiative support their affected workers. The STI aimed to career advice and provide help workers to recognise and build their skills and train them for jobs while they are still employed.

Complementary State Government initiatives were put into place such as the South Australian Government's $16.65 million Automotive Supplier Diversification Program (ASDP). This program sought to support viable in automotive supply chain businesses to diversify and secure alternate revenue streams. The South Australian Department of State Development expected that around three-quarters of automotive supply chain enterprises in South Australia will continue to operate, reducing the overall job loss in the state to around 5000 jobs (Jobs Queensland 2018a). The Victorian government announced $46.5 million *Towards Future Industries: Victoria's Automotive Transition Plan* (Victorian Government 2015).

Co-ordination, monitoring and ongoing *evaluation* of these initiatives and strategies to transition workers was formalised under a national *governance* structure, the National Automotive Governance Committee, comprising the Australian Government, the governments of South Australia and Victoria, GM Holden and Toyota Australia. An on-ground National Facilitator was also appointed to work with car manufacturers, all levels of government, education and community organisations and local employers to plan the transition of automotive manufacturing employees. Strategies were developed to communicate, engage and consult with workers through various stages. As part of the Growth Fund, National Facilitator funding supported the development of an online talent community tool aimed at providing information about employment opportunities and matching employers with potential new employees in local and regional areas. Other regionally focused initiatives included the Geelong Region Local Learning and Employment Network (GRLLEN) that aimed to support for those affected by the closure of Ford Australia.

Analysis and evaluation of the SAPs introduced in the automotive sector has been a key component of these initiatives. For instance the ACIL Allen Consulting (2017) report on the Ford Transition Program (FTP) noted low uptake of services among workers in the supply chain both prior to and post-closure due to the limited involvement in the process by supply chain management. It also found that while workers involved in the program were overall satisfied, only 35 per cent of those surveyed had found a job and the majority (55%) who had transitioned to new employment were now undertaking casual work. This is consistent with earlier evaluations of post-displacement employment for auto-workers which has found that they tend to be unstable positions with less pay and/or inferior employment conditions (Group, 2017; Stanwick, 2015). Given these outcomes, Browne-Yung et al. (2019) caution against a narrow focus on economic strategies, without addressing wider community inequities and health problems, especially for regional areas with pre-existing socioeconomic issues such as Playford, South Australia. Notwithstanding the scope of the SAPs in Australian automotive manufacturing sector over the last decades, Beer (2018:434) presents a critical overall assessment:

> Often these measures have not fully met the needs of retrenched employees and assume a stock of jobs accessible to the worker. They do not, in themselves, generate new employment locally, or necessarily assist workers to fundamentally transform their skills to find employment in a technology company or other start up…under current policy settings even well-managed redundancy programs may not prevent adverse outcomes at the local or regional scale. It is therefore not surprising that governments and other actors are experimenting with new approaches in order to achieve better outcomes.

5.3 Beyond Structural Adjustment Programs

A significant criticism of SAPs is that they cover such a limited number of displaced workers. The OECD argues that this raises two concerns (OECD, 2016, pp. 110-111). First, the designated industries are, almost by definition, in decline and therefore the share of workers receiving such assistance is likely to further decline. Second and more importantly, there is a fundamental inequity involved, with only a small number of workers getting access to SAPs and re-employment assistance that is not available to displaced workers in other industries and companies. While other countries also tend to target their support, they normally have a broader coverage of industries, or are "based on a numerical definition of collective dismissal" (OECD, 2016, p. 111). In Australia, individual or small-scale layoffs are virtually ignored.

Furthermore, in many cases, the majority (often a large majority) of funding for SAPs has been allocated to demand-side measures, aimed at new investment in an affected region, rather than to supply-side measures to help displaced workers directly. Evidence for the effectiveness of demand-side investment is not strong, and in most cases takes a significant period of time (sometimes years) to bear fruit, so that any economic benefits often come too late for the displaced workers. This makes anticipatory planning at a regional level particularly important,

rather than relying on plant closures being announced before policy responses are devised and acted upon.

There have been some signs of improvement on these fronts. The Commonwealth has amended regulations to broaden access to job services to family members of retrenched workers, and to allow earlier access in the process, as opposed to the previous situations in which termination via redundancy had to be finalised, or an individual needed to have been unemployed for a certain amount of time.

A new initiative that incorporates both these changes, as well as taking a more generic, region-based approach to labour market assistance, is *Stronger Transitions* (Department of Employment, Skills, Small and Family Business, 2019). Initially announced at the end of 2017, this $10.3 million program provides employment assistance to regions *expecting or anticipating* large-scale redundancies. The five initial regions identified as high-risk, and slated to receive the package, are: Adelaide, Mandurah/Murray, North Queensland, North/North-West Tasmania, and Melbourne's North and West. In addition to running employment centres and job fairs, identifying opportunities, and preparing candidates, *Stronger Transitions* further differentiates itself by funding dedicated coordinators and case managers in each region, allowing service access before official redundancy, and providing a relocation allowance for families. Although relocation is provisional on the new location being within 90 minutes travel, it somewhat mitigates the geographical aspect of job shortages.

The program is still in its infancy, and no official reports have yet been released, nor reviews published, to gauge its impact. Wallis and ACIL Allen Consulting are currently undertaking an evaluation of the program, with data collection continuing into 2020 (Wallis Group, n.d.).

5.4 Employer Initiatives

Independent of any governmental or regulatory mandate, several large firms in Australia that are undergoing significant structural change have created and implemented their own employment assistance programs. The most notable examples of this are NAB, Australia Post, Coca-Cola Amatil, and Rio Tinto, each of which was facing different pressures. NAB and Rio Tinto had a declining need for large portions of their workforces due to changing technology, while Australia Post is confronted by changing consumer preferences also driven by technology. Coca-Cola Amatil had economically unviable production costs in their current location. Notably, all are large corporations with the financial wherewithal to provide substantial support packages for their employees. The Commonwealth highlights the Coca-Cola and Australia Post examples on its "What's Next?" website providing advice for employers and employees facing redundancy (see https://whatsnext.employment.gov.au/case-studies).

Two main approaches that can be elucidated from best practice, as per prior research and outlined above, are re-deployment elsewhere in the organisation, and early intervention measures. Both are evident in these cases.

Australia Post, recognising the shifting nature of consumer behaviour and business priorities, have been restructuring the organisation. A prominent example of this is the declining need for motorbike riders, given the declining use of traditional mail, but the increasing need of truck drivers, due to the increasing volume of larger packages being delivered. Consequently, Australia Post implemented "Post People 1st", a program designed to protect the interests of their current staff. This included partitioning half their recruitment team to internal recruitment, and prioritising and facilitating internal applicants, and giving preferential treatment if they were suitably skilled and experienced, or retraining or upskilling where feasible. Doing so allowed, amongst many other roles, the transition of motorbike riders to truck drivers, given the significant overlap of competencies. Australia Post states that 60% of roles are now filled internally, as opposed to 25% previously (Seek 2019, as referenced in What's Next? 2019).

"Post People 1st" further includes career guidance, training advice, services to prepare for applications and interviews, and a helpline that receives 500 calls from staff members per month. Interestingly, Australia Post's prioritisation of employee needs is so extensive that all the above services are available to staff applying for jobs outside of the organisation as well as within.

For both NAB and Coca-Cola, there was an awareness that overall job numbers would inevitably fall, and that while redeployment would be theoretically ideal, it was unlikely that existing workers would be suitable for new positions being created. For Coca-Cola this was due to geographical constraints, and for NAB, capability constraints.

In an attempt to mitigate rising production costs, Coca-Cola retrenched 180 workers in their Thebarton, Adelaide, factory, in favour of an expansion of their operations in Brisbane (ABC News 2017, as referenced in What's Next?, 2019). Given the logistical impossibility of redeployment for the average worker, the company, in conjunction with the South Australian Government, offered an assistance package to every worker, valued at $4 000. Using an on-site transition centre, the package covered financial counselling, career counselling, and access to training (which it was claimed would be fully or partially subsidised). Further, there was early possibility of transitioning workers within industry, with Coca-Cola stating that other drink manufacturing companies had inquired about the workforce. Although no official review or report exists, the case demonstrates a commitment to theoretical best practice, assisted by the two-year notice period.

In the case of NAB, the company announced in 2018 that 6000 job would be retrenched in bi-annual waves over three years (Financial Review, 2018). Concurrently, the company launched "The Bridge", an ostensibly comprehensive suite of assistance programs that is entirely funded by NAB, and available to every departing employee (NAB, 2017). The program is accessible up to 6-months following redundancy, and is based out of physical employment centres. If searching for a new job, staff can access personal employment coaches, market advice, CV advice and interview practice, and an "active placement" service that matches workers with appropriate skills and experience to NAB business customers who are recruiting. "The Bridge" further offers financial, strategic, and managerial planning to prospective entrepreneurs; grants of up to $3000 for training and guidance on training paths; financial planning for those considering retirement; and general emotional support and counselling services (NAB, 2019).

According to NAB's 2018 *Annual Report* (p. 22), since the inception of the program in March 2018, 891 workers (84% of those retrenched) have accessed services. Of those who have "finalised their support", 79% have had successful outcomes in re-employment, re-training, entrepreneurship, and retirement. What percentage of the total retrenched workforce is represented by those having finalised support is unknown though.

Although comprehensiveness, it is worth noting that retrenched employees can only access "The Bridge" following their acceptance of impending redundancy. At the same time, and as part of updating their technological infrastructure, NAB is creating 2000 new IT roles, with corresponding training to prepare incoming employees (NAB, 2018). Whilst the training places and roles are advertised by NAB as being accessible to retrenched staff, realistically they are likely to be inaccessible to anyone without a previous background in IT.

Alternatively, Rio Tinto's approach represents a hybridisation of the previous two and arguably, "better" practice, given the greater level of comprehension and scope. Rio Tinto undertakes extensive, long-term (between 3 and 7 year) planning of its work systems, skill and labour requirements. It is currently in the process of automating its trucks in the Pilbara operations, and to a lesser extent, their trains and drills. Komatsu and Caterpillar, the two main providers of vehicles, have been incrementally retrofitting the existing fleet of traditional trucks to operate autonomously, whilst simultaneously developing a new generation of fully automated trucks that require even less intervention and management from a human element (Komatsu Australia 2019a; Caterpillar, 2019). Currently, Rio Tinto has approximately 380 trucks in operation in the Pilbara region, and although prospective claims are subject to change, Komatsu claims that each retrofitted truck necessitates five staff (accounting for shift changes and fly-in-fly-out rosters), whereas an entire fleet of fully autonomous trucks can be managed by a single employee at a time, from a remote location (Komatsu Australia, 2019b).

Discussions between one of the researchers with Rio staff indicate that there has been no net addition to truck driver numbers on mine sites since 2016. However, there have importantly also been no forced redundancies. Given the incremental speed of automation, displaced truck drivers are being redeployed through Rio Tinto's operation, and reassigned to similar or related duties on different mine sites. Although an impermanent solution, it successfully maintains employment for longer, and gives the employees more time to prepare for future opportunities or transition. Furthermore, the company undertakes career conversations with its employees over at least three points in time: first, 12 months prior to deployment, in order to discuss options and deal with anxieties or questions; second, more specific conversations about potential pathways into other roles in the same location or to similar roles in other locations; and third, matching the planned skill and training development pathway to the new job or role.

At the same time, Rio is developing new skills for its automated operations centre, through a collaborative venture with South Metropolitan TAFE and the State Government to invest $2 million into developing a curriculum on automaton (Rio Tinto, 2018). This also involves other companies interested in automation. A Certificate (*Certificate II in Autonomous Workplace Operations*) and general Course (*Course in Working Effectively in an Automation Workplace*) have been created thus far, with both intended for public delivery in 2020 (South Metropolitan

TAFE WA, 2019). Moreover, Recognition of Prior Learning will be offered, which will be potentially beneficial to a retrenched worker, previously from an automated workplace.

The Rio Tinto venture represents a significant commitment to socially responsible business, and attempts to address one of the biggest challenges facing retrenched workers, namely having skills no longer compatible with workforce needs. However, there are caveats. First, there will be no prioritisation of placements, or subsidisation of fees, available to Rio Tinto employees. Second, as with NAB, while theoretically possible, it is practically unlikely that truck drivers from Rio Tinto will be the target of the new automation courses, given the significantly more advanced skills and education held by staff in those roles.

6. Energy Transition and Support for Displaced Workers

The WA Government's announcement that during 2022-24 it will shut of two units of coal-fired Muja Power Station, based in the regional town of Collie, highlights the issue of energy transition in relation to potential future worker displacement. The Muja decision is principally associated with a reduced demand for traditional coal-fired baseload power generation as the proportion of WA households with photovoltaic (PV) solar power is expected to exceed 50 per cent within a decade and increased efficiency is projected to see operational consumption fall (Australian Energy Market Operator, 2019).

However, more broadly the OECD (Botta, 2019, p. 8) notes that "The low-carbon transition is one of the several transformations that societies need to undergo in order to move towards a more sustainable future". Adding to the current disruption of employment from technological developments associated with automation, artificial intelligence and other elements of the so-called fourth industrial revolution are the employment issues associated with an energy transition away from a carbon-intensive economy (Change, 2016).

The issue of a "just transition" towards environmentally sustainable economies and societies for all has become part of global governmental dialogues following on from the 2015 Paris Agreement and its ambitious goal of preventing dangerous levels of carbon emissions by limiting global average temperature increases to "well below 2°C" above pre-industrial levels (Change, 2016). The successful transition to a low-carbon economy will require the phasing out of non-renewable energy production in the electricity generation, transport and construction sectors. In terms of electricity, the Paris Agreement is projected to require a 50 per cent reduction in global coal-based electricity production in 2030, as compared to 2012 levels (ILO, 2018).

A recent report by Sheldon, Junankar and De Rosa Pontello (2018, p. 12) notes the substantial contribution that Australia's 23 coal-fired power plants make to national carbon emissions and argues that, given the growing role for renewable energy generation, Australia "must prioritise closing all its high-emission coal-fired power plants by 2050, with most to be closed by 2035" as a principal method of meeting the Paris Agreement's formal carbon reduction targets.

In meeting its stated goals the Paris Agreement's preamble acknowledges "the imperatives of just transition" which will be guided "in accordance with nationally defined development priorities" (Change, 2016, p. 9). With regards to national development priorities, the OECD notes that the potential impact of climate change mitigation policies on aggregate employment is modest because the heavily impacted sectors (such as fossil fuel supply and fossil-fuel electricity generation) represent only a small share of total employment. Although the number of Australians employed in the coal industry has expanded to 52,900 (ABS 2019) (or 0.41% of the total labour force), a smaller number is estimated to be employed in thermal coal mining, at around 29,000 people (RMIT ABC Fact Check, 2019). Sheldon, Junankar and De Rosa Pontello (2018) estimated that in 2017 Australia's coal-fired power industry directly employed 8,000 people, with a further 18,120 employed indirectly across Australia.

Nonetheless, the OECD observes that the impact of climate change mitigation policies

> can profoundly affect the lives of specific communities. The progressive phasing-out of carbon-intensive and extractive industry will present particular challenges to regions characterized by limited economic diversification and where firms operating in these sectors count for a large share of employment. While the relocation of workers to other regions may help to smooth the impact, this can lead to destabilizing effects on family and community lives. In addition, post-displacement jobs tend "... to be 'worse' […] along a number of dimensions, including average earnings, [than previous employment]" (OECD, 2013)…." (Botta, 2019, p. 7)

Such structural adjustment challenges for regions, workers and communities are clearly present in a regional town like Collie.

Sheldon, Junankar and De Rosa Pontello (2018) argue that handling of the closure of coal-fired power stations in Australia rank as some of the worst cases amongst the country's mixed record of industry structural adjustment programmes (SAPs). Poorly managed, closures can have significantly negative economic and social impacts – e.g. the closure of Hazelwood Power Station demonstrates the potential negative impact, when 750 workers suddenly found themselves unemployed. They highlight key factors that marred the handling of closures in Port Augusta (SA) and La Trobe Valley (VIC):

1. A lack of communication and forward planning as part of a transparent public decision-making process regarding decisions over the phased timing of closures.
2. A lack of input from wider stakeholders to develop an inclusive vision of the industry transition that reflects accountability and social responsibility to workers, the community and region and the environment.
3. A lack of acceptance by Australian governments of their responsibilities to introduce a systemic approach that offers top-down support to affected workers and communities.

Sheldon, Junankar and De Rosa Pontello (2018, i) note that industry transition opportunities are case-specific and depend of the unique features of a particular region. Nonetheless, internationally the success of such programs, such as the SAPs introduced in the Ruhr region of Germany, have been characterised by "forward planning, investment in industry

diversification, staggering of mine closures and a comprehensive package of just transition measures".

Such elements are evident in the approach taken to Collie. The announced closure of the two Muja power two plants evidence forward planning and a staggering of industry transition. While it is expected to lead to the initial loss of 80 jobs, the closures add to the poor market conditions of the town's two coal-mining operations, Premier Coal and Griffin Coal, which together employ more than 500 people between them and hundreds in support businesses. Therefore measures to support industry diversification and attract new investment in the Collie region, in line recommendations from the Collie Economic Development Task Force (Keston Technologies, 2017), have been developed. These include the five-year $20 million Collie Futures Fund and $60 million Industry Attraction and Development Fund. The State Government has also announced the establishment of a Collie-based Industry Attraction Team.

Beyond such state and regional government initiatives, Sheldon, Junankar and De Rosa Pontello (2018) advocate that, given the scale of the energy transition in Australia, a national, independent statutory authority should be established to plan, coordinate and manage the transition. To minimise negative economic impacts on workers and communities, this national Energy Transition Authority (ETA) would help to coordinate a phased shut down of coal-fired power plants. This concept was supported by the ACTU and the federal ALP, with the latter proposing a 'Just Transition Authority' to implement pooled redundancy and redeployment schemes across affected regions in Australia (ALP, 2018). However, at a national level, there appears to be very little bi-partisan agreement on the nuances of the transition and the exact nature of a 'best practice' in structural adjustment program in energy transition in Australia is still undetermined.

7. A Role for State Governments?

Unsurprisingly, most research and analysis about supporting displaced workers is about the Commonwealth level, for both general assistance as well as for targeted initiatives such as Structural Adjustment Programs. Therefore, this report has focused on that aspect of the issue.

The Commonwealth is responsible for most of the relevant institutional levers dealing with employment. These include both *proactive* measures such as employment protection legislation, notice periods, dismissal laws, severance pay, etc., as well as *activation* strategies such as income support (e.g. unemployment benefits) and employment services.

The Commonwealth has also played a highly significant policy role in most sectors subject to SAPs, through for example tariff and trade policies, competition policy, energy policy, and even external treaties. And of course, as the dominant fiscal level of government in Australia, the Commonwealth is the principal source of funds for most restructuring programs.

Nevertheless, State Governments have been involved in several SAPs, often contributing significant sums. These have mainly been aimed at investment in new industries and economic diversification, but have also included support for training. For example:

- Both South Australia and Victoria established their own support programs in the wake of the shutdown of the car industry. The Victorian government provided $46.5 million towards its automotive transition plan, while the South Australian Government has initiated and funded a succession of support programs in the automotive sector. These included a $60 million 'Our Jobs Plan' in 2014 in response to the closure of General Motors Holden, which incorporated $16.65 million for an Automotive Supplier Diversification Program (ASDP). Later it established a 'Northern Economic Plan' with $24.65 million to accelerate job creation and diversification in the northern region of Adelaide.
- Victoria announced State Government investment funding of $266 million (including $22 million for affected workers) in response to the Hazelwood power plant shutdown in the La Trobe Valley, which was supplemented by $43 million in federal funding.
- The South Australian government also provided smaller amounts to assist workers from Bridgestone Tyres and Coca Cola Amatil to access training and other support
- In Tasmania, an Intergovernmental Agreement relating to forestry restructuring saw State Government investment of $15.5 million, to go alongside significantly greater support from the Commonwealth. These funds went towards worker and family support, counselling etc. A North-West Northern Tasmania Industry Investment Fund (NWNTIIF) included Tasmanian and Commonwealth support for employment in small business as well as reskilling of retrenched workers.

Outside of Collie, where it is already investing heavily in anticipation of diversifying that town's economic base, Western Australia is relatively fortunate in not having a concentration of large, 'old' industries in regional areas that are commonly the basis for establishing a SAP. However, this also provides the State with an opportunity to consider more flexible, light touch and relatively financially modest roles to prepare workers for future job transitions. While the scope of this report has not enabled a detailed examination of how State Governments can be involved in supporting displaced workers, the literature indicates several potential roles, including:

- Advanced monitoring of potentially vulnerable industries and regions;
- Undertaking regular dialogue with key employers, industries and unions, to encourage early notification of any problems or potential downsizing;
- Anticipatory training for new skills (e.g. the Rio scheme for automation)
- Direct training support for affected workers, including advice, support for RPL and skill audits, and subsidised provision;
- Investment in new industry and economic opportunities;
- Small business and entrepreneurship support;
- Urban redevelopment in affected areas;

- Working with the Commonwealth on regional assistance planning e.g. *Stronger Transitions.*

Finally, two of the most important activities that any State can undertake is to focus attention on potential problems, as well as to learn from previous interventions. To this end, two suggestions for future consideration by State Government would be to:

- Prepare for, and 'game plan', potential mass layoff scenarios.
- Evaluate previous State interventions. An under-studied but apparently successful one would be the WA government's support package for affected workers and communities following the decision to halt logging of old growth forests in 2001.

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