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## **Workforce Futures:**

### ***Towards an Australian Workforce Development Strategy***

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Skills Australia would like to hear your views on *Workforce Futures* and welcomes your written submission by **6 November 2009**.

To assist with the analysis of submissions received, we request that feedback is provided using this template. Your co-operation is appreciated.

Submissions received may be published by Skills Australia or quoted. Please indicate in the space provided below if you would like your submission to remain confidential.

Please email submissions to [secretariat@skillsaustralia.gov.au](mailto:secretariat@skillsaustralia.gov.au)

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#### **Submission information**

Organisation Construction & Property Services Industry Skills Council (CPSISC)

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Contact Mr Alan Ross

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Phone 02 6253 0002

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Email Alan.Ross@cpsisc.com.au

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## Workforce Futures:

### Background Paper One

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#### What does the future hold? Meeting Australia's skill needs

The *Workforce Futures Overview* paper raised a number of questions relating to Skills Australia's proposed approach to developing an Australian Workforce Development Strategy. In this section, we seek your feedback on questions relevant to meeting Australia's skill needs. *Background Paper One* at [www.skillsaustralia.gov.au/Publications\\_and\\_Resources](http://www.skillsaustralia.gov.au/Publications_and_Resources) highlights a number of issues for discussion which are relevant to your response.

Please provide feedback to these questions in the boxes below. A space has been provided at the end of the section to provide feedback on other issues you wish to raise.

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#### Future skill needs and projections

Q1. Are Skills Australia's interpretations of our future skill needs reasonable? Is there other evidence or analyses that should be considered?

*CPSISC acknowledges in part a basic premise of the 'Workforce Futures' discussion paper that over recent decades there has been a move from within advanced industrial economies for growth to be driven by services, electronic technologies and information and less by manufacturing.*

*While at a macro level this is demonstrated by the data, CPSISC would counsel that polarised views be avoided in any discussion of the relative contribution, and needs, of various sectors. To state the obvious, all sectors are interlinked and each provides a contribution. Efforts to redress the impacts of the Global Financial Crisis demonstrate the reach and impact of 'traditional' industries – the building and construction industry, for example, was turned to as a focus for stimulation because of its broad impact and ability to provide 'economic multipliers' that would drive growth across the entire economy and community.*

*There is also a tendency to speak of the importance of services, technology and information as though they are only to be found in discreet ANZSIC coded industries when, in fact, they, and the skills that they represent, are embedded in any and all industries.*

*Scenario planning is a valuable tool but it is fraught with difficulty. While it can help*

*prepare for the future it is not a predictive process.*

*CPSISC believes that globalisation and relatively open markets will continue although discriminating between an 'open door' and 'low trust' model is problematic with, it is believed, a blend of both scenarios being likely. The overly stylised characterisations of 'open door' and 'low trust' globalised markets do not ring entirely true. But, this does not mean that across industries and markets there will not be a growth in openness to competition that will receive differing levels of regulation and controls depending on their importance to the nation and the impact of unbridled competition on the well being of the community and national interests.*

*CPSISC is working with its industries to ensure they thrive in increasingly globalised market places but it is imperative that government does not lose sight of the fact that even within an industry where there are strong individual players who operate globally that there will co-exist many enterprises who will and must operate in the local market where global competition is less obvious.*

*A key attribute of the 'services sector' is that the services are typically performed in person. The community tends to think of this as being a lower paid waiter in a restaurant or a hairdresser providing a 'service' to the customer who must be present. CPSISC is not positioned in the services industry but the people who work for its enterprises frequently provide 'in-person' services that cannot be performed in Bangalore or Bangkok. For example, a house is built or sold by highly skilled and well remunerated workers in Australia. The management of pests or the disposal of waste also occurs at a local level and there is no expectation that global markets will significantly impact the need for the ongoing building of a skilled workforce in so called 'traditional industries' that form part of the CPSISC coverage within this country.*

*CPSISC also believes that irrespective of the model of globalisation that develops there will still be a need for significant investment in skill and broader workforce development to address the key challenges facing its industries now and into the foreseeable future, namely the need to:*

- *secure replacement labour to address the impact of an ageing workforce*
- *provide continual upskilling, in frequently highly technical and specialised occupations, to optimise enterprise productivity through the effective utilisation of new technologies and methodologies. It must also be remembered that 'technology' is not a synonym for ICT. Many industry sectors are developing specialised and unique technologies to improve efficiency or create new or better products and services.*
- *grow increasingly sophisticated skills to ensure the effective and efficient management of enterprises.*

*CPSISC acknowledges that many of the occupations within its coverage are recognised*

*as falling within high growth areas as determined by all three scenario models. These include real estate and technical services (which would embrace specialist sectors such as fire systems designers, building designers, spatial information specialists etc).*

*CPSISC does, however, counsel that policy decisions are not made on the highly generalised data provided in the scenario modelling. The modelling (page 15) indicates that across scenarios there is below average growth and a declining share of employment for tradespeople, we think this is inaccurate. In this respect the lack of finer granulation of data in the modelling is troublesome. CPSISC also notes, with some concern, that because of data insufficiencies that many of its key sectors are not adequately identified or represented in the modelling (see, for example, lack of data for the full scope of property services sectors on p.26).*

*While some data modelling may show that some trades will experience a decline in share of employment as a result of shifting technologies or changing market demands others remain central to economic growth and social cohesion. For example, Australia's demonstrable housing shortage currently at least 190,000 dwellings (which will remain a challenge for the foreseeable future as population grows) will see an increasingly high demand for all construction trades. It is recognised that it can be a challenge to recruit into these occupations, which is a workforce development challenge for all stakeholders, but that does not mean that the demand will not exist and grow.*

*Access to better and finer data to aid decision-making can only occur with the engagement of industry stakeholders. The ISCs are well placed to provide a lead and coordination in this area. The progression of their role from solely 'developers of Training Packages' (albeit an important function) to mediators and supporters of industry workforce development is welcomed by CPSISC. Government must indeed focus on providing sustainable structures to support a skilled and productive workforce but 'on the ground' decisions about the allocation of funding and the prioritisation of activities can only occur with the involvement of the end-clients – industry and workers.*

## **A risk-based approach**

Q2. What is your response to our proposal that governments should adopt a risk-based approach to skills planning? What do you see as the respective roles of industry, governments, education and training organisations and individuals in planning?

*CPSISC concurs that it is a complicated world and that planning for future skills cannot be effective with the application of one model or methodology – multiple approaches tailored to the needs of the particular situation are required. Uncertainty cannot be eliminated but processes can be put in place to ensure a more rapid response to changing circumstances.*

*The need for nuanced approaches and those that address areas with the highest*

*probability of risk is applauded. Once again, however, CPSISC would counsel that many of the statements that are used to underpin the discussion are so generalised as to be potentially dangerous to particular sectors and should be used as reference points rather than blue prints. For example, the discussion of NCVET research conducted from 2004-2008 speaks of training relevance being 'uneven'. That is, as people progress in their careers the initial training has less relevance to their final work roles. It is cited that 'the relevance of initial qualifications begins to fade as people move through their employment careers'. While this may be true for people with highly generic and transferable skills such as administrators, managers and salespeople it does not hold true for many highly technical roles where skill is built, deepened and enriched over time.*

*For example, the skills of a hydraulics engineer or fires systems designer do not have less relevance as he or she assumes more senior roles. Similarly, a building designer who may commence work as a draftsman still requires those skills as he or she, over time, adds new skills and establishes a flourishing building design practice. In many areas where skills and effective performance require the development of deep skills over time the initial qualification held by a practitioner does not become 'less relevant' but acts as a launching pad for future growth. It can be argued that the notion that underpins much of this cited research paints a picture of 'wasted' or 'redundant' skills that are superseded as people progress their careers. This is counter intuitive to the experience of most people who recognise that they add rather than lose or cease to use skills and knowledge.*

*CPSISC does not support solely institutional training in the construction industry. CPSISC also agrees with the premise (page 57) that skills gained on the job are as important as those gained from formal education or training. The real challenge that CPSISC has grappled with is the capacity of the current training providers to recognise this fact and harness the workplace as a key part of the skill development process. Workplace Development, Recognition of Prior Learning and training for skill 'gaps' are basic concepts that many (particularly large public providers) still find challenging.*

*All stakeholders discussed in the discussion paper including government, industry, enterprises, training providers and individuals do and must play a role in ensuring access to appropriately skilled people and the development of the workforce (and therefore greater workplace productivity).*

*It is obviously the place of enterprises, supported by their industry associations, unions and ISCs, to ensure appropriate strategies are in place to attract and retain needed workers. Although the government can and does drive macro economic policy to underpin these strategies it is ultimately at the enterprise level where decisions are made about how the workforce will be structured, what skills are required and what is the required size of the workforce to underpin production or service levels.*

*The proposed criteria (page 58) for involvement by government in the planning for provision of skills for particular occupations makes sense and would deliver effective outcomes for the investment of public expenditure. CPSISC is particularly pleased to see*

*identified the need for government involvement in planning for skill development in areas that are affected by regulation and where skills are highly specialised and where there is a high level of disruption to the economy and community if they are not available. CPSISC would, however, wish to see added to this list of criteria (or its inclusion made more explicit) specialist areas where there are small numbers and market failure resulting from a lack of willingness by providers to enter a market they see as being not commercially viable. Many industries have suffered, and continue to suffer, from being seen by providers as a 'thin market'. Often, these industries also require specialist technical training that provides a particular challenge for training organisations that are still driven by a funding model that expects 20 students to be enrolled in a qualification for classroom delivery. The need of these industries, however, can be significant and the impact for the community in skill and labour shortages also can be significant.*

*CPSISC also notes the 'source' for input to decision making (pages 59-60) includes significant government information sources with only limited input in some areas from ISCs. CPSISC believes the reliance on data sources (such as ANZSCO and ANZSIC based data) which are problematic, and often criticised by industry as not representing the true structure of the workforce or the focus of enterprise activity, must be addressed. More appropriate funding of ISCs to conduct reliable industry research – to a standard required to support government decision-making - should be a priority to generate more finely nuanced and accurate data than that which is currently available.*

### **Investment to support workforce demands**

Q3. How can we best use current investments to support our emerging workforce demands? What types of interventions may this require from governments, education and training organisations, industry and others?

*CPSISC is committed to working with governments and training providers to achieve the optimum outcomes from both public and private expenditure on skills and workforce development.*

*CPSISC also is in agreement with many of the areas of 'imbalance' identified in the report (page 67-69) that require response.*

*The need for an increased focus on adult literacy has long been identified as a priority for its industries – and is one that does require increased government investment as well as a greater focus in the nation's school system.*

*Similarly, the current level and models for the public purchase of training must be addressed. For too long the models of funding based on the purchase of 'nominal' hours (which is inherently contradictory to a competency based model) and assuming a particular level of enrolment in a qualification have squashed creativity and limited the development of improved delivery methods – particularly workplace delivery and*

*development. It is time for a root and branch review of the funding models deployed in the states and territories and one that is not hampered by narrow constraints such as the capacity of a state's computer system or the inability of providers to readily capture data.*

*CPSISC also concurs with the need for a better understanding to be built of the investment that is made by employers in the provision of skills development that benefits the nation as a whole. With improved understanding would come a greater recognition of the capacity of workplaces to add to the learning experience (rather than having training 'done to them' by training providers). Greater understanding of the contribution of individuals, employers and the state in the funding of skill development should also lead to a better informed discussion about how the costs can and should be apportioned across these stakeholders.*

*CPSISC does challenge the belief expressed (page 68) that the amount of training delivered in workplaces 'remains small compared to that delivered in educational institutions'. An assertion which, in fact, runs counter to other points expressed in the paper. It also does not take into account the unquantified role that employers play in building, extending and refining skills. If the statement refers to the delivery of qualifications (as opposed to skill development) this can be attributed to the difficulties enterprises face in negotiating the recognised VET system.*

*It is proposed that Skills Australia consider adding to the areas requiring 'rebalance' the notion of access to and transparency of the VET system. Although there have been steps taken during the past decade to make recognised training more accessible, many employers, particularly small and medium sized enterprises, still find the VET system opaque, mysterious and inflexible. While addressing this challenge will require a multi-faceted response it is clear that lifting the industry experience and skill levels of trainers and streamlining information provision will lead to better and more engaged access with the formal VET system than is currently the case.*

## Proposed actions

Q4. Do you have any comments about any of the specific actions suggested in Section 4.3 of Background Paper One?

*Specific suggestions are included in other responses.*

## Impact and ways to improve Skills Australia's proposed approach

Q5. How might our suggestions impact on your organisation/industry? Can you see advantages or disadvantages to our proposals? What could we do about it? What else should we be considering to make our future planning even better?

*CPSISC welcomes the opportunity for ongoing input to the refinement of the nation's education and training systems and workforce development processes that will be led by Skills Australia during this review.*

*Following more than a decade since the development of a national competency-based vocational education and training system it is time to seek opportunities for further refinement – whilst ensuring the retention of the positive key elements of the system including the industry-informed and industry-led nature of VET.*

*CPSISC would welcome processes that will see:*

- *a more holistic approach to workforce development*
- *recognition of the contribution and role played by workplaces in the growth of the nation's skills*
- *greater flexibility and creativity in the provision of formalised skill development*
- *greater accessibility to education and training through the use of a variety of delivery modes*
- *better, more realistic and more flexible funding models*
- *a focus on the continual improvement in the quality and relevance of formal education and training*
- *a nuanced planning process that enables the diverse needs of industries and the requirements of niche as well as large sectors to be well supported*
- *decision-making based on better data*
- *skill development that is 'fleet of foot' and enables enterprises and individuals to respond to emerging skill development needs*
- *opportunities for the life long building of skills (from a firm initial base)*

*and*

- *the recognition of these skills irrespective of whether they are developed in the workplace, a VET provider's campus or a university.*

*Please also note – many of these comments are also pertinent to the review of Discussion Paper #2.*

### **Other comments**

Q6. Do you have any other comments in relation to meeting Australia's skill needs or issues raised in *Background Paper One*?

*No further comments are provided although CPSISC would seek ongoing participation in the development of the Skills Australia 'Workforce Futures' strategy.*



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## **Workforce Futures:**

### **Background Paper Two**

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#### **Powering the workplace Realising Australia's skill potential**

The *Workforce Futures Overview* paper raised a number of questions relating to Skills Australia's proposed approach to developing an Australian Workforce Development Strategy. In this section, we seek your feedback on questions relevant to realising Australia's skill potential by powering the workplace. *Background Paper Two* at [www.skillsaustralia.gov.au/Publications\\_and\\_Resources](http://www.skillsaustralia.gov.au/Publications_and_Resources) highlights a number of issues for discussion which are relevant to your response.

Please provide feedback to these questions in the boxes below. A space has been provided at the end of the section to provide feedback on other issues you wish to raise.

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#### **Time for the next step in progressing Australian workforce development?**

Q7. Is it timely to adopt an innovative approach to skills that includes a focus on how skills are used and is linked to the way work is organised? How relevant do you find the definition of workforce development offered by Skills Australia (see Paper Two, Section 1.1)? How could it be improved?

*The definition provided in section 1.1 (page 7) provides a useful base and reflects a recognition that has long been held in many thoughtful enterprises that developing skills is only the first step in ensuring the enhanced efficiency and effectiveness of the enterprise.*

*The definition is also congruent with other literature in the area (eg Jacobs and Hawley<sup>1</sup>) and also reflects long standing concepts drawn from the discipline of organisational development. It should be noted that many people working in the area of training have been engaged for many years in the promotion of more holistic concepts such as 'performance consulting' and 'performance analysis' that aims to link the work environment with learning needs in order to address business needs<sup>2</sup>. The notion of workforce development is in fact not new.*

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<sup>1</sup> From: [http://www.economicmodeling.com/resources/wp-content/uploads/2007/11/jacobs\\_hawley-emergenceofworkforcedevelopment.pdf](http://www.economicmodeling.com/resources/wp-content/uploads/2007/11/jacobs_hawley-emergenceofworkforcedevelopment.pdf)

<sup>2</sup> Note: the American Society of Training Development (ASTD) has a long publishing history in this area. Eg Robinson, Dana and Robinson, James eds (1998) *Moving from training to performance: a practical guidebook*, ASTD and Berrett-Koehler Publishers

*Performance analysis or consulting, in common with the concepts of workforce development, seeks to find practical solutions that will see the 'right' skills developed and deployed in order to achieve improved enterprise performance. In conjunction with this strategy is the improved analysis of the outcomes of training and development and a strong focus on ways to measure return on investment for training expenditure. These concepts have not had significant take-up within, in particular, the public training provider world within Australia and will be largely confined to large and sophisticated corporate identities with strong organisational development and training departments.*

*Agreeing to a standard definition of workforce development is useful but it will remain an interesting academic concept if it is not supported with programs for the significant upskilling of enterprise and education and training personnel.*

### **Encouraging workforce participation and improving productivity**

- Q8. How can we link education and community-based strategies to build the level of workforce participation in Australia? How can we ensure our workplaces make effective use of people's skills and knowledge? What do you think are the pluses and minuses of localised, regional or industry-based approaches?

*Care must be taken in accepting at face value the notion of current skill 'under-utilisation' (eg page 5) and the need to boost demand for high skills as well as boosting supply.*

*Enterprises will always seek to employ the most skilled individual who will be able to make a positive contribution to the organisation. This provides enterprises' with flexibility and provides the opportunity to have people work and contribute broadly across the organisation – characteristics that are to be encouraged. A highly skilled worker enables the enterprise to take up opportunities and, indeed, create opportunities that an employee who may hold a qualification that meets only minimum requirements will not be able to achieve.*

*Similarly, those who undertake a 'generic' qualification (eg an arts degree or a general administration or management qualification) may indeed be seeking choice and flexibility in their work – and are not wanting to commit too soon to a specific industry setting or occupation. This is in contrast to those who seek a qualification in a highly specific area that equips them for a particular work role eg, in surveying or plumbing or pest management or facilities management. It is unlikely that these graduates would be undertaking the training 'on spec' but rather the qualifications are sought for a specific reason and to prepare them for a specific role.*

*The analysis that is presented (page 9) showing the people who are employed at a level lower than the qualification that they hold may also be a direct result of the focus of large*

*public providers on delivering the 'generic' qualifications mentioned previously. Industries often struggle to secure provider support for the delivery of specific industry training and instead see candidates funnelled into existing broadly based qualifications that are easy to deliver and for which the training provider is well equipped. This is often cloaked in rhetoric that says the training providers are equipping candidates for an ever changing world of work and building transferrable skills which, while in part true, can also be self serving.*

*Notwithstanding the ongoing challenges of ensuring appropriate utilisation of the nation's skills we should also recognise the successes. CPSISC is conscious that that use and funding of traineeships and apprenticeships plays a significant role in the skilling and maintenance of employment for some of the nation's most vulnerable workers and also those who perform vital services – particularly in areas such as cleaning and waste management. Contact with the formal world of training builds skills and esteem for workers who are frequently employed on a part time or casual basis and may often have language and literacy problems.*

*What is now required, however, is a stronger focus on the continual skilling of these workers so that new work options are created and their grip on the paid workforce is strengthened. Achieving this goal is, of course, a complex task and involves reconsideration of business models that are currently used, the building of management and supervisory skills in the workplace and the use of more flexible training solutions.*

*The message is that for workforce development to be successful and deeply engrained in the Australian community will require a multi-layered response. It is not a question of choosing a local, regional or industry response but of harnessing all approaches.*

*A single effort at the local level may deliver training that is focussed on short term gains and where the power and knowledge of the local training providers can swamp the genuine needs of the enterprise – delivering what the training provider wants not what the enterprise needs. A regional approach would have similar problems and could serve (as is frequently the case now) to confuse and frustrate enterprises seeking to negotiate across state borders for the delivery of training to their workforce.*

*Industry leadership provides the opportunity for longer term and big picture planning and the identification and articulation of strategic workforce development needs. This important approach also must be well supported by skill development delivery that is responsive to local enterprise needs. The delivery of skill development must occur, however, within a clear national framework that is understood by all stakeholders and consistently applied across state borders.*

*Industry too must take the lead in promulgating strategies for the broader workforce development that extends beyond training. It is unlikely that training providers at a local level would have either the skills or credibility to intervene and support enterprises as they develop staff attraction, retention and skill utilisation programs – embedded as they are in*

*the internal business planning processes of organisations.*

*The building of a workplace development ethos and practices will occur best within industries (and tailored to industry needs) and promulgated through industry networks into local areas.*

### **A national approach**

Q9. Do we need a shared national workforce development framework to link and coordinate the range of activities being undertaken across Australia? What elements should it contain? What might be a good outcome from having a shared framework?

*A national framework to link a broad range of activities across Australia would provide opportunities for more cohesive, better considered and better resourced strategies to be implemented.*

*The elements that are required for the building of a 'workforce development culture' include:*

<i>Building a strong evidence base</i>	<i>Develop industry focussed research programs to gather data about industry and community needs to inform decision making and support rational resource allocation.</i>
<i>Creating commitment to workforce development</i>	<i>Extend programs designed to build enterprise understanding of the value and business benefits of a planned approach to workforce attraction, retention, development and skill utilisation. This would require the creation and consistent roll-out of information to enterprises by industry and that is not couched in 'government or VET speak'.</i>  <i>Implementing local workforce development plans in enterprises is a major challenge and the current Workforce Development programs run by ISCs could be used as a launching pad for further development and roll-out. State ITABs, local associations and chamber of commerce, local councils and economic development boards would also provide entrée to local enterprises and be in a position to build long term relationships.</i>
<i>Delivering skill and workforce development</i>	<i>A strategy to (finally) deliver a nationally consistent approach to VET delivery has been a long term goal of ISCs and the industries that they represent. Although</i>

	<p><i>national Training Packages have provided a major advance in the delivery of consistent training outcomes and a focus on industry needs there is still significant 'push back' by RTOs that would prefer to run their own training solutions – all in the guise of meeting local needs.</i></p> <p><i>There are also still inconsistencies in the application of national structures such as funding models and quality assurance mechanism across state borders. Further work needs to occur in this area.</i></p> <p><i>The roll-out of workforce development strategies will require a substantial investment in:</i></p> <ul style="list-style-type: none"> <li><i>• The training of practitioners to support the process in enterprises</i></li> <li><i>• The development of tools and resources for use in enterprises and by providers of workforce development services</i></li> <li><i>• The development of communication tools</i></li> <li><i>• The development and deployment of evaluation tools</i></li> <li><i>• The sharing of best practice and the experiences of successful 'learning organisations'</i></li> </ul>
<p><i>Improving accountability and quality</i></p>	<p><i>Objective and high quality evaluation mechanisms are required to fully monitor the quality of the training delivery and the impact of the workforce development programs on the operation of enterprises.</i></p> <p><i>Everyone connected with the training system has experiences of RTOs undergoing audits that are seen to be tokenistic. The current VET system is focussed on measuring inputs and not true outcomes. The numbers of students enrolled, the number completions and the monitoring of 'nominal hours' for training are being used as proxies for the proper evaluation of the impact of training and skill development. The need for more sophisticated and better evaluative techniques will become even more essential if the national focus shifts to workforce development rather than the narrow construct of training delivery.</i></p>

## **Impact of workforce development**

Q10. What impact would a workforce development approach have for your organisation and/or industry? How might government support or facilitate change, thinking about both the productivity and the workforce participation aspects?

*A workforce development approach would be welcomed and is championed by CPSISC who would seek to extend its current Workforce Development program beyond its current scope.*

*The response to Q10 provides a brief overview of the broad framework for the implementation of a workforce development approach – and CPSISC would be pleased to continue discussions with Skills Australia regarding the more detailed planning that will be required for effective implementation.*

*The leadership of government, and a whole of government approach, is essential to ensure that barriers or impediments to take up due to unnecessarily complicated bureaucratic processes are removed and, most importantly, to stimulate debate within the the community and industry about the benefits of a workforce development strategy.*

*It is also inevitable that a major initiative will require funding and CPSISC believes that a blend of direct service purchase (as occurs with the current public purchase of training in priority areas) and incentives provided through the tax system for enterprises adopting a holistic workforce development strategy would be beneficial.*

*Critically, however, industry must also take a lead and CPSISC is confident that the industries it represents will be ready to work in partnership with government to build understanding and practice that will lead to a more productive and skilled workforce.*

## **Strategic priorities and leadership**

Q11. What is your response to our proposed strategic priorities? What are the implications for your organisation/industry? Who might take leadership responsibility for these different elements?

*CPSISC broadly supports the four strategic priority areas although, as mentioned previously, there is also need to make explicit – perhaps as part of the 3<sup>rd</sup> bullet point and priority (page 60) - the need to remove barriers to the active engagement of enterprises and workers with the skill development system and to commit to ongoing improvement in the quality and consistency of services delivered across the nation.*

## **Linking framework and funding**

Q12. How can we strengthen the linkages between government agencies and organisations responsible for education and skills on the one hand, and business development and innovation on the other? Can you envisage different program arrangements or funding flows?

*It is clear that all the stakeholders who must be involved in the shift to a workforce development approach are already involved in the current VET system. Industry associations, unions, government agencies (at all tiers), some enterprises and education and training providers are all currently engaged.*

*Industry Skills Councils, it is believed, should have an ongoing and active role in providing a forum for the involvement of these stakeholders.*

*Given the existing access to and engagement of the stakeholders it seems that the challenge rests in removing complexity and barriers to the adoption of a broader and more productive workplace development approach by industry and enterprises.*

*Chief amongst these is the complexity of navigating the differing requirements of each state and territory when seeking to access skill development – and particularly funding support for skill development.*

*Skills Australia should, as a priority, work to streamline funding arrangements and enable greater targeting of priority areas. It is proposed for consideration that:*

- *Specific funding be made available to support the development of workforce development plans at the enterprise level*
- *A proportion of funding be ear-marked for the purchase of training and workforce development services that meet agreed criteria and that is managed by the ISCs on behalf of their industry stakeholders. It is recognised that a similar proposal, initially identified for use in the workforce development 'PPP', was seen by states as a threat to their control of training purchase within their jurisdictions. The less than useful or consistent roll-out of PPP sent a clear message to industry that training provider priorities and needs would trump industry needs. This message needs to be recast and trust with industry strengthened*
- *Processes be put in place to actively facilitate education and training providers to work nationally and access the same funding sources and levels irrespective of the jurisdiction in which they are working*
- *Funding for workplace delivery of skill development programs to be made a priority*

- *Funding and strategies be put in place to inform education and training providers of industry and enterprise priorities and to strengthen local providers' planning processes.*

*CPSISC is well aware that in a necessarily short response it is difficult to be comprehensive or detailed. The ISC would welcome participation in the ongoing discussions of funding models and the means of fostering partnerships and improved access.*

### **Other comments**

Q13. Do you have any other comments in relation to realising Australia's skill potential or issues raised in *Background Paper Two*?

*No further comments are provided although CPSISC would seek ongoing participation in the development of the Skills Australia 'Workforce Futures' strategy.*