

invigorating



CHAMBER OF
COMMERCE &
INDUSTRY
QUEENSLAND

> Workforce Futures

CCIQ Submission to Skills Australia

6 November 2009



Submission information

Organisation Chamber of Commerce and Industry Queensland
Contact Megan Lewis
Phone 07 3842 2254
Email mlewis@cciq.com.au

Do you agree to the publication of your submission?

Please check one.

- I agree to Skills Australia publishing this submission and/or attributing quotes.
- This submission is to remain confidential but I agree to Skills Australia quoting content anonymously.
- This submission is to remain confidential.

The Chamber of Commerce and Industry Queensland (CCIQ) is the state's peak industry body, representing the interests of 25,000 businesses, across all industry sectors and in all regions. A skilled and productive workforce is a matter of high priority for the Queensland business community and CCIQ strongly supports current efforts by governments to improve Australia's education and training system, addressing skills shortages and responding to productivity and participation issues.

CCIQ advocate industry led solutions to skills and productivity which includes a 'market' driven workforce development approach. CCIQ strongly supports the process of workforce planning as the central platform for driving skills and workforce development, addressing skill utilisation, and lifting workforce productivity. CCIQ recommend that the role for governments is to provide the optimal environment to support the 'market' in its decision making and workforce development activities. This would include providing relevant and timely information about the supply and demand for skills, ensuring an efficient and effective education and training system, and providing adequate funding and infrastructure.

Accordingly Skills Australia should be applauded in its attempts to explore innovative and strategic approaches to meeting Australia's future skills needs and for challenging the current Government approaches to workforce development and productivity and participation issues. Unfortunately the strategies and proposals outlined in the Workforce Futures papers fall short in delivering any fundamentally new ideas or approaches and much of the rhetoric in the paper does not reflect the reality of the workforce today nor the current and future needs of industry, employers and individuals.

The Australian Chamber of Commerce and Industry (ACCI) has provided detailed comments in response to the issues arising from the Discussion Papers. CCIQ share the views and comments made by ACCI in their response. However, CCIQ highlight the following key issues, relevant to our members and the Queensland business community:

- A key criticism of the Skills Australia’s interpretations of future skill needs is the focus on occupations and qualifications. Qualifications are not a proxy for the skills required by industry to drive productivity within the workplace. Typically employers view their workforce in terms of skills, workplace experience and personal attributes, hence the dominance of issues such as skills sets, employability skills and work readiness on the skills, education and training agenda over recent years. In recent surveys conducted by CCIQ workplace relevant skills, industry and business knowledge and work readiness rated as the three most important skills to employers.
- Equally the assertion (and the associated policy implications) that professions and high level skills will dominate over low level certificate qualifications is problematic. This assessment underestimates the value of entry and lower level qualifications to industry and their contribution, by way of facilitating pathways to higher level skills, to broad social and workforce development agendas. CCIQ cite industry feedback that qualifications at lower levels are better suited to the majority of employers needs and that an increasing number of bachelor level or higher qualified employees are returning to vocational and certificate level training to obtain the practical and workplace relevant skills. The drive to achieve higher level qualifications where market demand for those qualifications does not exist may further exacerbate the skills mismatch that already adversely effects productivity growth within industry. Furthermore promoting higher level skills in areas where there isn’t a real demand will undermine the integrity of the qualification and promote a downwards creep in the pedagogical standard of qualification levels.
- In essence the criteria for determining ‘high-risk’ occupations is sound. However it is our view that this approach does not represent a significant departure from current practice and, as the results from testing of the methodology demonstrate, do not identify any substantially new or different occupational groups from that which industry recognise as future priorities and for which governments already plan. The key flaw is that evaluating the criteria (a) long lead, time, (b) high use (c)high disruption and (d) high information relies on historical and existing data, most of which are dimensions and risks already recognised by industry sectors, and is heavily reliant on quality of information about the occupation and its proxy measures.
- As previously stated, CCIQ also strongly caution against government planning and effort being targeted towards a selective field of skills and qualifications. This may prevent growth in niche and emerging markets by redirecting the training effort and labour force away from industries that may experience strong growth. CCIQ have a strong preference towards leaving skills and workforce development decisions to the market.
- An essential element neglected from the discussion papers is the role for skills information and career pathways advice. Accurate, timely and accessible advice will go a long way to support the market to make informed decisions about skills and workforce development. This information will support industry towards adequate planning and investment in skills and lead individuals into the education and training areas where there is demand. CCIQ recommends that Skills Australia should ensure that work be undertaken to strengthen the supply of information concerning occupations and career paths within industry to increase the efficacy of planning for occupations where there may not be a high information supply but where critical skills shortages exist or may develop. It will be essential to look beyond the ISCs Environmental Scans and State government workforce plans and engage with industry to identify emerging areas of growth and develop training and labour market strategies to ensure that growth is not stifled in these areas.
- CCIQ conditionally supports the four strategic priorities outlined in the paper (Section 4.3) noting that these priorities are consistent with the significant employment, education and training and social

disadvantage agendas and reform programs being progressed through COAG and by the Commonwealth and State governments. Significantly, as rightly pointed out in the Discussion Papers, Australia's education and training and employment systems has been in a constant state of review and reform for most of the past decade. This creates significant disruption for both employers and students and increases complexity for industry. Skills Australia must be careful not to promote additional actions without first evaluating the outcomes of current programs.

- CCIQ strongly support efforts to address productivity and participation levels in Australia and welcome measures to improve skills utilisation in the workplace. However CCIQ oppose the papers ensuing discussion around generic skills, graduate destinations, and high employee turnover within and across occupations.
 - Generic skills are highly valued by employers alongside skills mobility which is essential to ensure the workforce can respond to a dynamic economy and emerging markets and deliver skills where and when required. A limited focus on qualifications and higher level skills should not be at the expense of learning opportunities in generic and low level skills.
 - The issues concerning graduate employment in lower skill level jobs reflects the broader systemic issues of education and training quality. Employers frequently raise issues concerning the work readiness of graduates and their level of work relevant experience following the completion of studies. If we are to improve productivity then we must address the quality of education and training to ensure graduates are delivered to the workforce with skills commensurate with the expectations and needs of industry.
 - CCIQ stresses the importance of involving employers in developing strategies to improve skill utilisation which ideally would involve industry led solutions that drive cultural change within workplaces and not impose mandatory policies on employers.

'Workforce Futures' can be assessed on the merits that it provides a sound methodology for anticipating future demand and supply for skills and qualifications - a useful tool to assist the market appropriately plan for the future. Suggesting the need for better integration of policies and programs across the education and social agendas and shared national priorities is a step in the right direction. However CCIQ does not support the assertion that a 'one-size fits all' approach to workforce development is the most appropriate approach for the Australian workforce and strongly cautions against the use of the recommended 'risk-based' approach to skills and workforce development primarily on the basis that this is a supply driven approach that has the potential to artificially direct labour market decisions and prevent growth in niche and emerging markets.

CCIQ believes that the governments at both a federal, state and local level in conjunction with industry, need to adopt a holistic view in examining workforce futures to determine the level of need for people and skills. Therefore it will be important for Skills Australia to work with the Australian business community to validate data on workforce projections and to develop skills and workforce development priorities. An industry driven and 'bottom-up' approach will better achieve improvements in workforce development, productivity and participation at the enterprise, local and regional level than nationally driven top-down policy approaches to workforce development.