



Workforce Futures:

Towards an Australian Workforce Development Strategy

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

Submission information

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Do you agree to the publication of your submission?

Please check one.

- I agree to Skills Australia publishing this submission and/or attributing quotes.
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Workforce Futures:

Background Paper One

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 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.

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?

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?

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?

Proposed actions

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

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?

Other comments

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

Australian Apprenticeships Centres (AACs) are contracted by DEEWR to provide support services to employers taking on or considering taking on an apprentice or trainee and to the apprentice or trainee.

There are 28 Australian Apprenticeships Centres delivering Australian Apprenticeships Support Services in 22 regions across Australia from some 350 sites. They are in daily contact with employers, businesses and apprentices and trainees. They provide independent and impartial advice on workplace training with a focus on Australian Apprenticeships.

The perspective from Australian Apprenticeships Centres is that employers, particularly in small and medium sized businesses, welcome assistance in relation to workforce planning for skill acquisition. They often don't know, however, who to turn to for this assistance.

AACs strongly support a national approach to Australia's Workforce Development. Different approaches and arrangements across Australia's six States and two Territories make it very difficult for a coherent strategy to be implemented – except at the broad policy level. But it is what happens "on the ground" that is important. In other words, while it is important to get a top down approach right, it is equally important that this be complemented by a bottom up approach.

AACs agree with the statement in Background Paper One (p36) that "this mode of structured work-based training (ie Apprenticeships and Traineeships) for both new entrants and existing workers and the significant national effort it represents, presents a potential avenue to progress a broader based approach to workforce development. In those workplaces where such contracts of training exist it could be possible to consider aligning whole of workplace diagnostics with the development of individual training plans." AACs already do this as part of the support service they provide to many businesses and it is what businesses are looking for.

Background Paper One (p55) also states that “The daily decisions made by individuals, employers, educational providers, recruitment firms, professional associations, migration agents and a host of other institutions will continue to collectively shape Australian labour markets and employment opportunities”. This is certainly true and one role for governments in this mix is to continue to drive the performance of the training market and not leave it to market forces alone. AACs find that employers often need assistance (high quality information) in making these daily decisions and look to organisations such as AACs to provide impartial and independent advice. This applies particularly in those areas where markets do not work well.

The paper also talks about “expansion of workplace based delivery and work integrated learning is anticipated to address individuals’ changing needs for flexibility and currency” (p 69). While AACs experience is that in principle this is a good thing, the key issue is the quality of training. If quality declines then skill acquisition is brought into disrepute.



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Workforce Futures:

Background Paper Two

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 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.

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?

Please respond here

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?

Please respond here

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?

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?

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?

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?

Other comments

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

Background Paper Two talks about the identification of “change agents” to guide reform and catalyse change. The Paper gives two examples of this: centres of excellence and lighthouse projects. The experience of AACs is that many businesses also look to change agents closer to hand – namely local organisations who operate at the local level and who can guide them through the process of skilling their workforce.

Background Paper Two suggests that consideration could be given to alternative or complementary uses for the nearly \$900 million of employer incentive payments currently attached to the employment of apprentices and trainees (p59). AACs are contracted by DEEWR to administer the Australian Apprenticeships Incentive Program. Incentives are a key element in

employer electing to take on an apprentice or trainee and are in recognition of the cost to employers of so doing. While AACs support targeting of incentives to areas of identified skill need, any moves to use incentives money other than in support of apprenticeships and traineeships would send a clear message to employers that the government is shifting its focus away from the Apprenticeships system and this would have significant repercussions for skilling the Australian workforce.

The paper also suggests strengthening the linkages between different types of programs and between state and federal government initiatives (p 64). AACs support any moves to do this – particularly between state and federal government initiatives. Employers (particularly national employers) find it difficult to understand why they can get support in one State but not in another.

The paper asks “how can education providers be supported to work with enterprises on the continuing development of skills, playing a consultant, adviser and facilitation role as much as that of ‘provider’?” AACs consider that there are too many conflicts of interests for education providers to also provide independent and impartial advice and support on workforce development. AACs’ experience is that employers look to other organisations (such as AACs themselves) to provide this service.

The paper suggests that “a new funding stream could be trialled to support education and training organisations to develop their services to improve learning outcomes and skill utilisation in the workplace”. AACs support the use of seed funding to trial new approaches but would suggest that such trialling not be limited only to education and training providers. Other organisations could be better placed to provide this service and this should also be tested.

The paper also asks “should new funding principles be adopted to support workforce development initiatives?” Before this can be properly answered, better information is needed on who pays for what currently – ie between governments, business and industry and individuals. And this may vary across jurisdictions.