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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**

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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**

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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?

It is reasonable to expect that the body responsible for charting Australia's future skills needs should seek to determine what they may be and then endeavour to put in hand an response that will most likely lead to providing the necessary levels of support to enable these needs to be met.

What remains to be seen is the accuracy with which these needs can be forecast. The information made available tends to be based upon linear progression which may be useful but certainly not definitive. One only has to consider the economic upheaval of the past two years to recognise the size of the challenge. Though it is interesting to note that despite the GFC there remain substantial skill shortages. Skill shortages that will grow as a result of the GFC and the actions of most major private sector employers to cut back on training to meet quarterly ASX reporting demands and the desire to maximise short term profit. Equally the lack of direction from governments themselves abrogating training responsibilities over the past two decades will contribute to the under supply of skilled trades persons in Australia.

The studies quoted suggest levels of need that will provide direction but are likely to be no more than general guides as most importantly there is no knowledge about the likely impact of the National Broadband Network and the dramatic changes it will bring.

It also appears that most of the forecasting is based upon the needs of large

employers who represent only about 4% of the countries business enterprises. It is difficult to identify where or how the forcasters have interacted with the two million small enterprises that collectively comprise the largest non government employers in Australia.

### ***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?

There is no alternative to adopting a risk based response. The critical issue is managing the risk.

The major difficulty is the plethora of players in the VET sector many of whom are clearly concerned as much with their own survival/profitability, and this includes many government funded agencies, as any attempt to see the overall picture.

There is also the real issue of referring to "industry" as a source of information.

This is evidenced by the fact that in almost all sectors the voice of "industry" is only the voice of the few large operators and rarely, if ever, reflects the needs of the majority of small/medium enterprises. These enterprises comprise 96% of all businesses in Australia and generally have far stronger links and commitments to their staff than major enterprises. Small businesses owners cut their own pay to keep loyal staff while the CEO's of public enterprises announce major staff cuts and see their stock market price go up..

### ***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?

Resources need to reach the hands of employers and those seeking training to enhance their skills. They should not be the play thing of intermediaries. They should also be available to support and continue successful activity rather than being only available under managed programs where often the proponent is doing little more than flying a kite in preparing their submission with the knowledge that if money comes they will find an acceptable means of spending it.

One only has to be aware of recent activity where training organisations have approached employers with such offers as "we will give you a laptop computer (or a set of golf clubs) for each employee you let us train" while the "training" is the well known "tick and flick" process.

### **Proposed actions**

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

The most concerning aspect relates to the obvious lack of recognition of the small/medium business owner. These people are the true drivers of the economy and it is their decision that will have the greatest impact on Australia's skill needs and training activity.

Mosy obviously there is no recognition either of them or their training needs as owners and managers of business undertakings. Assistance to skill them will be rewarded with improved understanding and application of skill formation among their workforce.

It should also be noted that persons that are "owners, managers, directors or partners" of businesses are specifically excluded from receiving the very training subsidies that are available to their employees. This is patently wrong. Submission on this subject have been made to the relevent Minister, and the Minister for Small Business by the Council of Small Business of Australia. Skills Australia should examine this issue.

### **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?

Please respond here

### **Other comments**

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

Please respond here



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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?

*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?

**Critically resources and purchasing decisions should be in the hands of the users and not the intermediaries.**

### ***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?

The best results will be those that are demand driven not top down “visions”

### ***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?

The provision of appropriate resources to individual enterprises to meet their identified need will provide the greatest and best focused results.

### ***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?

Please respond here

### ***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?

Please respond here

### ***Other comments***

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

Most important put the resources in the hands of the actual purchasers and recipients of training.