

# TAFE DIRECTORS AUSTRALIA'S RESPONSE TO

## WORKFORCE FUTURES

### Towards an Australian Workforce Development Strategy Skills Australia (September 2009).

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TAFE Directors Australia (TDA) welcomes the opportunity to respond to Skills Australia's Discussion Papers: *What Does the Future Hold? Meeting Australia's skill needs* (Background Paper 1) and *Powering the Workplace. Realising Australia's skill potential* (Background Paper 2).

TDA understands that the outcome of the consultations will be for Skills Australia to develop an Australian Workforce Development Strategy, to be published by the end of 2009.

TDA is responding on behalf of its 58 member institutes, a number of whom have also responded to the issues raised in the background papers through participation in the round table discussions arranged by Skills Australia.

#### **Introduction**

TDA supports the proposed coordinated approach to a national workforce development strategy by Skills Australia that builds on work being undertaken by states and territories, government departments, Industry Skills Councils and education providers as providing a welcome impetus for change.

TDA congratulates Skills Australia on modelling a coordinated approach in these background papers that draw on a wide range of data. The Papers provide an extremely comprehensive and valuable account of trends and directions in Australia's labour market and related skill demands, along with trends in Australia's qualifications profile.

TDA understands that Skills Australia's approach to workforce development is much broader in its concerns than boosting the number of Australians with post secondary qualifications. The definition of workforce development adopted by Skills Australia as "an over-arching concept that links skills with the way work is organised"<sup>1</sup> (Background Paper 2) is a major theme in the Background Papers.

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<sup>1</sup> Government of South Australia (2005) *Better Skills. Better work. Better State: a strategy for the development of South Australia's workforce to 2010*

TDA supports Skills Australia aim to invite governments, employers and providers to analyse whether investment in skills development promotes the right level and type of skills appropriate and is adequate in fostering more productive contemporary workplaces. The challenge Skills Australia raises for employers is how well their workplaces are designed to maximise the use of their employees' skills.

While Skills Australia's major focus is on the role of governments in investing in strategies to promote workforce development, defined in its broadest sense, there are also strong messages about desirable roles for employers and training providers in these Papers.<sup>2</sup>

While TDA supports Skills Australia's vision for a more coordinated approach to identifying and planning for workforce development at a national level, TDA has also identified some gaps and challenges in the positions developed in the Papers and will express these throughout our response.

### **What does the future hold?**

TDA supports Skills Australia's approach to planning for skills development in order to inform government interventions at a national level. TDA agrees that the future is uncertain and therefore industry and occupational requirements cannot be predicted with accuracy. To that extent TDA agrees with the more 'nuanced' approach to planning of Skills Australia.

The three scenarios used by Skills Australia (supported by economic modelling), provide plausible ways of examining potential futures for Australia on a longer time span (15 year projections) than is common in other planning exercises.<sup>3</sup>

TDA supports Skills Australia's adoption of a new planning methodology based on a risk management approach to identifying potential areas of skills shortage and skills over supply.

TDA agrees that it would not be useful for a central authority to analyse the skill demands of all occupations, particularly given the rapidity of change in labour markets and the emergence of new occupations. TDA agrees with Skills Australia criteria for identifying those occupations that governments should focus on in planning for skills development.

Skills Australia's analysis in the Papers of broad industry and occupational trends provides a context for governments, the community and providers to assess the type and level of qualifications that they should be investing in.

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<sup>2</sup> "Workforce development strategies need to be firmly based on the specific and connected ways in which governments, employers, individuals, educational providers and a host of services collectively shape Australia's skills base". (Background Paper 2 p1)

<sup>3</sup> DEEWR for example uses a five year window to forecast growth patterns for its occupational and industry projections

With a membership of 59 TAFE institutes across every state and territory, TDA members are acutely aware of local and regional differences in labour markets and hence in the variation of demand for skills development. Skills Australia acknowledges that “education providers such as universities and vocational education providers already gather effective data and intelligence to perform the local assessments that sit inside the broader-brush analyses” (Background paper page 5).

TDA acknowledges the need for providers to have governance arrangements, funding regimes and access to data that will allow them to respond to changing conditions in labour markets and hence the demand for skills.

TDA recognises the role of governments in setting participation targets for Australians and in assessing the scope of migration programs.

Skills Australia’s advice is designed to facilitate “intervention”. TDA is of the opinion that the Papers were not sufficiently clear about what was meant by intervention. At one level a market approach could be interpreted as demand driven funding and government intervention a purchasing approach. However it is understood that broader options for government intervention are envisaged. A further point of clarification is whether intervention strategies should be focused at an industry, enterprise or individual level.

TDA supports Skills Australia’s leadership role in providing an impetus for change. TDA supports Skills Australia advocating for increased government support in the areas of:

- Literacy and numeracy as foundation workplace skills
- Consideration of per/student spending
- Dimensions of employer expenditure
- Support for work based learning
- Adaption of provision.

### **Current trends in education and skills**

TDA is of the opinion that while the majority of TAFE institutes have developed sophisticated methods of collecting data for the purposes of planning. The high level data that Skills Australia is proposing to collate provides an important context for individual institutes. There is of course always scope for providers to have access to new sources of data and gain insights into data collection methodology.

TAFE institutes enter into strategic partnerships with local enterprises and industry associations. These partnerships offer a significant source of information on industry and occupational trends. At their best these partnerships allow providers and enterprises to develop shared objectives

and work together to facilitate workplace delivery and to develop solutions for addressing issues of workplace development. TDA supports promotion of best practice in this regards and any strategies to ensure these practices become an integral part of the way we do business.

TDA believes that there are a number of gaps and omissions in the Skills Australia analysis of to providers' roles in workforce development:

1. A significant gap is the lack of focus on the professional development of staff in providers. It is the capability of staff that will determine the success of institutes' relationships with enterprises. In many cases managers, trainers and assessors will need training in the dimensions of workforce development and the strategies to achieve it and yet this was not identified as a priority.
2. There was insufficient examination of how incentives and funding models could be developed to encourage RTOs to develop strategies for workforce development
3. There needs to be greater focus on quality – quality of providers and quality of trainers and assessors and the services and products they are offering to individuals and enterprises
4. An evaluation of the how the Productivity Places Program, to date has delivered on critical areas of skills shortage or over supply and added to the stock of those skills identified as meeting the needs of workplaces in the Skills Australia analysis. At least part of the apparent inadequacy of the PPP was predicated on 'a one size fits all approach'. Interventions should be customised.
5. Clarification of a new role for Industry Skills Councils in connecting with providers in implementation of workplace development strategies. This new role could be for example tested through partnerships between ISCs and providers around the Government's targets relating to the adoption of green skills. ISCs could perhaps assist in brokering a common language between providers and enterprises.
6. Consideration of additional investment in innovation to address workforce development issues including underutilisation of skills
7. 'Champion communities' could be supported that encourage innovation, skill development, job creation. Such communities could be regionally or industry based.

## **Conclusion**

TDA supports Skills Australia' contention that "making the best use of education and training is central to achieving Australia's economic and social goals" and welcomes the proposals in the two Background Papers.

Skills Australia's role as a catalyst and advocate for change is welcome. TDA supports Skills Australia's vision which is predicated on the relation between:

- A coordinated and a systematic approach to understanding and documenting the demand for future skills
- Improving the value of skills investments by governments, employers and individuals in the workforce
- And joining up separate areas of government action that relate to workforce participation, social inclusion and innovation to achieve a more productive and socially inclusive Australia.