



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.

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Please email submissions to secretariat@skillsaustralia.gov.au

Submission information

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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?

Skills Australia's interpretations about future skills needs are consistent with analysis undertaken in South Australia. Without knowing the details of the underpinning assumptions of the modelling used in *Workforce Futures*, it could be assumed that the approaches are broadly consistent. In South Australia demand for skills and qualifications from economic prospects, replacement and skills deepening is compared to qualifications supply.

The interpretations are reasonable to the extent that the underlying assumptions are able to reflect the dimensions and the dynamics within the labour market at the broadest level, but it is uncertain how the national predictions will be played out at the local level. It is highly likely that national trends will obscure local variations.

Unfortunately, predicting skills into the future is fraught with difficulties. Richardson and Tan noted that projections could be reasonable at an aggregate (Australia wide) level, but were less reliable if disaggregated by region, occupation or qualification level.¹

Richardson and Tan suggest that forecasts could not realistically extend beyond a ten-year horizon. However, the recent experience of the global financial downturn suggests that forecasts will have limitations even for much shorter timeframes.

¹ Richardson, S and Tan, Y *Forecasting future demand – What we can and cannot know*, NCVER, 2007

It is also difficult to model **emerging** skills needs such as those needed for environmental sustainability. The actual skill needs for emerging skills are still being worked out and there is obviously an absence of historical data to underpin much of the forecasting.

The problem is not just about being able to **predict** skill needs, but in being able to **respond appropriately**. The forecasts might point to likely shifts in occupations and qualifications at the broadest level, but will be of limited use in suggesting effective local strategies and actions.

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?

Skills Australia's proposal for a risk-based approach is based on its finding that the goal of matching supply and demand for skills is neither possible nor appropriate, given the fluidity of the labour market and the limited shelf-life of most qualifications.

Whilst the indicative criteria used by Skills Australia may need some further consideration (it is unclear, for example, why the availability of information should be a criterion for risk), the general approach seems reasonable in principle and should be tested in practice – i.e. to focus planning activities on the “risk” occupations.

As stated above, the problem is not just about being able to predict skill and occupational requirements at detailed levels, but in being able to develop appropriate responses that address the particular dynamics of the occupations in question.

In South Australia, the responses to workforce needs of priority industry areas involved preliminary analysis followed by consideration of the broader components of the skill and workforce system. Interestingly, the systems changes were not dependent on the outputs of the analysis.

Planning techniques generally give attention to the attainment of full qualifications, yet skill sets are critical in fostering labour mobility and in addressing incremental changes to business needs - even amongst the “risk” occupations. However planning at the level of skill sets increases the complexity and uncertainty to such an extent that the returns from such detailed analysis are likely to be limited.

Attention on the “risk” occupations should encompass an exploration of the dynamics within the occupations and not just an assessment of the dimensions (number of people and qualifications etc). Often the problem is not about the number of people who need to acquire the skills, but the ability of the industry or region to retain their workers and make the best use of the skills that are in the community – i.e. a broader workforce development approach.

In addition, any attention to the “risk” occupations should not detract from the effort on the generic or foundational skills that are pre-requisites for further education and training and, indeed, employment for all occupations and at all levels.

Roles of different parties in planning

Governments at all levels have traditionally had a role in planning by assessing available information. Governments also have a role to play in providing a range of labour market information, including trends, to employers and individuals to enable them to make appropriate workforce and career development choices.

A number of Government agencies may need to come together to provide more comprehensive and “joined up” services needed to adequately address broader workforce development matters, which invariably must include increased uptake of workforce development practice at the both the industry and enterprise level.

Enterprises and industries contribute to this planning by providing information about their needs and the degree to which supply is meeting their needs. Input from a range of enterprises and industries enables a more balanced view of skill needs to be obtained.

It is often difficult to obtain input from employers and various industry groups to the planning process. To this end, South Australia has established a network of industry skills boards and regional employment and skills formation networks to facilitate the collection of advice on skills and workforce needs from industry and regional perspective respectively. This information is consolidated by the Training and Skills Commission in the planning advice it provides to the Minister.

Employers also have a role to play in exploring and implementing broader workforce planning, participation and development solutions rather than relying on the narrow skill supply system to address its workforce issues.

Research undertaken in South Australia suggests that workforce planning is not a common activity amongst employers. Support for employers in workforce planning might be an option to enable employers to better assess and articulate their skill and workforce needs.

Training providers – particularly larger ones that span a number of industry sectors and regions – have valuable information about the differing needs of employers and individuals.

Training providers could broaden the services they offer to employers to include workforce assessment and planning. . In terms of workforce participation, training providers can play an enhanced role in linking learners to employment outcomes if they are able to operate as workforce development agents and more broadly link supply to demand.

The role of the **individual** in the planning process is less clear and will depend on the particular category of individual we are considering.

- Individuals in training can provide information about the effectiveness of skill, labour market programs and workforce development initiatives in meeting their career needs including, for example, the quality of their training or the need for career information or advisory services
- Individuals in employment can also provide insight into the workplace conditions that affect the attractiveness of particular occupations (and employers)
- Individuals can provide information about their perceptions of the labour market, the transferability of skills, realities of a mobile labour force, availability of preferred work options

(full time, part time, casual)

- Unemployed individuals can provide information about the particular barriers to participation they face
- Individuals not in the labour force can provide information about the barriers to participation including impact of joint income/ taxation, withdrawal of services and supports (particularly for people entering part time or low paid work the impact of the withdrawal of concessions does not make work viable).

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?

The economy is constantly transforming. Many of the skills required in 10 years time will need to be acquired by workers who are already in the workforce. Attention needs to be given to existing workers – not just those entering the workforce over that period.

The skilling needs of existing workers are more likely to be for skill sets than for full qualifications, yet funding arrangements (and COAG targets) are biased towards the attainment of full qualifications.

At present individuals who require skill sets can, and do, circumvent this restriction by withdrawing from a course once they have the desired skills. This can skew data on course completions, particularly at the Certificate III and above level.

Consideration should be given to whether skill sets for existing workers should be funded, and if so, how that might occur.

Proposed actions

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

Common planning principles

The adoption of common planning principles is supported in broad terms. Such principles would, in theory, enable consideration of a broader range of matters to underpin advice across a range of programs, including skilled migration and Productivity Places Program.

Common planning principles might also bring together a suite of broader workforce development strategies that span numerous agencies and stakeholders who might have considered their role in workforce development to be marginal. This might enable the coalescing of “wrap around” services across agencies to support increased participation and attainments.

The mechanics of how planning information would inform and shape responses is not clear. Analysis suggests that the attainment of many of the relevant national and state targets will be compromised without some change to the quantum of funding available or a change to program settings.

Common planning principles should also highlight the need for employers to more actively invest in the development and application of their workforce resources so that their enterprises and the community more broadly have the breadth and depth of skills needed.

Regular snapshot of demand for skills

Regular assessment of the skills and qualifications in the community should be a foundation activity of any comprehensive planning process.

Different planning for different purposes

There may be the tendency to extend the adoption of common planning principles to the adoption of common planning methodologies.

The adoption of common planning methodologies presents potential risks, especially if there are problems with the information and assumptions underpinning the planning method.

National or state-wide planning information can provide base level information to assist in the deliberations of individuals and organisations. However, it is important to appreciate the limitations in the application of such information for different purposes.

The decisions taken by individuals or organisations will be more heavily influenced by local conditions and opportunities that present at the time than on broad-brush planning information. These local conditions and opportunities are not able to be captured through periodic, broad level planning - regardless of the level of coherence in skills planning across jurisdictions.

A new planning methodology

The principle of planning for “risk” occupations is supported on the basis that the labour market is sufficiently flexible to meet the needs in occupations.

Specific responses

In general, DFEEST support the various actions mentioned in 4.3 with the observation that the focus appears to be on training and skills acquisition activities rather than broader workforce development.

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?

The Department of Further Education, Employment, Science and Technology (DFEEST) undertakes considerable workforce analysis based on a wide range of labour market and training

variables to assess likely future imbalances in supply and demand of skills and occupations.

From a quantitative analysis perspective, it would not be difficult for DFEEST to provide data in a manner that focuses on “risk” occupations. However, the error margins for small jurisdictions become problematic.

Often interested parties are looking for information at a far more detailed occupational or regional level than can be confidently provided by the data available.

The questions that arise are whether broad national planning can usefully inform more detailed State and regional needs and whether we should be embarking on a process that produced figures that are questionable.

As stated earlier, the focus on ‘risk’ occupations should seek to understand the dynamics that operate for the occupations in question rather than trying to quantify different aspects of the occupation.

An assessment of the dynamics will require partnerships between Governments and industry to develop responses that are comprehensive and effective.

Other comments

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

The broad thrust of the directions in Background Paper One appears reasonable. However, it is likely that difficulties will arise in the implementation.

Given that jurisdictions already have their own planning systems in place, it is necessary for States to be involved in any developments in this area.

In terms of the adoption of a broader workforce development approach, Skills Australia can play a leadership role in:

- articulating the benefits of such an approach to industry
- fostering the adoption of broader strategies to workforce issues, explicitly including the benefits of workforce participation approaches
- fostering partnerships between agencies across portfolios and from all levels in order to develop and implement more comprehensive and effective solutions
- articulating clearly the national and international factors influencing the broad direction and effort needed by all parties to ensure Australia has an effective and competitive workforce



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?

As noted in the South Australian Training and Skills Commission's (TaSC) five-year plan, *Skills for Jobs: Priorities for Developing South Australia's Workforce*, 'it is not just the quantum of skills that is important there is also a need to ensure that the workforce has the skills needed by industry'². Consequently, it is critical that our education, training and employment system is responsive to the needs of industry and that workforce development strategies attract, retain and fully utilise workers' skills to boost productivity and participation.

To achieve this, training providers will need to develop partnerships with industry and individual firms to foster the take up of new approaches to workplace practices and to ensure flexible client focussed delivery. These partnerships should consider how work is organised and how jobs can be designed to improve career pathways and the retention of skilled workers.

An innovative approach to skills should be characterised by increased government and industry collaboration to facilitate better linkages between education and training sectors and improve the interface between industry and providers (secondary school, VET, and higher education).

²Training and Skills Commission, *Skills for Jobs: Priorities for Developing South Australia's Workforce*, May 2009, page 37.

In particular, industry needs to be more closely involved in course development, student selection and the provision of work placements, to ensure that skills are effectively linked to the way work is organised. Consultations with industry have highlighted that a number of industry sectors have identified that lack of job placement opportunities for students is a significant issue.³

An innovative approach should also incorporate support-based approaches for those who face multiple barriers to gaining employment by providing personalised pre-employment preparation, workplace mentoring and assistance in addressing relevant personal issues.

The workforce development definition offered by Skills Australia is:

Those policies and practices which support people to participate effectively in the workforce and to develop and apply skills in a workplace context, where learning translates into positive outcomes for enterprises, the wider community and for individuals throughout their working lives.

The focus of this definition appears to be on workplace skills. An improvement that could be made would be to incorporate, and take into account, skills that people acquire outside of the workplace environment. There is also a need to recognise that skill development is a life-long learning process.

The definition also downplays the role of business in workforce development.

An alternative definition of workforce development that might be considered is the following:

Those activities which increase the capacity of individuals to participate effectively in the workforce throughout their whole working life and which increase the capacity of firms to adopt high-performance work practices that support their employees to develop the full range of their potential skills and value.⁴

³ Ibid.

⁴ Schofield, K., *Skills for the Future, Final Report of the Ministerial Inquiry*, (May 2003).

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?

How can we link education and community-based strategies to build the level of workforce participation in Australia?

A South Australian initiative that has successfully linked education and community-based strategies to increase workforce is the *South Australia Works: Adult Community Education (ACE)* program. This program provides an entry point to education and training for people who often face multiple barriers to entering the workforce. Importantly, the ACE program attracts and re-engages adults who would not otherwise participate in structured learning activities. Learning opportunities are provided in ways that are flexible, efficient and tailored to meet the needs of the local community.

South Australia's experience has shown that often opportunities to move from community organisations to employment have remained rare, primarily because of limited links with industry areas other than the community services industry. To address this issue, the *Learning Communities Projects in partnership with TAFE SA* have supported accredited training in community settings to assist those adults who would not otherwise consider seeking qualifications. These initiatives have sought to forge working partnerships between ACE providers and TAFE SA, with the ultimate goal of providing a means of transition for disadvantaged adults into mainstream further education, training and employment.

In addition, there is also potential to link ACE students with work placements, through increased partnership with industry, similar to initiatives developed under the *South Australia Works* program. Ideally, these work placements would incorporate wrap-around support and the development of holistic skills.

How can we ensure our workplaces make effective use of people's skills and knowledge?

There is growing recognition, at both a national and international level, that people's education and skills are not being used effectively at work. Under-utilisation of skills has been associated with poor retention, low job satisfaction, and low productivity.

As indicated in Background Paper Two:

Opportunities for skills to be applied, not just held, are crucial in achieving good economic and social results from the resources that governments, individuals and employers devote to education and training.

Professor Ewart Keep, UK, notes that 'it is best to think of higher skill levels as one of the necessary but not sufficient preconditions for better economic outcomes. Skills themselves add no value whatsoever unless they are used: The production of ever more qualified cohorts of new

workers should not be seen as the end of the process but rather as one stage in seeking to achieve a high skills, high value added vision'.⁵

Involving businesses and industry in the development of training programs, and associated assessment criteria, is one method that can lead to a better understanding of how people's skills and knowledge can be used more effectively in the workplace. This process also has the potential to assist industry in making the positive link between training investment and business objectives and on increasing productivity.

In addition, clearer messages as to the benefits of workforce development, and skill utilisation, need to be provided to employers. This should be linked to acknowledgment and reward for employers who capitalise on skills and workforce planning. Many employers are not aware of the skills that a newly qualified worker may possess or how they can add value to their business by utilising these skills.

What do you think are the pluses and minuses of localised, regional or industry-based approaches?

The South Australian Government has recognised the importance of ensuring that jobs are accessible in all regions and to all population groups. The *South Australia Works* initiative assists in creating learning opportunities for people to work in all regions of the State.

The success of *South Australia Works* lies in the genuine partnerships it has forged with local industry and communities, which have been a powerful driver of mutual benefits through shared responsibility. In particular, South Australia's experience has demonstrated that successful elements of the program have included the provision of locally responsive support, demand driven employment programs that focus on workforce planning and practices, and include flexible recruitment practices in areas of high skill demand.

The *South Australia Works in the Regions* program helps regional organisations and Networks to identify their region's training and employment needs, and to address them in ways appropriate to each region. A strong connection to industry and employers has resulted in sustainable job outcomes, enabling people to actively re-engage within their community and to contribute to a region's social and economic prosperity. The recent inclusion of a network of local Career Development Centres to provide career planning and local employment advice has been successful in maximising workforce participation and skill use in regional industries areas

The downside of a regionalised and/or industry-based approach has always been the cost of duplicating a strategy in each area in isolation from one another. The *South Australia Works in the Regions* program controls this issue by ensuring that information is regularly shared between and across regional networks allowing for good practice principles to connect people to employment to provide a clear framework for local adaptations.

⁵ Keep, E., *Skill Ecosystem Information Sheet 7: The English Lesson*, [www.skillecosystem.net/data/files/general/Info%20sheet%207%20\(final\).pdf](http://www.skillecosystem.net/data/files/general/Info%20sheet%207%20(final).pdf)

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?

Background Paper Two emphasises that a national workforce development framework would ‘aim to overcome disconnections or missed opportunities to share and strengthen good practice occurring at government level’.⁶

DFEEST supports in-principle the development of a national framework, but highlights that States and Territories will need to play a key role in determining programs and priorities. DFEEST also notes the will be a necessity to clearly articulate the roles and responsibilities at the State and National level, particularly its interaction with reform, policy and program delivery in related areas such as education, training and labour market supports.

Discussion of the potential advantages of a national workforce development framework has recognised the following benefits:

- Where skill shortages arose they are likely to be smaller and addressed more quickly
- The economy would be better served by being able to predict trends and directions
- Consistency in measurements
- Would assist labour mobility across states
- The potential to address national issues
- The ability to sell messages nationally, to more effectively raise awareness, and benefits of, workforce development.

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?

Based on the proposed Skills Australia definition of workforce development and the approach suggested in the background paper, South Australia would prefer to see greater emphasis on the role of employers in any workforce development approach. As workforce participation is dependent on the availability of jobs and skills use relies on the business requiring those skills to be used, the role of employers in increasing workforce participation and productivity is vital.

The South Australian Government recognises that government’s influence is primarily limited to the design and effectiveness of the education and training system to supply skilled labour, and therefore is focused on efficiencies, effectiveness and improved participation within that system. The South Australian Skills Strategy has been designed to deliver increased choices for both learners and employers, improve responsiveness, encourage innovation in training offerings and

⁶ Page 59.

foster a more entrepreneurial culture.

The Skills Strategy provides the infrastructure, institutional and delivery reform required to support increased VET participation and workforce development practice in South Australia.

This includes provision to:

- Increase the level of total South Australian training funds allocated on a contestable basis in line with changes initiated through the national Productivity Places Program;
- Advance devolution for TAFE through new accountability arrangements which allow for revenue retention and multi-year budget arrangements for TAFE;
- Establish a network of three connected Institutes, each with RTO status with more dexterity to respond quickly to customer needs while harnessing the benefits of being part of a connected network supported by a Lead Institute model that provides a single entry point for industry containing specialist centres with close alignment to key industry sectors.

Importantly the Skills Strategy incorporates strategic reform initiatives to increase e-learning, implementing more widespread use of recognition of prior learning (RPL) – with a target of 20% of all student contact hours, establishing greater reliance on competency based assessment, supporting more work-based training including different pathways to suit the needs of individuals and their employers and the acquisition of skill sets rather than full qualifications for employees who want to up-skill. Reform also focuses on increasing employment participation levels, embedding case management of learning to support learners facing barriers to participation, improved utilisation of public training assets and increased access by private providers to public facilities, a more integrated approach to the management and use of hard infrastructure and ICT systems and an enhanced VET workforce capability.

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?

The Department of Further Education, Employment, Science and Technology (DFEEST) supports in-principle the strategic priorities outlined in Background Paper Two.

The four strategic priorities envisaged by Skills Australia are:

- Identifying and meeting Australia's skills and workforce needs into the future consistent with sustainable growth, but also adequately preparing for the risks of alternative economic, demographic and social scenarios.
- Establishing a shared national agenda on a comprehensive strategy for Australia's future workforce to support people to better connect with work, capitalise on our skills and position ourselves for future challenges in the global community.
- Improving educational and workforce participation levels where barriers continue to exist – with a special focus on localities, or groups experiencing high levels of disadvantage.

- Promoting demand for and the full use of high skills in workplaces to complement public investment in education and training – powering the workplace to make the most of Australia’s education revolution and innovation strategies.

These strategic priorities align closely with those identified in the South Australian Government’s workforce development strategy, *Better Skills Better Work Better State*. The Strategy recognises the importance of ensuring that all partners in workforce development are aware of the workforce issues confronting the state.

Through this Workforce Development Strategy, the South Australian Government has developed three interrelated workforce development priorities:

- The creation of a high skill economy and use skills to strategically attract new industries, creating new opportunities for young people, existing workers and those people who have traditionally been marginalised in the labour market.
- The provision of quality employment by addressing access to learning and jobs, flexibility for workers and fair and sustainable work.
- Improved and accessible workforce information and planning tools to inform business decisions, enhance local economic development efforts, and assist with the development of forward-looking workforce development policies and practices.

To address these priorities, the Training and Skills Commission (TaSC) has been established to collaborate with businesses, industry, the community and government. This collaboration culminated in a five year plan, *Skills for Jobs: Priorities for Developing South Australia’s Workforce*, looking at skills and workforce development in South Australia, released in May 2009. The Plan will be updated annually so it responds to the changing demands and priorities of industry.

The primary focus of the Commission’s work has been on what is required in the medium to longer term to build the skills base needed to help the South Australian economy make the transition to a new and transformed industry structure. The Commission recognises that to increase participation, greater emphasis on better outcomes from the education and training system and more attention to putting in place measures which support individuals to re-skill and re-enter the workforce is required. This needs to be done in partnership with key stakeholders.

An update of the plan, to be released in November 2009, will set out the actions the State Government will need to take to ensure that South Australia will have the necessary skills to support the future growth and diversification of the South Australian economy. It will directly inform the Government’s resource allocation plan, which will focus on the priorities for publicly funded skills and workforce development.

In addition, a number of learning and job initiatives have been developed under the *South Australia Works* program to support South Australians who face the greatest employment barriers in the labour market to achieve employment outcomes, or other positive outcomes which may lead to employment. The program has six components: Regions at Work, Public Sector Works, Industry Works, Youth Works, Indigenous Works, and Experience Works.

Examples of programs that have worked successfully include:

- Whyalla Track Maintenance Program (South Australia Works in the Regions)
- Choose Your Future: Goal 100 Whyalla (South Australia Works in the Regions)

- Kilburn/Blair Athol Employment Project⁷

Some programs have jobs as the primary focus, while others focus on engagement, learning, skills development and training.

South Australia's experience has demonstrated that it is also essential that a workforce development approach has a framework that is inherently flexible and responsive to allow for unexpected events. As such, flexibility has been a key feature of recent approaches to workforce planning and industry development activities in South Australia. This has been achieved through 'greater devolution of decision-making to those closest to the industry or sector concerned and relies on a collaborative approach to problem definition and resolution that removes unnecessary bureaucratic processes'.⁸

Further, as noted by Schofield it will be partnerships that create successful workforce development pathways:

*'Workforce development emphasises that skill is a cross-cutting issue. Policies, strategies and programs intended to develop the skills of the workforce are not the sole responsibility of the education and training system, government or indeed of any single organisation. Rather, business, trade unions, individuals, communities, government agencies and the education and training system have a mutual interest... building on and deepening this mutuality of interest in workforce development is a productive and positive way of moving forward.'*⁹

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?

The capability of the VET workforce to engage with employers on broader workforce development issues will be critical to future success. VET providers will need to develop partnerships with industry and individual firms to foster the up-take of new approaches to workplace practices and to ensure flexible client focussed delivery. This will require a system wide entrepreneurial culture within the State's largest provider, TAFE SA.¹⁰

Australian Government program and funding arrangements are currently outcomes based and VET providers often note that this does not provide flexibility to be innovative or adaptive to the needs of industry. For VET providers to expand their role in effecting change, different funding arrangements will need to be explored to provide them with the flexibility to respond to industry.

⁷ See *Modelling What Works Well in SA Works in the Regions*.

⁸ See for example: *A Skills Strategy for South Australia's Future –New Ways, New Engagement* (March 2008).

⁹ Schofield, K., *Skills for the Future: Final Report of the Ministerial Inquiry*, May 2003, page 21.

¹⁰ Dr M Keating, AC, *Review of Skills and Workforce Development in South Australia*, June 2008, page 10

Other comments

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

Please respond here