



Skills Australia

Annual Report 2007–08



ISSN: 1836-4748

© Commonwealth of Australia 2008

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

October 2008

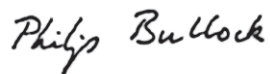
The Honourable Julia Gillard MP
Deputy Prime Minister
Parliament House
Canberra ACT 2600

Dear Deputy Prime Minister

Re: Skills Australia—Annual report

I have the pleasure in submitting the Annual Report of Skills Australia for the period 20 March 2008 to 30 June 2008, in accordance with section 27 of the *Skills Australia Act 2008* which requires that Skills Australia prepare and provide to you a report on Skills Australia's operations during the financial year.

Yours sincerely



Philip Bullock
Chair
Skills Australia



Contents

Chair's Review	5
The Members	6
The Secretariat	8
About Skills Australia	8
Highlights	9
Forward Agenda	10
Consultation	10
Key Dates and Meetings	11

Chair's Review

Skills Australia was established on 20 March 2008 as part of the Australian Government's Skilling Australia for the Future policy, following Royal Assent of the *Skills Australia Act 2008*.

The Government has established Skills Australia as an independent body responsible for advising the Minister for Education on current, emerging and future workforce development needs and workforce skills needs and to identify training priorities to respond to those needs so as to inform policies that aim to increase workforce participation and improve productivity and the competitiveness of the Australian workforce.

On 17 April 2008, the Deputy Prime Minister, The Hon Julia Gillard MP appointed me as Chair and announced the members of Skills Australia to be Professor Gerald Burke, Ms Sharan Burrow, Dr Michael Keating AC, Ms Marie Persson, Mrs Heather Ridout and Mr Keith Spence. The members have experience in academia, the provision of education and training, economics and industry as required by the Skills Australia legislation.

The priorities for Skills Australia in this financial year have focused on becoming operational, including establishment of the secretariat, commencing consultations with major stakeholders and identifying elements of the future work plan. One of the first tasks for the Board was to provide advice to the Minister on the allocation of up to 50,000 health places. This advice was referred to the Council of Australian Governments for consideration. Going forward Skills Australia will consult with industry and others to provide advice on the allocation of the 630,000 training places as provided under the Productivity Places Program. This advice will assist to inform the allocation of funding under the program from 1 January 2009.

Skills Australia's advice to government will be underpinned by the principles, which the Board sees as crucial to ensuring that skills development is useful and used. Central to these principles is the notion of a national training system, which is based on effective engagement through partnerships of industry and training providers and contributes to our country's economic prosperity through the development of the potential of all Australians.

I recognise the tremendous work that the states and territories are undertaking to address the issue of skills and workforce development needs. In my view it is of utmost importance that Skills Australia works collaboratively with the states and territories to ensure the alignment of national and regional priorities while recognising and providing sufficient flexibility to meet regional differences.

I would like to record my sincere thanks and appreciation for the work, commitment and dedication of my fellow board members and the staff of the secretariat in establishing Skills Australia. I would also like to thank the Industry Skills Councils and the state and territory representatives for their support and willingness to work with Skills Australia. I look forward to the ongoing cooperation as we work together to address the challenge of Skilling Australia for the future.

Philip Bullock
Chair



The Members

Mr Philip Bullock (Chair)

Mr Philip Bullock (Chair) brings an impressive combination of high level leadership skills, a strong industry background and a commitment to education and training to the position of Chair of Skills Australia. Mr Bullock has more than 25 years experience working with IBM, culminating in his appointment as Vice President, Systems and Technology Group IBM Asia Pacific Region and including Chief Executive Officer of IBM Australia and New Zealand.

He was previously on the Board of the Australian Information Industry Association (AIIA), The Business Council of Australia (BCA), where he also chaired their Skills and Innovation Taskforce, IBM Australia Limited, the Victorian Schools Innovation Commission and the Advisory Committee to the Australian Graduate School of Management. He was also very active in support of diversity in the workplace, being awarded the Leading CEO for the Advancement of Women, in 2004 by the Federal Government's EOWA. He is also a Non-Executive Director of Healthscope, a major provider of health services in Australia.

Professor Gerald Burke

Professor Gerald Burke is executive director of the Monash-ACER Centre for the Economics of Education and Training (CEET) and a professorial fellow in the Faculty of Education at Monash University. He has undertaken consultancies for government and non-government agencies in Australia and overseas. He has held the chair of the Victorian Qualifications Authority and was a member of the Victorian Learning and Employment Skills Commission and of the Victorian Curriculum and Assessment Authority. Professor Burke is currently a member of the Victorian Registration and Qualifications Authority, the Australian Bureau of Statistics Education and Training

Statistics Advisory Committee and of Equity Research Centre.

Ms Sharan Burrow

Ms Sharan Burrow was the second woman to be elected ACTU President and was also the first woman to be elected President of the International Confederation of Free Trade Unions. This followed an impressive career as a teacher and a range of positions in both the NSW Teachers' Federation and the Australian Education Union, including the President of the Australian Education Union.

Ms Burrow was previously Vice-President of Education International, the international organisation of education unions, from 1995 to 2000. She is also currently President of the International Trade Union Confederation, a member of the governing body of the International Labour Organisation and a member of the Stakeholder Council of the Global Reporting Initiative. As part of her ILO responsibilities, she chairs the Sub-Committee on Multinational Enterprises.

Dr Michael Keating AC

Dr Michael Keating AC is currently the Chairman of the Independent Pricing and Regulatory Tribunal in NSW. He is also a Visiting Fellow in the Economics program at the Research School of Social Sciences in the Australian National University.

His principle fields of research interest include the integration of social and economic policy, particularly as it relates to improving labour market outcomes, and research into the factors affecting governance, including how governments, institutions and policies are responding and how relationships between the citizens and the state are changing.

Dr Keating is a former Secretary of the federal departments of Prime Minister and Cabinet, Finance and Employment and Industrial

Relations. He holds a Bachelor of Commerce (Hons) from the University of Melbourne and a Doctor of Philosophy from the Australian National University. He is an honorary Doctor of the University (DUniv) at Griffith University and a Fellow of the Institute of Public Administration Australia.

Ms Marie Persson

Ms Marie Persson was appointed Deputy Director-General, TAFE and Community Education of the NSW Department of Education and Training at the end of 2005 and is the first woman in 115 years to fill this position. Ms Persson has twenty years experience in vocational education and training and, as Director of Training Reform and Training Initiatives, was one of the original senior executives with the Australian National Training Authority. She is a member of the L H Martin Institute Advisory Board for Leadership and Management in Higher Education, Melbourne University, the Board of NSW TAFE Commission and a member of NSW Board of Studies.

Ms Persson has a Master of Education qualification from the University of NSW, is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors and is a member of Women Chiefs of Enterprises International. In 2003, she won the Telstra Business Woman of the Year, TMP/Hudson Community and Government Award.

Mrs Heather Ridout

Mrs Heather Ridout is Chief Executive of the Australian Industry Group—the leading industry association in Australia representing businesses in the manufacturing, construction, automotive, ICT, transport, defence, labour hire and other industries. She leads an organisation committed to helping Australian industry to meet the

challenge of change. Its focus is on building competitive industries through global integration, human capital development, productive and flexible workplace relations practices, infrastructure development and innovation.

Mrs Ridout is a leading figure in the public policy debate in Australia. In addition to Skills Australia she is a member of a number of policy setting and consultative groups including the Business Advisory Group on Workplace Relations, Infrastructure Australia and the Henry Review of Taxation.

Mrs Ridout holds a Bachelor of Economics (Hons) degree from the University of Sydney.

Mr Keith Spence

Mr Keith Spence is Chair of the WA State Training Board which provides policy advice to the Minister for Education and Training on matters relating to vocational education and training in Western Australia.

Mr Spence is the Executive Vice President, Enterprise Capability at Woodside Energy Ltd and has been with Woodside since 1991 in a number of roles including Chief Operating Officer and Acting Chief Executive Officer. Mr Spence brings to the Board extensive knowledge of the resource industry having over 25 years of experience in the oil and gas industry. Mr Spence also currently chairs the Advisory Board of the Australian Centre for Energy and Process Training and the WA Energy Research Alliance Industry Advisory Group and was previously Chair of Advisory Board of the Australian Oil & Gas Industry Training Centre and Centre for Petroleum Engineering Curtin University. He is also a Board Member for The Australian Institute of Management (WA), an Executive Councillor for the Chamber of Minerals & Energy and a Curtin University Councillor.



The Secretariat

Ms Sue Beitz

Ms Sue Beitz was appointed to the role of Head of Secretariat for Skills Australia following her role as an Assistant Secretary in the Department of Education, Employment and Workplace Relations.

Ms Beitz has a background in vocational and labour market issues with a depth of experience in the areas of secretariat support, policy development and program management.

Secretariat Staff

The Secretariat staff assisting Skills Australia are engaged under the *Public Service Act 1999* and made available for the purpose by the Secretary of the Department of Education, Employment and Workplace Relations.

The work of the secretariat has centred around the establishment, the organisational and operating environment for Skills Australia. In order to support the work of Skills Australia the secretariat perform a range of administrative and policy oriented duties.

About Skills Australia

Skills Australia will provide the Australian Government with independent, high quality advice to assist better targeting of support for the skills and workforce development needs of businesses and workers across the country.

Skills Australia will play a central role in analysing emerging skills needs and demands across industry sectors. Specifically, Skills Australia will help identify:

- Future skills needs, so they can be addressed before they negatively impact on economic activity.
- Persistent skills shortages, so that current capacity blockages can be overcome.
- Barriers that prevent skills formation in areas where persistent skills shortages exist.
- Industries where retraining and upskilling of workers may be required to prevent unemployment, under-employment and skills obsolescence.

Skills Australia will assist the Government to deliver its commitment to providing an additional 630,000 training places over the next five years. The new places will be delivered in a training system with industry need and advice at its heart, ensuring that training is more responsive to the needs of businesses and individuals.

Principles guiding Skills Australia's advice

It was considered that that Skills Australia's advice to Government would:

- Contribute to workforce development by increasing the capacity of individuals to participate effectively in the workforce through their working life.
- Increase the capacity of firms to adopt high performance practices that use and support the further development of their employees' skills and value.
- Address areas of genuine skills need to develop the capacity of business

to increase productivity and deliver economic benefits to Australia.

- Reflect a strong evidence based approach—drawing on research, relevant workforce data including identifying data gaps and needs.

Highlights

Skills Australia inaugural meeting

The first meeting of Skills Australia took place on 28 May 2008. The meeting was opened, and the board of Skills Australia launched, by the Prime Minister, the Hon Kevin Rudd and the Deputy Prime Minister the Hon Julia Gillard MP.

In addressing the meeting the Prime Minister:

- Set out the Government's long term policy objective for education, training, skills and the aspiration to have the best educated, best skilled workforce in the world.
- The role for Skills Australia in relation to the policy objective.
- Noted the importance of Skills Australia and of Infrastructure Australia in terms of overall impact on the economy.
- Stated that the Government is interested in evidence based policy and is open to independent advice on policy settings/program delivery.

Advice to COAG on the allocation of up to 50,000 places for the health sector

Skills Australia's advice on the Productivity Places Program will in general take effect from 1 January 2009. However, at its March 2008 meeting, the Council of Australian Governments (COAG) requested Skills Australia to advise on the possible allocation of up to 50,000 additional vocational

- Be industry driven reflected primarily through the input of ISCs and submission from employers, employees/ students and their representatives.
- Be user focused and demand driven evidenced by providing qualifications and outcomes that are nationally recognised, provide flexible delivery, high quality outcomes.

education and training places over three years from 2008–09 for areas of national skills shortages in the health occupations.

The advice was developed in conjunction with the Community Services and Health Industry Skills Council, which in turn drew on input from a broad range of stakeholders representing the health industry. In addition Skills Australia received separate submissions from the National Health Workforce Taskforce and State Government Departments with responsibility for Health matters.

Skills Australia's advice to COAG noted that allocation of the places would most effectively be managed through a partnership model involving the enterprise and the Registered Training Organisation (RTO), with the Community Services and Health Industry Skills Council working with industry and RTOs as a broker to secure participation in the program as necessary. In addition, that the Commonwealth bring forward funding from 1 July 2008, to allow jurisdiction to commence training sooner.

It was also noted that skills demands in this industry is strong but granular and that training capability in particular clinical placements, may not be available in areas of greatest skills shortage.

The advice was provided from Skills Australia to the Minister who in turn referred it to the Council of Australian Governments for consideration at its meeting on 3 July 2008.



Forward Agenda

The forward agenda for Skills Australia has three key areas of focus:

Workforce Development planning:

A planning oversight role to advise on where skills are needed in Australia in the future, with consideration of economic changes, the new economy and new occupations in the future.

Allocation of the places under the Productivity Places Program

Advising the Government on the deployment of the 630,000 additional training places that are provided under the Productivity Places

Program. The allocation of which would take into consideration the Government's other policy of reducing inflation, improving productivity outcomes and improving the educational qualification levels of Australians.

Governance and Architecture of Australia's VET sector

Considering the future policy direction for the Vocational Education and Training sector in terms of its role and contribution to tertiary education and integration with the Higher Education sector.

Consultation

Under its legislation, Skills Australia is required to develop and maintain relationships with the states and territories, and the relevant authorities of the states and territories and others with an interest in workforce development and skills needs.

The Skilling Australia for the Future Discussion paper sought comment on how Skills Australia should interact with industry groups and what sources of data it should access. There was general consensus from respondents that Skills Australia should develop close working relationships with a broad range of stakeholders especially the Industry Skills Councils, but also others such as; industry associations and networks, small to medium enterprises, unions, employer associations, state and territory agencies and the training authorities.

The need for Skills Australia to consult with organisations such as the Australian Bureau of Statistics, the National Centre for Vocational

Education Research, and the Department of Education, Employment and Workplace Relations; and individuals, such as Education and Training Advisors and National Industry Career Specialists was also recognised.

Following endorsement of the consultation strategy at its first meeting in May 2008, the Chair met with 17 stakeholder groups during June 2008.

The initial consultations have focused on meetings with Industry Skills Councils due to the close relationship Skills Australia will need to have with industry to inform priorities for the allocation of training places under the Productivity Places Program.

As part of its forward work plan, Skills Australia intends to consult with a broad range of stakeholders of the national training system.

Key Dates and Meetings

20 March	The Skills Australian Act 2008 receives Royal Assent providing establishment of Skills Australia.
17 April	Mr Philip Bullock is announced as the Chairman of Skills Australia
17 April	Professor Gerald Burke, Ms Sharan Burrow, Dr Michael Keating AC, Ms Marie Persson, Mrs Heather Ridout, Mr Keith Spence are announced as Board members.
8 May	Ms Sue Beitz commences as Head of the Secretariat
9 May	Stakeholder meeting—Community Services and Health Industry Skills Council
21 May	Stakeholder meeting—Victorian Skills Commission
22 May	Stakeholder meetings <ul style="list-style-type: none">• Holmesglen TAFE• COAG Skills and Workforce Development subgroup
28 May	Inaugural meeting of Skills Australia held
29 May	Stakeholder meetings <ul style="list-style-type: none">• CEO Centrelink• Agri—food Industry Skills Council• ElectroComms and Energy Utilities Industry Skills Council
3 June	Stakeholder meetings <ul style="list-style-type: none">• Service Skills Industry Skills Council• Manufacturing Skills Industry Skills Council• Hornery Institute• Education Investment Fund
6 June	Stakeholder meeting <ul style="list-style-type: none">• Skills DMC—Industry Skills Council• Transport and Logistics—Industry Skills Council
10 June	Second Skills Australia meeting (teleconference)
11 June	Stakeholder meetings <ul style="list-style-type: none">• Chair—Australian Health Ministers' Advisory Council—Health Workforce Taskforce• Innovation and Business Skills Australia—Industry Skills Council• ForestWorks Industry Skills Council
12 June	Stakeholder meeting <ul style="list-style-type: none">• National Centre for Vocational Education Research• Attendance at COAG Productivity Agenda Working Group
13 June	Advice to the Deputy Prime Minister on the allocation of up to 50,000 health places to be referred to the 3 July meeting of the Council of Australian Governments.





Skills
Australia

Skills Australia
GPO Box 9880
Canberra ACT 2601
www.skillsaustralia.gov.au