



Education &
Communities
Office of Education

Submission

Inquiry into the Skills Australia Amendment Bill 2012

SUBMISSION FROM THE NSW DEPARTMENT OF EDUCATION AND COMMUNITIES TO THE INQUIRY INTO THE SKILLS AUSTRALIA AMENDMENT

New South Wales welcomes the establishment of the Australian Workforce and Productivity Agency and looks forward to effective collaboration that will ensure the best possible advice to the Commonwealth on the allocation of funds for the National Workforce Development Fund. Maximising the benefits of new arrangements will be ensured by clarifying a number of issues.

The need to avoid duplication under the new Australian Workforce and Productivity Agency:

There may be value in avoiding the potential for duplication and overlap between the work of the Australian Workforce and Productivity Agency and other bodies that include the Productivity Commission. The Productivity Commission is required by legislation to undertake, on its own initiative, research about matters relating to industry, industry development and productivity (Productivity Commission Act, 1998, section 6, 1(e)). Thus productivity achieved through workforce development could be seen to be part of the Productivity Commission's role. Linkages and collaboration will be needed to avoid duplication.

The new Agency would benefit by working closely with States and Territories. The agency will need to consult with state authorities and public providers in developing regional plans as these entities have established links with both employers and industry groups. Using their existing networks and expertise has the potential to streamline consultation and avoid confusing stakeholders. The new agency could further work with states and territories on workforce development approaches so that research undertaken on skills development is well coordinated.

Information sharing:

In the interests of government to government information sharing and the transparency agenda, the new Agency should publish detailed information on approved workforce development projects. The current National Workforce Development Fund List of Approved Projects is insufficient. The new Agency should analyse and publish take-up of the funds. This should include, but not be limited to, take-up by small enterprises, medium and large companies, and the amount and proportion of funds going to industries and states. Data on commencements and completions by registered training organisations is also required.

Linkages with States and Territories:

There would be value in involving States in developing criteria for enterprises to access funding. States should be involved in the identification of regional industry priority areas to ensure that diverse industry areas are represented as well as the resource sector. It is critical that the Commonwealth ensure funds are allocated according to state and territory medium term needs and not just in response to the immediate priorities of mining enterprises in Western Australia and Queensland.

The guidelines for the Australian Workforce and Productivity Agency will need to ensure small and medium sized enterprises are well represented and funding is not allocated disproportionately to large enterprises. The scheme will need to allow for

brokers to support small to medium enterprises to access the training. There may be value in involving States in selecting brokers to ensure that small to medium enterprises are not disadvantaged in accessing this funding.

Workforce development:

It will further be important to ensure that guidelines for selecting priority industries reflect state and territory short-term and long-term contributions to GDP. The long-term contribution of services to GDP is just as significant as the short-term boom in resources. It is important that industries other than resources are represented. The guidelines also need to ensure that small to medium enterprises are well represented when funding is allocated. They make up 98 per cent of business in Australia and will continue to move the economy along when the resources boom subsides.

While high level and national data for predicted employment and occupational growth is useful, the best results would be delivered by a three tier approach taking account of national, state and regional data and incorporating advice from stakeholders including industry, employers and the community.

The allocation of Commonwealth funding (including through the National Workforce Development Fund):

The scope of the role of the new agency, particularly the Commonwealth funding areas that the Agency will have responsibility for providing advice on may need to be clarified. While the Second Reading speech refers to the Agency as having a role in advising on policy direction and expenditure priorities for the National Workforce Development Fund, the wording in the Bill does not limit the Agency to providing advice on this Fund. The Act may need to clarify this ambiguity.

The National Workforce Development Fund should be brokered through the Industry Skills Councils. There are no workforce development funds available for States to address regional workforce development needs. The new Agency should consider directing some of the Fund to States and Territories for workforce development projects. The funding should cover the cost of independent brokers to help small to medium sized enterprises in regions apply for funds.