

10 February 2003

The Secretary
Senate Employment,
Workplace Relations and
Education References Committee
Suite SG, 52, Parliament House
CANBERRA ACT 2600

Dear Mr Carter,

Re: Inquiry into Current and Future Skills Needs

Please find attached a response to the abovementioned inquiry.

The views noted in the attached paper are my own and not necessarily the views of the Board of the National Mining ITAB (NMITAB) or any person, organisation associated with the NMITAB.

The comments are based on over 30 years of experiences dealing with VET issues in Europe, the Sub Continent and Australia.

I would be more than happy to expand on the matters noted in the attached paper.

Yours sincerely,

Des Caulfield
Executive Officer

OVERVIEW

The notion of skill shortages, their identification, classification and magnitude for now and into the future is part and parcel of the ever changing environment of economic activity and individual needs. Work organisation, employment trends and changes to recruitment policies have impacted on the concept of skill needs and shortages.

Australia's decision in the late 80's (an outcome of Australia Reconstructed) to embrace the British system of competency based vocational education and training (VET) has in its own right established skills shortages. VET technologists and providers of VET needed to be trained to implement the system.

Historically, the policies and strategies adopted by most governments and industry over the years could be categorized as follows:

a. Education Era

Workers or those entering the workforce were educated across a range of knowledge related curricula with minimal reference to skills development. This period could be classified as Just in Case (JIC).

b. Management by Objectives Era

To coincide with more scientific management system and the introduction of Criteria Referenced Instruction, industry establish its training needs and satisfaction of these training needs based on their revised scientific management requirements or Just in time (JIT) training.

c. Competency Based VET

Since the establishment of the National Training Board and more recently the Australian National Training Authority (ANTA), industry has been able to provide those responsible for the implementation of a competency based structure with a list of competencies to establish industry training needs.

The magnitude of the needs, how many, where and when, require careful consideration.

Another major driver of this system is the general notion of Duty of Care and the need for organizations to comply with Regulations.

Organizations, their structure, goals, responsibilities to shareholders and the global economy have had their impact on the VET system by retrieving to J.I.C. However, the acronym J.I.C. refers to Just in Crisis.

The number of jobs advertised in newspapers or on the net does not constitute skills shortages. Also, a report (WA) for the Mining Industry noted skills shortages for Heavy Equipment fitters, however, under closer scrutiny, the skills shortages were the result of personnel not wishing to work in isolated areas.

In respect of the questions listed in Extract from Journals of the Senate No. 44, 23/10/2002:

a) Project Future Skills Requirements

There is a need to establish a formal system of compiling data at industry level to determine skills requirements. ABS data, ASCO and ANZIC Codes are usually out of date.

Now that most industries have established lists competencies, these lists would better reflect the needs of industry if properly compiled and **extrapolated** across Australian industry.

b) Effectiveness of Government Intervention

The removal of \$10.5M from the industry advisory arrangements in the last budget did not help.

While considerable emphasis and resources were engaged in the establishment of the Competency Based VET System, very little has been targeted at the implementation of the system.

Labor market programs are not seen as a mean to satisfy industry training needs.

Improvements are required in needing to identify and determine the VET needs and their magnitude and methods of satisfying those needs through industry, state and federal systems.

c) Industry Strategies

Most industries in Australia have established their needs through the development of units of competency and further development into Training Packages.

The effectiveness of these Training Packages can only be determined on the basis of how they are implemented through public and private providers.

Industry will determine the effectiveness of the system on the basis of satisfaction of Regulatory compliance and or performance enhancement.

Effectiveness can only be measured against real skills and competencies and not the sum of subjective personnel characteristics identified by some industry associations.

d) Capacity of Job Network

As already discussed, labor market programs tend not to satisfy industry needs.

Where provider of VET identify a real training need and satisfy that need in accordance with enterprise/organisation/business needs, they may then claim to be effective. Training for training's sake is not effective training, it's just a case training with no real outcome.

e) Anticipation of Needs

When a number of countries in Europe (late 60's early 70's) decided to engage industry in establishing its training needs, considerable emphasis was placed on compiling data provided by industry.

Changes to work organisation, contractualisation, responsibility for the acquisition of competencies, ageing population, etc. have an effect on establishing industry VET needs.

Industry advisory arrangements in Australia need to be resourced and promoted to provide industry trends against macro generated data.

f) Consultation Arrangements

As already discussed, the Industry Advisory Arrangements in place since the early 1970's has had \$10.5M taken away from the local and state based system.

There is need for a mechanism to consult at enterprise, local, regional, association and government levels. Industry Training Advisory Bodies (properly constituted) and operating in accordance with industry and government support are an excellent vehicle to conduct such consultation arrangements.

An example of such consultation and positive outcome is the establishment and endorsement of Industry Training Packages developed under the auspices of the Industry Training Advisory Bodies (ITAB's).