



Tasmanian Government

Submission to the

Senate Employment, Workplace Relations,
Small Business and Education References
Committee

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Introductory Remarks

The Office of Post-Compulsory Education and Training (OPCET), within the Department of Education is responsible for the development and implementation of post-compulsory education and training policy and strategy in Tasmania.

In undertaking this role the Office of Post-Compulsory Education and Training maintains strong links with year 11 and 12 education stakeholders, the Vocational Education and Training sector (including TAFE Tasmania) and the Higher Education sector.

OPCET is represented on the Tasmanian Employment Advisory Committee (TEAC), which is the Commonwealth Government's Area Consultative Committee (ACC). These two organisations have worked closely together to ensure that, where possible, a coordinated and collaborative approach has been taken to enhance employment opportunities for Tasmanians.

Tasmania Together is the overarching social, environmental and economic plan for Tasmania, and has been developed through broad consultation with the Tasmanian community. The broad goals provide the framework for both government and non-government decision making. Ultimately, *Tasmania Together* is about the Government and the Tasmanian community working together to achieve a shared vision of Tasmania by the year 2020.

Tasmania Together provides the links between major Government policy initiatives. The strategies and goals of the Government's Industry Development Plan, State and Local Government Partnership Agreements, *Learning Together*, the Department of Education planning framework, and other major Government initiatives, all focus on achieving the vision and goals in *Tasmania Together*.

The Budget process has been modified to incorporate long-term planning and link policy and financial planning to achieve the community's goals for the year 2020. Social, economic, environmental and community results will now be directly linked to agency business. The Government's Budget strategy will concentrate on achieving community aspirations set in *Tasmania Together*.

The *Tasmania Together* targets are the key to achieving the results and measuring progress along the way. Reports on progress against targets will be made to Parliament and will be widely circulated throughout the community.

The *Tasmania Together* Progress Board has monitoring and measuring responsibility as well as helping to create coalitions of interest in the community to achieve goals outlined in the plan.

Tasmania Together contains 212 specific benchmarks, a significant number of which set targets for employment, education and training in the State. The effective operation of the Job Network and adequate resourcing of associated labour market programs will be an important factor in realising these outcomes.

The Tasmanian Government has embarked on a journey with the Tasmanian community. It is a journey of learning and personal and community development. It is encapsulated in the Government's *Learning Together* policy. The aims and goals of *Learning Together* are aligned to those of *Tasmania Together*. *Learning Together* aims to:

ensure Tasmanians will have a world-class education, training and information system which matches the best anywhere.

Specific goals of the policy include the following.

- Responsive and continually improving educational services – that ensure that all Tasmanians develop the knowledge, skills and confidence they need;
- Enriching and fulfilling learning opportunities – that enable people to work effectively and participate in society;
- Safe and inclusive learning environments – that encourage and support participation in learning throughout all of life;
- An information-rich community to participate in, and contribute to, a healthy democracy and a prosperous society; and
- A valued and supported education workforce – that reflects the importance of teaching as a profession.

These goals underpin and strengthen those articulated in Tasmania *Together*. They are designed to ensure Tasmania's education and training system has a key role to play in Tasmania's future.

A key strategic goal of *Learning Together* is the development of a comprehensive post-compulsory education strategy for Tasmania. This new policy framework which addresses both the vocational education and training system and links to higher education will ensure an integrated and coordinated system driven by a shared sense of direction.

The Department of Economic Development's *Industry Development Plan* is a plan that provides a structured and systematic approach to rebuilding the Tasmanian economy. The Government wants to make sure that a strong foundation for the IDP is in place so business can grow and flourish. The foundation is based on four cornerstones:

- an effective industry arm of Government, the Department of Economic Development, which identifies and converts industry development opportunities into economic growth realities;
- a statewide industry audit identifying local business capability and opportunity across eight industry sectors;
- the delivery of 10 industry based programs to address the barriers to local business growth, particularly for those businesses with a focus on export and import replacement; and
- partnerships with local government so that new industry development proposals suggested by local communities and businesses have a formal link to IDP resources.

The Skills Reference Group (SRG) is a whole of Government group which aims to ensure the integration of industry development and training effort.

The Skills Response Unit (SRU) is responsible to the General Manager of Investment Trade and Development within Economic Development. The SRU will assist the SRG in achieving its strategic intent. It will do this through identifying and facilitating responses to skills related issues and opportunities.

Facilitation of strong linkages and networks across Government are vital to meeting industry's and Government's need for a educated and highly skilled labour force. The SRG will provide a whole of Government strategic approach to support Government's strategic directions through focusing on Tasmania's future opportunities and issues and building on Tasmania's current and potential capabilities and advantages.

A cornerstone of Government policy is the development of *Partnership Agreements* as a way of strengthening working relations with local government, and other important sectors such as the University. The Government recognises that committed progressive local communities and sound local economies are fundamental to the social and economic development of the State. The process for developing Partnership Agreements takes into account consultative mechanisms at the local level, encourages local input to community and economic development decisions and promotes shared responsibilities for improved targeting of service delivery.

The Government's objectives for the Partnership Agreements with Local Government were outlined in its Framework for Developing State-Local Government Partnership Agreements, released in December 1998. In summary these objectives are to:

- identify opportunities to work in partnership with local government to progress agreed social, economic and environmental outcomes for local government areas; and
- ensure effective service delivery arrangements including, where appropriate, options to improve coordination and joint service delivery arrangements or address gaps and overlaps in service delivery.

This submission by the Office of Post-Compulsory Education and Training (OPCET) addresses the terms of reference of the Senate Inquiry. The Office in this response has identified a number of issues and these include:

- the need to establish future workforce skills needs at local and regional levels;
- the need for the Commonwealth to adequately take into consideration local, regional and remote issues and facilitate structures and resources to accommodate local and regional needs;
- Tasmania in a national framework must logically be classified as a region. The population of Tasmania is less than half a million and includes many rural communities; and
- It is important for Tasmania to retain the current flexibility which permits training provision to be planned in accordance with local requirements for skills development, taking into consideration the needs of all stakeholders, including students and industry.

Part (a)

Areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements

Tasmania Together, Learning Together and *Tasmania's Industry Development Plan*, have a strong focus on the need to ensure that vocational education and training (VET) provision in Tasmania is relevant to the needs of industry for workforce skills. Individuals also need to be assured that their skill development is relevant to local employer needs.

This section of the submission discusses:

- how Tasmania's skill needs differ from those of other States and Territories because of the State's industry and labour force characteristics;
- how vocational education and training provision in Tasmania aligns with State whole of government strategic planning to target training delivery to industry and occupational areas of strategic significance;
- examples of how the State government supports regional development including through enhancement of training opportunities in rural and remote areas of Tasmania; and
- the need for planning for the supply of skills needs to be informed by local analyses.

The issue of the relationship between employment and training opportunities is one that has received some attention in the past. It should be noted that not all skill shortages have training system causes or responses. For example, shortages of casual and seasonal labour may arise because of non availability of sufficient numbers of employees together with difficulties associated with shifts between social security payments and payment for casual labour. Some skill shortages, for example, registered nurses are not in areas where the vocational education and training system can alleviate the problem through training.

Tasmania provides an excellent example of how the states differ with respect to industry, labour force and skill needs. Tasmania has a wide and diverse industry base. Tasmania's workforce is dispersed throughout the state to a much greater extent than the rest of Australia. This dispersed workforce is predominantly located in small businesses.

Australian Bureau of Statistics data (Table 1.1) shows the importance of small business to Tasmania. Over half (50.6 percent) of private sector employment is in small business (excludes agriculture). This is the second highest (after the ACT) of any state or territory. Tasmania also has the second highest level (after the Northern Territory) of employment (employees and employers) per small business, at 3.03 people per small business, of any state or territory.

TABLE 1.1**SMALL BUSINESS: Percentage of total number of businesses, share of employment and average employment per business - private sector (a) 2000 -01**

	Percentage of total businesses	Percentage of total employment (b & c)	Average employment per business
New South Wales	97.0	47.9	2.91
Victoria	95.7	43.3	2.96
Queensland	96.5	50.2	2.82
South Australia	95.8	46.4	2.94
Western Australia	96.6	49.4	2.89
Tasmania	96.0	50.6	3.03
Northern Territory	92.9	45.2	3.16
ACT	96.6	53.2	2.65
Australia	96.4	47.2	2.90

(a) Excludes agricultural businesses.

(b) Includes employees and employers

(c) Includes working proprietors and partners of unincorporated employing and non-employing businesses; working directors of incorporated businesses are classified as employees.

Source: Produced from data from Small Business in Australia 2001, Australian Bureau of Statistics

Tasmanian industry is heavily dependent on highly competitive export markets for selling its output and quality issues are becoming increasingly important for businesses competing in these markets.

Tasmania's workforce is less qualified than the national average and aging significantly in some sectors. The qualifications index used in the State's competition index ranks Tasmania last of all the States. The ABS Survey data used for this index show 35% of Tasmanians with a VET or Higher Education qualification compared to 42% nationally.

This means that while Tasmania, in common with the rest of Australia, has a need for a workforce which adapts quickly to new technology and embraces change and innovation within an overall focus on good business practice, quality and service, there are special requirements which make it essential for the State to be able to manage its particular skill development directions.

Overall then, the State has to focus on small business; on rapid up-skilling of the existing workforce; as well as meeting an increasing replacement driven demand for skills, on regional access to skill development, on quality training, on strategic industries and on local partnerships.

It has to do this however, in an environment of rapid technological change, business mobility and changing work arrangements.

There is no doubt that there is a consequent requirement for enhanced flexibility to be responsive to local, new and specific needs and increasing resources to build and replace skills at an increasing rate.

The current and developing energy infrastructure in Tasmania is another example where there is a requirement for additional skills. Tasmania is building on an already strong hydro-electric energy provision in a range of energy infrastructure developments such as Tasmanian Natural Gas Project, Wind Energy, Basslink and entry into the National Electricity Market. A report by the Department of Economic Development (May 2002), states that the current and developing energy infrastructure will require an adaptable and skilled workforce but must also face issues relating to the maturing of the existing workforce and how to maintain a pool of suitably skilled labour.¹

The broad industry and regional spread is highlighted in the following table (Table 1.2). This shows:

- Only half the workforce is in the capital city region, much lower than general (in Australia, for example in Victoria and South Australia over 70 per cent of the population is in the state capital).
- 12% of the workforce in manufacturing spread across a range of sectors.
- Significant sections of the workforce in a wide range of primary and tertiary industries.

Table 1.2: Workforce by industry sector and region					
People employed					
Industry sector	Tasmanian total		Regional proportions		
	Number '000	Proportion	Greater Hobart- Southern	Northern	Mersey- Lyell
Agriculture	8.8	4.8%	29%	36%	35%
Forestry	2.0	1.1%	36%	37%	26%
Wild fishing	0.7	0.4%	58%	22%	20%
Aquaculture	0.9	0.5%	78%	10%	11%
Mining	1.6	0.9%	9%	18%	72%
Food manufacturing	5.2	2.9%	44%	22%	34%
Textile, clothing & footwear manufacturing	1.5	0.8%	48%	21%	31%
Wood and paper product manufacturing	3.4	1.9%	32%	37%	31%
Printing and publishing	1.6	0.9%	55%	26%	18%
Petroleum, coal and chemical products	0.7	0.4%	32%	46%	21%
Rubber & plastics	0.3	0.1%	57%	26%	18%
Non-metallic mineral products	0.9	0.5%	39%	27%	35%
Metal product manufacturing	3.2	1.8%	38%	47%	15%
Transport equipment & machinery	0.6	0.3%	29%	51%	20%
Marine manufacturing	0.8	0.5%	90%	6%	4%
Industrial machinery & equipment	1.7	0.9%	30%	31%	39%
Furniture and other manufacturing	1.6	0.9%	45%	37%	18%
Electricity, gas & water	1.8	1.0%	67%	20%	13%
Building & construction	9.5	5.2%	50%	27%	23%
Wholesale trade	8.6	4.7%	43%	33%	23%
Retail trade	27.9	15.3%	49%	30%	21%
Hospitality	9.6	5.3%	53%	27%	19%
Transport & storage	8.0	4.4%	42%	34%	25%
Communications	2.8	1.6%	61%	24%	15%
Finance & insurance	4.5	2.5%	57%	30%	13%
Property & business services	14.4	7.9%	57%	25%	17%
Government administration & defence	9.9	5.4%	69%	17%	13%
Education	15.3	8.4%	52%	29%	19%
Health and Community Services	21.7	11.9%	53%	28%	18%
Cultural and Recreational Services	4.4	2.4%	63%	26%	11%
Personal and Other Services	7.0	3.8%	57%	25%	18%
Non-Classifiable Economic Units	1.5	0.8%	48%	28%	24%
	182.5	100.0%	50%	28%	21%

¹ Department of Economic Development, 2002, Advice to the Office of Post-Compulsory Education and Training (OPCET) for the VET Strategy 2003-2005.

The potential impact of workforce age is illustrated in the next table (Table 1.3) which shows that thirty six per cent of the workforce is over 44.

Some occupations stand out as having a very high proportion in the 45+ group. These include farmers, managers, education professionals, health professionals, advanced clerical and service workers, road and rail transport drivers and elementary service workers.

Table 1.3: Workforce age groups by selected industry sectors

Source: OPCET Policy & Planning using ABS 2001 Population Census data

Industry sector	Age group				total	Proportion of the workforce
	15 to 19	20-24	25 to 44	45+		
Agriculture	4%	6%	39%	52%	100%	4.5%
Forestry and Logging	5%	9%	53%	32%	100%	1.1%
Food, Beverage and Tobacco Manufacturing	5%	9%	54%	32%	100%	2.8%
Wood and Paper Product Manufacturing	4%	8%	57%	31%	100%	1.8%
Metal Product Manufacturing	4%	9%	59%	28%	100%	1.7%
Machinery and Equipment Manufacturing	5%	12%	57%	26%	100%	1.7%
General Construction	4%	7%	51%	37%	100%	1.9%
Construction Trade Services	5%	9%	53%	33%	100%	3.1%
Basic Material Wholesaling	4%	8%	53%	35%	100%	1.2%
Machinery and Motor Vehicle Wholesaling	5%	10%	51%	34%	100%	1.1%
Personal and Household Good Wholesaling	7%	11%	52%	31%	100%	2.2%
Food Retailing	33%	16%	34%	17%	100%	5.8%
Personal and Household Good Retailing	14%	14%	41%	31%	100%	6.2%
Motor Vehicle Retailing and Services	8%	12%	49%	31%	100%	2.6%
Accommodation, Cafes and Restaurants	14%	17%	41%	29%	100%	5.2%
Road Transport	1%	3%	48%	48%	100%	2.4%
Communication Services	2%	8%	56%	34%	100%	1.5%
Finance	2%	11%	63%	24%	100%	1.2%
Property Services	4%	8%	43%	45%	100%	1.1%
Business Services	4%	10%	49%	37%	100%	6.6%
Government Administration	1%	5%	52%	42%	100%	5.1%
Education	1%	5%	46%	48%	100%	8.2%
Health Services	1%	5%	50%	43%	100%	8.0%
Community Services	3%	7%	49%	41%	100%	2.8%
Sport and Recreation	10%	15%	46%	29%	100%	1.2%
Personal Services	10%	14%	47%	29%	100%	1.9%
Other Services	2%	6%	54%	37%	100%	1.9%
Total	7%	9%	48%	36%	100%	100.0%

The Tasmanian VET system response to industry training needs supports the State's economic development with additional effort in strategic priority areas including the energy industries; tourism and hospitality; communications and advanced technology; forestry; small business, management, casual and seasonal workers, and areas such as quality assurance and occupational health and safety in rural industry.

Key strategic Tasmania initiatives linked to Tasmanian economic opportunities include major projects such as the Gas and Wind Projects and the introduction of twin ferries to promote tourism growth. Such major initiatives are supported by specific training strategies. Skill shortages in new industry areas such as gas and wind emerge rapidly and call for detailed strategic responses which involve just in time commitment of funded training effort. The skills response unit worked collectively with OPCET and the Institute of TAFE Tasmania to develop strategies to address skill shortages associated with the Natural Gas project and the wind project.

Other training initiatives such as the Government's Business Skills Development Initiative, the Environmental Tourism Training and Employment Program; and the Information Technology (IT) Training Project are aimed at increased skills development in specific areas where analysis has shown the need for increased skills levels to support industry development. These areas include:

- financial and human resource management
- small business management and supervisory skills, including a training program for production managers for the manufacturing industry;
- training programs in communications and advanced technology including preparatory programs covering IT, multi-media and call centres;
- training programs for the tourism and hospitality industry including events management, customer service, e-commerce, food and beverage quality assurance, cash transactions and merchandise sales;
- quality assurance training for employers and supervisors in the rural industry; and
- training for seasonal workers in the food processing industry.

Tasmania targets additional training effort to enhance skills development in areas of strategic significance to the State; that is, areas with opportunities for growth and development such as tourism. However, the State recognises the need to maintain training effort in areas such as transport and retail which underpin a sound local economy and support priority industries such as tourism and agriculture. This view is also supported in a report by the Department of Economic Development which states that the Tasmanian Government has developed an *Integrated Transport Strategy – Getting There Together* for continued development of the State's transport infrastructure. Again, a highly skilled workforce is identified as a crucial ingredient in the successful development of Tasmania's transport infrastructure.²

The Tasmanian Government has been highly supportive of expanding training opportunities for people in all local, regional and remote areas of Tasmania. State and Commonwealth initiatives supported by the Tasmanian Government which respond to local needs: for example, in the North West region, include:

- The \$900,000 redevelopment of the Devonport TAFE campus enhances training capacity for the tourism and hospitality industry following commencement of the Twin Ferries.
- The Cradle Coast Authority has a number of significant initiatives that assist with employment, education and training in the North-West region. The Cradle Coast Authority's Investment Plan last year accessed Commonwealth funding of \$12 million dollars. (Cradle Coast consists of 9 local Councils in the North/North-West Region).

² Department of Economic Development, 2002, Advice to the Office of Post-Compulsory Education and Training (OPCET) for the VET Strategy 2003-2005.

- \$2 million dollars has been targeted towards a program titled “Stronger Learning Pathways Project”. This project is aimed at education, training and employment in the North-West region. Stakeholders will be working towards establishing sustainable projects that increase participation and retention in post-compulsory education and training. Projects will specifically work towards encouraging facilitation of partnerships in schools, colleges, Institute of TAFE Tasmania, University of Tasmania, employer groups, local Government and communities.
- The Government has already recognised and supported through local government partnership arrangements the role of the Circular Head Education and Training Consultative Committee in ensuring that local business and community training needs are addressed locally.
- Another significant example of what this Government has achieved with respect to skills development in regional, remote and rural Tasmania includes the development of Skill Centres, particularly in the North-West region in Smithton, Penguin, Sheffield, Rosebery and on King Island. These Skill Centres have provided opportunities for skills development linked to employment opportunities including local employment opportunities;
- North-West business managers are also benefiting from a training program introduced by the Government in response to the identification of lower than national levels of skills in business management. The Business Skills Development initiative provides training in a range of business management skills, including business planning, financial management, marketing, legal compliance, people management and information technology.
- The Environmental Tourism Training Program funded by State and Commonwealth Governments supports growth in employment based training in the tourism industry in regional Tasmania.

The above highlights the need for identification of skill shortages to occur at the local level. There is an on-going need for appropriate analyses of present and likely future skill shortages. Planning for the supply of skill needs in Tasmania in general needs to be informed by local analyses. Those responsible for policy decisions at the state and national level need to be able to consider the skill requirements within the context of regional and local frameworks.

Summary

- **Tasmania’s skill needs differ from those of other states and territories. This is due to the following factors:**
 - **Within Tasmania there is broad industry and regional spread – with only half the workforce in capital city regions.**
 - **Tasmania’s workforce is dispersed throughout the State in a wide range of primary, secondary and tertiary industries.**
 - **Tasmania’s workforce is predominately located in small business.**
 - **Regional access to skills development is a priority.**
 - **Tasmania has specific industries, as well as major projects, identified as being strategically significant to the State’s economic development.**
 - **Local partnerships support regional economic development.**

- **Tasmanian education and training system responses to skills development needs support areas identified through State whole of government planning processes as having strategic priority.**
- **It needs to be acknowledged that national skill shortages do not always reflect local and State skill shortages because of differing industry, labour force and skills needs.**
- **Commonwealth funding support for initiatives such as Cradle Coast and regional skills centres and the Environmental Tourism Training Program complement State strategic directions for enhanced skills development opportunities in rural and remote locations.**
- **The relationship between employment and training opportunities is one that requires further consideration. Not all skill shortages have training system causes or responses since they may arise from conditions affecting the labour force such as the availability of local labour, conditions of employment and other matters.**

Part (b)

The effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements`

This section of the submission discusses the effectiveness of a number of current Commonwealth and State policies, and programs and mechanisms for meeting current and future skill needs. Discussion focuses on the following:

- Group Training Organisations;
- Provision of Commonwealth incentives;
- Training Packages;
- New Apprenticeships;
- The Australian Quality Training Framework (AQTF);
- Enterprise and Career Education Foundation (ECEP);
- VET in Schools;
- Commonwealth/State Business Arrangements; and
- State policies, programs and mechanisms.

Group Training has a significant capacity to contribute to the creating of a skilled labour force.

Following the National Review of Group Training, the ANTA Ministerial Council endorsed a new set of funding principles due to come into effect on 1 July 2003, which focus on the purchase of targeted outcomes to be determined by each State or Territory from within one or more of four national agreed priority areas:

- skills needs;
- disadvantaged groups;
- rural and remote areas, as identified by individual State Training Authorities; and
- local community needs.

It will be left to each State and Territory to define skill shortages as it applies locally while taking into account national skill shortage areas. This gives recognition to the fact that national skill shortages are not always applicable to local and State skill shortages. For example, the Petrol/Chemical industry is identified nationally but is of no relevance at this time in Tasmania.

The National Review of Group Training also resulted in new national quality arrangements being adopted which will come into effect from 1 January 2003. The key objective of the National Standards for Group Training Organisations is to strengthen the capacity of GTOs in achieving the goals of group training. State-based operational requirements will also operate in Tasmania in 2003.

The State has welcomed the review of group training including the verification of objectives of group training and the adoption of national quality standards. The quality of group employment arrangements is seen as critical in maintaining the credibility of the vocational education and training system. If employers do not

recognise such quality, they will be reluctant to engage with the system. The agreed priorities strategically direct State and Commonwealth funds and policy to better meeting labour market demands. It should be recognised, however, that the implementation of new arrangements does have both short and long term additional resourcing implications for the State.

Enhanced regulatory, reporting, and other processes mean an additional processing of matters related to the operations of group training organisations, and this impost is carried by the State. In addition, increased potential access to group training joint funding has the potential to decrease State revenue in the longer term, since operation as a group training company attracts State subsidies in the form of payroll tax exemption.

The provision of Commonwealth incentives for apprentices and trainees has as its objective the development of a more skilled Australian workforce. Provision of these incentives has been shown to positively influence the numbers of persons undertaking training under a training contract.

This program has the potential to focus attention on specific qualifications and levels of qualifications in areas of current and future skill needs by varying the level of incentives payable. However, incentives may not be targeted sufficiently.

For example, rural and regional incentives are paid for specified skill shortage areas that may vary significantly between States and regions and may differ from those identified by States as skill shortage areas. Additional incentive payments for mature age workers and school based new apprenticeships are generally not linked to specific skill areas. An exception to this is the recently announced additional Innovation incentives. Linking incentive payments to identified State skill shortages may assist in focusing training to future skill requirements.

At the current time the same Commonwealth incentives are payable for existing and new workers. Whilst the provision of Commonwealth incentives for existing workers may assist in recognition of current skills anecdotal evidence suggests that this program may not necessarily result in significant training and increased skill levels.

Commonwealth incentives are not available for Diploma and Advanced Diploma qualifications even though States and Territories regard some of these qualifications as being suitable to be undertaken under a training contract.

Areas of skill shortage in areas requiring higher education qualifications such as teachers and nurses may need to be addressed through changes to funding of higher education institutions. The Higher Education Review is addressing this issue. Formal arrangements for articulation between VET and Higher education qualifications may also be a mechanism to improve the skills base.

Articulation from and between training and education levels are varied, they need to be extended and strengthened in order to ensure learners can, without necessary impediment, move across educational settings. There have been significant achievements in the articulation of learners from VET to higher education. Movement from VET to University now comprises 11% of University enrolments, an increase of 63% over five years.

The focus on the development of National Training Packages as the instrument of purchasing publicly funded and accredited training has had unexpected implications in Tasmania.

Training Packages are developed at the macro level by national recognition bodies but in a small diverse State like Tasmania they are required to meet skill needs of individuals at the micro level. At the micro level, the training participant may be in a skill shortage area at the enterprise/occupational level within a specific industry context.

For example, the development of the Forest and Forestry Industry Training Package resulted in a qualification structure that made it almost impossible for enterprises to assess candidates and issue a qualification that had meaning related to occupations in the saw-milling sector and was portable across Australia.

Changes were made to the qualification framework but these still do not provide a best fit with enterprise/occupational skill needs.

The Building and Construction Industry Training Package was adapted early in Tasmania based on the national development and endorsement process. However, it became apparent that while the Training Package may have reflected how the building and construction industry specialisation in large enterprises in large metropolitan centres, like Melbourne and Sydney, the same was not true in small business and regionally based medium sized enterprises.

In the Tasmanian context, what was required were skill sets that allowed industry employers (including apprentices) to move across the building and construction sectors where one month they work in the housing sector and the next in fit out and finished in the multi-story commercial sector.

In the high priority skill development area, this was quickly reflected in the mismatch of training and employment in the industry. As a result, Tasmania reaccredited the previous successful multi skill apprenticeship of Carpenter and Joiner.

Tasmanian industry fully supports this program as meeting all enterprise needs irrespective of size.

It is critical to regional industry acceptance of national Training Packages that their development process ensures sufficient flexibility in content and packaging of qualifications to meet regional industry and enterprise needs.

Tasmania has made a significant commitment to increasing numbers of New Apprenticeships as a key plank of an enhanced skills base. The number of apprentices and trainees reached 12,800 at 30 June 2002, 1530 ahead of the target of 11,270 agreed with the Commonwealth as a 2001-2003 ANTA Agreement condition for additional funding.

However, growth in New Apprenticeships should not continue without due regard to the need of system clients including students and employers for training pathways outside training agreements. The driving of growth in numbers of New Apprentices through Commonwealth incentives and negotiated targets should be balanced with the need for programs to link with State priorities. Such priorities have funding implications which may conflict with the need to fund growth in New Apprenticeships. A further consequence of growth in New Apprenticeships has been an increased administrative burden resulting from the need for the State Training Agency to register training agreements.

As stated previously in this submission it is believed that the quality of the vocational education and training system is critical to maintenance of the credibility of the system with its clients. Tasmania has strongly supported the implementation of enhanced standards for registered training organisations.

The Enterprise and Career Education Foundation (ECEF) is helping all young people develop the skills and knowledge needed to make a successful transition to work, further study and adult life.

Tasmania acknowledges the work ECEF is undertaking in developing partnerships with industry, schools and the wider community and increasing school-to-work linkages that take learning beyond the classroom. This has enabled young people to receive vocational, enterprise and career education, as well as to acquire workplace knowledge, experience and employability skills.

Whereas the work of ECEF in brokering alliances of mutual benefit between education, business and their wider communities; recommending policy changes; developing tools and financially supporting innovative ideas to support the changes is acknowledged, it is believed that a greater attempt could be made in the future to integrate activities with associated or parallel activities occurring at the regional level. Such activities may be funded by the Commonwealth or State and it is considered that risks of duplication or overlap could be reduced through careful strategic and operational planning.

Tasmania has strongly supported the implementation of VET in Schools as a significant contributor to workforce skills. In Tasmania, it is recognised that the VET in Schools program provides:

- quality assured, on-the-job training and assessment;
- training linked to industry needs;
- regional skill centres which support training for areas such as aged care, where training would not otherwise have been available;
- promotion of skills development through regional industry-education partnerships; and
- promotion and development of general employability skills.

Tasmania seeks continuation of the current funding provided by ANTA for VET in Schools. This funding has not been guaranteed beyond 2004 and is still critical to maintaining the current impetus towards growth in this program area. VET in Schools programs are demonstrably more costly than normal school programs and broad implementation issues are still being identified and addressed.

Current Commonwealth/State planning arrangements provide for State/Territory planned training effort to respond to State priorities or economic development. Planning is based on local analysis of industry needs and priorities. The Commonwealth has been chiefly concerned, in approving the Commonwealth contribution to recurrent funding, with overall levels of training effort achieved. It is important for Tasmania to retain the current flexibility which permits training effort to be planned in accordance with local requirements for skill developments.

The Tasmanian vocational education and training system responds to the goals of *Tasmania Together* and *Learning Together*, and to Tasmania's *Industry Development Plan*, as well as agreed national priorities for vocational education and training.

For 2003, the system focuses on three areas which contain responses to the above strategic directions:

- creation of a culture that encourages people to learn and develop new skills, including life skills, throughout their lives;
- ensuring education and training provides our workforce with the skills to support business and industry and encourages industry participation in training; and
- ensuring a quality training system.

In 2003 the Government will release the new *Post-Compulsory Education and Training Strategy* to provide strategic direction and focused planning to address the post-compulsory education and training needs of both young people and adults. The strategy will focus on the ways in which each sector can be accountable for transitional arrangements and pathways between education and training sectors and employment, as well as outcomes for the system as a whole.

As discussed above, the focus of the system is not just on targeting numbers of students by qualification in response to skill shortages identified by industry. State policy directions focus on responding to a range of clients including year 11 and 12 education stakeholders, regional and remote communities, workforce re-entrants and others. A holistic view of skill development is needed.

Since the launch of the Government's new Building and Construction Training Policy on 27 May 2002, there have been 72 new apprentices employed in the building and construction industry. A number of these new commencements are directly attributable to the Policy which requires contractors to engage apprentices and trainees as a condition of tendering for Government funded projects valued at or in excess of \$250,000.

The response from the industry has been positive with stakeholders acknowledging the policy as being both practical and effective. The Building and Construction Training Policy is an example of this Government's commitment to the creation of meaningful employment opportunities, linked to structured training and education, for all Tasmanians.

Summary

- **It should be recognised that the implementation of new Group Training arrangements has short and long term additional resourcing implications for the State. Enhanced regulatory, reporting, and other processes mean an additional processing of matters related to the operations of group training organisations, and this impost is carried by the State.**
- **Commonwealth incentives may not be targeted sufficiently. This program has the potential to focus attention on specific qualifications and levels of qualifications in areas of current and future skill needs by varying the level of incentives payable. The Commonwealth incentives program brings distortion**

into the system and merits further examination, particularly in relation to integration.

- Articulation from and between training and education levels are varied, they need to be extended and strengthened in order to ensure learners can, without necessary impediment, move across educational settings.
- It is critical to regional industry acceptance that national Training Packages development processes ensure sufficient flexibility in content and packaging of qualifications to meet regional industry and enterprise needs.
- The driving of growth in numbers of New Apprentices through Commonwealth incentives and negotiated targets should be balanced with the need for programs to link with State priorities. Such priorities have funding implications which may conflict with the need to fund growth in New Apprenticeships. A further consequence of growth in New Apprenticeships has been an increased administrative burden resulting from the need for the State Training Agency to register training agreements.
- Tasmania strongly supports the implementation of enhanced AQTF standards for registered training organisations.
- Commonwealth funding for the development of VET in Schools has not been guaranteed beyond 2004 and is critical to maintaining the current impetus towards growth in this program area. Broad implementation issues need to be identified and addressed effectively.
- It is important for Tasmania to retain the current flexibility which permits training effort to be planned in accordance with local requirements for skill developments.
- An holistic view by the Commonwealth of skill development is needed.

Part (c)

The effectiveness of industry strategies to meet current and emerging skill needs

This section of the submission briefly discusses some issues relevant to the effectiveness of industry strategies to meet current and emerging skill needs with respect to:

- Employer perceptions of the relevance and flexibility of accredited training;
- ANTA Skill Centre infrastructure;
- Retention of trained personnel;
- Specific industry initiatives; and
- National Industry Skills Initiatives.

A number of reports over the past decade have highlighted the need for specific training and learning programs for small business. Many of these reports have highlighted the need for the training and education sectors to provide interactive programs that reflect the small business culture. This has extended to even suggest that the education and training sector should cease telling the business to get a learning culture and develop a business culture or understanding.

Skill formation outside a workplace/business environment can be only as effective as relationships between the service provider and clients. This partnership is critical in contributing to the triple bottom line of enterprises.

Two Tasmanian VET initiatives funded by the Commonwealth Government are demonstrating how Government purchasing of learning programs can contribute to business development and skills formation.

The Environmental Tourism Training and Employment Program and the Information Technology (IT) Training Project continue to develop and implement unique ways of purchasing accredited training that is business friendly and client focussed.

Employers may choose training options outside the formal system. There is a need to ensure that the system is flexible enough to not force employers to operate outside of the system. The more they do so, the less capacity there will be to strategically direct and influence skills development related to economic and social goals of government.

The Commonwealth funded ANTA Skill Centre Infrastructure program has played a significant role in assisting Tasmanian enterprises to meet industry or individual enterprise skills development needs. The Industry Skill Centre program can make a significant contribution to skill formation where the industry/enterprise is willing to make a long term commitment to structured accredited training.

The Skill Centre for School Students Program has made a significant contribution to the expansion of VET in Schools and raising community awareness of the contribution that vocational education and training can make to a sustainable community.

Tasmania has a network of 29 skill centres for school students covering rural and remote areas of Tasmania. When not used by school students these centres are used by local business and community members to gain access to education and training programs.

One factor that may adversely affect some industry strategies is the retention of trained personnel in the occupation in which they are trained. Increasingly people change career pathways at regular intervals.

With increased mobility of the workforce both nationally and internationally, despite programs to address skill shortages in a particular industry or occupational area retention in a particular State or geographical region may be a problem.

An example of where industry is actively engaged with formal education and training is the Cadetship Program which is partially funded by the Building and Construction Industry Levy Fund.

Recently, the Minister for Education launched an innovative cadetship program involving the Tasmanian Building and Construction Industry Training Board, the University of Newcastle and Tasmanian employers. The cadetships allow a student to undertake education and training while employed leading to full entry into the chosen field of employment. This innovative pathway of cadetships will serve two benefits - giving people the opportunities to find quality jobs in the State, as well as helping industry find more highly skilled staff it will need to expand and grow in the future. The Tasmanian Building and Construction Industry Training Board are offering selected employers who employ a cadet undertaking the building degree through the University of Newcastle a student allowance of \$5000 for the first year and \$2500 for the second year. The employers will pay the employee salary and provide opportunities for the cadet to attend tutorials provided by the University, as well as assistance in completing assignments.

Partnership arrangements between training providers and industry and sometimes the community have the capacity to provide an environment which fosters skills development. A feature of Tasmanian VET in Schools programs is the close relationship between schools and employers through local partnerships and the Work Experience Advisory Committee (WEAC), which have allowed the rapid growth in number and quality of industry placements available to students. Increasingly, there is evidence of collaborative partnership arrangements between enterprises and registered training organisations.

The Commonwealth Government's National Industry Skills Initiative is an industry led process designed to establish the steps that industry, government and the partnership of the two could take to redress industry skills shortages. Initiatives to date are acknowledged as responding to a wide range of skills and training issues. To be effective in regions such as Tasmania, these initiatives need to integrate and complement, rather than duplicate, existing strategies both at the national and regional level.

Integration of vocational education and training strategies in planning for Industry Skills Initiatives may be inhibited by the shrinkage of State industry training advisory boards (ITAB) networks which had close links to both industry and the formal training systems in regions.

Summary

- **Employers may choose training options outside the formal system. There is a need to ensure that the system is flexible enough to not force employers to operate outside of the system. The more they do so, the less capacity their will be to strategically direct and influence skills development related to economic and social goals of government.**
- **Partnership arrangements between training providers and industry and sometimes the community have the capacity to provide an environment which fosters skills development.**
- **Retention is an increasing issue due to the increased mobility of the workforce both within the State, regionally, nationally and internationally.**
- **Integration of vocational education and training strategies in planning for Industry Skills Initiatives may be inhibited by the shrinkage of State industry training advisory boards (ITAB) networks which had close links to both industry and the formal training systems in regions.**

Part (d)

The performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements

The Tasmanian Government in 2002 provided a submission to the Productivity Commission concerning the Job Network Inquiry. Comments in this section reflect the contents of that submission.

OPCET is supportive of the labour market assistance programs associated with Job Network but there are concerns about the reduction in resources to assist the most disadvantaged job seekers that has occurred with the introduction of the Job Network.

The integration of the relationship between the activities of the Job Network as an employment placement agency and the Post-compulsory Education and Training (PCET) system merits examination. Currently, links between training opportunities linked to employment opportunities are tenuous and highly localised. This limits strategic planning integrating common goals.

The post-compulsory education and training system is the major provider of vocational education and training support to assist Job Network clients move towards sustainable employment.

A positive feature of the New Apprenticeships tender preparations by DEST was consultation with States and Territories about industry areas that are of strategic importance to the State. This information is intended to be used as a basis for the establishment of targets for new apprenticeships sign-ups that should assist them with matching labour market needs.

A problem with the system is that much of the marketing for new apprenticeships is not undertaken by members of the Job Network. Registered training organisations are a major marketing force and in a competitive market they may be driven by objectives other than focusing on addressing skill shortage areas.

In rural areas in particular employment may be seasonal. The traditional new apprenticeships arrangements are not structured to provide skill development for this group of seasonal workers.

Summary

- **The integration of the relationship between the activities of the Job Network as an employment placement agency and the Post-compulsory Education and Training (PCET) system merits examination. Currently, links between training opportunities linked to employment opportunities are tenuous and highly localised. This limits strategic planning integrating common goals.**
- **To meet existing workforce demands, the provision of incentives by the Commonwealth, as well as the adequacy of other forms of Commonwealth support, merits examination.**

Part (e)

Strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements;

This section of the submission discusses strategies that anticipate VET needs flowing from industry restructuring and redundancies. Discussion focuses on the following:

- Factors impacting on industry restructuring/redundancies; and
- Seasonal workers

The impacts of industry restructuring have increased the need to find better ways to make training accessible to people who are not in work, who are on benefits or who are in non-traditional work arrangements.

Many factors present a challenge for the national training system and highlight the inadequacies of the emphasis on traditional arrangements in national incentive schemes. These include:

- increasing outsourced services being provided by small and micro businesses;
- more casual work;
- more contracting;
- re-skilling older people, and
- combining training with benefits and or casual or part-time work.

In addition, specific solutions to training needs resulting from industry restructuring may require a very localised focus, involving partnerships between local government, local business and local education and training bodies. Such solutions inevitably add to the pressure for increasing responsiveness and flexibility from the training system.

The required level of local responsiveness is often not compatible with the inflexibilities in aspects of the national system, such as can occur with national training packages.

The extent of variation from full-time work is illustrated in the following table (Table 1.4).

Table 1.4: Workforce by occupation group and hours worked (a)

Source: OPCET Policy & Planning using ABS 2001 Population Census data

Occupation group	1-15 hours	16-24 hours	25-34 hours	35-39 hours	40 hours	41-48 hours	49+ hours	Total
Managers	4.7%	4.3%	6.1%	9.0%	17.4%	14.6%	43.9%	100%
Professionals	8.3%	9.3%	10.1%	18.8%	18.3%	13.7%	21.6%	100%
Tradespeople (& related workers)	6.3%	5.3%	7.0%	20.6%	29.6%	14.8%	16.5%	100%
Advanced clerical & service workers	17.8%	13.0%	12.2%	25.6%	16.4%	7.2%	7.8%	100%
Intermediate Clerical, Sales and Service Workers	16.8%	15.4%	15.7%	22.0%	15.1%	7.9%	7.2%	100%
Intermediate Production and Transport Workers	8.8%	7.0%	7.3%	19.2%	20.3%	16.9%	20.5%	100%
Elementary Clerical, Sales and Service Workers	31.8%	15.5%	14.8%	16.6%	9.8%	6.2%	5.2%	100%
Labourers and Related Workers	24.3%	12.8%	11.5%	17.2%	18.9%	7.9%	7.4%	100%
	13.5%	10.3%	10.7%	18.5%	18.4%	11.7%	16.9%	100%

(a) Excludes people reporting zero hours

Part-time work is clearly common for clerical, sales and service workers at all levels. Nearly half the elementary clerical, sales and service workers work less than 25 hours and less than one quarter work 40 hours or more. Managers, professionals, tradespeople and intermediate production and transport workers are working longer hours.

Tasmania takes the view that VET solutions to problems from industry restructuring need to be viewed as tripartite solutions that embrace planning, processes and structures involving the whole community.

A more expansive view of 'what is industry' is needed by the Commonwealth. Industry is not just about employers but also should encapsulate other stakeholders such as the workforce and community.

Training Packages focus on defining occupational standards required by individuals in industry settings. They assume a level of competence and underpinning knowledge prior to the undertaking of training and assessment against a Training Package qualification.

As a result of this, there is little or no capacity for State Training Authorities to fund accredited industry induction programs that prepare people to enter the industry. This has been a significant barrier to building a casual/part-time workforce that can be used by the seasonal based industries such as viticulture, vegetable industries and dairy processing.

According to advice received from the Department of Economic Development industry stakeholders believe that pre-vocational/induction training may assist in addressing these problems such as understanding the work environment, conditions of employment and occupational health and safety issues. An example of this type of training opportunity is the recent Wine Induction Program, conducted by the Vineyards Association of Tasmania and the Institute of TAFE Tasmania.³

It is not widely comprehended by the VET sector that due to the application of quality assurance system in the food processing industry, basic skills are required by those individuals entering this labour market.

Tasmania has supported a number of initiatives that target training provision for casual and seasonal workers. These have been successful but a whole of Government approach at both State and national level would significantly assist in actively supporting individuals undertaking this training, principally this would focus on a more coordinated approach to the delivery of employment services and training for the seasonal labour market.

VET System reporting arrangements require more flexibility as the constraints of Commonwealth/State business/financial arrangements may impose restrictions on responsiveness. The current focus on targeted numbers of student contact hours inhibits the capacity to undertake innovative local solutions to meet skills shortages.

³ Department of Economic Development, 2002, Advice to the Office of Post-Compulsory Education and Training (OPCET) for the VET Strategy 2003-2005.

Summary

- Specific solutions to training needs resulting from industry restructuring may require a more localised focus, involving partnerships between local government, local business and local education and training bodies. Such solutions inevitably add to the pressure for increasing responsiveness and flexibility from the training system.
- The required level of local responsiveness is often not compatible with the inflexibilities in aspects of the national system, such as can occur with national training packages.
- Tasmania takes the view that VET solutions to problems from industry restructuring need to be viewed as tripartite solutions that embrace planning, processes and structures involving the whole community, not just employers.
- There is little or no capacity for State Training Authorities to fund accredited industry induction programs that prepare people to enter an industry, particularly in seasonal industries.
- Tasmania has supported a number of initiatives that target training provision for casual and seasonal workers. These have been successful but a whole of Government approach at both State and national level would significantly assist in actively supporting individuals undertaking this training, principally this would focus on a more coordinated approach to the delivery of employment services and training for the seasonal labour market.
- VET System reporting arrangements require more flexibility as the constraints of Commonwealth/State business/financial arrangements may impose restrictions on responsiveness.

Part (f)

Consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes

This section of the submission discusses:

- Tasmania's new industry advisory arrangements which are currently being implemented; and
- the impact and implementation of new national industry advisory arrangements.

The University of Tasmania's Centre for Research and Learning in Regional Australia was recently engaged by the Department to provide independent advice on possible new industry advisory arrangements, based on extensive consultation with existing industry training advisory boards, businesses, unions, education and training providers, and State Government agencies.

That advice has now been received and the Minister for Education has approved the new arrangements in principle. These arrangements include the establishment of an independent strategic industry advisory group to advise the Tasmanian State Training Authority (TASTA) on strategic issues, the appointment of dedicated industry liaison officers and a program of purchasing specialist services. The new industry advisory arrangements will ensure the high quality, relevance and independence of information and advice available to Government to support decisions on education and training.

Consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular require urgent attention due to the fact that the Commonwealth has proposed new national industry advisory arrangements whose operation at present remain very unclear – particularly in relation to linkages with states/territories on labour market skill issues and Training Packages.

Tasmanian ITABs played an important role in identifying skills demand and ensuring Training Package linkages within the national context. Tasmanian ITABs (with the exception of the Tasmanian Building and Construction Industry Training Board who have on-going status under the *Building and Construction Industry Training Fund Act 1990*) no longer have a formal connection with the Tasmanian Government. Following the announcement of the cessation of Commonwealth funding for State industry advisory arrangements, funding for ITABs could not be maintained and State Government funding ceased as at 30 September 2002.

The Commonwealth through the Australian National Training Authority (ANTA) has recently advised of proposed national arrangements for industry training advisory bodies, which are scheduled to operate from 1 July 2003. Development of the new national arrangements is still presently under consideration and is expected to proceed once the ANTA Board completes consultation.

According to documentation received, the ANTA Board advise that the new arrangements will be able to commence by January 2004. Declaration of current bodies would expire on 31 December 2003. There will be no funding or recognition of bodies outside the new arrangements past 30 June 2004.

The documentation also suggests that the new National arrangements will be visibly different to those currently in place to enhance their status and capacity to fulfil the new roles and responsibilities required by ANTA – but insufficient information has been provided to states/territories to clarify how labour-market trends and issues will be monitored at a state/territory level. In addition other State and Territory advisory arrangements have experienced significant changes in 2002 and also remain unclear.

With the above changes still being formulated and implemented at the National level, it remains unclear as to whether the new national arrangements will have a cohesive network of local advisory bodies to work with. This remains very vague and of significant concern to this State.

Approaches to be taken by ANTA are yet to be confirmed particularly in relation to gaining and validating advice on the needs of each specific industry and issues associated with Training Packages will be very important in the local context. Urgent attention is therefore needed to ensure that training advice and specific industry needs together with issues associated with Training Packages are clarified as a matter of urgency.

Those responsible for policy decisions at the state and national level need to be able to consider the labour market trends and skill needs at the local level within the context of regional and local frameworks.

Summary

- **The relationship between new National Industry Advisory Arrangements and industry advisory structures supporting State VET planning are unclear and a better communication strategy is needed to clarify arrangements.**
- **Approaches to be taken by ANTA are yet to be confirmed particularly in relating to gaining and validating advice on the needs of each specific industry and issues associated with Training Packages will be very important in the local context.**
- **Urgent attention is needed to ensure that training advice and specific industry needs together with issues associated with Training Packages are clarified.**
- **Tasmania has designed a new system of industry advisory arrangements. Uncertainty about national outcomes places constraints on the State's capacity to strategically plan for effective alignment of State and national industry advisory arrangements.**