New Industry Engagement Mechanisms: Explanatory Notes to Accompany a Power Point Presentation

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Abstract

This paper consists of brief notes to accompany a slide presentation used to roughly structure a workshop about new models of industry engagement in skills planning and training in the age of carbon constraint. The slide presentation is available as an accompanying file and colleagues wishing to discuss its content further are invited to contact the authors.

1.0 Introduction

In response to expressed industry dissatisfaction about VET skills planning and provisioning government introduced a number of new forms of industry engagement and one of them, Skills Ecosystems (Skills Formation Strategies SFS) is the subject of these notes and this afternoon's workshop. These brief notes were written simply to provide some background for the power point presentation hereto attached

2.0 Problems with the provision of skills training

In the year 2000, the State of Queensland, Australia began experiencing a significant shortfall in the training budget for Vocational Education and Training (VET). Prioritising became essential. At that time, questions were being asked about the Government's central planning and purchasing function for training. Industry seemed to be asking for large annual increases in its training allocation, providers (both public and private) were delivering increasing amounts of training, and yet skills shortages were escalating. There seemed to be no relationship between these three occurrences. There were also long lag times in supplying skilled people, not only because of training bottlenecks but also but because of planning and purchasing inefficiencies. The relevant training Department struggled to provide what industry wanted, but employers continued to find fault with the system.

3.0 Responses to those skills training problems: Introduction of Skills Formation Strategies (Skill Ecosystems)

As one of a number of responses to the skills training situation outlined above four pilot Skills Formation Strategies (SFSs) were commenced in 2002. There was no implementation model to follow, so the process was essentially one of trial and error.

From hindsight, it is now realised that in progressing the SFSs we were actually trying to introduce a *network* mode of governance on a system that was mainly geared to *state* and *market* modes. Accountability became an issue. Treasury wanted the SFSs to deliver increased amounts of training, and the facilitators of the SFS projects were struggling to build relationships and develop networks. Training did increase, but much of it was informal training, which is not included in training statistics.

Each year until 2006, additional SFSs were commenced as industry sectors pressured the department for this new approach in their sectors. In 2006, the *Queensland Skills Plan (QSP)* promised 40 additional SFSs over the following 3 years. The QSP also introduced three other forms of industry engagement, namely Centres of Excellence, Skills Alliances and Lead Agencies. The industry engagement models were tailored to the industry sectors they served, and all involved demand-side strategies to varying degrees.

4.0 Issues

The Department and public providers were rather intolerant of the SFSs in particular. SEFs were perceived to challenge the status quo, and not to produce results quickly (meaning more student contact hours and achieving output targets), and to have difficulty focusing industry on workforce issues, and often to not face difficult problems such as job re-design. Furthermore the existing accountability framework proved so inflexible that it was unable to adapt and capture the desirable impacts of the SFSs. Neither was the existing accountability mechanism designed to accommodate and record policy coordination with other agencies dealing with work and skills policy. Multiple agency reporting against strategy, workforce management and training was and still is elusive because of the silo-type management machinery of government. Yet clearly, the SFS process was an industry development mechanism involving multiple agencies in many cases.

The other forms of industry engagement noted above appeared *then* not nearly as aggressive in terms of analyses of workplace issues and feedback inspection of their impact on attraction, development, deployment and retention of skilled people. In short they did not *then* appear to carefully analyse their own contribution to skills training issues. The Centres of Excellence in particular appeared have great potential to lead industry strategy, competitiveness and workforce change, but the silos of responsibility were challenging change. One very successful Skills Alliance was managed by the Workforce Council for Community Services and Health. This organisation appeared most effective in influencing demand-side issues, mainly due to its culture of learning and the quality and skills of its people.

5.0 Where to from here?

Queensland is analysing its experiences with the new forms of industry engagement and beginning to frame a new paradigm for VET involving a new role and purpose (linked to a sustainable economy – meaning profit, people and planet), governance and skills policy. Governance in this context includes institutions, funding, accountability, governance mode itself, regulations and the like. Skills policy includes, but is not limited to, training product and learning to support a sustainable carbon

constrained economy. All of these issues will be discussed in this afternoon's workshop during which discussions will roughly follow the structure outlined in the accompanying slide presentation.