



WORKFORCE AUSTRALIA: A Degree of Vision in the Global Financial Crisis
Victoria University, 300 Flinders St
Melbourne
23 October 2009

The Workforce Australia Conference was marked by a comprehensive analysis of our future workforce. The day was distinguished by the quality and variety of perspectives.

A central emerging theme was the importance of education as the mechanism to allow Australia to be globally competitive. In this context, Assoc Professor John Armstrong who holds the unique position of In-house Philosopher at the Melbourne Business School reminded us that an effective economy is really about responding to the needs of individual lives and universities must deliver that message in their teaching.

Importantly, the future is now ie the regular reference to the ageing population means preparation must be undertaken to respond to the changing demographic. The positive news emerging from the day is that there is considerable work being done to prepare for a different type of workforce.

Factors outside of our control, such as the GFC, have created unexpected challenges and a rude awakening for Generation Xers who are primed for immediate success and are having difficulty progressing as fast as they had expected. The good news, however, is that this creates a bigger supply of potential middle to senior managers because of the limited movement of the workforce, particularly in areas of skill shortage.

Companies are recognising the value of retaining their workforce and the strategies used to keep them have been highly successful. There is considerable training activity underway. Companies are introducing programs to recruit and retrain staff; there is a greater recognition of skills and work integrated learning is an effective vehicle with good results. Work placement also assists in breaking down barriers for example for international students, for companies and for the industry/academic interface.

In contrast to the heightened training activity, a stark reminder of how much work has to be done was demonstrated by the data showing that almost 50% of the manufacturing workforce has no post school qualifications. Professor Sue Richardson reminded everyone that finding a decent place in the workforce for those who are at the bottom of the skills continuum is a challenge that must be addressed. For Assoc Professor John Buchanan, it is essential that employers become actively engaged.

Everyone wants a skilled workforce – companies need relevant skills and universities are in a position to provide them. However, to respond effectively, we need to be mindful of what Vice-Chancellor Sandra Harding presented - we need to improve the 'connectedness'. This, of course,

is what B-HERT is all about and once again an open invitation was issued to work with us in that endeavour.

The power-point slides can be found at <http://www.bhert.com/activities-archives/2009-10-23/index.html>. B-HERT thanks the Department of Education, Employment and Workplace Relations who approached us about the conference and for their support and contributions in shaping the program. Victoria University generously hosted the day.

**2009 B-HERT ANNUAL AWARDS
ANZ Pavilion, The Arts Centre, Melbourne
5 November**

B-HERT's Annual Awards dinner was once again a great success with the Deputy Prime Minister delivering the keynote address. More than 250 people celebrated the collaborative achievements which can be found on www.bhert.com. Congratulations to all of the excellent applicants and winners.

**MODELLING THE FUTURE
B-HERT Tertiary Sector Round Table,
Storey Hall, RMIT, Swanston Street, Melbourne
16 November**

The 2nd B-HERT/VTA/RMIT Round Table again demonstrated the importance of dialogue in the fast moving education policy landscape. Prof Margaret Gardner, Vice-Chancellor RMIT opened the day by outlining some of the very big changes that are underway. Australia's education system is one of the most market driven in the world and therefore market design is a very important issue. Our history of policy innovation is consistent with the fact that we are one of the few countries in the world that views tertiary education in an international context. Because key elements of the VET/education agenda remain contested and controversial, she emphasised the value of these sessions, particularly as we are moving into uncharted territory.

John Dawkins AO, Chair of the AQF Council, aptly followed this introduction in his keynote address by discussing some of the big changes just mentioned. In setting the context, John revisited the policy changes in the 80's based on notions that VET needed to prepare people for an economy in a constant state of transformation; training people for a life in the workforce requires permanent/intermittent relationships with education throughout one's working life; and people shaping employment should also be involved in education policy. Those issues are as relevant today. The new approach to regulation will create more interplay in HE, VET and senior secondary schooling. In recasting the framework more from the perspective of students than institutions, the proposal is to progress through a system of levels both horizontal and vertical. AQF Council can also assist recommending to state and federal ministers processes to free up pathways between sectors, particularly for low SES entrants. As pathways take on an increasingly important role in

terms of regulation and mobility, more attention is needed in relation to credit transfer which, although relatively easy in dual sector institutions, is more difficult elsewhere. A strengthened AQF will be a useful instrument to facilitate credit transfer processes. It is expected that this work on pathways will be handed to the Deputy Prime Minister within the next couple of weeks. Other issues that will require attention include recognition of prior learning, the extent to which training packages provide for mobility between sectors in addition to making people job ready. One of the challenges in the new regulatory regime is to give confidence to institutions to recognise qualifications for access and credit transfer towards qualifications in another setting and institution. AQF can also be used for international comparisons and/or for international students who want to study in Australia and Australian students who want to study overseas. The presentation reinforced the size and extent of the education revolution!

The panel session was designed to review and discuss the merits or otherwise of a diverse VET sector currently in place. Phil Clarke outlined the benefits of the newly introduced demand driven system with the key feature of ensuring each Victorian now has a training entitlement. The Victorian government is undertaking a state review of its higher educational needs for the future and is likely to suggest that not 40% but 48-50% of 25-34 year olds will need bachelor degree or higher qualifications to meet the state labour demands in 2025. Rosemary Campbell outlined how the NSW system allows for both statewide approaches involving the 10 institutions with flexibility built in to its purchaser/provider model, as well as bespoke programs at the local level. In her view NSW provides a good balance between state, federal and local initiatives. Neil Fernandes discussed the challenges in WA to apply a 'shared services' model in 2006. One of the problems Neil referred to was that functions were being provided by colleges on behalf of the department and administered by the department and that the concept of 'sharing' was lost in the process. He strongly recommended, based on the WA experience, that central agencies should not be involved in functions that have no resemblance to its purpose. Neil's view is that institutions should be fully responsible for functions for which they have a vested interest in their success. Belinda McLennan outlined Tasmania's newly introduced polytechnic system which has been developed to suit that state's unique needs. Tasmania considers itself as entirely regional with Australia's most dispersed population with the country's and has the lowest retention rates to Year 12 alongside a population that is aging at a very steep rate. So their strategy is all about retaining people in education, creating flexible pathways that are not linear but allow for a 2-way flow between sectors. Their needs are not just about skills for the workforce but about linking the economy to workforce issues. Andrew Smith indicated the private providers support diversity in delivery because that is the only way to tackle the diverse challenges not least of which are the workforce bottlenecks. As part of a very competitive market, VET clients are looking for diversity and we need to respond with a system of providers who are fit for purpose to deliver for the broad range of clients. Notwithstanding whether the delivery is online, face to face, there can be no compromise on quality.

The new CEO of Skills Australia (SA), Robin Shreeve, focused on the importance of generic skills and life-long learning within a broad tertiary education sector. In the UK the term *skills sector* is used instead of VET and although there are harder boundaries between HE and Further Education, they have managed to uncouple the institutions from the sectors. The Skills Australia *Foundations for the Future* paper sets out policy for a unified national vision; evidence base for policy and reform; investment in skills and workforce development; regulation ensuring quality

services and products; use of information for system performance and client choice and provision of training services that meet needs. *Foundations for the Future* offers areas of priority for the regulation model.

The Round Table concluded with the business perspective on the tertiary education sector. Andrew Rimington from VECI indicated that the ongoing impact of the aging workforce was a priority concern for business and that coupled with the skills shortage means the training system must be in place to be able to adequately respond. The need to develop and upskill workers and more attention to maths and science training will contribute to lifting the skills base.

Patrick Coleman from the BCA referred to key global changes influencing business innovation. Businesses are keen to understand how people do business in the Asia Pacific region because it is important both for buying for Australia as well as selling from Australia. Increasingly there is recognition that innovation requires people with different areas of skill and specialty to be working together with people outside their organisation and across borders. Climate change is another area requiring action from both business and the education sectors. BCA believes that the ability for organisations to adapt to these trends will be the key to Australia's economic future. BCA's renewed focus on workforce development reiterates employers want well developed knowledge and skills that can be applied in new and different ways in challenging environments. Business values 1) the provision of VET and HE training pathways; 2) qualifications that demonstrate quality and respond to employers and the wider community; 3) knowledge and skills that are up to date along with consistency between VET and HE; 4) the need to address particular national priorities eg improving maths and science where Australia does not fare well; 5) individuals who have employability skills eg the communication, problem-solving , planning skills; 6) upgrading current employees through workplace programs. Teaching individuals to be creative thinkers benefits business and the wider community. Are we developing the leaders and managers who will motivate? This is a question for the education sector since the future leaders will be the product of their education. BCA supports more cooperative engagement among the HE, VET and the business sectors and this should be given greater emphasis in the quality assurance system.

Amongst the variety of speakers was opportunity for questions and discussion, although there never seems to be enough time available to cover all of the issues. David Hind as Chair nevertheless deftly managed to balance the issues, questions and discussion throughout the day. Power-point slides can be found on the B-HERT website.

This will be the final B-HERT e-news for 2009 and so on behalf of the B-HERT team, we would like to wish you all the best over the holiday season and look forward to another busy year in 2010.

Sharon Winocur
November 2009

