



Chamber of Commerce
& Industry Queensland

Industry House
375 Wickham Terrace
Brisbane Qld 4000

T 07 3842 2244
F 07 3832 3195
info@cciq.com.au

Hotline 1300 138 470
Employer Assistance
Line 1300 135 822

18 August 2011

Strategic Priorities Issues Paper 2011
Skills Queensland
PO Box 15137
CITY EAST QLD 4002

To Whom It May Concern,

Thank you for the opportunity to provide input into the development of strategic priorities for Skills Queensland. As the state's peak business organisation, the Chamber of Commerce and Industry Queensland (CCIQ) recognises the importance of the current State and Federal education and training reforms and the work of Skills Queensland to Australia's skills and productivity agenda.

CCIQ represents the interests of 25,000 businesses across Queensland, many of which operate in rural and regional areas where skills shortages are particularly acute. Historically, business growth in Queensland has been constrained by the availability of a skilled workforce. As a result, Queensland businesses are acutely aware of the need to engage with and invest in the skills training of the future workforce.

Queensland requires education and training system that is flexible and responsive to changing demand and economic conditions and delivers the right skills at the right time to Queensland businesses. The right framework for education and training will ensure that the Queensland economy and businesses are in a position to take advantage of a recovery in economic conditions and improve business confidence in the availability of a skilled workforce in both the short and long term.

CCIQ looks forward to working with Skills Queensland and the Queensland Government to enhance the education and training system and ensure that the State's workforce are equipped with the skills required. Please contact me on (07) 3842 2227 or at eroberts@cciq.com.au if you would like to discuss any aspect of the attached submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth Roberts', written over a horizontal line.

Elizabeth Roberts
Education and Training Policy Advisor
Chamber of Commerce and Industry Queensland

CCIQ Response to the Skills Queensland Strategic Priorities Issues Paper

CCIQ Submission to Skills Queensland

18 August 2011

Priority 1: Working with Industry to address skills needs

Queensland business and industry require a market driven training system that is more responsive to changes in economic conditions and delivers a more productive and skilled workforce. The proposed 'enterprise approach model', which empowers employers to drive increased flexibility of training providers and recognises the responsibility of employers in skills development is supported, in principle, by the Chamber of Commerce and Industry Queensland (CCIQ).

With 55% of the state population living outside of Brisbane, Queensland's largely regional and decentralised economy presents significant challenges in skilling the workforce. The cost of delivering training in rural and regional areas is typically higher and less economical, with businesses in regional Queensland absorbing a higher percentage of training and travel costs. Addressing the significant disparity in the quality and availability of training in regional Queensland will be critical to the successful implementation of the 'enterprise approach model.'

- *What are enterprises currently doing to meet their own needs for a highly skilled workforce?*

Queensland business and industry are aware of the need to invest in skilling the future workforce and recognise the importance of this investment in ensuring that they are in a position to take advantage of opportunities when economic conditions improve. Unfortunately, the recent natural disasters and ongoing impacts of the global financial downturn have reduced the capacity of many businesses to sustain their previous levels of skills investment.

The 2010 CCIQ Skills Survey identified that in the previous twelve months respondents had provided training through informal, on the job training (85.6%), seminars and conferences (65.8%), short courses (65.5%), and industry or sector registration related courses (52.2%). Results of the survey demonstrated that employers do invest significantly in developing the skills of their workforce, however the majority of this investment does not lead to formal qualifications for employees.

- *Building industry's workforce planning capability is a priority for Skills Queensland. How can Skills Queensland best help industry to plan for its current and future needs?*

While larger organisations have the financial and human resources to invest in workforce planning, attract skilled talent and invest in the development of their workforce, they primarily focus on workforce demands of their organisation, without taking into consideration how their workforce planning affects small to medium enterprises in the community. Many smaller organisations do not have the business acumen, experience, capability or opportunity to effectively undertake and implement a workforce plan.

Assisting industry to plan for its current and future skills needs will require a dual approach, increasing employer awareness of the relevance and benefits of workforce planning while providing support and assistance to increase the capacity of businesses to effectively plan. A plethora of web-based information and tools have been developed to assist businesses in undertaking workforce planning.

The Australian Chamber of Commerce and Industry (ACCI) Education and Training Advisor Network is currently undertaking a project to develop and market resources to assist businesses to undertake and implement an effective workforce plan. CCIQ is supportive of Skills Queensland working with industry to deliver the outcomes and recommendations of the ACCI project in Queensland.

Ideally, workforce planning would be undertaken at both enterprise and regional levels, particularly in regions that experience significant skills drain as a result of resource project requirements. Small businesses could also be encouraged to work collaboratively and develop strategic workforce plans.

- *The resources sector has been identified as an immediate priority for Skills Queensland. How should Skills Queensland approach this task?*

It is widely acknowledged that skills shortages are particularly acute in regions with significant resource sector projects. Addressing skills shortages in these regions requires consideration of the skills required by the resource projects directly in addition to the skills that will be required by support industries and local businesses.

In its report released in July 2010, the National Resources Sector Employment Taskforce acknowledged the impact of resources projects on the labour market. Strategies outlined in the report to address non-resources sector skills shortages included:

- clarifying non-resources sector employers' requirements of their potential workforce for employment services providers, training organisations and job seekers;
- introducing workforce development strategies including innovations in job design to suit people who are returning to the workforce and to retain older workers, including part-time roles;
- regional coordination between employers, training organisations and employment services providers to increase employment opportunities for local people and better meet the needs of employers

As previously discussed, many businesses do not currently have the capacity to effectively plan for current and future skills needs. Building this capacity and identifying skills requirements across the entire region will be critical in addressing the skills needs of the resources sector.

Priority 2: Meeting the needs of Queensland's resources sector

Achieving a balance between the skills needs of the resources sector and the needs of local business, industry and the community is a critical issue for all Queensland's regions.

CCIQ strongly supports the process of workforce planning and investment in workforce development, at enterprise and regional levels. CCIQ advocates industry led solutions to skills and productivity, including a 'market driven' workforce development approach. Skills demands will be best met if the market (employers and individuals) are adequately informed of the broad based skills supply and demand factors within the economy, allowing them to determine where their time and investment should be directed. Furthermore, provision of reliable information from the resources sector to the education and training sector on skills needs will allow investment to be directed to areas where it is most needed.

In developing a plan to address labour and skills shortage issues for the resources sector, it is critical that any strategies developed support and foster economic growth in regional areas. This may include strategies to facilitate a balanced workforce incorporating contractors and employees engaged in fly-in / fly-out practices and permanent residents. This balance will be critical to the development of regional economies as it can facilitate an increase in business investment in the region, encourage population growth (including skilled employees), and improvements in and the development of essential infrastructure.

The global financial downturn and impacts of Queensland's recent natural disasters has reduced the capacity of the resources sector to invest in education and training, resulting in a decline in apprenticeship and traineeship commencements. This period demonstrated the limitations of the resources sector in managing its workforce capacity. Improvements to long-term stability in the workforce could be achieved through implementation of strategies to increase the likelihood of employees remaining in regions during periods of reduced resources sector employment capacity.

Retention of a strong workforce in the region can effectively ensure that skill shortages are not exacerbated when the economy improves. For example, strategies could be implemented to increase the number and types of qualifications and skills held by individual contractors and employees. Multi-skilled employees with transferable skills are more likely to gain employment within the local community, which can facilitate increased mobility in the workforce once economic conditions improve.

CCIQ is supportive of recognition of prior learning/competence and competency based progression as mechanisms to address skills shortages and respond to increasing pressures on the skilled workforce. It is critical that the framework for any 'fast tracked' progression aligns with the needs of and is endorsed by industry. Additionally, the quality and integrity of the training process and credibility of the occupational outcome must be maintained in order to prevent the qualifications undermining the vocational education and training system and the perceived value of Australian Apprenticeships.

Priority 3: Enhancing Queensland's trade training system

The Vocational Education and Training System must become more industry and demand driven in order to meet the needs of employers and individuals.

- *Reducing Complexity and Regulatory Burden*

CCIQ has welcomed recent calls for a reduction in the complexity of the system and activities to deliver improved processes and services for businesses and individuals. Businesses in Queensland have reported that the current regulation and structure of the Apprenticeships System is overly burdensome, confusing, and costly, presenting a barrier to increased businesses participation. Additionally, businesses operating across multiple jurisdictions are incurring significant costs in ensuring compliance with multiple and inconsistent processes. This is presenting a significant barrier to businesses considering taking on their first apprentice and is contributing to employer dissatisfaction and disengagement from the system.

Employers and individuals seeking information and support within the existing Apprenticeships System are confronted with a complex, bureaucratic system that is extremely difficult to navigate. Nationally consistent regulation and reduced compliance cost for all businesses engaging with the Apprenticeships System could lead to an increase in apprenticeship commencement rates, particularly in small to medium enterprises.

- *Training Incentives for Business and Industry*

CCIQ is concerned that recent moves by the Federal and State Governments to redirect incentives to high priority occupations for the economy may result in some employers disengaging from the system. We are especially concerned about the potential impact on SMEs. Currently, over 95 per cent of Queensland businesses are regarded as small (employ less than twenty people), with a further 4 per cent classified as medium-sized (employ between twenty and two hundred people). CCIQ does not wish to see an outcome where SMEs are disadvantaged because the skill shortages they are faced with are not classified as being of high economic value to Australia. Retail, tourism, agriculture and horticulture and food manufacturing industries in particular are considered significant industries in Queensland but struggle to attract domestic workers to the industry and will increasingly be constrained by skills shortages.

Additionally, CCIQ is concerned about how the redirection of incentives would relate to niche occupations and small industries that are already overlooked in Australia's skills programs. Some examples that CCIQ are aware of include occupations within creative or emerging industries as well as occupations that are more specialised such as computer programmers or irrigation technicians. Although these occupations or industries may not be seen as providing high economic value to Australia, many are providing a significant contribution to Australia's competitive edge by enhancing Australia's productivity growth and innovative capacity.

Introducing new and enhancing existing financial and non-financial incentives for business participation in training will be critical to the development of a sustainable culture of continuous learning and training. Combining advocacy and promotion with a series of financial and non-monetary incentives could facilitate increased engagement. For example, the introduction of an employer excellence in training scheme to recognise and reward employer commitment to quality training outcomes would provide public recognition and opportunities for businesses to differentiate themselves in the market, particularly in remote and regional communities.

In addition to the introduction of a scheme to recognize businesses providing quality education and training to their workforce, significant value could be derived from the introduction of incentives to businesses to up-skill qualified tradespersons and to deliver high quality on-the-job training. CCIQ would recommend that a framework around this type of incentive should include a ratio of qualified supervisors to apprentices.