WHITE PAPER

How the Government’s ‘Building Australia’s Future Workforce’ package can be strengthened to make a real difference for businesses and individuals

Prepared by Upskilled

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Overview of this paper

Upskilled, one of Australia’s largest private registered training organizations (RTO), has welcomed the measures outlined by the Government’s new Building Australia’s Future Workforce (BAFW) initiative, which launched in July 2012 with the aim of lifting the level of skills among Australian workers.

Upskilled believes that there are a number of actions that need to be taken to ensure the package succeeds in its aims and makes a real, tangible impact to industry in Australia. Without these actions, the package may struggle to produce the desired outcomes. The high level of Government investment and strong commitment to boosting skills needs to be supported by a number of achievable measures, in order to make a real difference to individuals and businesses.
Welcoming the changes

The new Building Australia's Future Workforce (BAFW) package promises a reform in the Australian training system, by giving industry a leading role. The Agency will be led by industry representatives to make decisions on the allocation of the $700 million National Workforce Development Fund (NWDF), an industry training fund established to support industry to develop and improve the skills of their employees. The NWDF aims to deliver training to 250,000 Australian workers.

In total, the BAFW package is said to be allocating a $3.02 billion investment over six years to deliver the skilled workers the economy needs.

BAFW contains a number of highly positive measures that will help address the country’s skills shortages. Upskilled has identified the following areas of focus from the package as positive steps towards boosting the vocational education and training industry:

- A greater focus on industry engagement in the training system
- Funding being more appropriately directed to areas and industries with the greatest skills needs and requirements in the economy
- A greater focus on workforce development
- A greater focus on flexible delivery of training to meet industry needs
- A bigger push for ongoing financial contribution from industry
- More funds being directed towards the less advantaged; addressing the needs of five specific groups:
  - People with disabilities
  - The very long-term unemployed
  - Youth and early school leavers
  - Entrenched disadvantaged
  - Job seekers

The ideal overall outcome of the above is a more targeted approach to skills development, offering support and funding to the industries and the individuals who require it most.

It hopefully signals a move away from ‘training for training’s sake’, and will allow thorough, informed identification of where the real skills gaps are in Australia’s workforce. A strong focus on developing the workforce and strengthening industries, rather than handing out qualifications for the sake of it is at the heart of Upskilled’s training offering, as is working with industry to offer the flexible delivery of essential training. Providing support to less advantaged groups who previously had limited or no access to training is also to be welcomed.
Making a real difference

As a leading RTO in regular and ongoing contact with business owners, HR managers and staff, Upskilled believes that the following measures should be considered for the evolution of the BAFW package, and of future initiatives:

1. Greater involvement and consultation with leading RTOs on key decisions affecting the industry
2. Re-evaluation of ongoing administration processes and requirements
3. Re-evaluation of the amount of financial contribution expected from medium to large enterprises

Involving RTOs in the development of skills-focused policy

As providers of the training that will assist the Government towards its aim of a more skilled Australian workforce, registered training organisations are the key link to deliver quality training and meet the needs of the Government, industry, businesses and individuals. Without involving RTOs in the development of proposed moves to address Australia’s skills shortages, there is a concern that key issues affecting Australian businesses and individuals who undertake the training will be overlooked, in turn affecting the success of packages such as BAFW.

Regular communication between Government, RTOs and industry, and monitoring of RTOs and the real issues affecting the success of VET, is essential to ensure the Australian workforce receives the relevant required training, enabling businesses to boost their productivity and provide an improved offering.

Round table meetings, debates and ongoing dialogue between leading RTOs and stakeholder groups are recommended to ensure key issues are addressed and delivery of training is consistently meeting agreed objectives.

Evaluating administration processes

Upskilled has provided training for more than 5,000 Australian businesses. It regularly receives feedback from businesses who want to utilise training funding, such as the Workforce Development Fund, who are deterred by lengthy administration and reporting processes that are unnecessarily difficult to complete and maintain compliance for those not familiar with what is involved.
While Upskilled recognises that airing frustration about necessary but time-intensive administration tasks is often par for the course for managers and business owners, the volume of dissatisfaction voiced from organisations country-wide suggests a need for review of some reporting processes. This dissatisfaction is a real inhibitor for businesses wanting to access funds and train their staff, and therefore a very real obstacle to the success of skills packages such as the BAFW. It can, in fact be seen as an increased cost to their business, with the cost of administering the funding applications often out-weighing the benefit of the funding itself.

Smoothing and streamlining these processes can’t always be expected to happen from launch, but regular dialogue with RTOs as recommended above, to provide a mouthpiece for businesses’ frustrations may help minimise this obstacle to training access for businesses and individuals.

Re-evaluating financial contributions from medium to large enterprises

While the Government’s investment in supporting training and workforce development is welcomed, concern has been voiced by a number of medium to large businesses that the required contributions to training via the Workforce Development Fund are currently too great for many to budget for.

For businesses with 100 to 199 staff members, required contributions to training costs stand at 50%; for those with more than 200 staff members, this increases to 66%. Training then becomes a very sizeable investment for medium to large enterprises via the WDF, especially if they’re looking to train a number of staff members. In industries currently experiencing financial strain, owners and HR managers are often strongly deterred from applying for the fund.

Feedback from businesses suggests that a review of the contribution structure would be welcomed, and lead to greater adoption of the fund. Again, more ongoing, open discussion with RTOs on how policy and funding will be received on the ground with businesses could help inform any future revision of the structure and lead to an increase in applications.

Notes to editors:
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