

Victorian Skills Commission

2008-2010 Strategic Plan

Skills for the Innovation economy



Context

Victoria is undergoing a transition to an innovation economy and is confronting economic and social challenges, not least from an ageing population, global pressures, and the impact of climate change. In response the Victorian Government has a suite of policies and initiatives, including:

- Maintaining the Advantage: Skilled Victorians (Victorian Government statement, 2006)
- 'Today's knowledge intensive SMEs: Where, Why and How' discussion paper (Department of Innovation, Industry and Regional Development, 2007)
- Victoria: working futures, Report of Victoria's Workforce Participation Taskforce 2005 (Department for Victorian Communities, 2005)
- Skills for Innovation Strategy [under development].

To respond to these challenges it is vital to increase workforce participation and productivity. The skills development system has a central role to play in this. But the skills development system is only part of the broader workforce development system. All parts of that system - at a whole-of-State level, at a regional level and within individual enterprises - need to work in synergy. Skills policy is a vital part of innovation, industry and regional policies. The Victorian Skills Commission (VSC) will build on its relationships with training providers to build a strong skill development system that encompasses all skill formation processes.

The VSC 2008-10 strategic plan operates within a broader workforce development approach which:

'... captures the importance of the broader context in which skills are utilised, it recognises that there are a range of parties who affect and are affected by skill formation and it reaches beyond the often narrow confines of formal training institutions' 1.

This approach builds on insights from the Commission's research into the manufacturing and service industries², and is being used in other jurisdictions such as South Australia and NSW, and in current AiG research 'Skilling the existing workforce'.

Features of a workforce development approach

- supports an industry led system by more fully engaging enterprises in skill utilisation, and builds their capability to use, deploy and develop higher skills
- considers the full range of skill/capability needs around the recruitment, deployment, retention and development of skills in the workplace
- whole-of-government, to cover the broad range of systems encompassed
- shared responsibilities between Government, industry and individuals to drive the system and co-invest
- effective engagement and responsiveness to the needs of SMEs.

Features of the VSC 2008-10 strategic plan

Principles

- the VSC, system and providers will be agile and responsive to changes at state, federal and international levels
- a flexible, responsive, industry-led skills development system
- high quality education and training experience for learners and apprentices and trainees
- the VSC is the State training agency as defined in Commonwealth legislation – these functions will be discharged through the plan strategies
- international experience and strategies will be benchmarked
- schools should be the place of first choice for young people, but options should be available for young people who prefer to learn in other contexts
- a devolved education and training system
- equitable access to skill development opportunities

Other features

- developed in the context of a workforce development approach
- support for cross-Government collaboration, and partnerships between TAFE institutes, ACE providers, other RTOs and schools
- separate but inter-related approaches to the engagement and participation of existing workers, entry-level workers, and those unemployed or not in the workforce
- a student centred entry-level system that supports effective transitions from compulsory schooling through post-compulsory education and training to productive engagement in the workforce
- support and promotion of innovation in strategic areas, including provider-industry partnerships, responding to workforce development needs, delivering skill development, and building provider capability.

Objectives

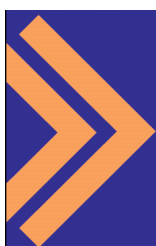
Over the period 2008-10 the VSC aims to achieve:

- a Victorian workforce with the mix and level of skills and knowledge required to meet the current and emerging needs of employers, industry and the community
- increased workforce participation through enhanced access to skilling opportunities, especially for groups with currently low participation rates (unemployed and under-employed)
- equitable access to skills development opportunities for all individuals to develop the full range of their potential skills and employability
- provision of systemic opportunities for existing workers to build towards higher qualifications.

Strategies

This broadly-expressed three-year strategic plan forms the basis of detailed annual work plans that respond to changes in the environment.

The VSC has identified two core strategies and three enabling strategies to optimise the contribution of the skills development system to the State's workforce development.



Core strategies:

1. Productivity: increase productivity by identifying and providing the right mix and level of skills and qualifications required to meet the current and emerging needs of employers, industry and the community in the new Victorian economy.
2. Participation: increase workforce participation by providing the right skilling opportunities for new entrants, existing workers facing industry change, and those who are unattached or marginally attached to the workforce.

Enabling strategies:

3. Capacity and Capability: ensure system and provider capability to meet productivity and participation needs.
4. Investment: increase investment in skills development in a fair and effective way.
5. Governance: ensure effective and accountable governance for the skills development system, and its effective links to other components of the broader workforce development system.

Strategy 1: Productivity - increase productivity by identifying and providing the right mix and level of skills and qualifications required to meet the current and emerging needs of employers, industry and the community in the new Victorian economy

Context: the VSC will work with industry to identify skill/capability development needs linked to qualifications and real job outcomes. This will include areas of skill shortages, new skill requirements, a move to overall higher level qualifications, and capabilities in workforce development and innovation. The VSC will develop systemic responses to these needs, through purchasing and other mechanisms.

Over the planning period the VSC will:

- improve demand-side information by reviewing the industry advisory system within the workforce development model and the opportunities created from within the DIIRD portfolio
- review the priority-setting model to enhance skill/capability outcomes
- examine how the VSC may respond to skill needs, in addition to its predominant use of purchasing training.



Strategy 2: Participation - increase workforce participation by providing the right skilling opportunities for new entrants, existing workers facing industry change, and those who are unattached or marginally attached to the workforce

Context: As well as identifying and responding to skill needs identified in strategy 1, the VSC will, through skilling strategies, contribute to stronger participation by demographic groups currently under-represented in the labour force. This will include providing those without a strong formal education base with the numeracy, literacy and employability skills required for further skill development; and strengthening pathways for young people from school to entry-level employment at higher qualification levels and in priority skill areas.

The VSC will work in partnership with industry and government stakeholders including ACFE Board, Department for Victorian Communities, Department of Education, and other sections of DIIRD.

This strategy area has three segments as follows, and aims to improve completion rates of VET programs in all segments:

Existing workforce

- encourage pro-active workplace skill development practices that can flexibly adapt to industry/workforce change
- improve recognition of prior learning (RPL) and use of intermediaries to increase participation in skill development
- implement measures to improve completion rates for apprentices and trainees

Not in the workforce

- contribute to a whole of government approach to improving welfare beneficiaries' workforce participation through skill recognition and development, including entry level skilling opportunities
- improve RPL and use of intermediaries to broker participation of under-represented groups

Entry level

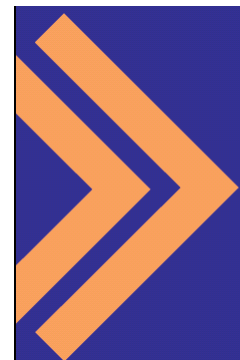
- people entering the workforce need strong base skills to engage with and move to higher level skills and qualifications in the innovation workforce
- for young people this strategy includes to:
 - continue to increase Year 12 or equivalent completion rates for young people in all sectors, & improve their transition to training
 - re-engage through education, training or employment young people who have left education and training without a qualification.

Strategy 3: Capacity and capability: ensure system and provider capability to meet productivity and participation needs

Strategy 3 will build the capacity and capability of the system and individual training providers to respond to new skill needs and cohorts.

Over the planning period the VSC will:

- work with industry, employer organisations and unions to support enterprises and their workforce to develop their capability to deploy, retain and continually develop skills
- support providers to develop their capacity and capability to identify and respond to skill development needs, link those needs to qualifications, ensure a high quality education and training experience for those engaged, and form partnerships with enterprises
- communicate clearly about the opportunities a workforce development approach provides, and the VSC's expectations of the skill development system within the broader workforce development system
- support an outcome-based focus for the skill development system.



Strategy 4: Investment - increase investment in skills development in a fair and effective way

Context: The Victorian Government skills statement *Maintaining the Advantage: Skilled Victorians* anticipates a significant increase in demand for education and training to 2015, including for higher-level qualifications. Strategy 4 will identify options to generate the additional resources required to meet this demand.

The VSC will advise government on how its investment in skills can leverage individual and industry/enterprise co-investment, to build a culture in Victoria where individuals and enterprises invest in skills development as a natural part of continuous self-improvement. The VSC will consider a range of strategies covering advocacy, legislation, access and incentives.

Over the planning period the VSC will:

- develop an evidence base on the relative contributions to skills development by government, employers and individuals
- examine options for increased investment such as education linked earnings/expenses, the tax system, learning accounts, income-contingent loans, joint or co-investment arrangements with industry, brokers including workplace learning representatives, and incentive-based funding within a workforce development approach – differential approaches to be considered depending on extent of public versus private returns
- monitor COAG and treasury initiatives, and implications of any move to outcomes-based funding.

Strategy 5: Governance - ensure effective and accountable governance for the skills development system, and its effective links with other components of the broader workforce development system

Context: the VSC has a high level strategic role with respect to the Victorian skills development system. The VSC will ensure the system has strong governance, and will monitor system outcomes to ensure Government objectives are met. Strategy 5 recognises that, when operating in a devolved system, best practice accountability frameworks are needed. Monitoring and reporting will be in partnership with key stakeholders.

Over the planning period the VSC will:

- monitor outcomes of the system's and VSC's annual work plan key performance indicators, and build an evidence base for future strategic action
- build on its current good practice in accountability, governance and risk management to approach 'best in class'
- review governance arrangements for Industry Training Advisory Bodies (ITABs), Local Learning and Employment Networks (LLENs) and the apprenticeship system
- improve synergies through effective stakeholder engagement, especially within the Department of Innovation, Industry and Regional Development
- as Victoria's State training agency, influence national developments and ensure quality education and training experience for learners and for apprentices and trainees in particular.

¹ Skills in Australia: Towards Workforce Development and Sustainable Skill Ecosystems, Richard Hall & Russell Lansbury, *Journal of Industrial Relations*, November 2006

² Renewing the capacity for skills formation: the challenge for Victorian manufacturing, John Buchanan, Justine Evesson, Chris Briggs, VLESC, 2002

Beyond VET: The Changing Skill Needs of the Victorian Services Industries, Australian Centre for Industrial Relations Research and Training (ACIRRT), VLESC, 2005



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