

The background of the slide is a photograph of a vast blue ocean meeting a blue sky with wispy white clouds. The sun is visible on the left side, creating a bright glow and a shimmering reflection on the water's surface.

# **NEW INDUSTRY ENGAGEMENT MECHANISMS**

# KEY POINTS

- **'WASTAGE' IN CURRENT SUPPLY-DRIVEN SYSTEM**
- **VET SYSTEM SILO - NOT ALIGNED TO SUSTAINABILITY (Profit, People, Planet) – OTHER POLICY DOMAINS**
- **CAPABILITY ISSUES – Industry and government**
- **EXPECTATION ISSUES**

# BACKGROUND

- About 2000, industry concern with VET
- Perceived wastage in a supply-side only VET system
- Skill Ecosystem pilots commenced 2002; included in *Queensland Skills Plan 2006*
- Currently managed as projects (22 existing, 21 transitioned, funding for 6 new ones a year)
- New processes of industry engagement informing thinking about Future VET

# NEW INDUSTRY ENGAGEMENT MECHANISMS 2006

- Skill Ecosystems (Skills Formation Strategies)
- Centres of Excellence
- Skills Alliances
- Lead Agencies
- Direct Industry Engagement

# SKILL ECOSYSTEMS

- Collaborative networks
- Integrate business strategy, work and skill
- Industry capacity building
  - Business settings
  - Business models, systems, processes
  - Management
  - Innovation
  - Institutional and policy frameworks
  - Mode of engaging labour
  - Structure of jobs
  - Level and type of skill formation

# WHAT HAPPENED? - SFSs

- **Some effective, some not.**
- **Necessary conditions and capabilities:**
  - **Industry ownership**
  - **Collaboration**
  - **Networking**
  - **Facilitation**
  - **Coordinated service provision**
  - **Require alternative accountability framework**
  - **Focus on industry capability to manage its 'skill ecosystem'**
  - **Time to allow an organic approach**

# EXAMPLES

- **Good skill ecosystems:**
  - **Have skilled intermediaries**
  - **Analyse and plan methodically**
  - **Systemic approach – by sector, region, community**
  - **Tools**
  - **Leverage workforce change**
  - **Influence training provision – formal and informal**
  - **Own the 'skill ecosystem' – development and deployment of labour**
  - **Have appropriate time and resources – from industry and government**

# Poor skill ecosystems:

- **Inexperienced intermediaries**
- **'Business welfare' mental model**
- **Focused on skills supply**
- **Often, but not always, SMEs with no or weak industry organisation (funding implications in Qld problematic here)**
- **Poor capability to adapt to changing external environments**



# **WHAT HAPPENED? - DETA**

- **Accountability issues in skill ecosystems**
- **Little expertise in governance modes**
- **Supply-side mental model remained in the administration – evidenced in contracts for other mechanisms**
- **Should have leveraged workforce change**
- **Importantly, they became established albeit insufficiently**
- **TAFE challenged**

# LEARNINGS re TAFE

- **The existing:**
  - monitoring and performance framework
  - funding arrangements
  - Culture

impact on flexibility and responsiveness of public providers in particular.

***Exemplar responses depend on risk taking and innovation of individuals***

## Governance Modes

↓ Policy Parameters Governance Mode →	State	Market	Network
<i>Outcome Focus</i>	Certainty	Efficiency	Reflexivity
<i>Structural Arrangements</i>	Public Organisations	Private Organisations	Collective Organisations
<i>Relationships</i>	Hierarchical Dependent	Contractual Independent	Social / Communal Interdependent
<i>Integrating Mechanism</i>	Legal authority Formal Rules Regulations Mandates Procedures Policies	Arms Length Contractual Transactions Price Supply and demand	Social exchange Common vision Trust Reciprocity
<i>Institutional Arrangements</i>	Departments Committees Task forces	Partnerships Mergers Alliances Acquisitions	Compacts Accords Negotiation tables Informal networking
<i>Issues Complexity</i>	Routine	Intermediate complexity	Complex
<i>Accountability</i>	To polity and public	To self or board	To group - internal

*Source: Constructed from Keast et al (2006) p.39*

# SUMMARY

- **New industry engagement mechanisms explored in response to perceived 'wastage' and industry concerns with VET**
- **Issues with governance and accountability**
- **Issues with 'capability' – of industry and of government**
- **VET system economic context (sustainability) needs to influence its design: role and purpose, governance, skills policy**