



Response to the Productivity Commission Issues Paper

Vocational Education & Training Workforce

OVERVIEW

The first part of the submission will address some of the specific issues raised in the Productivity Commission issues paper, discussing features of the vocational education and training sector and the skills its workforce requires. The second part will focus on the workforce planning and professional development strategies in TAFE NSW, the largest public provider of vocational education and training in New South Wales.

DEFINING CHARACTERS OF THE VOCATIONAL EDUCATION AND TRAINING SECTOR AND CHALLENGES TO ITS WORKFORCE

Responding to industry and community needs

Vocational Education and Training (VET) is a contributor to the development of a high value-adding economy by facilitating adaptability, innovation, productivity and growth. The sector faces demands from many quarters and seeks to serve a range of social and economic needs.

Publicly funded vocational training needs to cater more effectively to enterprises wanting to up-skill their existing workforces and improve their competitive position. The focus on existing workers, as opposed to entry level workers, has become more important as the lives of Australian people lengthen and the balance between young and older workers changes. The training sector needs to improve support for industry by strengthening its focus on enterprise learning needs and making a stronger contribution to the broader workforce.

Catering more effectively to enterprise learning needs involves both an expansion of this aspect of public VET provision, and a broadening of the way such training is developed and delivered. Enterprise-responsive work goes beyond customising qualifications to offer relevant training and assessment.

The other value adding component is the vocational education and training practitioners' facilitative role on the wider aspects of skill development such as how to encourage the use of acquired skills, and how to shift workplaces towards being 'learning organisations' which successfully support continuing learning and business innovation.

Traditionally, workplace learning has focused on entry level workers, trainees and apprentices. The last decade has seen an expanding role for VET practitioners in

working with the full range of workers in enterprises providing skill solutions for part or all of an existing workforce in a workplace context.

However, much industry training is currently undertaken outside the national training system through structured and informal training. While this is appropriate, it is also important that the formal system have some reach into the development of Australia's existing skills base. More delivery of enterprise responsive training will also cross fertilise and enrich the entry level training currently provided.

Strengthening the workforce development dimension of the VET remit has a range of implications, including resourcing and the skills required within its workforce. The knowledge and skills required of the VET workforce are discussed in more detail later in the submission.

Impact of structural trends and economic development

A recent NSW Government economic study found that among the myriad of influences in the NSW economy, four particular trends are expected to have a considerable impact on the shape and performance of the economy¹:

- National and global policy actions to address climate change and the physical effects of climate change on communities and industry
- Demand and competition from emerging economies especially China and India
- The widespread adoption of new information and technologies
- Demographic change especially a growing and ageing population.

A complementary NSW study identified the hall-marks of a low carbon economy as follows:

- Uses clean secure and affordable sources of energy
- Procures and manages resource efficient zero or low carbon infrastructure, buildings products and services
- Adopts accessible efficient low carbon transport
- Influences consumer decisions based on resource impacts
- Incorporates high waste recycling and re use of materials and has the necessary local infrastructure for this

¹ Source: Access Economics for the NSW Innovation Council, *The NSW economy in 2020, a foresighting study* (June 2010).

- Has the strengths in innovation and diverse employment to respond quickly to economic drivers such as a price on carbon
- Has high skills development infrastructure to equip the current and future workforce for changing demands
- Has established sustainable public and private procurements and practices².

Clearly, transition to such an economy would have major implications for the VET workforce, both in terms of what key skills and knowledge are involved in integrating sustainability into all curriculum areas, and secondly, in terms of their own ecological footprints as business organisations.

The study found that in New South Wales, new jobs and consequently skill development strategies should be concentrated in the following major areas: grid solutions, green buildings, waste conversion, low emissions vehicles, solar, wind and geothermal energy, and business services.

Economic activity is a driver of VET sector activity particularly in the resource industries such as mining. For example, the Hunter Valley accounts for over 30 percent of NSW exports and generates 80% of NSW's electricity, from coal fired power stations, with the largest exporting coal port in the world.

However, strong growth in the resources sector has a negative impact on the recruitment of VET practitioners. When growth and boom times hit, working in the mining industry is more profitable than transitioning to a VET practitioner role.

Convergence of the sectors

The Commonwealth has set targets which require an expansion of overall participation in higher education as well as having a more representative proportion of disadvantaged students enrolled:

- increase the proportion of the population aged 25-34 years with a degree from 32% in 2008 to 40% by 2025
- increase the percentage of students from low socio-economic backgrounds in universities from around 15-16% in 2007 to 20% by 2020.

The education sectors need to facilitate the achievement of these targets by:

- developing collaborative programs between the sectors
- improving pathways from diplomas to degrees and degrees to diplomas

² Source: Ernst and Young for the NSW Department of Industry and Investment, *Business opportunities in a low-carbon economy*, May 2010 (not yet released).

- improving pathways from both secondary education and VET to universities.

A major focus in the tertiary sector is to improve pathways. Movement of students and flexibility of training provision are currently facilitated through credit transfer, articulation, joint VET-higher education delivery, franchise or auspice arrangements and dual sector institutions.

A principal barrier to lifting participation is the lack of candidates meeting the entry requirements for enrolment in university. Universities can undertake programs to raise aspirations and improve the ease of access, and these will be important in lifting outcomes. At the same time, governments are investing substantial new resources through the Smarter Schools National Partnerships to lift outcomes in schools serving low SES communities.

With the VET sector traditionally catering for a lower socio-economic profile of students, it is also likely that VET would be a more important pathway to higher education for disadvantaged students than for higher socio-economic students.

To meet the higher education targets, programs and initiatives will need to focus on lifting attainment in disadvantaged schools (where disadvantaged students are located) and to systematically boost the pathways available from VET.

A major challenge is to better exploit the potential for increased participation by opening up pathways to university from VET through:

- more streamlined articulation arrangements
- exploration of new models of integrated tertiary delivery
- better approaches to funding and administering programs that integrate vocational and higher education components
- new pathways to create options for students who have disengaged from schooling.

To meet this challenge, the VET workforce would need to improve its capacity to align delivery with a higher education focus.

Strengthening quality standards and national regulation

Over the past decade, Commonwealth policies in education, training and immigration resulted in rapid growth in participation by international students. In vocational education and training, provider numbers grew as entrepreneurs saw opportunities to capitalise on this growth. Regulation of this market has identified that many businesses entering this market did not see quality of teaching and learning and student achievement as a priority. This was reflected in the quality and capacity of the workforce engaged by a number of providers.

This failure to invest in a high quality workforce could be seen as one element that contributed to the decline in confidence in this sector of the Australian education and

training market. Failure in the international VET market has led to a toughening of standards for all providers, through the reform of the Australia Quality Training Framework. Renewed growth in international VET must be based on promotion of high quality learning opportunities backed up by rigorous regulation that has a particular focus on the capacity of the teaching workforce.

Quality concerns in the international student market have supported the argument for a single, consistent national regulatory regime to protect Australia as a destination in an increasingly competitive international market. The Council of Australian Governments has endorsed the establishment of a National Vocational Education and Training Regulator. For international students this will align Commonwealth and State VET provider regulation in one agency.

National regulation has the potential to improve outcomes for domestic students as well. Under State-based regulation there are providers operating in New South Wales that are not registered in New South Wales but in other States. New South Wales has not had capacity to act in cases where it has had concerns about provider quality. A national VET Regulator will have capacity to ensure all registered training organisations operating in a jurisdiction meet the appropriate standards. In conjunction with the strengthened Australia Quality Training Framework, this should target target improvements in VET workforce standards across the training market.

National regulation provides an opportunity to ensure appropriate standards for all provision. Regulation needs to be risk-based and vigorous. In addition, there is a need for aligning standards of training set by the national regulator with those required in state-based purchasing.

The VET Workforce Profile

The VET workforce is vulnerable to loss of knowledge and experience, being old (48 per cent of the national TAFE workforce were aged fifty or over in 2008³), and increasingly dependent on a small core of knowledge and capability backed by a larger, exigent workforce of part-time staff, contractors or temporary staff.

The older age of VET practitioners compared to the average workforce is most pronounced in the TAFE system, whereas the age profile for private providers is more in line with that of the Australian workforce.

In general, the vocational education system depends on many practitioners having strong capability in procedural, instrumental, and practical skills and/or knowledge. Since many of these skills are developed experientially over time and need to be fully mastered before they can be taught to others, the lead time to become a VET practitioner is necessarily longer than for many other professions – so that entrants are necessarily older. Added to this is the fact that many are employed by government agencies, where employment is more secure and which represents a

³ Nechvoglod, L et al, 2008, *National TAFE workforce study 2008*, NCVER, Adelaide.

good work option for older experienced workers in skills-based trades with physical demands.

It should be noted that the part time employment available in VET suits the older cohort. Older workers are often looking to combine work and leisure, learn new skills, change careers, or delay retirement and may seek part-time work.

The VET Workforce Professional Capability

At present there are 1,050 NSW-registered training organisations in the state and 1,092 interstate registered training organisations operating in the state, making a total of 2,142. TAFE NSW has over 10,000 teachers in 10 institutes across 130 campuses. The non-TAFE registered training organisations are likely to employ more than 7,000 practitioners.

As the major provider of professional development to the sector, the NSW Department of Education and Training (DET) provides professional development to approximately 3,000 private sector practitioners this year, with many repeat attendees.

Experience from the NSW DET professional development service and its networks shows that at least some of the private training organisations have limited involvement in professional development. There is a large divergence in capability between the relatively large number of practitioners who have only base or foundation capability, and a smaller percentage (less than 30 per cent) with specialist or advanced VET skills⁴.

On a more positive note, recent trends show a strong increase in demand for the Department's professional development services, with demand up by more than 100 per cent in the past three years. An encouraging feature of this trend has been strong growth in more advanced practitioner products (such as Group Recognition and Facilitation) and enterprise-based workshops. The demand is also reflected in participation in DET-promoted networking activity involving Registered Training Organisations, assessors and industry representatives.

The Compendium of VET workforce data 2008 indicates that at that time 50 per cent of TAFE practitioners and thirty per cent of non-TAFE practitioners held a degree or higher qualification. This is in line with qualification profiles presenting in the Department's professional networking activities.

The objectives of the VET workforce

The VET workforce currently seeks – and sometimes struggles – to achieve outcomes dictated by its regulatory and financial drivers, namely the formal

⁴ Mitchell, J and Ward, J, 2010, *The JMA Analytics Model of VET Capability Development*, John Mitchell and Associates, Pyrmont, Sydney

qualification of large numbers of students to a profile which is set either by governments, or by students or industry who pay for services they require.

Ideally the objectives should be wider, encompassing a role in facilitating organisational learning for enterprises and industry. They should also be concerned with improving the meta-cognitive skills (that is, the ability to reflect on one's own learning) of those participating in learning. Consideration should be given to a stronger focus on the essential enabling or foundation skills needed to participate effectively in the workplace and in society - including language, literacy and numeracy.

From a workforce development perspective, one of the VET sector's objectives should be the development of work-related skills that are important for productivity, participation and employee engagement. There should also be a focus on the productive use of skills at the workplace rather than simply their supply.

In measuring the progress in achieving the objectives or effectiveness of training, qualifications or skills-set based profiles are currently the main metric. Broader metrics are also needed to foster long term partnership between registered training providers and industry where criteria are met as may occur where training is done as part of a long term workforce development plan with a company or worksite.

There is a need to move away from simply assessing individual outputs (such as qualifications) to focussing instead on individual and collective outcomes, including job outcomes for job seekers (the extent to which destination jobs are obtained and are commensurate with the training), and industry performance outcomes for existing worker training.

Knowledge and skills required of the VET Workforce

Extending the workforce development remit of the VET workforce means that training will have to be customised and tailored more closely to the needs of the enterprise or an industry sector. It often requires liaison with external sources of expertise and the negotiation of success indicators for both the enterprise and the individual. Such trainers need to be able to work collaboratively with employers, managers, human resources and/or learning development staff as well as workers.

The key knowledge, skills and abilities required for VET practitioners working in this way with industry include the following:

- The ability to engage in dialogue with employers and employees about business operations, directions and skill issues
- Expertise in aligning training with business objectives and performance and balancing this against the need to ensure that employees develop transferable skills
- Understanding of the wider aspects of training such as the opportunities learners have to use their acquired skills in the workplace

- Contextualising skills development in work environments
- Contributing to organisational learning. For example, designing training that can assist firms to integrate insights from customers, suppliers or other external sources, and to innovate
- Taking a whole-of-enterprise view and offering learning and development opportunities suited to different workplace groups, including management
- Working with diverse people and organisations, such as researchers, industry consultants, equipment suppliers, other education and training providers and regulators to provide relevant training
- Working as an assessor and a mentor, and supporting workers as active, self-directed learners.

The VET practitioner typically designs and manages the workplace training and assessment in collaboration with the enterprise, but the delivery of training itself is sometimes best provided by other workers, consultants and external experts. The VET practitioner's role can become more akin to that of an educational consultant, project manager or broker, and may also involve working with community-based support services where workers have particular support issues that affect their participation in work and/or training.

A key issue here is the boundary between the role of the VET practitioner and the other key players internal and external to the firm. Although the VET practitioner may need to understand and facilitate effective practice in aspects of workforce management or work organisation, this should not be understood as taking on the role of either the Human Resources manager, or that of the business adviser or recruitment agency to the firm.

Because the learners are existing workers who may have tertiary qualifications and are likely to have work experience, recognition of prior learning and current competencies often acquires heightened importance in enterprise-responsive work. Similarly, innovative and flexible time-tabling and delivery methods are required. Whether people are training during working hours or afterwards, the time available for training is likely to be limited, or may disappear altogether in the face of competing work and non-work responsibilities.

To be able to provide appropriate training where industries adopt innovative products and practices, the training organisations also face resource and capacity challenges in responding to it. Trainer skills and access to new technologies will play a significant role.

In addition to extending its role as an innovation partner, especially in small firms, and in fast changing areas of industry where customised skill solutions involving a range of expertise are needed, the VET workforce also needs to develop a capability and understanding of issues pertaining to VET in Schools requirements and

procedures, and a capacity to manage less mature students and associated class management and pedagogical skills.

At Diploma level there are challenges in gaining transition and recognition into the non-competency-based higher education sector. Neither the school nor university sectors operate to competency-based frameworks, imposing additional load and strain on VET staff who need to interface with these two sectors.

TAFE NSW WORKFORCE

TAFE NSW – Delivering Public Vocational Education and Training

TAFE NSW is Australia's leading provider of vocational education and training with more than 500,000 enrolments each year. In 2009, TAFE accounted for 73% of the total vocational education and training students reported in New South Wales and delivered 89% of the training hours.

TAFE NSW delivers over 1,200 nationally recognised qualifications from Certificate I to Advanced Diploma level, as well as Statements of Attainment and TAFE NSW Statements. It also delivers a wide range of short courses for individual professional development or in response to enterprise workforce development needs. Courses are offered full-time, part-time and flexibly, through distance and online learning.

TAFE NSW is a registered higher education institute and has Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) approval for international student enrolment in vocational and higher education qualifications.

Forty five percent (45%) of the over 500,000 current enrolments in TAFE NSW are enrolled at AQF Certificate III level and above.

This level of enrolment reflects the commitment by TAFE NSW to the development of skills to sustainably increase productivity, prosperity and well being.

The commitment to meeting industry and employer requirements and responding to student preference is embedded in the NSW *Technical and Further Education Commission Act* (1990) which requires TAFE NSW to:

- provide basic and pre-vocational education as well as vocational education and training;
- provide students with the maximum opportunity for credit transfer within TAFE and with other educational agencies; and
- provide educationally or vocationally disadvantaged groups (such as women, Aboriginal people, persons of non-English speaking background, persons with disabilities and persons in rural areas) with access to technical and further education services, including a range of appropriate specialised services.

This broader role places a wide range of demands on the TAFE NSW workforce in relation to, for example: counselling and advisory services; foundational and employability skills programs; community liaison and partnerships; intermediate pathways for at-risk groups; targeted resources to support engagement for particular student backgrounds; and customising programs to meet an extremely diverse range of individual needs.

The effectiveness of TAFE NSW in performing this broader role is demonstrated by the fact that:

- 90% of TAFE NSW graduates were satisfied with their training compared to a national average of 89.1%⁵; and
- TAFE NSW 2009 equity enrolments (Aboriginal students, students with a disability, unemployed students, and Language other than English) were above the national average for all groups, as a percentage of total enrolment.

The Current TAFE NSW Workforce

TAFE NSW employs just over 10,000 teachers in 10 Institutes across 130 campuses⁶.

TAFE NSW workforce data indicates that 59% of all employees are female. Of those employed as teachers, 55% are female and 66% of non-teaching staff are female. Of the total TAFE NSW workforce, 55% are employed on a full-time basis.

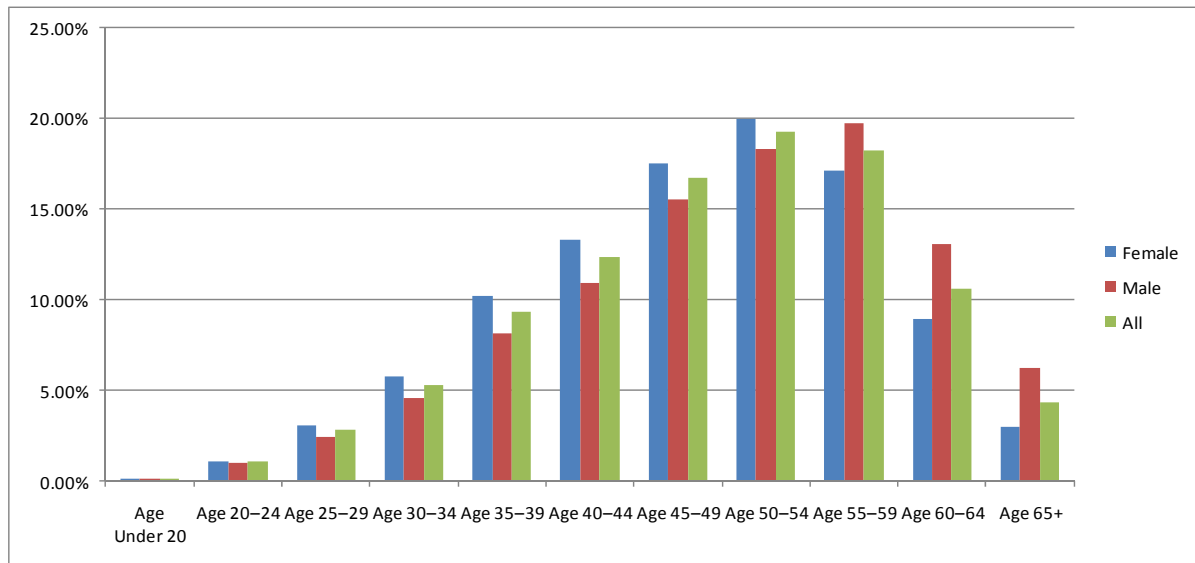
Of the TAFE NSW permanent teaching workforce 30% are aged 40 to 49 and 38% are aged 50 to 59. There are relatively low numbers of permanent staff aged 25 – 39 (17%). Staff retention levels however are significant, with 34% of staff having 5 to 14 years of service, and 37% with between 15 and 24 years of service.

TAFE NSW data also indicates a slightly larger percentage of males aged 55 and above. This can be attributed to the strong trade focus of course offerings. It may also indicate that tradesmen are transitioning into teaching as they find it increasingly difficult to undertake the physical requirements of their trade employment.

The graph below shows the age and gender profiles of the TAFE NSW teaching workforce:

⁵ National Centre for Vocational Education Research (NCVER), Student Outcomes Survey 2009.

⁶ DET Annual Report, 2009



The unique characteristic of the VET practitioner is a requirement for training and assessment qualifications, and industry qualifications equal to or higher than the qualification being delivered and relevant industry experience.

This gives rise to:

- the need for multiple experiences before entering the workforce;
- a demographic for the workforce that will be older on entry to the workplace; and
- a workforce characterised by skills, experience, commitment and stability.

TAFE NSW recognises the Certificate IV in Training and Assessment as the minimum teaching qualification required for full-time staff. In addition, TAFE NSW also requires teachers to possess relevant industry experience and qualifications.

A significant strength for TAFE NSW is the stability of the workforce. This provides a broad bank of intellectual capital and supports knowledge management, which in turn enables skills transfer and the mentoring for new employees.

This stability is achieved through attraction and retention strategies implemented at the following points of employment:

- On appointment, all new permanent teachers develop individual learning plans for the first two years of employment that identify both training and mentoring opportunities. Two hours of professional development per teaching week for the first two years of employment is provided.
- Where a new permanent teacher elects to undertake a Diploma of Training and Assessment within the first two years of their employment, two hours of professional development per teaching week is provided and the course fee refunded on successful completion.

- Where a new permanent teacher elects to undertake an approved higher education qualification in adult education in the first two years of employment, two hours of professional development per teaching week is provided and their Higher Education Contribution Scheme (HECS) is refunded on successful completion of the qualification.

In addition, TAFE NSW provides ongoing professional development for all staff and has structures for engagement with both accredited and non-accredited training.

Workforce Planning - NSW Public Sector Capability Framework

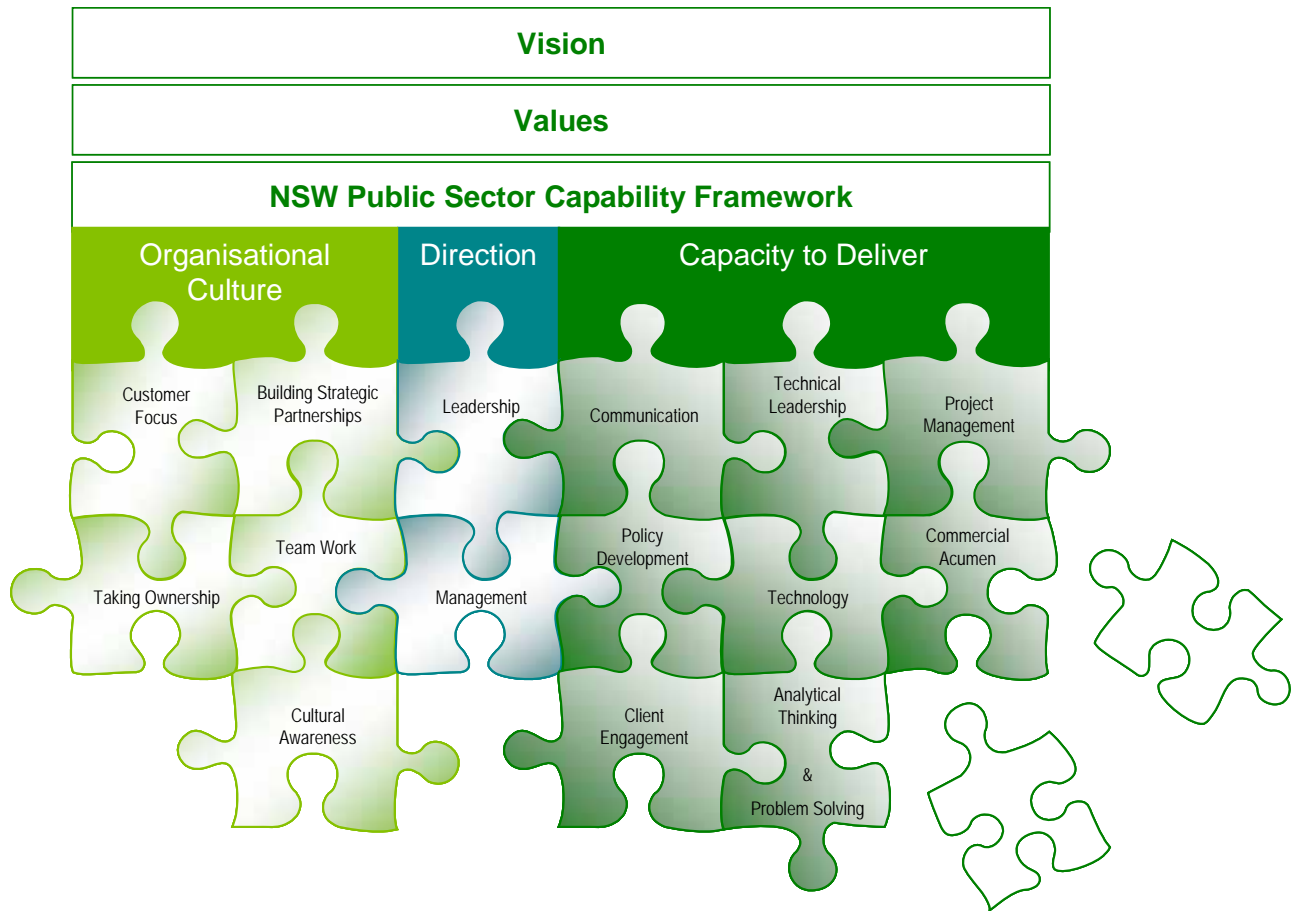
In 2008, the NSW Department of Education and Training introduced its workforce capability framework for use by corporate staff, schools and TAFE NSW Institutes. It identifies core (Organisational Culture) and functional (Direction and Capacity to Deliver) capabilities.

The Department of Education and Training's Workforce Capability Framework is now replaced by the NSW Public Sector Framework, which will support State Plan and NSW Workforce Strategy priorities that look to build the sector's capabilities to deliver services to the community.

The NSW Public Sector Capability Framework was developed in consultation with agencies. A number of existing public sector agency capability frameworks were reviewed (including the Department of Education and Training's) to identify common capabilities across the sector.

The NSW Public Sector Capability Framework and the former Education and Training Workforce Capability Framework are closely aligned.

The Capability Framework is a significant tool to inform workforce planning in TAFE NSW Institutes and is used to inform Institute planning. It is used within TAFE NSW to identify critical skills and competencies for staff, with capability descriptors applicable across a range of employment levels that reflect the organisational structure.



TAFE NSW Workforce Development Priorities

TAFE NSW is developing its workforce with the capacity to deliver across a broad range of industry specialisations in a range of Australian Qualification Framework levels that support increased workforce participation and access to a variety of student tertiary pathways. To complement the current vocational learning and assessment skills TAFE staff are increasingly working with students to develop and strengthen their skills for higher education.

To underpin the commitment to community engagement, TAFE NSW staff are provided with professional development to build skills to respond to, and engage effectively with, diverse learning needs.

TAFE NSW Institutes invest in professional development strategies to respond to shorter-term purchasing priorities as well as planning for the longer term to ensure achievement of the economic and social capital priorities of the State.

With an established reputation in the market and a highly stable workforce, the focus for the future therefore includes:

- establishing and maintaining flexibility for enterprise job design to sustain engagement with diverse and rapidly changing technology based and workplace specific learning;
- engaging with the workforce to develop broader facilitation and customisation skills while maintaining the strong vocational teaching skills foundation;
- developing strategies to refresh the workforce through a sustainable mix of part-time and full-time employees;
- building sustainable partnerships with enterprises to achieve both skill development for the business, and ensure a diverse mix of professional development opportunities; and
- partnering with Universities to extend tertiary pathways.

Critical drivers for capability development for the TAFE NSW workforce are:

- increasing capability in using and applying Information and Communication Technology (ICT) skills;
- improving responsiveness to the rapidly changing skill needs of industry;
- developing entrepreneurship, which is proactive as well as responsive, to identify and facilitate skill development partnerships;
- embedding broad-based engagement skills that also require specialist skills to respond to the needs of diverse learners, especially those facing disadvantage; and
- increasing quality outcomes that positively impact on completion rates for all students.

The TAFE NSW Workforce Development Guarantee (discussed below) has strategically linked the development of teachers' capability to emerging customer needs and requirements. It is a key response to the challenges of building and developing VET practitioner skills to appropriately respond to the needs of individual learners, industry and enterprises, and the community.

TAFE NSW Workforce Development Guarantee

The Capability Development Initiative implementation framework (**Attachment 1**) supports Institutes in the development of capability to meet the new and emerging demands of changing patterns of work and job roles, as well as widely diverging clients' needs. It provides the opportunity for Institutes to adopt innovative, flexible and customisable options to meet local business needs and priorities. An important factor in this approach is that both structural and process elements are essential in implementing change and positioning Institutes for now and into the future.

Practitioners throughout TAFE NSW are supported in embedding innovation in their practice and experimentation in their learning. Ideas are tested and adaptation and flexibility are becoming the norm. The Initiative is about ensuring the long term sustainability and capability of the TAFE NSW workforce. All staff in Institutes - management, teachers, administrative and support staff - are supported to apply new or current skills in constantly changing contexts.

Under the Workforce Development Guarantee capability is developed under six broad areas:

- delivering workforce development services to enterprises
- using technologies to do business
- meeting the needs of diverse learners
- interpreting and customising Training Packages
- leadership
- sustainability.

This initiative has enabled teaching and administrative staff to engage in capability development in nationally accredited training. Under the TAFE Workforce Guarantee, established in 2008, 5,015 staff have enrolled in single units, skills sets and/or full qualifications. Over the same period in excess of 5,000 staff have engaged in an additional 3,000 informal capability development activities. The highest number gained skills in *Using Technology to do Business*. In 2010 the focus is on the development of leadership capabilities.

Under the Workforce Development Guarantee, TAFE NSW staff have been offered the opportunity to gain recognition of their existing skills and to build on these to develop and apply new skills to enhance new ways of TAFE NSW working in the 21st century. A critical priority is to ensure customer focussed delivery, be it for industry, individual learners or in response to participation and social inclusion.

Workforce Development at the Institute Level

Workforce Planning

Each TAFE NSW Institute has responsibility for Workforce Planning to ensure its workforce has the appropriate mix of skills and capabilities to achieve the strategic directions for each. The recruitment, professional development and retention strategies are determined at an Institute level.

As an example, Sydney Institute has developed a **strategic workforce planning process** using a supply gap analysis tool which:

- is integral to annual strategic planning and review process;
- can be applied where Sydney Institute needs to respond to external variations which have a significant impact on the business (business impact response);
- ensures identification of mission critical groups whose supply is vital to ensure achievement of objectives;
- is informed by critical data to populate the customised Supply Gap tool;
- engages stakeholders in advising workforce (treatment) strategies which seek to build a sustainable workforce, as well as attract and retain talent and strengthen a capable workforce;
- engages the Executive in reviewing/approving workforce strategies; and

- supports Executive sponsor reporting and communicating to stakeholders via the Workforce Planning Institute intranet site.

Sydney Institute's **Workforce Plan 2009-2012 (Attachment 2)** is an enabling plan to achieve its Strategic Directions. The plan integrates workforce planning, workforce capability development and workforce management to underpin the Institute's culture. It also provides a framework to address:

- the human capital/people implications of the strategic priorities;
- the readiness of the workforce and organisation to execute strategic priorities; and
- the capability management and development strategies needed to execute the strategic priorities.

Capability Building

TAFE NSW Institutes regularly review their staffing requirements to inform performance management and identify appropriate professional development. This includes analysis of

- role and profession specific capability domains, including the AQTF mandatory elements of:
 - professional currency
 - industry currency
 - vocational competence.
- achievement by management, administration and teachers that:
 - contribute to and develop strategy
 - achieve TAFE NSW outcomes to the highest standards
 - cultivate productive working relationships
 - develop individuals and model professional behaviours
 - communicate effectively.

TAFE NSW has prioritised teaching, assessment and client engagement skills and management capability development, to build and maintain currency for the short, medium and long-term through:

- establishing recruitment targets linked to:
 - shifts in service delivery (workplace)
 - staff demographics such as age cohort, projected retirement dates, internal skill shortages
 - emerging skill needs
 - attracting high performing TAFE graduates
 - mentoring Aboriginal people into teaching roles;
- evaluating the effectiveness of policies, strategies and initiatives;
- broadening comprehensive training in contemporary recruitment approaches for both HR and management staff;

- refining new staff induction/education including Individual Training Plans to maximise engagement with the Institute's purpose, culture and market position, and promoting opportunities for individual career development; and
- improving talent management, succession planning, transitioning and separation programs and procedures that facilitate skill formation, career development and knowledge transfer.

Some examples include:

- **Illawarra Institute:** Capability Development Plans form an integral part of the Institute's Capability Development Strategy. These Plans require the introduction of mentoring and support and are designed to encourage staff to take ownership for their learning while promoting discussion between staff and supervisors about skill and competency development.

Possible learning pathways may include undertaking formal professional development involving recognition and gap training as well as less formal learning from discussion groups, networking, mentoring, coaching, online/library research and short training programs.

All Capability Development Plans are reviewed at least every six months with a yearly review being made just prior to the commencement of the next capability development planning cycle.

- **Riverina Institute:** The Workforce Planning and Development Program reviews all faculty areas in relation to their industry environments, profile and future capabilities. This is followed by individual meetings with faculty staff to develop career plans that map institute capacity to deliver and identify strategies to respond to gaps through supported training.

The goal is to align teacher qualifications and industry experience with Institute requirements. This is achieved by:

- analysing existing skills, qualifications and industry experience;
 - determining organisational needs and identify any gaps with current capabilities; and
 - training and developing existing staff where possible, and recruiting new employees where appropriate.
- **North Coast Institute:** The Institute Capability Plan is organised according to the following priority areas: Developing Great People; Meeting the Needs of Diverse Learners; Delivering Workforce Development Services to Enterprises; Using Technology to do Business; Interpreting and Customising Training Packages; Developing Leadership; Educating for and Practising Ecological Sustainability; Understanding and Building our Business; Meeting Legislative and Mandatory Requirements; and Implementing Policies and Procedures.

Recent initiatives have focused on:

- communication to improve the way teachers deliver programs to Generation Y students;
- technology-based teaching to allow more staff to access information technology training through the use of Modular Object-Oriented Dynamic Learning Environment (Moodle);
- technology and workplace innovation to maintain and increase the capability of staff in assessing workplace need and designing appropriate programs; and
- succession planning to better assess the intentions of staff and the training requirements that are likely to emerge.

Similar plans are in place across all Institutes and highlight messages raised by the National Centre for Vocational Education Research (NCVER) related to the need for:

- strategies that build capability focus on the needs of both the individual and the organisation. This means that building organisational capability demands close alignment of individual development with organisational vision, strategy and business goals; and
- building provider capability requires a strategic focus. This means that the vision, strategy and approaches to operating need to be shared and understood across all organisational levels⁷.

TAFE NSW Leadership Development Program

TAFE NSW recognises that leadership at a management level is equally as critical for the VET workforce as teaching and learning. Developed in 2008, the TAFE NSW Leadership Development Program has engaged with thirty six (36) senior managers.

This program complements Institute-specific leadership programs and focuses on developing strategic capabilities for the whole organisation with specific reference to the following (**Attachment 3**):

- business innovation and entrepreneurship;
- strategic and global leadership;
- sustainability through innovation; and
- authentic, values-based leadership.

Of the first cohort, fourteen participants have acted in senior roles outside of their Institute or Portfolio, five have been appointed as senior managers and one has been appointed as an Institute Director.

⁷ Guthrie, H and Clayton, B. Building capability in vocational education and training providers: The TAFE cut. National Centre for Vocational Education Research 2010.

Further Challenges to the Vocational Education and Training Workforce - TAFE NSW Future Workforce Development Opportunities

The vocational education and training workforce, as a consequence of changing funding priorities, has been subject to constant pressure to reform. The challenges faced by Australian industry in adjusting for, and responding to, ongoing technological and economic change have a flow on impact on the VET workforce, which is charged with ensuring industry's need for workers with current skills continues to be met in the short, medium and long-term.

Critical areas where work has commenced and will involve ongoing activity include:

- engaging with technology;
- building outcomes focused industry partnerships;
- increasing the capability for delivery of higher level qualifications and supporting students to engage with tertiary pathways;
- ongoing renewal and vitalisation of the TAFE NSW workforce; and
- responding to demographic change.

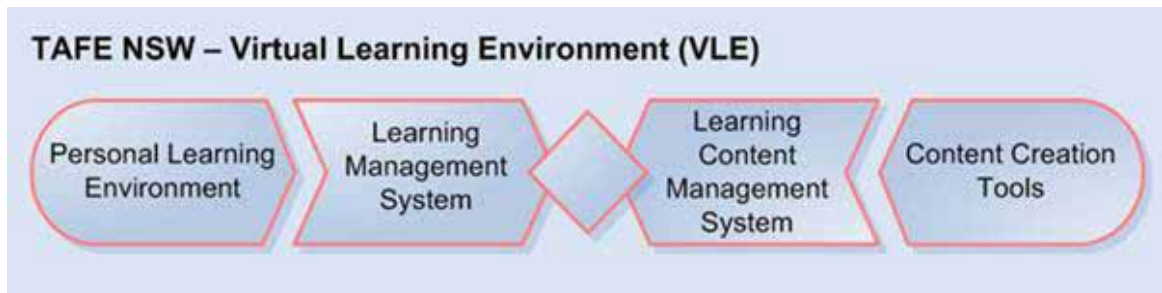
Engaging with technology

A significant opportunity for the VET practitioner is engaging with technology – both in delivering skill development initiatives, and engaging with the technology tools that resonate with the VET student, including social media.

TAFE NSW has made significant investment in systems to support the development of e-learning content, manage resources catalogues and support teachers to customise content.

Since 2004 nearly 6,000 learning products have been developed for use by teachers and through participation in the national Flexible Learning Framework. TAFE NSW staff have developed on-line teaching and learning resources ('Tool-Boxes') resulting in a broad range of development skills for technology development.

A commitment to develop systems that support ease of engagement with e-learning has resulted in TAFE NSW development of a Virtual Learning Environment. This holistic approach delivers training electronically, simplifies and streamlines access to existing resources, supports customising resources and simplifies product development in a virtual environment.



The learner will increasingly seek to generate the environment for their learning experience and expect to actively contribute to the development of the learning experience and the knowledge generation. Consequently, the VLE will provide single access to portals (teacher, student and external stakeholder access), resource development tools, delivery platforms and storage.

The role of the vocational education and training practitioner, and the subsequent skills required as a facilitator will continue to evolve in response to the need for new skills that:

- will be critical skills for the workforce of the future across all industry sectors;
- are essential to ensure a responsive and flexible training system;
- should and will be integral tools for vocational, tertiary and community education, just as they are an integral part of highly productive industry and connected society, and
- will be critical in delivering the volume of vocational training required, being responsive to the demands of learners and firms, and achieving efficiencies.

Broadening industry partnerships

Workforce development is emerging as the most effective way the training system can meet the needs of industry. TAFE NSW Institute *Workforce Development Services* help industry partners adopt high performance work practices; support their employees to upgrade their skills; improve their products and services; adapt to technological and economic change; and increase their productivity.

An ongoing opportunity is the ability of VET practitioners to constructively engage with industry through partnerships. These partnerships require working in teams; interpreting enterprise workforce design and development needs to deliver customised solutions; and building skill development strategies that are relevant and responsive, including workplace specific training and assessment.

The commitment by TAFE NSW to workforce planning has, over time, built Institute capacity that has underpinned strong and relevant industry partnerships. Enterprise partnerships have resulted in the development of employer services where TAFE NSW staff have worked collaboratively with enterprises to first understand their operating environment and business goals (**Attachment 4**).

Services that TAFE NSW Institutes provide extend beyond training to include total business solutions that improve the bottom line and include:

- analysing skill needs in the context of business and market plans;
- redesigning work flows and job roles, including linking skills to pay or performance, or creating better career paths for workers;
- sourcing public funds to complement enterprises' own investment, and target language and literacy or capability building;
- developing specialised or niche qualifications;
- tailoring training to improving quality or increasing workplace safety;
- linking our graduates to job opportunities in enterprises;
- assisting enterprises to innovate and manage change; and
- embedding specialist TAFE staff into client workplaces to provide a seamless approach to workplace planning and development.

These services are available across the State, placing TAFE NSW in a unique position to support the longer term strategic objectives of Government in relation to economic, industry and community development. It is this strategic role that further distinguishes TAFE NSW from other providers and focuses primarily on returns to stakeholders. For example, in relation to:

- regional development – TAFE NSW does not avoid thin markets although the cost of delivery in newly developing or relatively remote areas is significant; and
- industry development – requiring substantial infrastructure investment in areas where enrolment numbers may be unpredictable.

Added to the costs of delivery in these situations is the need to invest in the development of all staff so that the capacity of the organisation changes over time in response to new and emerging needs.

Increasing productivity

A report by the NSW Independent Pricing and Regulatory Tribunal in 2006, *Up-skilling NSW - How vocational education and training can help overcome skill shortages, improve labour market outcomes and raise economic growth*, considered that:

“... productivity improvements are most likely to be realised if Institute Directors have more operational flexibility in determining how work is organised. For example, future industrial negotiations may involve a centrally determined framework, within which Institute Directors have additional flexibility to vary how the work is organised, – such as in terms of when services are delivered, where they are delivered, and the use of part time and other contract staff”⁸.

⁸ IPART NSW, *Up-skilling NSW - How vocational education and training can help overcome skill shortages, improve labour market outcomes and raise economic growth*, December 2006, p. 78.

TAFE NSW has recently settled new salary rates and employment conditions for TAFE teachers. These have contributed to increased flexibility and productivity improvements.

Additional areas for the future include targeted talent management, including attracting high performing graduates, succession planning, and procedures to facilitate skill formation, career development and knowledge transfer.

Ensuring ongoing renewal and vitalisation of the TAFE NSW workforce

The skill development needs for NSW will increasingly require consideration of workforce planning strategies that will support appropriate responses to a fluid customer base resulting from:

- the widespread adoption of new information technologies;
- demographic change, especially a growing and ageing population;
- social inclusion priorities building on second chance education for older students with minimum existing qualifications, and ensuring pathways for youth at risk and people from disadvantaged backgrounds into work and further education;
- national and global policy actions to address climate change and the physical effects of climate change on communities and industry; and
- demand and competition from emerging economies, especially India and China.

The Productivity Commission Issues Paper reflected on the number of part-time employees in the VET sector. Due to the relatively unique requirements of dual qualification (adult education and industry) for the VET practitioner, TAFE NSW regards a mix of full-time and part-time staff as an opportunity.

As previously identified, TAFE has a stable and ageing workforce. A significant opportunity, and therefore strength, is the maintenance of a capable and nimble workforce which includes a sustainable mix of part-time and full-time staff.

The opportunity is to maintain the attraction for part-time employees and aid professional development opportunities, including mentoring and team teaching to strengthen learning and assessment capabilities which allows effective use of skills available across the total workforce.

Responding to Demographic Change

The Intergenerational Report 2010 emphasises the following key issues:

- *Over the longer term, the ageing of the population is projected to lead to falling total participation rates over the next 40 years (p12)*
- *Achieving and sustaining a higher rate of productivity growth would help to limit the economic and fiscal consequences of an ageing population (p1)*
- *Productivity is the key to higher economic growth in the face of an ageing population. Policies that support higher productivity, including investments in*

nation building infrastructure and skills and education, will raise economic growth, improve living standards and enhance Australia's capacity to fund the fiscal pressures of an ageing population (p21)⁹.

These medium to longer term issues underpin government policies such as:

- The National Agreement for Skills and Workforce Development endorsed by COAG which includes a target to double the number of higher qualification completions by 2020¹⁰; and
- The NSW State Plan which includes a target for 90% of 20–24 year olds in NSW to have achieved Year 12 or a Certificate III by 2020¹¹.

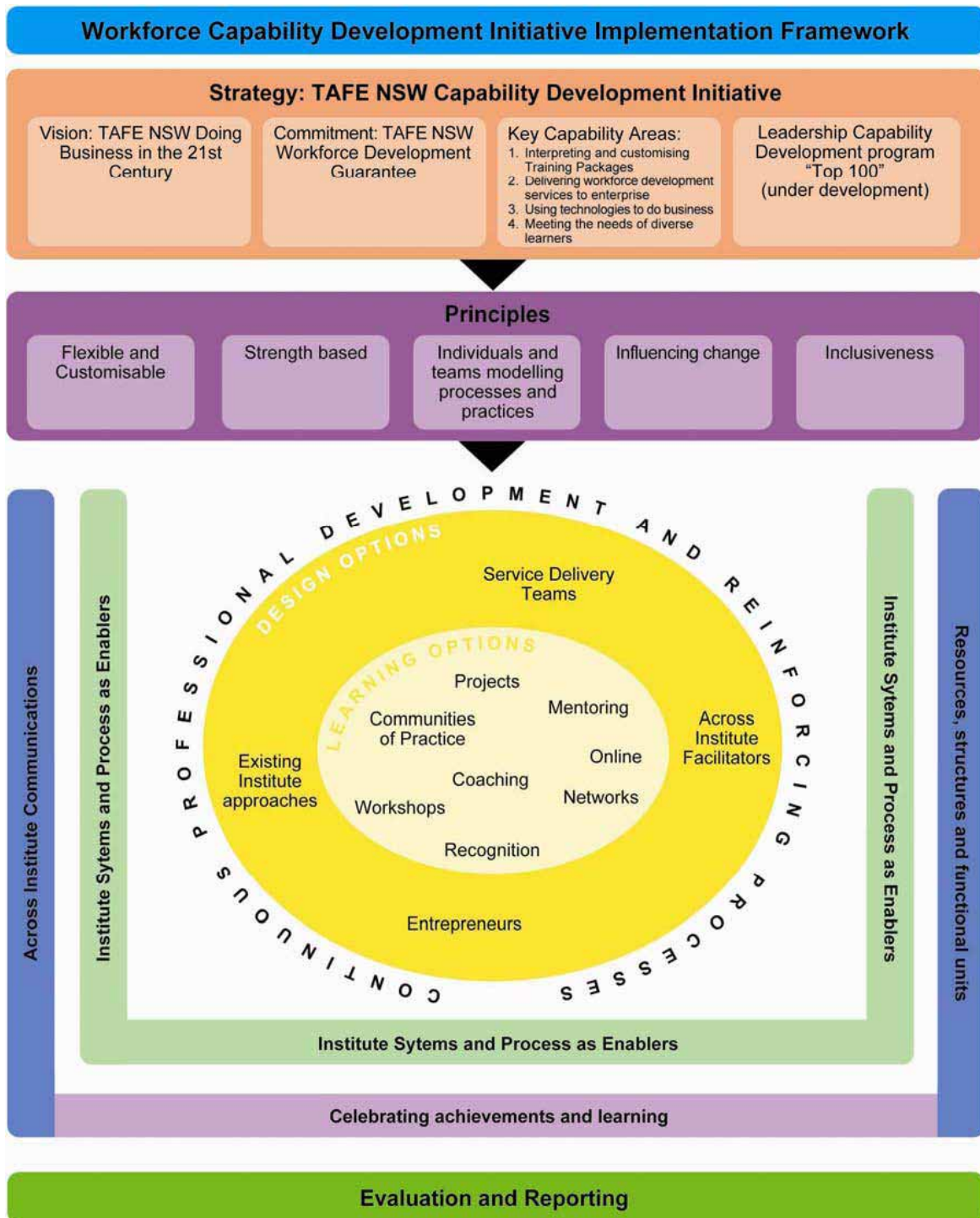
These targets indicate that there will be increasing demand for the development of higher level skills through VET pathways and qualifications, along with an increasing demand for a workforce that is able to deliver these outcomes. In this respect, it is important to note that:

- the ability to effectively reach equity groups will contribute to increasing workforce participation and productivity; and
- this is a key goal of the Commonwealth Government's Social Inclusion Policy and highlights the need for a VET workforce that can successfully reach disadvantaged Australians and support their transition to meaningful education pathways and job outcomes.

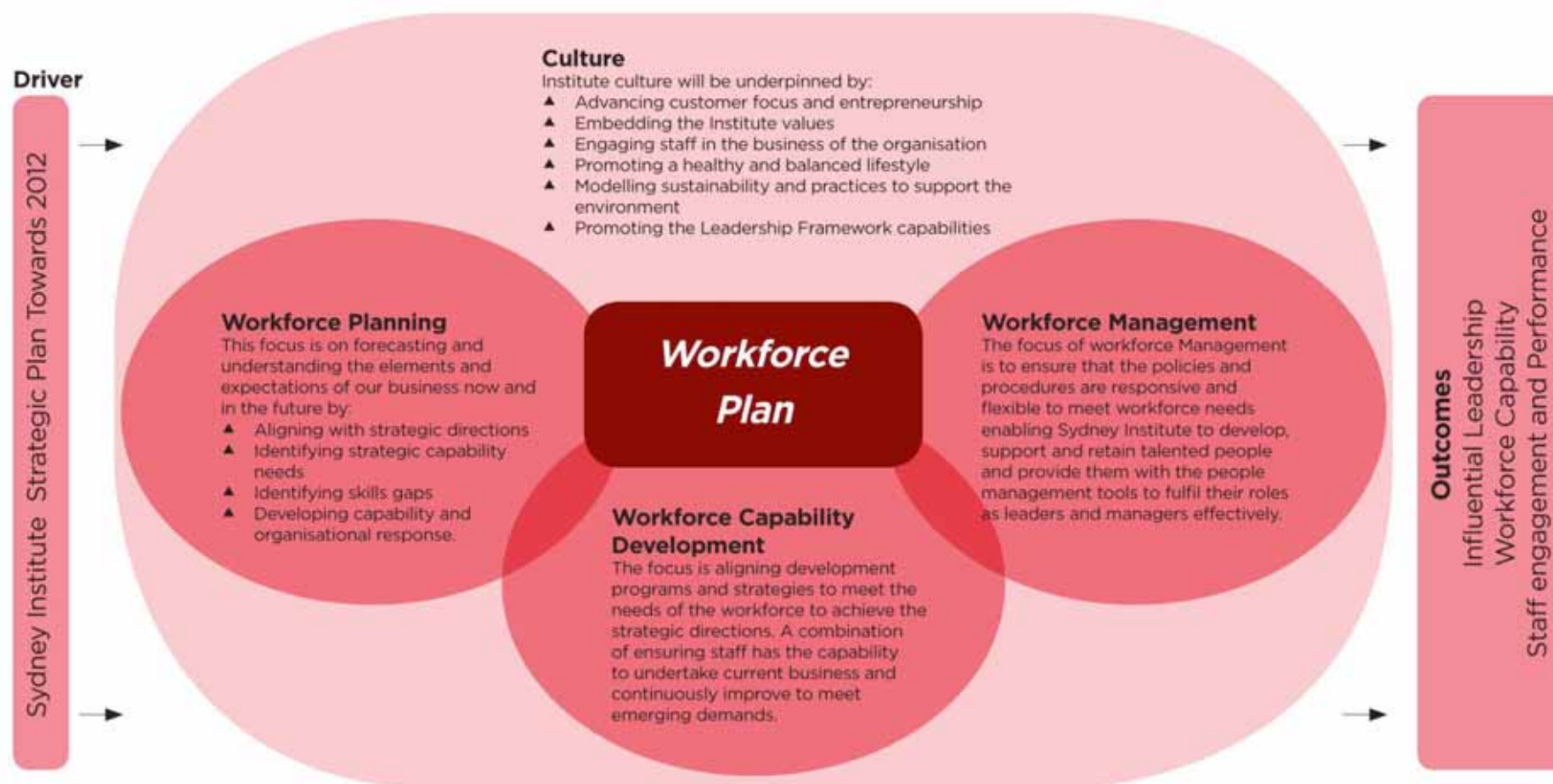
⁹ Australian Commonwealth Government, *Intergenerational Report 2010, Australia to 2050: Future Challenges*, January 2010.

¹⁰ Council of Australian Governments, *National Agreement for Skills and Workforce Development 2009-2013*, November 2008.

¹¹ NSW Government, *NSW State Plan: Investing in a Better Future*, 2010.



Sydney Institute Workforce Plan (2009 – 2012)



TAFE NSW Leadership Development Program Overview

The *TAFE NSW Building our Future - Leadership Program* develops a pool of inspirational and visionary senior executive leaders for now and into the future. This specialised program complements existing leadership programs currently underway in Institutes and is a key initiative outlined in *TAFE NSW: Doing Business in the 21st Century*.

Program participants are highly motivated and committed individuals, able to lead the delivery of customer-focused, innovative and flexible business services to industry, enterprises and individuals and actively contribute to social and economic development.

As future leaders, they will be highly skilled, confident and capable people, effectively responding to the changing TAFE NSW context, thereby contributing to the sustainability and future of TAFE NSW as a world leader and employer of choice.

The focus is on the development of a *new* set of capabilities at senior executive level.

Business Innovation and Entrepreneurship <ul style="list-style-type: none"> ▪ Is outwardly focused and customer centric ▪ Demonstrates business acumen ▪ Demonstrates tolerance of ambiguity and uncertainty ▪ Is adaptive to new environment ▪ Is risk taking ▪ Is creative and adaptable ▪ Demonstrates capacity to think differently 	Strategic and Global Leadership <ul style="list-style-type: none"> ▪ Is visionary – future oriented– recognising trends and shaping future strategies for new products and markets ▪ Shapes a strong business culture and marketing a recognised business brand ▪ Builds global relationships through collaboration and networking ▪ Develops strategic business partnerships and alliances – locally, nationally and globally ▪ Demonstrates politically savvy/astuteness and influencing decision making ▪ Demonstrates Knowledge Management skills – assimilating and disseminating
Sustainability through Business Results <ul style="list-style-type: none"> ▪ Delivers intended results ▪ Builds sustainable competitive advantage ▪ Accelerates growth of stakeholder participation ▪ Leads strategic business planning and analysis to sustain business processes, information and management systems ▪ Develops strategies to link performance management and accountability ▪ Utilises evaluation and continuous improvement processes 	Authentic Leadership - values based <ul style="list-style-type: none"> ▪ Leads by example and role modelling ▪ Influencing across all levels ▪ Displays Personal integrity and self awareness ▪ Displays Ethical practice ▪ Displays Emotional intelligence ▪ Displays Self management – decisiveness when needed ▪ Fosters and enables a culture of inclusivity and diversity ▪ Is socially and environmentally responsible

Improving the Bottom Line – Why Industry Values Partnerships with TAFE NSW *(extract from report by Dr John Mitchell, September 2008)*

As part of the commitment to build sustainable and productive relationships with industry, TAFE NSW commissioned Dr John Mitchell to research and document the outcomes of a number of workforce development partnerships.

Productivity benefits

Managers at Franklins developed “a strategic way of thinking but they’re also very aware of the requirement to build a team and to work with teams”.

Companies like BlueScope Steel are always looking for opportunities to reduce their manufacturing costs. “TAFE NSW understands this need and has developed training programs that deliver the right people with the right skills”.

Market benefits

Bega Cheese found that, as a result of partnering with TAFE, it was better able “to meet local and international audit standards from our customers and suppliers and... demonstrate that we have a well-trained workforce qualified to an agreed level”.

From initially providing just training in food processing, TAFE NSW now works with Norco, a dairy based agricultural co-operative, across its business, providing tailored technical industry-specific and frontline management courses. Norco has identified productivity and the ability to demonstrate its compliance with industry standards to its corporate customers as benefits of the partnership.

Organisational performance benefits

Northparkes Mines, from its partnership with TAFE, now has “a structured, accredited training system in place where people can walk straight in and up-skill in their job a lot quicker than just by osmosis”.

Cochlear, a global leader in implantable devices for the hearing impaired, partnered with TAFE because “we were looking for a provider who had the scalability, who would be able to sustain a project which was that size, and who would be able to handle complexities such as managing shift work and being flexible with organising classes at times appropriate for the shift workers”.

Regional business benefits

Country Energy has staff in communities spread around the state. Working with TAFE, due to its reach across NSW means that its staff do not need to travel away from their families and communities to undertake training.

The NSW Rural Fire Service’s relationship with TAFE NSW has allowed the Service to identify and implement an array of training programs knowing that TAFE NSW – Riverina Institute will meet their needs within the required delivery timeframe, although the service is located in Sydney.