

JOHN MITCHELL & ASSOCIATES

RESEARCH - PLANNING - EVALUATION

# Reinventing service delivery

## Case studies of TAFE Institutes meeting industry needs and government goals

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Public, Technical and Further Education Providers

Unleashing Our Capability

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# SUMMARY

**This paper describes how TAFE effectively meets industry needs and government goals, based on five case studies that are set out after the paper, and other related evidence.**

For brevity, the terms TAFE and TAFE Institute are used throughout the document, to describe all public, technical and further education providers in Australia including TAFE divisions in universities.

The paper performs three major functions. First, it links the findings from the five case studies to a body of work by the author over the last six years, to show that the five case studies represent a continuation and refinement of TAFE's ability to flexibly meet industry and government needs.

Second, the paper analyses this flexibility in terms of contemporary business research about how progressive service organisations are innovative, value-creating and client-focused. The discussion shows that TAFE Institutes have a capacity to redefine their service delivery to meet changing and challenging needs of industry and government.

Third, the paper links these qualitative case studies about the advanced capacity of TAFE Institutes to a three-year nationwide collection of quantitative data about TAFE staff capability. The quantitative data indicates that staff capability is high, and this finding helps to explain the achievements of TAFE recorded not only in the case studies in this publication but also in over 75 other TAFE-industry case studies prepared by the author in recent years.

The qualitative evidence of TAFE institutional capacity and the quantitative evidence of TAFE staff capability lead to the conclusion in the paper that TAFE is of considerable value to the nation.

The title of the paper 'Reinventing Service Delivery' is taken from an article in the December 2012 issue of *Harvard Business Review*, 'Four Ways to Reinvent Service Delivery', by Ramdas, Teisberg and Tucker. Reinvention of service delivery means "radically reinventing the delivery of services" in order to "create tremendous value for customers" and for the service providers (p.100). They propose four ways that service delivery can be reinvented: changing the structure of the interaction with the customer; modifying the scope of what is delivered to the customer; reviewing who delivers the service to the customer; and reconsidering the location for the delivery. This paper shows that the five case studies in this publication provide examples of TAFE Institutes using some or all of those four ways of reinventing service delivery.

The TAFE Institutes described in the case studies meet the indicators of an innovative, value-creating organisation set out by Ramdas et al. (2012). This paper also points to three recent VET publications that demonstrate TAFE Institutes are meeting other business indicators of flexibility and responsiveness set out by Bessant (2008), Cheverton (2010) and Dawson (2009). TAFE Institutes are moving beyond being broadly flexible to reinventing or redefining the ways they deliver services.

# 1. INTRODUCTION

As part of its public advocacy of the contribution of TAFE to Australian industry and related skill building, in late 2012 TAFE Directors Australia (TDA) commissioned Dr John Mitchell, Managing Director of John Mitchell & Associates, to prepare a publication that provides case studies of TAFE meeting and exceeding the expectations of industry and government. Previously he had prepared, for different clients, a range of publications containing case studies, on the value that industry places on TAFE, as set out in Figure 1.

**FIGURE 1: 75 CASE STUDIES OF TAFE AND INDUSTRY EFFECTIVELY COLLABORATING, 2007-2013**

This set of five TDA case studies adds to the existing body of over 75 case studies prepared by John Mitchell since 2007, for the ten publications listed below. The case studies profile the views about TAFE of representatives from the following companies, among others: Telstra, Optus, Qantas, Cochlear, BHP Billiton, BlueScope Steel, Seqwater, Sydney Water, Housing NSW, EnergyAustralia, Royal Australian Air Force, Royal Automotive Club WA, AirServices Australia, Toga Hospitality Group, Joondalup Resort Hotel, Burswood Entertainment Centre, Main Roads WA, Roads and Traffic Authority NSW, Dale Alcock Homes, Satterley Property Group, WA Police Academy, Ramsay Healthcare Group, Royal Perth Hospital, St John of God Health Care, Pharmaceutical Society of Australia, the NSW Department of Lands, WA Department of Infrastructure and the WA Department of Corrective Services.

The case studies include TAFE working with companies overseas, from Qatar to Bangladesh and the Philippines, and with regional organisations such as Bega Cheese, Hyne Timber, Country Energy, Northparkes Mines, Norco Cooperative Limited, Bemax Resources Limited and NSW Rural Fire Service. The case studies also describe TAFE assisting manufacturing companies, automotive servicing companies, plant nurseries, supermarket chains, IT companies, disability organisations, Aboriginal organisations, local governments, aged care homes, children's services organisations and area health services.

In 75 of the case studies, representatives of the companies were interviewed, the interviews were digitally recorded and the interviewees validated the accuracy of the published interview. The five case studies set out in this publication now take to over 80 the number of companies, from BHP Billiton to small businesses, who have publicly attested, in published interviews, to the value delivered to their companies by TAFE.

A deliberately slow, reflective, not rushed, look across these publications – following Kahneman (2011) – would support the view that the 17 TAFE Institutes profiled in these ten publications continually add value to their industry clients.

Publications containing case studies of TAFE-industry collaboration, prepared by John Mitchell from 2008-2013:

1. **SWSi Innovate:** the model of systematic innovation at TAFE NSW – South Western Institute, 2013 [forthcoming]
2. **A Model of Sustainable Innovation,** West Coast Institute of Training, 2012
3. **Creating and Adding Value:** How customer responsiveness by TAFE NSW benefits its clients, 2011
4. **Improving Workforce Capabilities,** How TAFE NSW - South Western Sydney Institute effectively assists organisations to develop their workforce, 2011
5. **Innovative Regional Skilling,** How TAFE SA Regional combines technology and innovation to improve student access, participation rates and course completions, 2010
6. **The Challenger Impact Model:** Industry clients detail Challenger TAFE's impacts, Challenger Institute, 2009
7. **Reinvention through Innovation,** How West Coast TAFE works with clients to reinvent itself and improve its services, 2009
8. **Improving the Bottom Line,** Why industry values partnerships with TAFE NSW, 2008
9. **Diamond Innovations,** Thirteen great examples of innovation in teaching and learning at Victoria University, 2008 (with Don Aitkin)
10. **Building a New Practice:** Implementing the Four Paradigm Model of Service Delivery, Challenger, 2007

Note: These ten publications contain over 100 exemplars of TAFE-industry collaboration, and 75 of them include direct interviews with industry clients.



## TDA PROJECT BRIEF

TDA commissioned John to undertake a two-stage project consisting of case studies and this accompanying paper. The first stage involved interviewing industry leaders from Australian organisations and then preparing five case studies of TAFE's effective work with industry clients, based on the topics listed below:

1. Increased productivity (including global competitiveness)
2. Flexible workforces
3. Highly qualified staff (including career building)
4. Skills for the new economy
5. Regional growth.

These topics were identified following an examination of the priorities of the Council of Australian Governments (COAG) in relation to workforce development, particularly the National Agreement for Skills and Workforce Development (COAG 2011). Most of these priorities were reiterated in a statement by the Prime Minister in early 2012 (PM Julia Gillard, 13 April 2012, 'COAG signs up to Skills for All Australians'). These challenging foci were selected for the various case studies in order to provide evidence that TAFE Institutes not only meet and exceed industry expectations but also meet important government policy goals.

TDA invited John to independently select the five case studies, but asked him to ensure they were examples of leading practice and covered five different states or territories and five different industries. The five case studies selected are set out in Table 1.

**TABLE 1. SUMMARY DETAILS ABOUT THE FIVE 2013 TDA CASE STUDIES**

CASE STUDY NO.	COAG THEME	TAFE INSTITUTE	STATE	ORGANISATION	INDUSTRY
1	✓ Increased Productivity (including Global Competitiveness)	TAFE SA Adelaide South	SA	Redarc Electronics	Manufacturing
2	✓ Flexible Workforces	SkillsTech Australia	QLD	Toyota Motor Corporation Australia	Automotive
3	✓ Highly Qualified Staff (including Career Building)	Challenger Institute of Technology	WA	Apache Energy Ltd	Oil and Gas
4	✓ Skills for the New Economy	Kangan Institute	VIC	Council of Textile and Fashion Industries of Australia	Textile and Fashion
5	✓ Regional Growth	TAFE NSW - Riverina Institute	NSW	Murrumbidgee Local Health District	Health

For brevity, throughout this publication the term TAFE is used to describe all five training providers. Some of them do not have TAFE in their name, but they are all public providers and members of TDA.

**FIGURE 2: GOOD PRACTICE CASE STUDIES ABOUND IN TAFE**

The five TAFE case studies in this publication add to the collection of more than 75 case studies of John Mitchell's published in the last six years.

There are many others he could have selected from the five institutes profiled. And he could have found a totally different set of TAFE Institutes to profile.

As a researcher who has focused for the last two decades on the leading edge of VET organisational performance and professional practice, John finds that every TAFE Institute he works with, at any point in time, can quickly identify seven-ten different exemplars of good practice from different industries, where the industry client is willing and able to provide an in-depth interview about the value added by TAFE.

Illustrating that TAFE Institutes can provide ten cases of good practice at any point in time, in the last few years he has produced two case study publications for each of the following three TAFE Institutes, representing 16-20 case studies from each:

- Challenger Institute of Technology (2007; 2009): 20 case studies
- West Coast Institute of Training (2009; 2011): 19 case studies
- TAFE NSW – South Western Sydney Institute (2011; 2013): 16 case studies.

TAFE Institutes abound with examples of good practice in collaborating with industry. Importantly, Institutes are continually developing new partnerships and exemplars.

The second stage of the project involved the preparation of this paper based on an analysis of the five case studies. The purpose of the paper is to extract shared themes from the five case studies and identify core messages about the current capability of TAFE to meet COAG goals and industry expectations.

Additionally, John was asked by TDA to summarise in the paper the work his company has performed since 2010 in working with 25 TAFE Institutes around Australia – through the use of capability analysis tools such as VETCAT® and MANAGECAT® (as set out at [www.jmaanalytics.com.au](http://www.jmaanalytics.com.au)) – to measure and benchmark their staff capability, and to link this work to the key findings from the case studies. This summary is provided in section 5 below.

Based on the evidence in the five case studies – which are part of the set of more than 80 case studies John has prepared since 2007 – and on the data collected from 25 TAFE Institutes using capability analysis tools from 2010-2012, the paper argues that a high value can be placed on the existing human capital residing in TAFE Institutes. Staff have developed that capability over time and through extensive experience, and this demonstrable capability is a cause for optimism about the future impact of TAFE on Australian industry.

## 2. FIVE EXAMPLES OF TAFE MEETING INDUSTRY NEEDS AND COAG GOALS

Each of the five case studies features an interview with an industry client of TAFE. In each interview the client was invited to comment on a COAG priority, such as how TAFE can help industry meet a COAG goal of increased productivity. This section provides some specific quotations from each of the TAFE clients, in relation to COAG goals.

### Case study No.1: industry partners TAFE to increase productivity and global competitiveness

Companies like Redarc Electronics are determined to increase their productivity and compete better in the global market. However, in the case of Redarc and many other companies who employ people from a non-English speaking background or with little or no post-secondary qualifications, their productivity will be greatly assisted if staff develop more skills in language, literacy and numeracy (LLN). While a range of recent research reports have documented the scope of the problem with LLN in the Australian workforce and the range of strategies needed to address them, and while the Commonwealth champions the cause, ultimately and ideally a partnership is required between the company and the training provider to improve LLN skills and drive productivity.

Case study No.1 in this publication describes how TAFE SA Adelaide South is working in partnership with Redarc Electronics to improve the language, literacy and numeracy skills of staff, leading to the following business benefits noted by Redarc CEO Anthony Kittel. All of these benefits impact positively on Redarc's productivity:

**There is more active participation in team meetings, increased understanding of business processes, greater contribution to quality improvement, improved communication within the teams and with the team leaders, increased skills in completing workplace documentation, increased confidence in the use of ICT technology both at work and at home, and an ability to build on the current knowledge of skills and transfer the learning from the various training programs.**

### Case study No.2: industry partners TAFE to develop a flexible workforce

Companies like Toyota Motor Corporation Australia (TMCA) want their tradespeople to learn the Toyota approach, hence they seek to partner training providers such as SkillsTech Australia in Queensland, who are willing to help the company achieve this goal. SkillsTech Australia's Graeme Muller says that the Institute staff fully support Toyota's approach, including its focus on continuous improvement: "Toyota uses the Japanese concept of kaizen or continuous improvement all of the time, and so we're always looking for how we can improve anything we do."

Case study No.2 profiles the need of TMCA for highly skilled tradespeople to complete their national qualifications, learn Toyota approaches, and stay on with the company. TMCA's Bruce Chellingworth, Manager TSM and Technical Training, who performs a national strategic role, believes that SkillsTech Australia staff fully support the Toyota approach:

**Sometimes you walk in and think they [SkillsTech Australia lecturers] have a Toyota badge emblazoned on their forehead; they just love the program. We can measure our KPIs, but that sort of passion is hard to measure. How do you measure passion, emotion and belief about looking after kids?**

### Case study No.3: Industry partners TAFE to secure and retain highly qualified staff

In the gas and oil industry, highly qualified staff are invaluable to their companies, as many of them work on off-shore rigs where they need to undertake a wide range of tasks and perform effectively in all situations.

Case study No.3 profiles the determination of Apache Energy Ltd to ensure it has highly skilled staff able to operate their off-shore facilities in Western Australia. Apache also seeks to retain these staff and help them build careers with the company, says Training and Development Manager Stewart Allan. He is appreciative of the contribution made to his company's goals by Challenger Institute of Technology's Australian Centre for Energy and Process Training (ACEPT), particularly by its provision of flexible programs that lead to national qualifications.

**When I joined the company in 2008 Apache was seen as a breeding ground for other operators and they had a revolving door where they were training people, they were doing their traineeships in maybe two years, and then leaving to go to other companies. Apache were keen to halt that and increased its commitment to the core value of striving to make Apache an employer of choice, and by investing in the long term future of its personnel with something that's really tangible, qualifications that are nationally recognised. The national qualification is a major part of retention and it's a major part of engaging with our workforce.**

**Case study No.4: industry partners TAFE to develop skills for the new economy**

Small to medium sized enterprises within the textile and fashion industries need to develop skills for the new digital economy, for instance so they can use the latest technology or use the digital supply chain to connect with their overseas suppliers.

Case study No.4 profiles how the Kangan Institute in Melbourne has developed, in liaison with the Council of Textile and Fashion Industries of Australia, the Textile and Fashion Hub. TFIA's CEO Jo-Ann Kellock describes how Kangan staff have met the challenge of providing skill development in the Hub's innovative environment:

**If you look within the Kangan team they have 'lean' expertise, they have knitting technology expertise and digital printing technology expertise. They're training up their staff to operate new whole garment knitters and seamless knitwear and digital printing and 3D printing. They're quickly training their staff up and they're also liaising directly with industry. At the same time that they're developing their skills, they're also bringing to the table expertise in e-learning platforms.**

**Case study No.5: industry partners TAFE to achieve regional growth**

Regional organisations such as large area health services seek to attract people to their regions who will undertake, enjoy and benefit from training, enter the permanent workforce and become long-term employees and local residents.

In case study No.5 Susan Weisser, CEO, Murrumbidgee Local Health District, describes how an innovative approach by TAFE NSW – Riverina Institute to the provision of the allied health assistants training program had multiple, positive impacts. For instance, the approach taken by TAFE enabled both the assistants and the allied health professionals to learn more, and this led to participants living and working in the region:

**The allied health assistants' program [delivered by Riverina Institute] has been a boon to us in the smaller rural areas, as well as in our larger sized locations, enabling us to free up our allied health professionals so they can best utilise their higher level skills. As well, it gives the allied health assistants some more capacity to grow themselves. It [the program] has a number of benefits in terms of both the people that provide clinical supervision and how it then translates into our permanent workforce and the sustainability of our services.**

### 3. WHAT DOES INDUSTRY MOST VALUE ABOUT TAFE? IN A WORD, FLEXIBILITY.

The quotations from the industry clients set out above provide an indication of what the clients most value about TAFE. Flexibility is the word used by four of the five key industry interviewees to summarise what they value most about TAFE, and the fifth interviewee chose a related term, “innovative”. Some other similar terms used by the industry interviewees in the case studies were “customised” and “tailored”.

In explaining what they meant by flexibility, all of the industry interviewees acknowledged that TAFE understands their industry and their company, and use this knowledge in designing and delivering relevant services. Some sample comments follow:

- in case study No.1 Redarc's Shane Wreford says “One of the things TAFE offers is flexibility: the training is scheduled to suit our business needs, and so the stand out feature for me is their flexibility.”  
Anthony Kittel adds: “It's customised to what Shane needs on the shop floor, it's customised to our operations, the timing is flexible. Most importantly, it's training on the job.”
- in case study No.2 Toyota's Bruce Chellingworth says “What we get [from SkillsTech Australia] is flexibility in the geographic location of the training; and we also get flexibility in content.”  
He adds: “They are accessible to us as their partners and they listen to our feedback about what we need in the training. The best practice is simply the working relationship; how we work together.”
- in case study No.3 , Apache's Stewart Allan doesn't use the word flexibility, but implies it. In response to the question, What is best practice about Challenger's work with Apache?, he says “I'd sum it up as innovative. And we look at problems together; we work closely together.”  
He adds: “The training that is required in an offshore facility and the resources industry needs to be understood, and that's what [Challenger's] ACEPT gives me.”
- in case study No.4 TFIA's Jo-Ann Kellock says “Kangan [Institute] are definitely flexible and that's to their credit.”  
She adds: “Kangan [Institute] has given us flexibility: they're accessible, the training is tailored to the needs of industry, and their people are well qualified and/or very willing to learn.”
- in case study No.5, MLHD's Susan Weisser, in response to the question, What is best practice about the Institute's work with your organisation? responds, “It's [Riverina] TAFE's flexibility and their willingness to work with us around what we need.”

She adds that TAFE is willing to work with her organisation to make sure that “the projects and things that they work on are actually tailored to and linked to our organisation and give us benefits in terms of quality and improvement projects.”

All five industry interviewees indicate that flexibility is a product of TAFE taking an approach that is customer-centric and involves continuous improvement. The flexibility arises from TAFE's willingness to develop an in-depth knowledge of the client's needs, collaborate strategically and continually review and customise training products and services to suit the client.

The reasons why TAFE is able to provide this flexibility are alluded to in the interviews. For instance, in case study No.5, a review of the interview with Susan Weisser, CEO of the Murrumbidgee Local Health District, yields this summary of attributes she articulates about TAFE NSW - Riverina Institute. This summary of attributes fleshes out the concept of TAFE being flexible in supporting industry, and attaches that flexibility to TAFE's specialist knowledge and expertise and organisational commitment and resources. Susan Weisser's interview suggests that:

- TAFE is innovative and willing to customise
- TAFE is able to monitor, review and modify services offered
- TAFE people are good listeners who understand the client's industry
- TAFE provides a network of campuses and experienced trainers
- TAFE is a collaborative, strategic partner, that will be around for the long-term
- TAFE staff are locally based, not fly-in-fly-out
- TAFE assists her organisation's goal of 'growing our own workforce locally'.

The concept of flexibility is used by all interviewees to imply a range of TAFE attributes and impacts, as summarised in Figure 2. Flexibility is based on TAFE attributes and leads to client benefits or impacts.

**TABLE 1. SUMMARY DETAILS ABOUT THE FIVE 2013 TDA CASE STUDIES**

CASE STUDY NO.	INTERVIEWEE	INSTITUTE	TAFE ATTRIBUTES VALUED BY INDUSTRY	TAFE IMPACTS VALUED BY INDUSTRY
1	Anthony Kittel, Redarc Electronics	TAFE SA Adelaide South	<b>TAFE staff are empathetic:</b> “TAFE’s Tony Greenrod understands the people on the shop floor, he understands our needs, he understands the growing pains that we’re going through, and he is flexible along those lines.”	<b>TAFE assists business growth:</b> “Our five-year plan is to increase our business by another two and a half times, and so one of the key benefits of the training program is that it gives us that platform to be able to launch that next stage of growth.”
2	Bruce Chellingworth, Toyota Motor Corporation Australia	SkillsTech Australia	<b>TAFE staff are passionate:</b> “The overriding feature of SkillsTech Australia’s approach is the absolute passion of their instructors to look after our technicians, delivering our product.”	<b>TAFE meets key industry’s key performance indicators:</b> “I look at student feedback and I look at the amount of time it takes to become competent in the skill, after learning the theory. SkillsTech Australia performs well on those key performance indicators (KPIs).”
3	Stewart Allan, Apache Energy Ltd	Challenger Institute of Technology	<b>TAFE staff are innovative:</b> “They’re [Challenger staff] so passionate about what they do, and want to make the training the best it can ever be, as innovative as possible.”	<b>TAFE assists with retaining staff:</b> “... a world class training provider in Challenger is a key component of us retaining our staff.”
4	Jo-Ann Kellock, Council of Textile and Fashion Industries of Australia	Kangan Institute	<b>TAFE staff are industry-experienced:</b> “[Kangan] had experience in dealing with industry, they knew what industry wanted, they talked the same talk, they just got it, and we moved on from there.”	<b>TAFE delivers specialist training:</b> “[Kangan] work with the clients to deliver specialised training, or whatever it is the company’s after.”
5	Susan Weisser, Murrumbidgee Local Health District	TAFE NSW - Riverina Institute	<b>TAFE staff are customer-focused:</b> “The best practice is the willingness of TAFE to work with us and to make sure that, at the end of the day, we get better skilled people.”	<b>TAFE assists with workforce planning:</b> “As part of that partnering, Anne Lowe from Riverina Institute has joined our workforce development strategic sub-committee as a TAFE representative, helping us plan our workforce needs into the future.”



## 4. FLEXIBILITY IS SHORTHAND FOR TAFE INSTITUTES REINVENTING THEIR SERVICE DELIVERY

The above discussion shows how industry clients use the term ‘flexibility’ to sum up TAFE Institutes’ attributes and to explain their impacts on industry. However the summary term flexibility may not capture in full the ability of TAFE Institutes to “match its own capabilities to the needs of the customer, learning how to enhance those capabilities as required, in pursuit of a unique match between supplier and customer” (Cheverton 2010, p.8). A careful reading of the case studies in this publication shows that flexibility by TAFE institutes involves them reinventing their service delivery to create more value for their customers, modeling contemporary business approaches described by Ramdas, Teisberg and

Tucker (*Harvard Business Review*, Dec 2012). The term flexibility is shorthand for TAFE Institutes reinventing their service delivery.

Redefining service delivery is rare, making these TDA case studies all the more significant. Ramdas et al. (2012) note that companies that “radically redefine the delivery of a service are relatively rare” (p.100), because it requires deep insight into clients’ needs:

**Service redefinition requires deep insight into how to meet clients’ needs. And... organisations struggle to overcome the mentality of “that’s not how we do it” and “our clients don’t expect that”. But ...service providers are finding ... these innovations can create tremendous value for them and their customers. (p.100)**

Ramdas et al. (2012) spent four years studying innovations in health care and finance, two sectors that have substantially redefined or reinvented service delivery (Ramdas et al. use interchangeably the terms redefine and reinvent). This research enabled them to identify four dimensions on which service organisations can focus, to improve service provision. These dimensions, with definitions and examples from the five TDA case studies, are set out in Figure 3.

FIGURE 3. EXAMPLES OF TAFE INSTITUTES REDEFINING SERVICE DELIVERY

DIMENSIONS OF SERVICE DELIVERY THAT CAN BE REDEFINED (from Ramdas et al. 2012)	DEFINITIONS	TAFE EXAMPLES FROM THE CASE STUDIES
1. The structure of the provider-client interaction	<p>Sometimes it adds value for clients if the service provider shares information with multiple clients.</p> <p>Sometimes it adds value for clients if multiple experts can serve the one client.</p>	<p>In case study No.4: Kangan Institute makes available a raft of learning materials – often online –to any users of the collaborative Hub for textile and fashion designers in Melbourne.</p> <p>In case study No.1: Redarc Electronics benefits from drawing on markedly different specialist services from two Institutes, TAFE SA Adelaide South and TAFE Adelaide North.</p>
2. The service boundary	Sometimes it adds value for clients if the service provider integrates complementary services.	In case study No.5: the Murrumbidgee Local Health District (MLHD) benefits from Riverina Institute’s provision of multiple services, including TAFE training workplace supervisors, TAFE providing distance education learning materials for MLHD workplace trainers and trainees, and TAFE guiding the student towards university pathways.
3. The allocation of task	Sometimes extra value can be delivered to the client if the service provider ensures their staff expertise matches the tasks required.	In case study No.2: SkillsTech Australia is proud that it carefully selects those lecturers who will work very closely with Toyota, over a period of years.
4. The delivery location	Sometimes extra value can be provided to the client if the service provider changes the location of the service delivery to suit the clients’ needs, including the use of remote connections.	In case study No.3: Apache Energy regularly invites and hosts Challenger staff at their remote sites, to alert Challenger staff to the nature of the student’s workplace. Similarly, Challenger staff design learning activities that can be completed by students while on Apache’s off-shore rigs, under the supervision of a workplace trainer trained by Challenger.

The examples of service reinvention by TAFE Institutes, as set out in Figure 3, is a very brief selection: just one from each Institute. A thorough reading of all five case studies, looking from the perspective of these four dimensions, will show that the five Institutes use most or all of the four dimensions. For instance, case study No.4 shows that Kangan Institute has worked on all four dimensions and achieved the following:

- **changed the conventional way of interacting with clients** (dimension 1), as noted in Figure 3 above, by making learning materials available online to all clients of the Hub, regardless of whether the clients wanted to undertake a conventional accredited training program
- **integrated complementary services** (dimension 2) including the provision of hands-on learning and advising textile workers about how new technologies can be used for niche tasks; hence, the Institute is helping to create a shared learning space and community of learners, not just delivering skills sets or full qualifications
- **allocated specialist tasks to its staff** (dimension 3) based on their advanced knowledge and interests, their commitment to the Hub environment and their willingness to learn new skills
- **changed the delivery location** (dimension 4) not only from the Institute to The Hub, but also the staff continually deliver learning resources direct to the office or home computer of the Hub clients, using digital learning techniques.

To reinvent its service delivery, Kangan Institute, in partnership with the Council of Textile and Fashion Industries of Australia Limited (TFIA), developed an eco-system where the Institute can use these four dimensions of innovation. In her interview for case study No.4, TFIA's CEO, Jo-Ann Kellock, in answer to the question 'What is special about the Hub?', describes the eco-system as follows:

**We're in the business of change and imparting knowledge. When people are relaxed and comfortable they're best able to listen and absorb. So it was important to create a supportive environment or an ecosystem within the system, within the TAFE structure. That's what we regard the Hub as: it's like a little eco-system working within a much bigger TAFE system to create a link with industry and support. It is a place for SMEs to develop their capabilities.**

Kangan Institute and the other four Institutes portrayed in the case studies in this publication provide evidence of another finding from Ramdas et al. (2012), that each of the four dimensions "opens an opportunity to see new ways to help clients improve their chances of success" (p.106). The five Institutes demonstrate the capacity to make changes along all four dimensions, in response to their deep insights into clients' needs, and to craft those changes, depending on which cohort of learners requires support.

It is not surprising that the five TAFE Institutes portrayed in the case studies in this publication meet the indicators of business innovation identified by Ramdas et al. in 2012, as previous sets of case studies prepared by John Mitchell were similarly analysed in terms of contemporary theories about leading-edge practice in business behavior. Figure 4 provides examples of three of the case study publications and the contemporary business indicators met by TAFE:

- The case studies in *A Model of Sustainable Innovation* (Mitchell 2012) show that West Coast Institute of Training meets Bessant's (2008) indicators for how to achieve high impact and sustainable innovation.
- The case studies in *Creating and Adding Value* (Mitchell 2011) show that the profiled sections of TAFE NSW Institutes meet Cheverton's (2010) indicators of a value machine.
- The case studies in *Improving Workforce Capabilities* (Mitchell 2011) show that TAFE NSW – South Western Institute staff are acquiring and using skills, as described by Andriopolous and Dawson (2009), that enable their clients to survive and prosper in a context of continual change.

**FIGURE 4: CONTEMPORARY BUSINESS INDICATORS MET BY TAFE INSTITUTES**

TAFE CASE STUDY PUBLICATIONS	CONTEMPORARY BUSINESS INDICATORS MET BY TAFE
<p>1. <b>A Model of Sustainable Innovation</b>, West Coast Institute of Training, 2012</p>	<p><b>Business indicators of an organisation achieving high impact, sustainable innovation</b></p> <p>A theme throughout this West Coast Institute of Training (WCIT) report is that staff are seeking and implementing innovations that will be sustainable. Their innovations are likely to be sustainable because WCIT can be mapped to the following model for how to achieve high impact and sustainable innovation, based on Bessant (2008, pp. 195-196), as follows:</p> <ul style="list-style-type: none"> <li>• Build a culture which supports curiosity-driven behaviour</li> <li>• Develop relationships with potential suppliers or partners for innovation</li> <li>• Scan and search the environment to pick up ideas about potential innovation</li> <li>• Select those ideas which have the best chance of success</li> <li>• Develop the product or process using flexible project development approaches</li> <li>• Identify a strategy for implementing the innovation.</li> </ul> <p>Many of these six actions are evident in the case studies set out in the report and this provides hope that the innovations will be sustainable, not temporary, developments.</p>
<p>2. <b>Creating and Adding Value</b>, How customer responsiveness by TAFE NSW benefits its clients, 2011</p>	<p><b>Business indicators of a value machine</b></p> <p>Cheverton (2010) in his book <i>Building the Value Machine, Transforming your business through collaborative customer partnerships</i>, provides some valuable reference points for assessing best practice in TAFE NSW in terms of customer responsiveness. His metaphor of the organisation as “a value machine” also provides TAFE NSW with a new way of reconceptualising itself and of linking its internal systems and approaches, at both the Institute and Centre levels, to the fundamental cause of adding value to customers.</p> <p>Cherverton (2010, pp.7-9) describes a value machine as follows:</p> <ul style="list-style-type: none"> <li>• it is a business that can “set loose the power and creativity of its internal functions to work with customers in pursuit of better value propositions” (p.7)</li> <li>• it is “a business that knows how to target its customers” (p.7)</li> <li>• it is “a business that knows how to match its own capabilities to the needs of the customer, learning how to enhance those capabilities as required, in pursuit of unique match between supplier and customer” (p.8)</li> <li>• it is a business that keeps “a steady eye on the changing nature of the customer’s business and market” (p.8)</li> <li>• it is “a business that knows how to align all the relevant functions behind that targeting” (p.8)</li> <li>• it is “a business that knows how to convert the great mass of market and customer data ... into clear insights from which to form the foundations of its business strategy” (pp.8-9).</li> </ul> <p>The case studies described in this report show sections of TAFE Institutes that meet all of the above features of a value machine, often with support from the central units of TAFE NSW. The leading edge of practice in TAFE NSW is outstanding in modeling these features of a value machine.</p>
<p>3. <b>Improving Workforce Capabilities</b>, How TAFE NSW - South Western Sydney Institute effectively assists organisations to develop their workforces, 2011</p>	<p><b>Business indicators of staff skills that enable clients to prosper amidst continual change</b></p> <p>The case studies in this publication broadly justify the statement that the world of business is now in a constant state of flux (Andriopolous &amp; Dawson 2009, p.77-79). TAFE’s clients need assistance to cope with and thrive within this fluid environment.</p> <p>The staff of NSW TAFE – South Western Institute profiled in this set of ten case studies are acquiring and using skills that enable their clients to survive and prosper in this context of continual change described by Andriopolous and Dawson (2009).</p> <p>These skills include:</p> <ul style="list-style-type: none"> <li>• helping employees/students to manage both change and continuity</li> <li>• helping employees/students to use new technology</li> <li>• assisting enterprises to maintain and enrich organisational knowledge</li> <li>• accelerating the delivery of TAFE services to meet industry timelines</li> <li>• helping talented enterprise staff to develop new skills</li> <li>• customising TAFE services to meet industry’s specific needs.</li> </ul>

## 5. TAFE SERVICE REINVENTION IS SOUNDLY BASED ON QUANTITATIVE DATA ABOUT STAFF CAPABILITY

The five case studies in this publication not only show that the TAFE Institutes have redefined their service delivery models, but also that some Institute staff have advanced skills and can use them in different contexts and at a high level. These findings from the qualitative case studies are reinforced by the quantitative results derived from formal capability analysis processes that have been undertaken by TAFE Institutes across Australia since mid-2010, with the support of the author's company JMA Analytics Pty Ltd. As part of this paper, TDA invited the author to describe that data collection and to share some key findings.

### RESEARCH BASE FOR CAPABILITY ANALYSIS IN TAFE

Increasingly, human resource (HR) and workforce development planning and decision making are being influenced by the availability of quantitative data and the application of advanced analytics to that data. This relatively new research field is illustrated by some recent publications:

- *Calculating Success: How the New Workplace Analytics Will Revitalize Your Organization*, (2012)
- *Human Capital Analytics: How to Harness the Potential of Your Organization's Greatest Asset* (2012)
- 'Making Advanced Analytics Work for You' (2012)
- *Analytics at Work* (2010)
- *The New HR Analytics* (2010)
- *Competing on Analytics* (2007).

Interviews and presentations available at <http://www.jmaanalytics.com.au> indicate that TAFE workforce development directors, and other senior managers, who use the data from capability analysis tools are acquiring and modeling new work skills in the field of HR analytics, as described in the above literature.

Additionally, they are increasingly using data on their workforce in order to make informed decisions about the reinvention of TAFE service delivery. This expertise in HR analytics may partly explain the finding summarised in Figure 4, that TAFE Institutes are meeting contemporary business indicators of innovation and flexibility.

### THE DEVELOPMENT OF CAPABILITY ANALYSIS TOOLS FOR THE VET SECTOR IN AUSTRALIA

Since early 2010 JMA Analytics has developed a suite of psychometrically evaluated capability analysis tools (CATs) based on current thinking in the field of analytics. The tools are specifically designed to identify, measure and monitor the range and extent of skills in the workforce. They can be used to ensure that an organisation's workforce planning and investment in professional development aligns to business needs. The JMA Analytics capability analysis tools cover the full range of skills appropriate for the VET workforce, as set out in Figure 5.

FIGURE 5. DESCRIPTION OF JMA ANALYTICS CAPABILITY ANALYSIS TOOLS

CAPABILITY ANALYSIS TOOL	DESCRIPTION
1. VETCAT®	measures the capabilities in teaching and learning of VET teachers
2. CURCAT®	measures the level of and approaches to industry currency of VET teachers
3. ADMINCAT®	measures the capabilities of administrative staff
4. MANAGECAT®	measures the capabilities of managers
5. LEADCAT®	measures the traits, skills, behaviours, styles and learning preferences of leaders
6. GROWCAT™	measures business acumen and skills in business development, innovation and entrepreneurship

The Australian Council for Educational Research (ACER) evaluates the reliability of data from all CATs surveys and provides advice and guidance on the psychometric aspects of the capability analysis tools.

### APPLICATION OF CAPABILITY ANALYSIS ACROSS TAFES IN AUSTRALIA

The JMA Analytics capability analysis tools are widely used in TAFEs across Australia. Since the first tools became available in 2010, they have been used by 25 TAFE Institutes, from QLD to NSW, VIC, WA and SA. Some states have undertaken state-wide implementation: for instance, in 2011, CURCAT® was implemented in all 13 TAFE Institutes in Queensland and in 2012 TAFE SA finalised implementation of VETCAT®, CURCAT®, ADMINCAT® and MANAGECAT® across their three Institutes.

Information available at the website cited above shows that TAFE Institutes have:

- demonstrated high levels of commitment to obtaining data about their staff capability so they can increase the individual's capability and their organisation's capacity for service delivery
- used the data contained in their various CATs reports to review and modify capability building programs
- participated in 2012 in national benchmarking activities regarding workforce capability
- participated in the 2010, 2011 and 2012 national CAT forums to exchange ideas with interstate TAFE Institutes that are using the tools.

### RESEARCH OUTCOMES FROM CAPABILITY ANALYSIS ACROSS TAFES IN AUSTRALIA

Using data from all implementations of the capability analysis tools, JMA Analytics has established a set of indices that provide summary measures – mostly national averages. When Institutes compare their organisational results with the index scores, they have a national point of comparison for their practitioners' capabilities, gaps, preferences and aspirations.

Analysis of the collated quantitative data from all implementations of the capability analysis tools yields results that are consistent with the findings of the qualitative research conducted with TAFEs in recent years: for example, in the case study publications cited in Figure 1. That is, the quantitative data illustrates that there are advanced capabilities distributed across Institutes, faculties and sub-faculties and that the capability levels of some groups are outstanding, when compared with national averages for TAFE and non-TAFE respondents.

### HOW INSTITUTES ARE USING CAPABILITY ANALYSIS DATA

Client interviews and presentations at the above website confirm that the data from the capability analysis tools, reports and advisory services are used by Institutes for lifting performance and productivity, shaping innovation, planning workforce development, sharpening strategic planning, refreshing strategic positions and improving the quality of products and services. For instance, in a paper presented at the Australian Vocational Education and Training Research Association (AVETRA) annual conference in 2011 (Mitchell, Ward, Denning & Kemp), examples were provided of how two Institutes, one in NSW and one in SA, were using data from VETCAT® and CURCAT® to “reconceptualise and re-vitalise VET work and workers”.

In 2012 TAFE NSW - Hunter Institute and JMA Analytics jointly facilitated benchmarking processes between 15 TAFE Institutes to enable the sharing of ideas arising from implementation of the CAT tools and the strategies and initiatives that Institutes have developed following the CAT analysis and reporting process. All 15 Institutes voluntarily participated in order to achieve desired benefits: extracting more value from their CATs data, through comparing and reflecting on each other's results; improving their planning for workforce development; refreshing their competitive strategies and their services to customers and clients; and enhancing their strategic planning, based on known and predicted staff capability.

CATs data is also being used by Institutes in the following ways: as evidence for quality audits, to inform regular performance review discussions with staff, in submissions for national training awards, as supporting evidence when applying for national workforce development funds, and to gain whole-of-workforce data to enrich workforce planning and development.



### **TAFE CAPABILITY IS HIGH AND TRENDING UPWARDS**

For the first capability analysis tool released, VETCAT®, benchmark data is available from a national survey in November 2009 of over 2,200 VET practitioners from both TAFE and non-TAFE organisations. Data is also available from the 18 TAFE Institutes that undertook VETCAT® in 2010-2012. This data captures the TAFE teacher capability levels in 2009 and shows that TAFE national averages have risen each year from 2010-2012. The bar is rising: teacher capability levels in TAFE Institutes is trending upwards.

In South Australia, TAFE SA Regional implemented VETCAT® and CURCAT® in June 2010 and repeated the process in October-November 2012. Over the 2.5 years, the improvements were significant in ratings on all key measures, across both capability analysis tools. This improvement is in line with the trend across all TAFEs: national indices have risen each year over the last three years. TAFE SA Regional's Anne Denning – an example of a TAFE workforce development manager who actively uses HR analytics – is now commencing a PhD program to identify the reasons for the improvement.

### **THE FUTURE POTENTIAL OF WORKFORCE CAPABILITY ANALYSIS IN THE VET SECTOR**

In the relatively short time since 2010, capability analysis has become a standard methodology for understanding the VET workforce across many TAFE Institutes in Australia. This adoption of the capability analysis methodology has provided evidence for the high level of skills within the TAFE workforce, enabled professional development planning and initiatives to be guided by reliable data and enhanced the link between investment in professional development and meeting business needs.

In the hands of TAFE workforce development directors increasingly skilled in HR analytics, the tools and resultant data are informing the ongoing reinvention of TAFE service delivery, supporting the TAFE achievements described in the earlier sections of this paper.



## 6. RE-VALUING TAFE ORGANISATIONAL CAPACITY AND STAFF CAPABILITY

The Prime Minister Julia Gillard, in her speech in March 2012 to launch "Skills for All Australians", emphasised the centrality of TAFE to the national training system and the nation in general:

**It is a plan that is mindful of the central place that TAFE plays in our training system and indeed in our national imagination.**

**Our TAFEs are essential public institutions that have a presence in every region and collectively deliver 80 per cent of VET training.**

**TAFE is known for its sophisticated technical education and its ability to reach those in our community who are marginalised.**

Given their importance to the Australian economy and society, TAFE Institutes deserve to be judged on the basis of evidence and reflective thinking. Accordingly, this publication informs a reflective assessment of TAFE by providing sound evidence of the current capacity of TAFE to meet industry expectations and COAG goals.

As discussed in sections 1-4 of the paper, the five case studies following this paper profile leading-edge examples of five TAFE Institutes meeting both industry needs and Council of Australian Government (COAG) policy goals. In relation to COAG, the paper provides examples of TAFE addressing specific goals of the Commonwealth's National Partnership Agreement for Skills and Workforce Development; goals which are related to industry.

In sections 1-4 the paper links the findings from the five case studies with contemporary business research about the reinvention of service delivery to make a case for a high value to be placed on the staff capability residing in TAFE Institutes – capability that was developed over considerable time and through wide and rich experience.

In section 5 the paper provides some key findings from data collection and analysis undertaken by 25 of the 61 TAFE Institutes from 2010-2012, using capability analysis tools. The findings from this capability analysis align with the findings from the case studies as summarised in sections 1-4: that many TAFE staff have advanced skills in servicing industry.

The qualitative evidence from the case studies and the quantitative evidence from the capability analysis process indicate that TAFE Institutes have the organisational capacity and staff capability to continue to meet industry needs and government goals in Australia.

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## CASE STUDY 1:

# As an advanced manufacturer we need a highly skilled and empowered workforce

**TAFE  
RESPONSIVENESS**

**INDUSTRY  
NEEDS**

**COAG GOALS**

**TAFE ASSISTS INDUSTRY TO ACHIEVE  
INCREASED PRODUCTIVITY AND  
GLOBAL COMPETITIVENESS**

Institute:

Industry client:

Summary:

**TAFE SA Adelaide South Institute  
Redarc Electronics**

In collaboration with TAFE SA Adelaide South Institute, Redarc Electronics develops skilled staff who can underpin the company's productivity and global competitiveness, meeting a COAG goal of a more productive and highly skilled workforce.

### ALIGNMENT WITH COAG

This case study aligns with the National Agreement for Skills and Workforce Development which commits the Council of Australian Governments (COAG) to a vocational education and training (VET) system that enables all working age Australians to “develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future”.

The case study also provides an exemplar of training that “will help to lift productivity and competitiveness” (PM Julia Gillard, 13 April 2012, ‘COAG signs up to Skills for All Australians,’ press release).

### BACKGROUND

Redarc Electronics is an award-winning technology-based manufacturing company located at Lonsdale, south of Adelaide. The company's success is reflected in its increasing sales overseas and its recent doubling of its factory size. To maintain market edge, Redarc invests considerable funding into research and development, new production systems and ongoing staff development.

The company identified that, if it was to continue to grow as a company and be a global supplier, staff needed improved skills in language, literacy and numeracy. This led to the engagement of TAFE SA Adelaide South to conduct Workplace English Language and Literacy (WELL) programs in 2011-2012. In 2011 50 employees undertook the WELL programs and 75 in 2012, from a total staff cohort of 95. WELL programs are funded through the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE).

## LITERACY AND RELATED TRAINING INCREASES PRODUCTIVITY AND GLOBAL COMPETITIVENESS

In recent years a number of national reports have stressed the critical need to improve the language, literacy and numeracy (LLN) skills of adult Australians. One of these reports, *No More Excuses. An Industry response to the language, literacy and numeracy challenge*, produced by Industry Skills Councils (ISCs 2011), summarised some of the key issues:

- Overall, around half of working age Australians have LLN problems
- Approximately 53% of working age Australians have difficulties with numeracy skills
- 40% of adult Australians have difficulty with reading skills
- 13% are classified in the lowest literacy category.

Interestingly, given this present case study on manufacturing company Redarc Electronics, the ISCs report pinpoints the increasing expectations of workers in manufacturing:

**Business expectations around monitoring quality, reducing failures, dealing with variation and identifying process improvements are demanding LLN skills from workers who have not previously been expected to use these skills. (p.2)**

Further, the report emphasises that improving LLN skills will have a major impact on productivity:

**Statistical analysis by Productivity Commission staff has estimated that an improvement in literacy and numeracy skills has a larger effect on workforce participation and productivity (as measured by hourly wage rates) than increasing educational attainment. (p.2)**

The ISCs report quotes a similar finding by Skills Australia: "Language, literacy and numeracy skills are now recognised as fundamental to improved workforce participation, productivity and social inclusion" (p.3). Again, in relation to this case study on Redarc Electronics, the report quotes the former Minister for Employment, Education and Training, John Dawkins, on the link between LLN, productivity and competitiveness: "There is undeniable evidence to demonstrate that poor communication skills adversely affect productivity in the workplace...productivity suffers as does global competitiveness" (p.3).

The ISCs report recommends (p.1) a range of solutions to this LLN crisis, such as changing the mindsets of employers about this issue, including the de-stigmatisation of LLN skill development. Also recommended are better targeted funding to address identified LLN skill gaps and better targeted solutions for building the LLN skills of workers and other learners.

## DRIVERS BEHIND THE COLLABORATION

According to Wing-Yin Chan Lee, TAFE SA Adelaide South's Educational Manager, Workplace Education Services, the collaboration between Redarc Electronics and the Institute began when Redarc invited the Institute to come in and discuss some issues the company was grappling with in early 2010.

**We had the first meeting with them back in February 2010. And the initial idea of conducting a language literacy numeracy program arose because Redarc, through various training programs, mainly the productivity placements program in competitive manufacturing, had identified that some employees have literacy and numeracy issues. Another big trigger was the identification of apprentices' numeracy needs. A broader matter was workplace communication due to the number of employees from a non-English speaking background.**

Wing-Yin Chan Lee is full of praise for Redarc in seeking to invest in the foundation skills of its staff:

**They are an exemplary employer, believing that their biggest asset is their people. They also believe that, in order to improve the quality of their product and their occupational health and safety, they need to improve the communication skills and the literacy and numeracy skills of staff.**

Wing-Yin Chan Lee attributes some of the success of the WELL programs at Redarc to the special culture created by the managers, a culture in which the staff feel valued and empowered, so they embrace learning opportunities: "The commitment of the Redarc employees to learning and the way they embrace training is very impressive. They see themselves as valued employees who can make a contribution".

...to grow as a company and be a global supplier, staff needed improved skills in language, literacy and numeracy...



## HOW TAFE SA ADELAIDE SOUTH INSTITUTE MEETS REDARC'S NEEDS AND MODELS GOOD PRACTICE

Genevieve Haskett, the Institute's Director of Programs & Educational Services, believes that another reason why the programs for Redarc are effective is because LLN skill development is not just aimed at staff with the lowest levels of literacy.

**One of the programs we are conducting at Redarc is on statistics, so it's not just low level literacy training we are providing; we are working along the continuum of LLN. Some people have a very narrow view of literacy, that it's a single download, you either get it or you don't, instead of seeing it as a continuum of need that can be at quite a low level: it can be at quite a sophisticated level as well. If companies like Redarc are to improve their global competitiveness, we have to be focusing at that sophisticated level as well.**

Wing-Yin Chan Lee adds another reason the Institute's programs are effective at Redarc: because the Institute only uses specialist staff to conduct the training. In particular, the Institute deploys trainer Mary Hoffman who previously worked in the optical industry and is an expert on workplace quality issues and trainer Tony Greenrod who has worked in manufacturing and is an expert on workplace communication and occupational health and safety.

Lead trainer Tony Greenrod finds that specialist trainers are needed at Redarc to provide the range of programs it requires, from safety to computing to management, and that the TAFE Institute provides him with the range of staff skills he needs to deploy: "One of the things about the institute is its size, so there's a great breadth of expertise that I can call on".

While quality teachers are significant, the enterprise needs to support the learning, as advocated by the ISCs 2011 report *No More Excuses*. Like his TAFE SA colleagues, Tony Greenrod expresses admiration for the learning culture fostered by Redarc:

**I'm a registered teacher, I majored in sociology and I'm fascinated by how the structure of the organisation can allow somebody to blossom or set them back. In many companies I've worked in, manufacturing especially, they talk about the wall between admin, front office and production, and some of the negative attitudes of management. Redarc's CEO Anthony Kittel is a very refreshing, he's outstanding, he's the best I've seen.**

One of the things about the institute is... a great breadth of expertise...



**FIGURE 1. SNAPSHOT OF REDARC**

Based at Lonsdale, a southern suburb of Adelaide, Redarc is an award-winning electronics manufacturer with annual revenues exceeding \$20m and currently employing approximately 95 people. In recognition of its approach to staff learning, in September 2012 it was the site for the launch of the Commonwealth Government's National Foundation Skills Strategy for Adults.

Redarc manufactures a range of power conversion products including battery management systems, power supplies, DC/DC voltage converters and inverters. Its major customers include the Truck manufacturers Volvo, Iveco, Scania and Daimler Chrysler. Redarc also supplies products to the automotive, mining, defence, agricultural and marine industries. See <http://www.redarc.com.au/>

**FIGURE 2. SNAPSHOT OF TAFE SA ADELAIDE SOUTH INSTITUTE**

TAFE SA Adelaide South Institute plays a key role in the economic and social development of South Australia, from the capital of Adelaide to southern metropolitan Adelaide regions. In 2011/12 it trained 33,608 students across seven campuses in over 400 qualifications ranging from Certificate levels through to Advanced Diploma. See <http://www.tafe.sa.edu.au/tafe-sa-adelaide-south-institute>

**TABLE 1. TRAINING PROVIDED BY TAFE SA ADELAIDE SOUTH INSTITUTE FOR REDARC ELECTRONICS**

**ASPECTS OF THE WELL PROGRAM**

Some elements of the WELL program conducted at Redarc are:

- Communicating for success
- Quality at Redarc
- Literacy and numeracy for apprentices
- Introduction to statistical process control
- Computing skills and Excel applied skills
- Employees' occupational health and safety
- Supervision for team leaders.

**DELIVERY METHODOLOGY**

TAFE SA Adelaide South's lead trainer at Redarc, Tony Greenrod, customises the training delivery and the learning materials to suit Redarc's particular context and needs:

"Flexibility is essential. The company is not doing the training for training's sake, it's running a business, so I have to fit into their timetable. I customise all of the materials all of the time: there's no sort of one size fits all; I'll change to suit their need."

Redarc is an award-winning electronics manufacturer with annual revenues exceeding \$20m...



# INDUSTRY CLIENT: ANTHONY KITTEL, CEO AND MANAGING DIRECTOR, REDARC ELECTRONICS

Fellow interviewees:

- Shane Wreford, Production Manager
- Charlotte Gelder, HR and Systems Manager

**What were the drivers behind the decision by Redarc to commence the collaboration with TAFE?**

**Anthony:** Initially we had several apprentices who were struggling in their mathematics and were at risk of dropping out of their apprenticeship. We thought we'd give TAFE a call just to see what was available within the TAFE network, and it was through that phone call that we became aware of the Workplace English Language and Literacy (WELL) Program.

**Shane:** The main driver was the apprentices, but we were also looking at our supervisors and their skill level and where we were going as a business and what soft skills we could introduce into their training. The WELL program got involved with that too. Also, we saw some need for some assistance with literacy with some of our employees who came from overseas: with their language difficulties they felt nervous talking.

**Charlotte:** We concentrated heavily on answers. We saw that the development of the business would only happen if we skilled up our staff. We have a policy here that people who are doing traineeships get six hours a week paid for by us to go to TAFE. Every employee here is entitled to two hours a week training, be it product management or engineering or competitive manufacturing: we run a variety of courses here.

**Where has the relationship reached with TAFE SA and what lies ahead?**

**Anthony:** TAFE's trainer Tony Greenrod has established an excellent relationship with the staff and generally won their confidence, as has Mary Hoffman. Both Tony and Mary have received the thumbs up from our staff in terms of being able to get the message across in a way that they can understand it, on-the-job.

**What lies ahead?** We're still only touching the surface, and we want to do more.

**Could you please describe the Redarc workforce?**

**Anthony:** 39% of our workforce is female, and greater than 90% live within 20 minutes of the factory; we are heavily southern suburbs based. The majority of people that join us, particularly on the production floor, come to us with no certificates and no electronics experience, so we have to give them the electronics training, like basic soldering, but for everyone who joins us we consider a traineeship as the minimum requirement, at Certificate II level with an aim to encourage people to do Certificate III and if necessary, or if there's the desire, to take them to Certificate IV or higher.

**So you're building your own skilled workforce?**

**Anthony:** We need to because we're one of the few advanced manufacturers in the south of Adelaide, maybe one of only two. We've got this great pool of people in the south, but they're not trained for advanced manufacturing, and that's the challenge that we have. We achieve it [a skilled workforce] with a mixture of mature age recruits, school leavers and school-based apprentices.

**Charlotte:** Our retention rate is about 98.2% and our attendance rate 97.7%, and for the manufacturing industry that's very good. People stay on average 4.7 years, and that's also very good. We have a stable workforce and our longest serving employee has been here 26 years.

**How has TAFE SA helped you meet your needs?**

**Shane:** From my perspective one of the challenges we have in business is that we are growing at 30% a year and that's a great challenge. One of the things TAFE offers is flexibility: the training is scheduled to suit our business needs, and so the stand out feature for me is their flexibility.

TAFE's Tony Greenrod understands the people on the shop floor; he understands our needs, he understands the growing pains that we're going through, and he is flexible along those lines.





**In what different ways do Redarc's employees benefit from the Institute's training?**

**Anthony:** Confidence is a key benefit. There is more active participation in team meetings, increased understanding of business processes, greater contribution to quality improvement, improved communication within the teams and with the team leaders, increased skills in completing workplace documentation, increased confidence in the use of ICT technology both at work and at home, and an ability to build on the current knowledge of skills and transfer the learning from the various training programs, not just the WELL Program.

They take responsibilities within their job roles to achieve the company's business objectives, improve participation in our consultation processes and obviously the fact that they've gained accredited training is great for their own personal development. They are the highlights.

If you break down the barriers, then you allow them to thrive in the training environment that we're providing for them. We don't have anybody complain about going to a training session.

**What are some of the overall benefits or impacts for Redarc of the institute's work?**

**Anthony:** We've been able to grow the business but also grow the staff. As an advanced manufacturer we need a highly skilled and empowered workforce and we certainly have that now. Our five-year plan is to increase our business by another two and a half times, and so one of the key benefits of the training program is that it gives us that platform to be able to launch that next stage of growth.

**How does the institute's work assist with improving Redarc's productivity?**

**Anthony:** We measure sales per employee, and it's one of our key drivers, and over the last four years that's been above our minimum target level. And our costs in the business have remained on budget to give us our gross margin targets. Obviously from an individual product point of view, we're able to be competitive internationally: we're selling our products not just in Australia and New Zealand but also into France, Netherlands, United States and Canada.

**How can you compete with overseas countries, given the high Australian dollar?**

**Anthony:** The key thing is that we don't compete on price, we compete on the value proposition that we provide to the customer, and price is only just one element of that. We're able to provide a product that's looked upon as providing advantages to the consumer, whether it be styling, performance or longevity. Price is a factor, but it's not the overriding factor in making the purchasing decision.

With our product, the key thing is the advantage provided by our technology. Without a highly skilled workforce our product wouldn't be at the technology level it is, so we would have to compete on price, which would mean a downward spiral for us.

**How important is it to Redarc to be globally competitive and how does the institute's work assist you to compete globally?**

**Anthony:** Ultimately, unless we're globally competitive we won't survive outside Australia. So it's absolutely essential to be globally competitive, if we are to maintain a manufacturing base here in Australia. I can't understate how important it is to be really competitive.

**What is good practice about the Institute's work with Redarc?**

**Anthony:** It's customised to what Shane needs on the shop floor, it's customised to our operations, the timing is flexible. Most importantly, it's training on the job.

**How do you measure the impact of the Institute on you?**

**Anthony:** For me, one of the key measures is benchmarking against private training providers, and I strongly believe that TAFE in South Australia is able to compete well or exceed what's being offered in the private market, not just Adelaide South but Regency Electronics School (at Adelaide North). Probably 60% or so of our people go through Regency, and without the support that they provide us we would be struggling to find a private provider who could give us that level of training, the variety, the specialist areas.

Everyone who we have contact with in the organisation, up to the managing directors of TAFE SA Adelaide South and North, is fantastic.

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## CASE STUDY 2:

# They listen to our feedback about what we need

**TAFE  
RESPONSIVENESS**

**INDUSTRY  
NEEDS**

**COAG GOALS**

**TAFE ASSISTS INDUSTRY TO DEVELOP  
THE SKILLED WORKFORCE THAT  
ENTERPRISES WANT**

Institute:

**SkillsTech Australia (STA)**

Industry client:

**Toyota Motor Corporation Australia (TMCA)**

Summary:

In collaboration with SkillsTech Australia, TMCA develops apprentices who meet both Toyota's international standards and national training system requirements – meeting COAG's goal of a highly skilled workforce

### ALIGNMENT WITH COAG

This case study aligns with the National Agreement for Skills and Workforce Development which commits the Council of Australian Governments (COAG) to a vocational education and training (VET) system that delivers a “highly skilled workforce”.

The case study also provides an exemplar of training that will provide industry with a “better qualified and flexible workforce over time” (PM Julia Gillard, 13 April 2012).

### BACKGROUND

TMCA seeks highly skilled tradespeople who meet two sets of standards: national training standards and their own international enterprise-specific standards. They want their tradespeople to complete their national qualifications, learn Toyota approaches, and stay on with the company. TMCA formed a relationship with SkillsTech Australia in 2005 that has since achieved and, in some cases, exceeded the achievement of this goal.

### DEVELOPING A SKILLED WORKFORCE THAT MEETS BOTH NATIONAL AND ENTERPRISE STANDARDS

Skills Australia (2009) – since renamed the Australian Workforce and Productivity Agency (AWPA) – advocated that training providers deliver more than just training which meets national training requirements. By working in partnership with enterprises, training providers can also ensure that the training helps enterprises to build a workforce that meets the specific needs of that enterprise.

Further, Skills Australia proposed a broader understanding of the concept of workforce development than was used in the past, which focused only on skill development. Skills Australia proposed a broader approach to workforce development “to make more effective use of the skills provided by the education and training system, to enhance skills in the workplace and as a consequence lift the level of productivity” (2009).

For training providers to participate not just in skill development but also in workforce development that assists enterprises to lift their productivity, training providers need to work in partnership with the enterprise clients. Comyn (2008) found that workforce development requires a high degree of cooperation between industry, government and individual firms and the various providers of training. For Comyn, a good practice workforce development program requires inputs by the partners in the activity. For instance:

- the training provider can bring to the joint activity high quality learning products and services
- the enterprise can ensure the training is based on a clear and strategic vision for the enterprise
- the training provider and the enterprise client can ensure that the training suits the trainees, and addresses their different learning needs, job categories and employment status.

Ideally, effective workforce development meets the needs of both the individual for skill development and the organisation for improved company performance. Companies such as TMCA are well respected for their pursuit of these twin goals.

### **SKILLSTECH AUSTRALIA MEETS TOYOTA'S SPECIFIC NEEDS FOR TRADESPEOPLE SKILLED IN THE TOYOTA WAY**

When the opportunity arose to collaborate with TMCA with regard to workforce development, Mary Campbell, Institute Director of SkillsTech Australia, understood the need to form a sound partnership with the company and to meet their specific requirements: "They wanted to align with accredited apprenticeship training in the Australian work environment and they wanted an alignment to their international training and development standards."

As an indication of the success of the partnership, over the last seven years the number of Toyota apprentices trained by SkillsTech Australia (STA) has grown to 140, making it the largest provider of Toyota training in Australia. To ensure a strong partnership with TMCA, STA customised their processes to suit the client, says Mary Campbell:

**We've grown that partnership, and we've grown it for a number of reasons. Early on we decided that we needed to have dedicated co-ordination for Toyota in terms of administrative support. And that person looked after the progress of our apprentices at very much an individual level and got that grassroots feedback when going out to visit the dealerships across the state and across the territory.**

STA also carefully selected the staff who would work with TMCA:

**We then handpicked our staff: we selected very dedicated teachers that were committed to Toyota. Nowadays I probably see them once a month because they're always in Toyota; they live in the enterprise and they don't want to do anything else. They also provide quite a high degree of pastoral care; they really case manage the whole student, and that's important.**

Graeme Muller has been STA's lead trainer for the Toyota training from the start of the relationship and Mary Campbell emphasizes the value of his commitment: "It is Graeme's livelihood and his passion, and he exemplifies the commitment of all my staff".

To further ensure the partnership remains healthy, adds Mary Campbell, "we have very regular meetings with TMCA: they are very good interactions where little issues are sorted. This is a true partnership."

One aspect of the partnership is that STA works together with TMCA to develop learning resources for use across Australia, not just for its own use in Queensland. "We committed to writing some resource that could be used across the country. So we certainly gave a level of support and commitment to the notion of a true partnership." Additionally, the institute committed to deliver across the state "at whatever location they deemed necessary."

The partnership brings benefits to both parties, notes Mary Campbell. "The brand and profile of Toyota is valuable for us. We're dealing with a company that has an international reputation. And we get spin off into other work that the company may want at various high levels."

STA staff also benefit from professional development made available to them by TMCA:

**Current professional development is one of the really positive benefits that Toyota has given to all institute automotive mechanical departments. They offer professional development on hybrid and electrical vehicle technology which they give their own people and they offer other teaching staff the chance to go as well. So that's fantastic.**

In addition, TMCA provides, on long term loans, "current vehicles, engines, tools and all of our apprentices get to work on that", making the partnership "a benefit to the entire organisation, SkillsTech Australia," says Mary Campbell. "And cutting edge technology is available in their workshops under the professional development arrangement that all of our teaching staff can gain access to."

# ...the largest provider of Toyota training in Australia...



## SKILLSTECH AUSTRALIA'S BEST PRACTICE IN WORKING WITH TMCA

As a result of the partnership between STA and TMCA, the model of training delivered by the institute for TMCA is a “truly integrated training model,” says Mary Campbell, with the training designed to meet the enterprise’s unique requirements. As part of this integrated model, the two organisations are closely linked at different levels: “There are relationships at all levels: it’s not dependant on two people at the top or two individuals in the middle”.

One of the layers of relationships involves STA trainers and workplace mentors in the Toyota dealerships. Graeme Muller believes that these mentors are critical to the success of the fast-track apprenticeship offered to the trainees: “TMCA has taken the mentoring very seriously. They put all of their mentors through part of a Certificate IV in Workplace Training and Assessment, so they have knowledge about how to assess the apprentices and where they’re at.”

Graeme Muller emphasises that STA staff fully support Toyota’s focus on continuous improvement: “Toyota uses the Japanese concept of kaizen or continuous improvement all of the time, and so we’re always looking for how we can improve anything we do.”

As an indicator of success of the integrated training model, Mary Campbell points to the very low attrition rate of its apprentices and praises TMCA for its commitment to the process of developing its workforce:

**They focus on longer term staff capability building and being able to retain their staff in a very competitive market place. Their staff are very loyal and there is low attrition in apprenticeship training with that company.**

She also praises TMCA for the type of worker it seeks to develop:

**They are values driven workers. They’re highly trained and they’re capable of adapting at a fast speed. TMCA puts a big investment into their human capital, it’s for a long term return and they’re getting that return. They want and get a highly skilled and capable workforce.**

STA uses around sixteen different quality benchmarks to monitor the impact of their work with TMCA, which they table and discuss with the client. These quality benchmarks include completion rates as well as employer, student and teacher satisfaction rates.

STA’s Business Manager Automotive, Chris Kroehn, believes that TMCA has achieved, through the workforce development partnership with the Institute, “what other organisations dream of: to have employees with capability, adaptability and loyalty”.



**FIGURE 1. SNAPSHOT OF TOYOTA MOTOR CORPORATION AUSTRALIA**

TMCA is a wholly - owned subsidiary of Toyota Motor Corporation (TMC). Established in 1937, Toyota Motor Corporation is one of the world's largest vehicle manufacturers. Toyota conducts its business worldwide with 50 overseas manufacturing companies in 26 countries and regions. Toyota's vehicles are sold in more than 170 countries and regions under the Toyota, Lexus, Daihatsu and Hino brands.

After over 50 years in this country, TMCA has grown to be one of Australia's leading automotive companies. It is a leading manufacturer, distributor and exporter of vehicles, with a market share of 18 percent at the end of the 2011 calendar year. The company has sales and distribution branches in mainland Australian states, except Western Australia, where an independent company distributes Toyota branded vehicles on TMCA's behalf. More than half of the Camry and Aurion vehicles manufactured at the company's plant in Altona are exported overseas - to 13 markets in the Middle East, New Zealand and the Pacific Islands. See: <http://www.toyota.com.au/toyota/company>

**FIGURE 2. SNAPSHOT OF SKILLSTECH AUSTRALIA**

SkillsTech Australia is Queensland's largest training provider of trade and technician training, focusing on the fields of automotive, building and construction, electrotechnology, manufacturing and engineering, sustainable technologies and water. It delivers pre-apprenticeship, apprenticeship/traineeship and post-trade training to more than 20,000 students every year, at five training centres.

As part of the TAFE Queensland network, SkillsTech Australia works with industry to develop and deliver world-class courses that provide relevant skills and best practice training. It has a reputation for delivering the highest quality training with industry-standard equipment in safe, modern, world-class facilities. See: [http://www.skillstech.tafe.qld.gov.au/about\\_us/about.html](http://www.skillstech.tafe.qld.gov.au/about_us/about.html)

**TABLE 1. TRAINING PROVIDED BY SKILLSTECH AUSTRALIA FOR TMCA**

**QUALIFICATION/COURSES**

Main program: Certificate III in Automotive Mechanical Technology (Light Vehicle)

**ASPECTS OF THE DELIVERY METHODOLOGY**

STA trainers who deliver the program for TMCA work exclusively with Toyota.

To facilitate a fast-track apprenticeship often of less than three years, STA trainers collaborate with TMCA and its dealers to minimize the time apprentices need to spend in Brisbane.

STA trainers also

- collaborate with the workplace mentors in the dealerships
- use TMCA's online student management system to record apprentice progression and provide feedback on the training
- meet regularly with TMCA officials to review progress and contribute to continuous improvement
- develop learning materials for use nationally in the Toyota network.

Toyota Motor Corporation  
is one of the world's largest  
vehicle manufacturers...



# INDUSTRY CLIENT: BRUCE CHELLINGWORTH, MANAGER, TSM AND TECHNICAL TRAINING, TMCA

## *Why did TMCA form a partnership with SkillsTech Australia (STA)?*

We started this relationship with SkillsTech Australia in 2005, the training started in 2006, and now there is quite a mature connection between us. We have some great student retention results out of this program in Queensland, greater than other industries in this area, and we're quite happy with the whole relationship. SkillTech's Graeme Muller, with his knowledge and experience, has been integral in getting this whole program going on a national basis.

We are more than impressed with SkillsTech Australia. They deliver training for us in Brisbane, both in our Acacia Ridge office as well as in their own new building, and also in our office in Townsville for our North Queensland dealers. We get a very good coverage over Queensland from them, and one of the reasons for choosing SkillsTech Australia was because they were Queensland-wide.

## *What lies ahead?*

We continue to expand our program, so what lies ahead for me is finding more areas for SkillsTech Australia to deliver our training. I don't see any change to our business relationship from the expansion of our relationship.

## *What is your role in the STA-TMCA partnership?*

I oversee the national program of the Toyota network training from a strategic planning perspective. I get to talk with all of our partners in our business and my role quite simply is to ask where are we going in three to five years?

## *In what ways is SkillsTech Australia flexible in its approach?*

What we get is flexibility in the geographic location of the training; and we also get flexibility in content. If the SkillsTech trainers see that a certain aspect of the curriculum is slightly outdated, they try to influence the design of the national training package to meet our current daily situation.

In our partnership with SkillsTech, they'll train three groups of our people per year. If there are four groups they'll supply trainers; and if there are two groups they'll supply trainers. We provide the demand and they support that.

## *How does SkillsTech Australia ensure it understands your needs?*

There is constant communication between us. We run regular meetings with STA and then with our dealers, so we are constantly keeping up-to-date with what they're doing.

They understand what we are doing. They understand what our dealers are doing. They also go out and visit dealers and staff in dealers, so they get a hands-on real life understanding.

## *How well has SkillsTech Australia performed?*

Since they moved to their new location in Acacia Ridge, we find it's a fantastic building and the environment for training is absolutely second to none. They've done a great job there in meeting Toyota's goals of trying to be the benchmark nationally for Toyota training: they provide an atmosphere for that there. They've certainly met what we've expected, and exceeded it in some areas.





**Is the retention rate satisfactory?**

Yes. Nationally we average around about the high 70s to 80% retention in this program, whereas I understand that the retention rate for normal automotive training is somewhere around 40%. In Queensland for instance, with SkillsTech Australia, in 2009 we had 71% retention, 2010 74% and 2011 80%.

**Apart from the retention rate, is there any other success indicator that you look for?**

I look at retention, I look at student feedback and I look at the amount of time it takes to become competent in the skill, after learning the theory. SkillsTech Australia performs well on those key performance indicators (KPIs). On average, it takes about two years and nine months to get one of our apprentices through a complete apprentice program, rather than the old [timeframe of] four years. KPIs are important for us to measure, as part of Toyota production system: we believe that if you don't measure, you don't manage.

**What is best practice about the Institute's work with TMCA?**

They are accessible to us as their partners and they listen to our feedback about what we need in the training. The best practice is simply the working relationship; how we work together. They're easy to work with, and quite simply there is respect between us: we can't do without SkillsTech; we can't look after Queensland training without them. And SkillsTech Australia can't deliver our program without being aligned to Toyota.

The overriding feature of SkillsTech Australia's approach is the absolute passion of their instructors to look after our technicians, delivering our product. Sometimes you walk in and think they have a Toyota badge emblazoned on their forehead; they just love the program. We can measure our KPIs, but that sort of passion is hard to measure. How do you measure passion, emotion and belief about looking after kids?

# The overriding feature of SkillsTech Australia's approach is the absolute passion of their instructors...

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### CASE STUDY 3:

# We look at problems together; we work closely together

**TAFE  
RESPONSIVENESS**

**INDUSTRY  
NEEDS**

**COAG GOALS**

**TAFE ASSISTS INDUSTRY TO DEVELOP  
HIGHLY QUALIFIED STAFF WHO BUILD  
CAREERS**

Institute:

**Challenger Institute of Technology**

Industry client:

**Apache Energy Ltd**

Summary:

In collaboration with Challenger Institute of Technology, Apache Energy in WA develops highly qualified staff – a COAG goal – and assists staff to develop their careers

### **ALIGNMENT WITH COAG**

This case study aligns with the National Agreement for Skills and Workforce Development which commits the Council of Australian Governments (COAG) to a vocational education and training (VET) system that delivers a “highly skilled workforce”.

The case study also provides an exemplar of training that will help Australians to “up skill and get a better paying job” (PM Julia Gillard, 13 April 2012)

### **BACKGROUND**

Apache Corporation is one of the world’s leading oil and gas exploration and production companies. In Western Australia, its off-shore operations in the Carnarvon, Exmouth and Browse basins produce 38,000 barrels per day of oil and 185 million cubic feet of natural gas. To operate these facilities, Apache’s staff need to be highly skilled and, understandably, Apache is also keen to retain these skilled staff and to help them build a career with the organisation.

One of the main strategies Apache uses to develop the skills of its staff and to help them build their careers is to provide staff with specialist training opportunities through Challenger Institute of Technology’s Australian Centre for Energy and Process Training (ACEPT).

## IMPORTANCE OF BOTH SKILL AND CAREER DEVELOPMENT

This case study is an example of an enterprise and a training provider working together to achieve shared goals of effective workforce development and career development.

To achieve such effective development requires new approaches by industry, working in collaboration with training providers. Skills Australia's "Workforce Futures - Powering the Workplace" (2009a) noted that the "power of Australia's considerable efforts and expenditure in education is arguably at risk if it cannot be realised by appropriate links at the industry, enterprise and cluster level". Encouragingly, research summarised by Mitchell, Dobbs and Ward (2011) shows that effective workforce and career development can link education and skills acquisition directly to business strategy, can increase the focus on higher level skills and can establish a broader role for educators and trainers.

Skills Australia, in "Workforce Futures: Overview" (2009b), further called for the introduction of "policies and practices which support people to participate effectively in the workforce and to develop and apply skills in a workplace context, where learning translates into positive outcomes for enterprises, the wider community and for individuals throughout their working lives". Such progressive policies, practices and frameworks are required particularly in industries such as oil and gas exploration, because the jobs are away from home, on off-shore rigs, and the jobs require high degrees of accurate and consistent practice. In such industries, it is essential that staff are well trained, as well as retained by the company.

Recent research for the Australian Chamber of Commerce and Industry (Mitchell, Dobbs & Ward 2011) found that good practice workforce development strategies help completing apprentices and new trades people to build careers as well as sustain and build the enterprise business. The research also reported that the implementation of good practice workforce development strategies, and the career pathways they underpin, create an environment in the enterprise where:

- skill shortages are reduced: the potential impact of skill shortages in enterprises and the industry more broadly can be more effectively managed
- capability is built: new skills needed to respond to changes in industry and technology can be developed
- capacity is sustained: the retention of skills and experience can be optimised.

Working with Challenger Institute of Technology, Apache Energy has created such an environment and gained such results, as described in this case study.

## DRIVERS BEHIND THE COLLABORATION

Challenger's ACEPT Director Greg Guppy believes the key driver behind the collaboration is Apache's desire for a skilled and well qualified workforce: "Tom Maher and his team at Apache want their workforce to be agile and to have the qualifications required to handle the new world in the oil and gas industry". With regard to qualifications, Apache made the decision to use the Australian Quality Training Framework as their reference point, and the ACEPT staff have worked intensely "with Stewart Allan Training Manager and mapped the Apache job descriptions against that framework".

In addition to providing training for new staff, Greg Guppy finds the company is passionate about ensuring the skill sets gained over the years by its existing workers are recognised formally through recognition of prior learning processes, with an immediate benefit: "it's a morale booster" for those staff.

## CHALLENGER MEETS APACHE'S AND INDUSTRY'S NEED FOR HIGHLY QUALIFIED STAFF WHO BUILD CAREERS

Liz Harris, Challenger's CEO, is impressed by the interest shown by Apache and the ACEPT Board in encouraging people in the industry to acquire higher level qualifications:

**What's really pleasing for all of us is that the focus of the training is moving from Certificate III to Certificate IV and now into the Diploma and Advanced Diploma levels. There's a lot of discussion around the ACEPT Board table about the need for highly skilled workers. And with all of these plants to be operating across WA in 2014, the companies are moving from the construction phase into the operational phase. And that is driving the need for higher level technical skills.**

...the key driver behind the collaboration is Apache's desire for a skilled and well qualified workforce...



Apache and the ACEPT Board are also focusing on an emerging need for management skills in the industry as it moves into a new stage:

**There's a recognition that you have to have the experienced operator as the supervisor looking after a team of people. And so there is discussion as well, around the ACEPT Board table, about supervisor and management skills.**

For Liz Harris, this focus on providing the fullest possible range of opportunities for staff from Apache and other organisations fits well with the mission of the Institute, "For everyone a pathway to a better future."

Because Challenger has developed such a close relationship with Apache, it understands and supports the company's goal that staff not only develop skills but also build their careers, says Liz Harris:

**Challenger's been there right from the beginning and over the last five years this relationship has really matured. We're embedded; we're not just sitting outside of activities as the service provider. We actually understand the career pathways that they have at Apache, and there's an ongoing conversation between us and Apache about it. We're always looking at what we could be doing to actually help move people forward.**

#### CHALLENGER'S GOOD PRACTICE IN WORKING WITH APACHE

Some features of Challenger's good practice in working with Apache, according to Brian Acreman, the main ACEPT lecturer working with Apache, are Challenger's flexibility and one-stop-shop response system.

**We are flexible, we're accessible and we provide customised training. We've customised our assignments and assessments to their facilities, whichever part they're working in. One of the main things we offer is a one-stop shop arrangement, and this streamlines the administration as well as the training for Apache.**



**FIGURE 1. SNAPSHOT OF APACHE CORPORATION**

Established in 1954, Apache Corporation has grown to become one of the world's top independent oil and gas exploration and production companies. Its asset portfolio reaches from the United States to Canada, Egypt's Western Desert, the North Sea, Australia and Argentina. (see [http://www.apachecorp.com/About\\_Apache/index.aspx](http://www.apachecorp.com/About_Apache/index.aspx))

Apache's holdings in Australia are focused offshore in Western Australia. In total, Apache controls approximately 8.8 million gross acres in Australia through 35 exploration permits, 16 production licenses, and 10 retention leases. Approximately 90 percent of its acreage is undeveloped. During 2011, the region had net production of 38,000 barrels per day of oil and 185 million cubic feet of natural gas (see [http://www.apachecorp.com/Operations/Australia/Region\\_overview/index.aspx](http://www.apachecorp.com/Operations/Australia/Region_overview/index.aspx))

**FIGURE 2. SNAPSHOT OF AUSTRALIAN CENTRE FOR ENERGY AND PROCESS TRAINING (ACEPT)**

Challenger Institute's Australian Centre for Energy and Process Training (ACEPT) is the leading provider of process operations training, offering AQTF qualifications for the Australian oil and gas, mineral and chemical processing industries. This ensures a higher standard of workers and facilitates industry expansion.

Developed from collaboration between industry and State and Federal governments, and led by an Industry Management Board comprising representatives from leading companies, ACEPT features state-of-the-art equipment and highly experienced training staff. (see <http://www.challenger.wa.edu.au/Workingwithindustry/AustralianCentreforEnergyandProcessTraining/Pages/AbouttheCentre.aspx>)

Challenger Institute won the awards for the 2012 Large Training Provider of the Year for both WA and Australia.

**TABLE 1. TRAINING PROVIDED BY CHALLENGER'S ACEPT FOR APACHE ENERGY**

CATEGORY	QUALIFICATION/COURSES	DELIVERY METHODOLOGY
Existing workers	Certificate II in Process Plant Operations	<ul style="list-style-type: none"> <li>In-house courses at ACEPT - 8 weeks full time or 1 year part time, 2 evenings per week; Or</li> <li>Open learning – by correspondence where the assignments and work experience are completed at your facility under the guidance of your workplace assessor</li> <li>Recognition of Prior Learning (RPL)</li> <li>Combination of any of the above</li> </ul>
	Certificate III in Process Plant Operations	<ul style="list-style-type: none"> <li>Open learning – by correspondence where the assignments and work experience are completed at your facility under the guidance of your workplace assessor</li> <li>Recognition of Prior Learning (RPL)</li> <li>Combination of any of the above</li> </ul>
	Certificate IV in Process Plant Technology	As above
	Diploma and Advanced Diploma of Process Plant Technology	As above
Apprentices	Certificate III in Engineering (Mechanical Trade)	<ul style="list-style-type: none"> <li>Four 2-week blocks each year</li> <li>Work experience at your facility</li> </ul>
	Certificate IV in Engineering (Electrical/Instrumentation)	As above



## INDUSTRY CLIENT: STEWART ALLAN, APACHE ENERGY LTD

Stewart Allan is the Training and Development Manager at Apache Energy Ltd and is based in Perth. His responsibilities include the skill development of staff in off-shore operations as well as the management team in Perth. Stewart is a board member of Challenger Institute's Australian Centre for Energy and Process Training (ACEPT).

*What are some of Apache's overall training needs in Western Australia?*

*Production operators and production technicians are highly sought after personnel for all oil and gas, in general and for Apache. We also need a supply of apprentice mechanical fitters, apprentice instrument/electrical mechanics and trainee production operators.*

*Why is Apache's training closely aligned with national standards?*

*There are units of competencies in the PMA08 Chemical, Hydrocarbons and Refining training package that cover the skill sets we need, and so Apache took the decision to accept that these units of competency would be the cornerstone for how we would prove the competency of our personnel in their roles. Everybody up to the Managing Director now has been assessed against them as the PMA package also incorporates incident response.*

*When did the relationship start with Challenger's ACEPT, and where has it reached?*

*When I took up my current role in 2008 I quickly realised that I needed the support of ACEPT to deliver what I wanted. I wanted to firmly establish the training role within the company and as part of that I needed ACEPT to be involved. The PMA training package and its content were very much how Apache was going to not only deem the competency of our personnel, but it would also become a career pathway because we would use all the different levels through Certificate II to Diploma and Advanced Diploma levels. I wanted to create careers so people stayed at Apache.*

*What lies ahead for Apache and Challenger?*

*I greatly believe in Challenger and the ACEPT mechanical maintenance and electrical instrumentation areas, and the marine section, which I touch base with on a weekly or monthly basis. I believe these will continue to be a contributing factor in Apache's offshore operations.*

*Operations have built the PMA package into the competency management system within Apache so there will always be integration between Apache and the Institute. All our people work towards nationally recognised standards and the great thing about it is that, because of the way the Training Package is written, it allows you to achieve these standards on your site.*

*Why does Apache need highly qualified staff and how is ACEPT helping meet this need?*

*Due the complexity of the industry we work in, it's imperative that we have high quality staff who are fully competent in all areas of their roles. Their jobs are broad and they require multiple skill sets, because one minute a person can be a production operator and the next minute he can be the technician who's fixing it, or he could be part of a response team, dealing with an incident. The roles are wide and varied and that's why we have highly qualified staff who can maintain a safe and environmentally friendly production.*

*ACEPT working with us allows us to measure the quality of our staff outside of our normal report cycles. It's almost like an independent verification of the quality of our staff. Apache invite ACEPT staff to our sites as well, as part of that; and when they require information or require equipment to help support the learning on-site, Apache supply them.*

*We also have tradespersons and production operators from our facilities who volunteer, in their off time, to go to ACEPT to augmenting the staff there: they bring real, live, up-to-date, fresh situations and discussions into the ACEPT classroom and assist with the delivery of the training so that ACEPT maintains its relevancy and current knowledge of the systems in the Western Australia region.*

ACEPT working with us allows us to measure the quality of our staff outside of our normal report cycles...



### Why is it valuable for Apache to help staff build careers and how is ACEPT helping you meet that need?

The importance of careers is really high on Apache's agenda: one of the company's core values is "Respect and invest in our greatest asset our people". When I joined the company in 2008 Apache was seen as a breeding ground for other operators and they had a revolving door where they were training people, they were doing their traineeships in maybe two years, and then leaving to go to other companies. Apache were keen to halt that and increased its commitment to the core value striving to make Apache an employer of choice and by investing in the long term future of its personnel with something that's really tangible, qualifications that are nationally recognised. The national qualification is a major part of retention and it's a major part of engaging with our workforce.

### Are people staying longer with you as a result of these initiatives?

We certainly haven't had the rotating door in the last four years and that can be put down to several things. It could be put down to the career development approach that we've brought onboard, and there's also a financial retention package. But I think the career development pathways and the fact that we're linked in nationally recognised training through a world class training provider in Challenger is a key component of us retaining our staff.

### What is best practice about Challenger's work with Apache?

I'd sum it up as innovative. And we look at problems together; we work closely together.

### As a member of the board of ACEPT, what is the role and value of ACEPT?

I'm fiercely protective of ACEPT, I'm a Board member and I actively participate in the Board, I also actively participate in new programs when they're coming in. I think ACEPT is a key component in the resources industry in Western Australia and I think without it the resources industry would have real problems. It's a fantastic facility and I'm proud to be a board member.

I've watched a lot of training providers who are in it for themselves and they don't listen to what industry's asking for; they do it the way they want. The training that is required in an offshore facility and the resources industry needs to be understood by the training provider, and that's what ACEPT gives me. A lot of the ACEPT staff may not have been in oil and gas but they've been in production and then that's supplemented by the industry people spending time working in the college. That is what gives it a unique style and certainly gives a great training outcome for the people who are learning there.

### What are the strengths of ACEPT?

They put some long hours in: I've had Brian Acreman and Greg Guppy up here in our offices in Perth sometimes at eight o'clock at night, working through issues. They're so passionate about what they do and want to make the training the best it can ever be, as innovative as possible.

The ACEPT team that has been built up, headed by Managing Director Liz Harris, is exceptional. I think ACEPT's Greg Guppy is one of the most outstanding Directors that I've come across: he has a wealth of knowledge, he's worked in the Apprenticeship Board, he has a great background and he and his team are the key to the future. And the ACEPT Board is led by an exceptionally talented person Keith Spence, the head of the State Training Board in WA. I'm fortunate to work with these people.

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## CASE STUDY 4:

# The training is tailored to the needs of industry

**TAFE  
RESPONSIVENESS**

**INDUSTRY  
NEEDS**

**COAG GOALS**

**TAFE ASSISTS INDUSTRY TO DEVELOP  
WORKERS WITH SKILLS FOR THE NEW  
ECONOMY**

Institute:

**Kangan Institute**

Industry client:

**Council of Textile & Fashion Industries  
of Australia (TFIA)**

Summary:

The TFIA Textile and Fashion Hub assists people to develop skills needed for the new economy, such as using digital technology for design, addressing a COAG aim of developing skills to meet the changing needs of the economy.

### **ALIGNMENT WITH COAG**

This case study aligns with the National Agreement for Skills and Workforce Development which commits the Council of Australian Governments (COAG) to a vocational education and training (VET) system that ensures the “skill levels of the working age population are increased to meet the changing needs of the economy”.

The case study also provides an exemplar of innovative training that will help to “shape the new economy” (PM Julia Gillard, 13 April 2012).

### **BACKGROUND**

The Textile and Fashion Hub is a collaborative initiative between the Textile Fashion Industries of Australia (TFIA) and Kangan Institute (KI) and the Federal Government’s AusIndustry. As an innovative industry centre of excellence, it services industry in ways that are not possible in conventional industry training facilities. It focuses on high-end niche training on advanced technologies for the textile, clothing and footwear (TCF) sector, particularly for employers and employees in small to medium enterprises (SMEs).

At the Hub, Kangan Institute provides training to the sector while industry people undertake research and development (R&D), develop sample runs of products, and access technology to prototype their design, prior to taking it to market. These resources are particularly beneficial for SMEs who do not have the capability or finances to conduct R&D.

### SKILLING FOR THE NEW ECONOMY

This case study is guided by the definition of the new economy in the publication 'Skills for All Australians' (2012). It describes a new economy in which Australian businesses will need:

... the capacity to embrace technological and business process innovations to provide competitive advantage in a global market place. They will need to have ready access to knowledge and world class capabilities that support rapid adaption to changing market needs, tapping into innovative practices and building sustainable and profitable partnerships both domestically and globally. (p.29)

The case study focuses on the need for skills in the new economy in the use of information and communication technology (ICT) and related business processes; for instance, the use of digital technology for business purposes ranging from research and design, to product development, supply chain management, production and marketing.

In the case of the textile and clothing businesses involved in the Hub, the new economy commonly involves designing items in Australia and then transmitting the design overseas for manufacturing. In response to these new business practices, the Hub's partners are committed to providing users with access to digital resources, including support for potential National Broadband Network (NBN) projects, particularly to assist the design process within the digital supply chain.

## TAFE INTERVIEWEE: RAY GRIFFITHS, CEO, KANGAN INSTITUTE

*What do you understand by the term 'skills for the new economy'?*

*We're actually asking the people who use the Hub what skills they need in order to operate in the contemporary environment, the new economy. And they're telling us what skills they need in order to compete as micro businesses and SMEs. And we, almost 'back of house', are drawing down what is available in the training packages to try and meet that need, and supplementing it with whatever else we can do, particularly with industry expertise, from our industry partner.*

*From our perspective, the meaning of the new economy relies entirely on the views of those entrepreneurs and business people at the Hub. And it's almost like a new economy for us as well, because we're trying to unlearn our role as a purveyor of qualifications and training packages, and re-learn how to actually fully tailor a bespoke training service for those groups. So it's kind of new economy for us as well as for them.*

*What are some specific skills you are helping people develop?*

*Some of the important skills are learning to deal with the global supply chain. For a designer, being part of the global supply chain is important: it really does add a lot of advantage for them.*

*In the Hub, the Institute operates like a professional services firm offering workforce development, skills development, access to the intellectual property around teaching, and learning and assessment for these businesses, but entirely based on what they identify as their needs.*

...the meaning of the new economy  
relies entirely on the views of those  
entrepreneurs and business people  
at the Hub...



Brett McLeod, Kangan Institute's General Manager, Business Services Group, explains what the Institute provides to the Hub:

**The Hub provides more than just training: it's a place where industry people can come and trial their design in a supported way, if they haven't got the capability or access to the technology. We can support them to use the new technology so they can then take their product to market sooner.**

**We can't compete with China in production numbers, but what we can do is be quick to market. We believe that through innovation and design the industry will compete globally, going forward. So they are skills that they need and the Hub is really designed around helping them get their design completed. We'll support them and link their experience to training as well.**

Skills for the new economy are the focus of a range of training programs provided at the Hub, such as the program 'Adobe CS5 for fashion and textiles' which enables the participant to 'create a custom placement print and get it printed on the GT451 digital garment printer'.

To facilitate skilling for the new economy, training at the Hub incorporates the use of new technology, including digital knitting machines and digital printers, body scanners, cutters and plotters, and computer-aided design (CAD) technology. To develop skills in using this technology, participants access extensive services, ranging from technical support to mentoring, professional workshops and master classes.

### BENEFITS FOR INDUSTRY

The benefits of the Hub to people in industry are tangible: it provides them with a venue where they can develop skills, carry out research and development, and progress their innovations in a supported way. It also provides an environment where industry groups and individuals can meet, innovate, collaborate, learn and develop, to ensure they can thrive in an industry that requires new ways of working if Australian companies are to be competitive in a global market.

Groups using the Hub include the Industry Association Consortium (IAC), the Fashion and Textile Provider Network (FTPN) and the Sustainable Enterprise Network (SEN). Ten industry clusters also meet regularly at the Hub and Kangan Institute staff interact with all of these groups, to identify skill needs and provide training across the sector.

### DRIVERS BEHIND THE HUB

The Hub concept originated in 2009, in discussions between management of the Textile & Fashion Institute of Australia (TFIA) and Kangan Institute about formal, flexible workplace training models for the TCF industry. This led to deliberations about ideal training models for SMEs, which make up 86% of the industry, and how to adequately meet their needs.

TFIA members were concerned about the difficulties in meeting market demands, and the lack of access to technology and skill development. Kangan Institute had previous experience with flexible delivery models for industry, particularly at its Automotive Centre of Excellence and the Aviation Training Centre. Drawing on its experience and in collaboration with the TFIA, Kangan Institute developed a model for the TCF industry that resulted in the creation of the Textile and Fashion Hub.

### MANAGEMENT FRAMEWORK

The Hub is overseen by a formal steering committee consisting of members from both the TFIA and the Institute. The steering committee developed a collaborative working model which shows that the TFIA are responsible for business development of the Hub and Kangan Institute manages all the operational aspects of the Hub.

Ten industry clusters are supported by the Hub: Computer Aided Drafting, Design, Digital Printing, Export, Footwear, Knit, Mentoring, Performance Wear, Standards and Sustainability. Each of the ten clusters is assisted by industry experts who report through a cluster leader to the Hub steering committee, with recommendations from action research data on what products and services they require to improve their businesses, meet the demanding pressures in the sector and ensure they can thrive in the future.

### INNOVATIVE DELIVERY

The training philosophy of the Hub is to pilot emerging learning technologies available via the web at a low cost, and to combine these with proven technologies. The goal is to extend training opportunities to SMEs who may otherwise not have access to this level of training due to their location, time restrictions or lack of funds.



**TABLE 1. INNOVATIVE TRAINING APPROACHES BY KANGAN INSTITUTE FOR THE TEXTILE AND FASHION HUB**

#### EXAMPLE OF QUALIFICATION

Innovative skilling programs customised to industry requirements are available, with the skill sets mapped against national Fashion and Textile qualifications.

An example of these is the development of the Knitting Machine and Digital Printer training, which was divided into small chunks of skills sets to enable SMEs to participate with minimal time impact on their business.

As part of the development of these programs, Institute staff mapped each skills set to a competency from the national Advanced Diploma of Textile Design and Development (LMT60407) qualification, which gives the participant a package of competencies leading to a national qualification.

#### DELIVERY METHODOLOGY

All training at the Hub fits within a blended learning model. This allows Kangan Institute to capitalise on digital technologies such as cloud computing, freeware and social media. For example, the training blends together content from YouTube, Slideshare and Flickr, and trainers communicate with students via Skype combined with face-to-face workshops.

Live workshops are streamed using video-streaming technology and any video content captured is easily edited and embedded into future workshops. All such material is available online via the Learning Management System Moodle, for Hub clients to access. Moodle is integrated with Equella, a content repository, ensuring version control and standardised training material is available to facilitators anywhere in the world.

The Textile and Fashion Hub has invested in a number of 75"-82" electronic HD touch screen e.boards. These e.boards mimic touch screen technology that most users are already familiar with in their daily lives, and bring the world-wide web technologies into the Hub, engaging the participants visually and through Skype and other video conferencing tools and allowing impressive multi-way collaboration.

Some products developed by the Institute to date include webinars, such as the "Global access forum", where an expert in England presented to the industry on export information, via Skype. The Institute has also developed an I-app on OH&S for the Digital Printer in the Hub that participants complete prior to using this printer.

#### ACHIEVEMENTS

Lack of business skills was one of the many concerns raised by all ten industry clusters, which influenced Institute staff to develop small business training programs that participants can access online via webinars, as well as project work with mentors assigned to support them in their business skill development.

The key outcome of the Textile and Fashion Hub is to provide industry with the knowledge in innovation, supply chain management, advanced technology and business acumen. By achieving this it hopes to ensure that the SMEs in the sector can thrive in the current and future economy, which continuously evolves.

The Council of Textile & Fashion Industries of Australia has successfully represented Textile, Clothing and Footwear industries since the 1940s...



**FIGURE 1. SNAPSHOT OF TFIA TEXTILE AND FASHION INDUSTRIES OF AUSTRALIA (TFIA)**

The Council of Textile & Fashion Industries of Australia (TFIA) has successfully represented Textile, Clothing and Footwear (TCF) industries since the 1940s. From big business to small and medium enterprises, from senior executive to junior employee, from teacher to student, all are welcome as members of the TFIA.

TFIA is a national body governed by a Board and Executive elected from the TFIA membership and administered from a head office based in Melbourne. From: <http://www.tfia.com.au/about-tfia>

**FIGURE 2. SNAPSHOT OF KANGAN INSTITUTE**

With more than 40,000 enrolments each year, Kangan Institute is a major training provider for the automotive, aerospace, health and nursing sectors and for Indigenous education. It also has a strong presence in a range of industries such as fashion and business as well as justice and legal.

It offers a flexible, innovative place of learning with a rich multicultural atmosphere with programs are delivered across six campuses across Melbourne. From: <http://www.kangan.edu.au/>

The TFIA Textile and Fashion Hub, a collaborative project with the TFIA, won the Victorian Industry Collaboration Award at the 2012 Victorian Training Awards.





# INDUSTRY INTERVIEWEE: JO-ANN KELLOCK, CEO, COUNCIL OF TEXTILE AND FASHION INDUSTRIES OF AUSTRALIA LIMITED

## *What is special about the Hub?*

We're in the business of change and imparting knowledge. When people are relaxed and comfortable they're best able to listen and absorb. So it was important to create a supportive environment or an ecosystem within the system, within the TAFE structure. That's what we regard the Hub as: it's like a little eco-system working within a much bigger TAFE system to create a link with industry and support. It is a place for SMEs to develop their capabilities.

One of the great spinoffs for this project is the opportunity to develop learning resources that are up to date with the leading edge equipment and current information from technologists working in the Hub; and put those resources on a learning platform which is online, and tied to the training package.

## *What do employers want from the Hub?*

The employers want their staff to be trained, with minimal interruptions. They need their staff to be competent. So what they're actually saying is they want skills sets and they want them now. The challenge is to deliver them in the most efficient way possible. And then employers want, perhaps next week or next month or in six months' time, another skills set, because they've bought another piece of machinery: that's the way they want training. But they won't release their staff to sign up for a Diploma in Fashion Design and Technology that runs over 18 months. That's too big a commitment in the current competitive environment.

## *What were the initial drivers behind TFIA's relationship with Kangan Institute?*

We identified that the government programs had looked after the larger businesses which control 50% of the market but that group really only represents about 14% of the businesses. We were looking for a project to support the SMEs who employ 20 people or less and who make up 86% of the TCF industry. That was the real driver behind this Hub project.

If industry is to change, then 86% of businesses can't be ignored. We are a fragmented industry and we wanted to put a stake in the ground, and nominate a space like the Hub. The Hub gives a place for the industry to gravitate towards, to meet, to congregate, to share, to learn. So they were the main drivers.

Kangan was most receptive to the idea, of all the people that we met: they'd had experience in dealing with industry, they knew what industry wanted, they talked the same talk, they just got it, and we moved on from there.

## *Are you building skills for the new economy?*

Yes. When you have an outsourced manufacturing sector like we have, the National Broadband Network becomes extremely important because of the exchange of electronic files and the need for the interoperability of software programs.

The companies ask us, particularly the SMEs, which computer program do I choose? Which is the best program for my application? So one of the things we do in the Hub is help them identify digital solutions: for example, Should I use a CAD program? Which one do I pick? What's best for me? That's a key role that we play at the Hub.

## *How is Kangan Institute working with the Hub to build these skills?*

If you look within the Kangan team they have 'lean' expertise, they have knitting technology expertise and digital printing technology expertise. They're training up their staff to operate new whole garment knitters and seamless knitwear and digital printing and 3D printing. They're quickly training their staff up and they're also liaising directly with industry. At the same time that they're developing their skills, they're also bringing to the table expertise in e-learning platforms.

TFIA's role is to lead industry into the Hub and hand them over to Kangan staff. They work with the clients to deliver specialised training, or whatever it is the company's after. There's such goodwill between both parties who want to ensure the project's success.

## *What is an example of skills for the new economy being developed by the Hub's users?*

The QR Code Pop-Up Window Project started off with the Design Cluster. They went to Little Lonsdale in the legal district in the city and put a digital display in the window of a café, and generated interest around the sign. I think all up it cost the cluster about \$450. It wasn't a lot of money because they all contributed: to come up with that display, the shoe designer worked with an accessory designer who worked with a dress designer who worked with a graphic artist.

## *What is good practice about the Institute's work with the Hub?*

Kangan are definitely flexible and that's to their credit. It is industry's job to keep pushing the boundaries and its TAFE's job to try and accommodate what industry wants, and the tension between the two is what produces the successful outcome. Kangan has given us flexibility: they're accessible, the training is tailored to the needs of industry, and their people are well qualified and/or very willing to learn.

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## CASE STUDY 5:

# A sustainable workforce is critical for us

**TAFE  
RESPONSIVENESS**

**INDUSTRY  
NEEDS**

**COAG GOALS**

**TAFE ASSISTS INDUSTRY TO DEVELOP  
QUALIFIED WORKERS IN REGIONAL  
AUSTRALIA**

Institute:

**TAFE NSW - Riverina Institute**

Industry client:

**Murrumbidgee Local Health District**

Summary:

In collaboration with TAFE NSW – Riverina Institute, the Murrumbidgee Local Health District gains nationally qualified staff, meeting a COAG goal

## **ALIGNMENT WITH COAG**

This case study aligns with the National Agreement for Skills and Workforce Development which commits the Council of Australian Governments (COAG) to a vocational education and training (VET) system that will provide industry with a more “highly skilled workforce”.

The case study also provides an exemplar of training that “will assist in meeting skills shortages in key areas of the economy” (PM Julia Gillard, 13 April 2012)

## **BACKGROUND**

For a number of years, TAFE NSW – Riverina Institute has enjoyed a close relationship with the large, regional area health service. The recently restructured and renamed organisation is called the Murrumbidgee Local Health District (MLHD) and is the major employer in the region. Riverina Institute has formed an effective working relationship with the MLHD, with both organisations focusing on ‘growing your own locally’: that is, assisting local people to gain new skills and aspire to and achieve higher qualifications in the health sector, to meet the need of the MLHD to recruit and retain high skilled staff.

## ALL REGIONS ARE NOT THE SAME

A recent discussion paper by the Australian Workforce and Productivity Agency, 'Australia's skills and workforce development needs' (AWPA, 2012) highlighted special challenges for workforce development in regional Australia. It emphasised that, in terms of job opportunities and the demand for skilled workers, regional Australia is not homogeneous:

**Regional disparities in employment and education are a key challenge for policymakers. Participation in work and study varies widely across Australia according to geographical location, but the issues facing different regions are not homogenous.**

**Declining industries, structural adjustment and a shift from production to services have fundamentally altered the type and amount of work available in some regions.**

**Australia is increasingly described as a 'patchwork economy': one which is characterised by strong growth in some areas while others lag behind. (AWPA, 2012, p.16)**

This clarification of the differences between regional areas led AWPA to the view that there can be no single approach to workforce development issues in regions.

**Clearly, then, there can be no one-size-fits-all approach to regional challenges. The disparity in the distribution of resources, population, infrastructure, services and development are important considerations in addressing workforce participation and productivity. (p.17)**

Nevertheless, Australian governments are determined to assist regional areas. Under the new Council of Australian Governments (COAG) Council System, a COAG Regional Australia Standing Council (RASC) was established to support effective planning and coordination across all levels of government on matters affecting regional Australia.

**RASC will strive to support real and lasting economic growth in regional communities, through the establishment of national approaches to regional development. RASC will facilitate more effective planning and cooperation across all spheres of government in order to achieve sustainable economic, social and environmental outcomes for regional Australia. (COAG/RASC website 2011)**

Specific COAG commitments show that governments have a broad understanding of the range of ways that they can deliver better services for the community, particularly through the National Agreement and National Partnership framework. As an example, the National Healthcare Agreement (2010) affirms governments' commitments to service quality and access, and sets out that Australia's health system should: "provide all Australians with timely access to quality health services based on their needs, not ability to pay, regardless of where they live in the country" (p.130).

## RIVERINA INSTITUTE MEETS MLHD'S SPECIFIC NEEDS FOR SKILLED STAFF

Kerry Penton, Institute Director, TAFE NSW – Riverina Institute is aware of the challenge faced by the health and community services industry in attracting high-skilled people to the region and keeping them in the region. "That's been problematic across the Riverina Murray for a number of years," she notes. As a result, the workforce development planned with the industry is customised to the region:

**The type of workforce development response that we have to create is somewhat different to other industries that we've been working with. We're looking at the workforce holistically; across the whole of health and community services, including acute care, aged care, management positions, a range of support positions, allied health. There is quite a broad cross section in their workforce.**

The key to the success of the collaboration between the Institute and the MLHD is the partnership, says Kerry Penton: "There is a synchronicity between our organisations and an unwavering commitment to flexibility, accessibility and customisation."

There is a synchronicity between our organisations and an unwavering commitment to flexibility, accessibility and customisation...



### RIVERINA INSTITUTE'S BEST PRACTICE IN WORKING WITH MURRUMBIDGEE LOCAL HEALTH DISTRICT

Anne Lowe, the Institute's Director, Community Services, Health & Vocational Access, is particularly gratified by the success of the Allied Health Assistants program, with its focus on training local people:

**Our approach means that trainees are able to stay in the regions where they choose to live and work, so the travel and associated disruption involved in accessing training is kept to a minimum. The outcomes to date support the view that people who undertake training in a regional or rural centre are more likely to continue working in that same area once the training is finished.**

She finds that graduates from this program are not only 'job ready', they also have "well established foundation skills to support higher learning, have learnt the value of contextualised learning and have benefited from the support of their workplace mentor and the Institute staff". Trained Allied Health Assistants now provide clinical support to health professionals including physiotherapists and occupational and speech therapists as well as podiatrists.

Anne Lowe finds that training that is delivered in context "is exceptionally meaningful and rewarding and leads to students developing high levels of independence and self reliance". These trainees "gain their skills while enhancing health services in their local communities, which is very satisfying and empowering for the individuals and exceptionally rewarding for the communities".

Kerry Penton is also delighted to report that having created "progression and articulation pathways, particularly with a mixed mode of delivery and now online, we're starting to see those people who have entered at entry level positions aspiring to higher levels of employment and higher levels of qualifications". She believes that, in the longer term, "we'll be able to create a better balance and pool of skilled workers here in a regional city and across the broader region, including healthcare professionals operating at the higher level and a breadth of qualified staff who make up a holistic healthcare team."

Our approach means that trainees are able to stay in the regions where they choose to live and work...





**FIGURE 1. SNAPSHOT OF MURRUMBIDGEE LOCAL HEALTH DISTRICT**

Murrumbidgee Local Health District (MLHD) operates a range of services in south west NSW including the Murray, Victorian border area, and the Riverina and Murrumbidgee Irrigation Area regions. Services include Hospitals, Community Health Centres, Multi Purpose Services, Mental Health and Drug & Alcohol Services.

MLHD aims to empower local people to be involved in decisions about the health care they receive. Communities are encouraged to improve understanding of local services, become involved in providing feedback on services and fund raise for priority equipment. See <http://www.mlhd.health.nsw.gov.au/>

**FIGURE 2. SNAPSHOT OF TAFE NSW – RIVERINA INSTITUTE**

Riverina Institute has a network of campuses across 154,000 square kilometres of the Riverina-Murray region in southern NSW. It encompasses the major regional centres of Albury, Wagga Wagga and Griffith and a large number of medium sized towns. Its twenty campus locations have more than 32,000 student enrolments and generate over 5.6 million annual student hours.

As the largest provider of vocational education and training in the Riverina-Murray region, it offers programs from certificate through to advanced diploma level, specialising in Conservation and Land Management; Sustainable Agriculture; Permaculture; Forestry; Rural Health & Community Services; Creative Arts, Design & Media; Sport & Recreation; Engineering & Mining; Aerospace; Public Safety; and Wine & Food.

The Institute was the NSW Large Training Provider of the Year in 2012 and a finalist for the national award. See: <http://www.rit.tafensw.edu.au/>

**TABLE 1. EXAMPLE OF TRAINING PROVIDED BY RIVERINA INSTITUTE FOR MURRUMBIDGEE LOCAL HEALTH DISTRICT**

#### **ALLIED HEALTH QUALIFICATIONS**

A needs analysis of the Allied Health workforce several years ago led to the development of the Certificate III school based (TVET) program. Next, an Allied Health career pathway was created, building on the Certificate IV in Allied Health Assistance, and providing articulation to a professional qualification accessible through Charles Sturt University.

A special feature of this course (Bachelor of Health and Rehabilitation Science) is that it is available entirely through distance mode, supporting the students in rural and remote locations.

#### **DELIVERY METHODOLOGY**

A key aspect of the Certificate IV in Allied Health Assistance course is that the training was, and continues to be, delivered in the workplace under the practical direction of the workplace trainers / supervisors (Allied Health professionals), trained by TAFE, and using the resources and remote support of the Institute staff.

The program is focused on supporting trainees recruited from the local community.

Murrumbidgee Local Health District operates a range of services in south west NSW...

## INDUSTRY CLIENT: SUSAN WEISSER, CEO, MURRUMBIDGEE LOCAL HEALTH DISTRICT

### *What is the demand in your region for health and community service workers?*

Health is an area of growing demand, not only in rural areas but everywhere: nationally we have an aging population and as your age increases then your demands on us for health services increases. Some areas of our district have a projected population decline and others have a projected population growth, but overall we have an aging population which puts additional pressure on health services.

We also have an aging workforce, and we have the perennial difficulty of attracting suitably qualified and skilled staff to rural areas. We're quite a large district: we cover over 125,000 square kilometers and we have communities that range in size from Wagga Wagga and Albury with populations of 50-60,000 to communities that are quite small with a population of several hundred. We have 33 hospitals and a wide range of community services. And those hospitals we staff 24 hours a day, seven days a week. For some services we have had a reliance on fly-in/fly-out people and the use of locums in medical, nursing and allied health areas.

### *What are some of your broad workforce planning issues and strategies?*

As a new health district, we want to work quite differently in terms of our workforce. We see our key issues around our workforce as the lack of it, the age of it and its sustainability, and how do we keep people's skills current and relevant when they are in smaller areas in particular and they don't see a large volume of different cases.

A sustainable workforce is critical for us and one of the key strategies that is identified in our strategic plan is about 'growing our own' workforce, because there is a lot of evidence around that rural people are more likely to stay rurally if we can provide education and training opportunities for local young people, so that they are able to train as clinicians. So we as an organisation need to ensure that we have those entry level positions for people within our workforce to come into and then grow and develop from there.

### *Is there an example of a specific group in your workforce you would like to grow locally?*

With programs like the enrolled nurse program with TAFE, if we can get local people training locally through that enrolled nurse program and then come into our workforce, then we can work with TAFE and the universities around whether the individual wants to be a registered nurse or not. What is outlined in our strategic plan is trying to expand the opportunities that we have by working in partnership with both TAFE and the universities around increasing opportunities for graduates and local people we can bring into our organisation.

### *What are some of the major needs for nationally qualified staff in health and community services?*

Enrolled nurses are a need for us, as well as registered nurses, and a range of allied health staff. The allied health assistants' program with TAFE we see as a key strategy because if we can't get graduate allied health people, then allied health assistants are an important adjunct to our workforce: they can help implement an allied health program under the supervision of an allied health professional. That's been a key strategy for us that is working quite well, particularly in smaller communities where an allied health assistant, trained up across the range of allied health professions, be it speech pathology or occupational therapy or physiotherapy, can then provide a diverse range of services within the community, that otherwise we wouldn't be able to provide.

We're also working with TAFE in management and traineeship programs. We offer traineeships to our staff and we offer potential future managers and leaders the chance to undertake relevant TAFE programs.

Health is an area of growing demand,  
not only in rural areas but everywhere...

### **Why did the relationship start with the Riverina Institute and what was the initial focus?**

There have been partnerships with the TAFE around various projects over a number of iterations of the health service. From our perspective as Murrumbidgee Local Health District, when we came into being in January 2011, we wanted to move our relationship with both TAFE and universities to a more strategic level. Whereas we've been engaged with various programs, be that around nursing, allied health or some of our management trainee programs, it had been very program based.

What we're trying to do now is take that work in partnership more strategically, thinking about what do we need going forward, and where we might be able to position ourselves. As part of that partnering, Anne Lowe from Riverina Institute has joined our workforce development strategic sub-committee as a TAFE representative, helping us plan our workforce needs into the future.

### **What has the relationship achieved and what lies ahead?**

In strategic terms we are certainly seeing benefits in a range of areas, from a range of new strategies around our workforce. Over the last 18 months we've significantly decreased the number of vacancies that we have in nursing. A lot of this has been due to the success we have had with student placements, clinical placements and graduate placements where we have been able to convert a number of those people into a permanent position in our workforce at the end of their program.

In working with TAFE, we've got people on clinical placement with us, and we give them a good experience. They're well supported in that placement and in their learning, both through the supervision that TAFE provides as part of their placement and through our educators and our staff. If they have a good experience, and they enjoy working for us, that converts at the end of the day to them coming back and seeking permanent employment for us. We have some good evidence over the last 18 months around the decrease in our vacancies in the nursing area.

The allied health assistants' program has been a boon to us in the smaller rural areas, as well as in our larger sized locations, enabling us to free up our allied health professionals so they can best utilise their higher level skills. As well, it gives the allied health assistants some more capacity to grow themselves. It has a number of benefits in terms of both the people that provide clinical supervision and how it then translates into our permanent workforce and the sustainability of our services.

### **What is best practice about the Institute's work with your organisation?**

It's TAFE's flexibility and their willingness to work with us around what we need. For example, at the moment Anne Lowe and I are having discussions around the assessments that are currently part of the management training program. We're going to do a review of them to make sure that they're all tailored to our work situation so that as the staff do that course, the assignments and the projects that they do are things that relate to the workplace.

The best practice is the willingness of TAFE to work with us around doing that, and to make sure that, at the end of the day we get better skilled people, but as part of that process the projects and things that they work on are actually tailored to and linked to our organisation and give us benefits in terms of quality and improvement projects.

Another strength is that they're local. If we're talking about growing our own locally, they have a number of campuses where local people can undertake training and education. Once people leave the area there's only a certain percentage that come back.

### **What impacts does the partnership have on regional growth?**

In this district we're the biggest employer; we employ over 3,000 people. We're actually the lifeblood of many communities. As the biggest employer, in many ways we are one of the major contributors to the economic well-being of this district, through our employees and through a range of things. So a strong health service is important to regional growth.

If there's not a strong health service then it is more difficult to attract people to re-locate. If somebody is looking to come into a rural area the things that they generally check out are education and health – What are the schools like? Can my kids get a decent education? And what are the health facilities? If you don't have a strong health service then the capacity of other industries to attract a workforce and be sustainable is severely impacted.

# In strategic terms we are certainly seeing benefits in a range of areas...

## **REFERENCES**

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