

Skill Set funding – reforms to workforce training *Widening innovation in workplace training delivery*

Objective: Meeting the skill development needs of industry

TAFE Directors Australia (TDA) argues that skill set and ‘modular’ vocational educational training programs should be funded based on those skill sets which meet occupational needs and provide capability to articulate and build toward broader industry qualifications.

Australian governments currently restrict VET course funding to full occupational qualifications. TAFE Institutes, however, demonstrate a wide range of industry training delivery models* to meet industry skill needs. Despite selected industry demands for ‘skill set’ funding, this aspect needlessly holds back TAFE’s role to support challenging COAG productivity and access educational targets.

**Refer case studies by Dr John Mitchell*

Technical and further education has increasingly been designed to cater for specialist industry and small business requirements in Australia’s fast-changing economy. Public technical and further education providers (TAFE) operate under State and Territory legislation to assist industry to meet a range of targets set by the Council of Australian Government (COAG) for widened workforce participation and improved productivity.

The core skills courses offered by TAFE are unique as they are largely funded by industry, are designed for industry and have competency sign-off by industry. TAFE has long been the dominant provider in this area and continues to deliver most apprenticeships and traineeships in core skills in Australia.

With new and more flexible governance arrangements, TAFE is building stronger networks with industry, capitalising on specialisations and regional strengths and leading the provision of foundation skills such as language, literacy and numeracy, core technical and technology skills, qualification pathways and higher specialist, environmental and sustainability skills to meet industry demands.

As demands by industry for technical skills and workplace training increase, new and more flexible models of delivery are emerging. Greater flexibility and responsiveness by providers is being driven through the establishment of the National Workforce Development Fund, operated by the Australian Workforce Productivity Agency, which funds industry directly for workforce development.

Innovative partnerships between TAFE and industry

TAFE's capability and flexibility, supported by industry-led business models, innovative workplace training strategies and strong partnerships with enterprises, is validated by many industry clients across Australia. Commissioned research by Dr John Mitchell for TDA, *Reinventing Service Delivery: Case studies of TAFE Institutes meeting industry needs and government goals*¹, demonstrates the achievement of targeted training outcomes for enterprises through collaboration with TAFE, from an industry perspective.

Dr Mitchell investigated models of workplace delivery through case studies of TAFE/enterprise partnerships across five industries:

- Micro and small business (textiles, fashion and clothing in Victoria);
- Oil and gas sector (off-shore rigs, safety and specialist equipment in Western Australia);
- Automotive repairs servicing (international company and dealer network in Queensland);
- Health services (deeper workforce participation in regional economies in New South Wales);
- Advanced manufacturing (global competitiveness training investment in South Australia).

The case studies describe highly successful models of industry-led training and delivery by TAFE Institutes. They demonstrate how TAFE works with enterprises across Australia to achieve goals set by COAG relating to increased productivity, flexibility in the workforce, highly qualified staff, skills for a new economy and regional growth. Further, they validate strong support by industry for TAFE's increasing capability to provide coherent and flexible 'whole of organisation' solutions across a range of geographical locations. TAFE's enhanced capability also includes collaboration with offshore technical and vocational colleges by many institutes through the mutual recognition of qualifications and servicing industry requirements for global workforce needs.

Harvard model methodology

The title of the paper *Reinventing Service Delivery* is taken from an article in December 2012 issue of Harvard Business Review, *Four Ways to Reinvent Service Delivery*, by Ramdas, Teisberg and Tucker. Reinventing of service delivery means, "radically reinventing the delivery of services" in order to "create tremendous value for customers" and for the service providers². The authors propose four ways to reinvent service delivery:

- 1. changing the structure of the interaction with the customer;**
- 2. modifying the scope of what is delivered to the customer;**
- 3. reviewing who delivers the service to the customer; and**
- 4. reconsidering the location of the delivery.**

The five case studies undertaken by Dr Mitchell provide examples of TAFE Institutes using some or all of those four ways of reinventing service delivery.

These case studies bring to a total of 80 studies of TAFE delivery Dr Mitchell has investigated since 2007 affirming not only the strong industry support for TAFE's role in meeting the complex and changing skill needs of enterprises but also the high value that can be placed on the human capital residing in Australia's TAFE sector. Dr Mitchell concludes that the TAFE Institutes described in the case studies meet the indicators of an innovative, value creating organisations.

Our Case

TDA holds that TAFE is the leader, as endorsed by industry, of innovative, high quality workplace development solutions through strong partnerships with enterprises. This view is endorsed by companies working overseas from Qatar to Bangladesh and the Philippines, and with many regional enterprises in and across Australia.

Recommendations

TDA recommends that, in the national interest, the Federal, State and Territory Governments:

1

Fund skill set and 'modular' vocational educational training programs in addition to full vocational occupational qualifications;

2

Recognise the strong endorsement from a wide range of enterprises of TAFE's capability to assist them to meet complex and changing workforce skill needs and challenging COAG targets;

3

Maintain support for TAFE as high quality 'whole of organisation' workforce development partners for enterprises including those operating across a number of regional, national and international locations.

1. Ref: www.tda.edu.au February 2013.

2. Page 100