

**DIRECTOR-GENERAL OF EDUCATION AND TRAINING  
MANAGING DIRECTOR OF TAFE NSW**

NEW SOUTH WALES  
DEPARTMENT  
OF EDUCATION  
AND TRAINING



Early Childhood and Primary Education  
Secondary Education  
Technical and Further Education  
Vocational Education and Training  
Higher Education  
Adult and Community Education



House of Representatives Standing Committee on Economics, Finance and Public Administration

Submission No: 41

Date Received: 16/10/06

Secretary: Stephen Boyd

Ms S Bryant  
Inquiry Secretary  
House of Representatives Standing Committee  
Economics, Finance and Public Administration  
Parliament House  
CANBERRA ACT 2600

DGL 06/1271

Dear Ms Bryant

I refer to your letter dated 8 August 2006 in relation to the Standing Committee *Inquiry into Australia's Manufactured Export and Import Competing Base, Now and Beyond the Resources Boom*.

Thank you for inviting TAFE NSW to make a submission to this inquiry. Please find attached the TAFE NSW submission.

I look forward to the final report from the Inquiry.

Yours sincerely

Andrew Cappie-Wood  
**DIRECTOR-GENERAL OF EDUCATION AND TRAINING  
MANAGING DIRECTOR OF TAFE NSW**

4 October 2006

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Andrew Cappie-Wood  
**DIRECTOR GENERAL OF EDUCATION AND TRAINING**  
**MANAGING DIRECTOR TAFE NSW**  
September 2006

**Australian House of Representatives Standing Committee on Economics,  
Finance and Public Administration *Inquiry into the State of Australia's  
Manufactured Export and Import Competing Base, Now and Beyond the  
Resources Boom***

**TAFE NSW SUBMISSION**

TAFE NSW recognises the continuing importance of the manufacturing industry in the NSW and Australian economies. Globalisation and technological change are exposing the industry to ever-increasing competition; and demanding significant changes in the way businesses operate and the way workers acquire and apply their skills.

Research conducted by TAFE NSW and the Australian Industry Group have identified a number of changes to the manufacturing industries demand for both skill and labour.

The NSW TAFE Commission Board has focused attention on how best to provide services to the manufacturing industry through supporting its workforce development needs. The Board commissioned two significant research reports examining the changing skill requirements of the manufacturing sector:

- *Emerging Training Needs of NSW Manufacturing and Engineering Sector (2002)*, <http://www.lg.tafensw.edu.au/2387/workforce/report1.pdf> and
- *Not with a bang, but a whimper – Skills and the future of NSW Manufacturing and Engineering (2003)*, <http://www.lg.tafensw.edu.au/2387/workforce/report2.pdf>

These Reports identify a number of shifts in industry demand for both skill and labour which have significant implications for VTE providers. The Reports each make a number of recommendations for TAFE NSW which include the need for:

- a more systematic and responsive approach to consultation with industry
- increased networking with industry
- the formation of regional and state-wide partnerships
- TAFE NSW to operate as a broker of training solutions.

Two reports recently released by the Australian Industry Group on the future of the manufacturing sector in Australia highlight the need to focus on up-skilling existing workers. Many employers interviewed expressed the view that “to be world class companies workforces will need a higher level of skills, a broader range of skills and more frequent updating of skills.” (*Manufacturing Futures: Achieving Global Fitness 2006*; and *World Class Skills for World Class Industries 2006*).

Developing and delivering appropriate VTE support for the manufacturing sector will play a key role in improving workforce productivity at a time when product and process innovation are critical to the sector's survival.

A TAFE NSW strategy is in place to support TAFE NSW Institutes in coordinating and brokering partnerships with their local manufacturing industry and community.

Five TAFE NSW Institutes have assumed a dynamic and proactive role with their local manufacturing industry and community. These communities are in the following areas/regions:

- Riverina
- Mid North Coast
- Western – Orange-Cabonne-Blayney Industry and Skills Group
- South Western Sydney
- Western Sydney

The networks established by TAFE NSW with industry and community in these areas provide the forum for working in partnership and allow TAFE NSW to assist with the examination of workforce organisation, job-design, optimisation of skills usage in the workplace. These activities assist in the building of workforce capability and regional and economic development.

This new way of working reflects current research (*Skill Shortages to Decent Work – The role of better skills ecosystems*, Buchanan 2006) which argues that skills problems, such as shortages, recruitment and retention, ‘can only be overcome if workforce development is better linked with business/organisational development’.

TAFE NSW is committed and responsive to supporting employers in the manufacturing industry in up-skilling their employees and the recruitment of apprentices and trainees.

TAFE NSW provides a wide range of products and services to the following market segments:

- The core market for manufacturing and engineering training in TAFE NSW is mainly apprenticeships and traineeships which include customised content and delivery in the workplace as well as accelerated learning for existing workers.
- TAFE NSW has also diversified into new and non-traditional areas and takes a lead in providing services such as:
  - workforce skills assessment
  - enterprise specific training needs analysis
  - assisting enterprises in the implementation of competency based training
  - supervisory and middle management training
  - training in new lean manufacturing practices
- TAFE NSW also provides customised programs for groups of enterprises as well as working with group training organisations to provide pre-employment program such as McArthur Area Recruitment Service (MARS) in South Western Sydney.
- For those not currently working in industry, such as school leavers, labour market entrants and re-entrants, career changers and the unemployed, there are manufacturing courses which are being offered at schools, full-time certificate courses, or specific skills in demand in the labour market.

- For those currently employed in the industry, there are short courses for skill refreshers, skill improvers and those who seek to get a qualification through recognition of prior learning.
- TAFE NSW works in collaboration with local councils, Economic Development Boards, and Department of State and Regional Development on training to:
  - address skills shortages (difficulties in recruiting) and skill gaps (inadequate skills in some of the existing employees)
  - business attraction strategies; on innovation and technology sharing.