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Reality check: Matching training to the needs of regional Australia

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Australian Government
Department of Education, Employment and Workplace Relations

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Publisher's note

Additional information relating to this research is available in *Reality check: Matching training to the needs of regional Australia—Support document*. It can be accessed from NCVER's website <http://www.ncver.edu.au/publications/2005.html>.

To find other material of interest, search VOCED (the UNESCO/NCVER international database <http://www.voced.edu.au>) using the following keywords: regional; TAFE; industry; training needs; skill development.

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About the research

Reality check: Matching training to the needs of regional Australia by Sue Gelade and Trish Fox

Does training in regional Australia match local skills needs? This is the question posed by Sue Gelade and Trish Fox in their report, *Reality check: Matching training to the needs of regional Australia*. It is an important question, given that clusters of high- and low-growth regions across the country are becoming more apparent and more entrenched. In particular, building the skills base of those areas doing less well economically will be crucial to their further growth.

We know that regional training providers are committed to meeting the training needs of local industries. Therefore, Gelade and Fox decided to concentrate on gathering the views of small and medium employers to see if they were succeeding, using Cairns (Queensland) and the Limestone Coast (South Australia) as case studies. Their research echoes the refrain for greater flexibility in training delivery and for creative collaboration among the players in regional economies.

Key messages

- Desk-based research indicates that training courses offered by technical and further education (TAFE) institutes and private registered training organisations match the needs of identified current and emerging industries relatively well.
- For many regional industries, the most common and pressing issue is not the availability of training courses, but competition for employees.
- TAFE institutes structure their offerings on industry needs and state government priorities. Often these reflect metropolitan influences as much as regional needs.
- Time lags between identifying relevant courses and their provision mean that regional industry tends to manage its skills development needs without relying on TAFE provision. Private registered training organisations, which develop courses more rapidly, are often industry's first choice.
- Delivering the training required by regional enterprises is a difficult business. As a result, enterprises tend to rely on their own workplace training systems and are happy to use a mix of options from TAFE institutes, private registered training organisations and in-house trainers. They will sometimes also cooperate across industry to enable training in common skills sets to be delivered in a region.

This report points to the importance of partnerships among vocational education and training (VET) providers and across sectors. These themes are also explored in a suite of work commissioned by the National Centre for Vocational Education Research (NCVER) on VET in the regions, a synthesis of which can be found in Tabatha Griffin and Penelope Curtin's *Regional partnerships: At a glance* <http://www.ncver.edu.au/publications/1938.html>.

Tom Karmel
Managing Director, NCVER

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Finally, we wish to thank the participating development board personnel and their industry partners, whose time, interest and lively participation in focus groups and interviews or in the provision of local information gave this research its honesty in detail. They are:

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Executive summary

Context

Across Australia, outside the major cities, issues relating to skills development, skills shortages and the needs of newly burgeoning industries are being raised within many regional communities. These communities seek to not only build their social capital and increase community capacity, but also to position their local region to take advantage of the economic benefits accruing from current and expanding global markets. This positioning is especially evident in the strategic plans proposed by a number of regional development boards operating in localities across all Australian states and territories. These boards have a substantial interest in skills development and are highly visible in their regions; yet, little is understood about how they might use their leverage to ensure that training is matching the skill requirements of the enterprises that make up their membership.

Purpose

This research examines the notions of match and mismatch between vocational education and training (VET) delivery and need, or perceptions of need, by industry in regional locations. The research investigates how stakeholders, such as those connected to regional development boards, might use their local knowledge, in light of economic realities, to leverage providers to deliver appropriate skills development.

The research was guided by two key questions:

- In particular regions of Australia, how well does the range of VET offerings meet local skills needs based on realistic economic opportunities?
- How can VET become more mobile and/or flexible to meet those locally identified needs?

Scope

This study involved a three-stage collection of data to compare the views on how and whether needs are matched with learning. The first stage examined recent literature and web sources for regional course information that could be related to identified regional industries. The second stage involved telephone interviews with technical and further education (TAFE) institutes to find out: the ways in which they make decisions on course offerings; the flexible options they offer to learners and industries in relation to those courses; and their views on making their courses more flexible. The third stage investigated the regional industry view of skills development through the eyes of two regional development groups: the Limestone Coast in South Australia and the Cairns region in Queensland. In this stage, the research focused on questions about the negotiations undertaken by industries with training providers and covered: the leverage used to get courses operating; the solutions and funding accessed; the economic or industry factors that influence decisions; and how they relate economic opportunities to realistic local frameworks.

The final conclusions are presented in the form of a 'reality check' which compares the accepted view of regional skills development with how well training offerings in those areas are realistically, in economic and operational terms, meeting regional skill needs.

Key themes and findings

From the literature and from web searches

The literature reviewed for this study showed that there is no clear, or 'one size fits all', solution to answer the question of how training delivery can match skills development needs across regional Australia. The literature indicates that skill shortages relate to a variety of issues beyond basic provider capacity to develop and run training courses. As factors affecting training delivery operations, these issues include: the availability of personnel with technical skills and qualifications; the population; and the scale and the need for a diverse economic base. Such issues are set against the wages offered in regional industry by comparison with the mining and construction industries; the capacity of providers to address widely divergent needs; and a wariness on the part of business to invest in training when their staff are highly transient. At the same time, a number of successful strategies are being utilised in regional areas to encourage working people to engage in skills development. In addition, the literature identifies VET in Schools programs, which engage local industries and a range of partnerships, whether across adult and community education (ACE) and VET, industry and VET, or schools and workplaces, as an important strengthening aspect of the training approach in many regional localities.

From the web-based searches it appears that regional courses offered across the spectrum of TAFE institutes and private registered training organisations are able to match the identified current and emergent industries located in regional areas. This overview of courses relating to industry provides only *apparent* localised availability, as the reality of availability will depend on factors that are not measurable through this analysis.

TAFE and regional provision

Wide-ranging telephone interviews found that skills development and training offered by TAFE institutes to regional industry are influenced by a diversity of state government policies, economic situations, environmental impacts and sociocultural circumstances. It is also apparent that, while such diversity is reflected in the decisions made about courses being offered, there is much similarity across the regions in the way decisions arise, how programs are delivered, the level of flexibility available, and the views and experience of alternative options for that delivery.

Regional TAFE providers in the main consider that their courses are able to meet the majority of industry skill demands and the needs of learners who attend their institutes. They agree however that, with greater funding and infrastructure capacity, more emerging requirements could be met. TAFE structures its course offerings on both industry needs and on priorities that arise from state government direction, although these directions are often made on the basis of metropolitan influences as much as on regional skills development needs.

Findings from regional industry

This research found that regional industries are unanimously of the view that their current skill shortage predicament will not be resolved by the provision of more or additional training courses. The main concerns for industry are: having more people for the kinds of work available, who can then be trained on the job and attracting already skilled personnel who are prepared to live in a regional area. Consideration about access to training provided by external providers therefore largely takes second place to finding enough workers to keep businesses viable. Hence, while

industries' learning needs may be matched by apparent regional training provision, other needs take precedence over provision.

In addition, the time lag that exists between identifying relevant courses and training and providing these courses may be too long to address industry's immediate needs economically. As a result, industry in regional areas has become adept at managing their skills development needs through a variety of strategies that do not necessarily use what local TAFE institutes are offering. Although industry has some leverage with TAFE providers as a result of their own negotiations and through their local development boards, private registered training organisations, who are quicker to develop the requested training than TAFE institutes, are often industry's first choice.

Conclusions

A reality check

This research found that, in line with the recent literature, it is funding, economies of scale, and labour personnel that do not seem to be keeping up with overall regional industry needs. Industry unequivocally acknowledges the complexities inherent to delivering training across the divergent needs of employees and prospective employees. As a result, enterprises have not only come to rely heavily on their own workplace training systems, but they also find it more economically viable to answer their immediate needs by skilling their employees through a mix of options from TAFE institutes, private registered training organisations and in-house trainers.

Limitations to the research

Industry training needs, as identified through regional development plans, were matched with regional course data. However, this process could not account for private registered training organisations based outside each specified region, since these would not appear on registers of local providers as delivering courses. As a result, it remains uncertain which other current or emergent learning needs for industry are being met by such providers.

This research is qualitatively based and, while the views of industry are taken from two divergent regions of Australia, those views are necessarily restricted by some generalisations. The regions participating in this study represent a wide industry base, from manufacturing through horticulture, to tourism. We acknowledge, however, that differing issues, needs and aspects of training and development may be occurring in any of the other 30 or more regional development areas where regional industries operate.

The context of skills development in regional Australia

Introduction

Across Australia, outside the major cities, issues of skills development, skills shortages and addressing the needs of newly burgeoning industries are being voiced in many regional communities. These communities seek to not only build their social capital and increase community capacity, but also to position their local area to take advantage of the economic benefits accruing from current and expanding global markets. Such positioning is especially evident in the strategic plans proposed by a number of regional development boards/organisations operating in varied localities across all Australian states and territories.

Given the impetus for regional development, local boards have a high stake in skills development for their regions. These development boards and/or commissions are supported in a variety of ways through cooperative arrangements with state and local governments. As regional organisations can encompass widely spread geographical areas, such support not only recognises the importance of economic development in a micro local manner, but also across a particular region. Like a number of peak bodies in states that facilitate operations within and across these boards, membership of regional boards is diverse, comprising personnel from local government, industry, business, health provision, education and environmental bodies. This diversity, however, advances a consolidating interest in promoting, supporting and sustaining the economy of their particular region. This interest encompasses concerns that their regional learners and workers are able to access suitable training programs that address skill needs for local industries.

While there has been a body of research undertaken on various aspects of regional training and development, less understood are the means by which local regional boards and their members obtain and use leverage to find training to match the skill needs of their industries and enterprises. Indeed, it may be in some cases that skills are imported rather than developed, or that local industries have adopted different means by which they account for and address needs and/or shortages.

The research context of regional skills and skilling

There is commentary suggesting that vocational education and training (VET), whether through technical and further education (TAFE) institutes or private registered training organisations, is not fully engaging as a partner in regional development plans and strategies, and that 'changing regional landscapes will benefit from more input from the VET sector' (Allison, Gorringe & Lacey 2005, p.4). There are also data (Kilpatrick 2003) to support the view that VET is more effective in regional and rural areas where local needs are prioritised and programs are subsequently developed through local, rather than governmental, initiatives (p.11). Other research has noted a difference between VET provider responses to local enterprises in regard to *more* training and that of *different* training (Selby Smith & Ferrier 2005, p.281 [their emphasis]). While 'money, skills and industry links' are seen as essential ingredients for skill delivery (Callan & Ashworth 2004, p.37), the size of some regional industries, such as wine and food, make them very important contributors to local

economic wealth. As a result, regional training providers express a major commitment to meeting these training needs and claim that employers generally prefer to use local providers.

The demography of regional Australia means that a lack of adequate resources for VET in regional and rural areas can weaken operational strength, and client needs cannot always be met (Farrell & Wyse 2003b, p.28). Training in the regions is more often than not 'market driven in response to the needs of local enterprises', and Blom and Clayton (2003, p.4) suggest that both differential funding formulas and changes to rules and regulations currently attached to funding might help address the issues related to delivery of skill training. This is similarly backed by Buchanan's (2006) report suggesting that the 'funding of skill formation capacity, not just "outcomes" will be central to future success' (2006, p.29). An allied dilemma in relation to rural and remote locales is that, while collaboration (between provider and industry) is a recurring theme, it is often noted alongside the tensions of competition (Kilpatrick 2003, p.18). At the same time, it has been contended (Lambooy 2002, p.1024) that competition and cooperation together provide important interactions to create networks that can ultimately lead to regional development.

Regional industry itself is widely diverse in relation to its capacity and type of business, and this impacts on training approaches (Pickersgill & Edwards 2005; Farrell & Wyse 2003a; Selby Smith & Ferrier 2005). The challenges of frequent drought are affecting regional industries and organisations more immediately than in cities and, coupled with the spread of global markets, are creating new conditions and changed circumstances under which industry must operate. Training providers, as well as enterprises in regional and rural Australia, need to become innovators and entrepreneurs in response to these challenges (Callan 2004; Chapman et al. 2002; Selby Smith & Ferrier 2005).

Regional challenges have been examined in the range of recent research exploring various features of regional VET delivery and how it sustains local industry. The research spans aspects that include regional development (Falk 2000), VET and training packages in regional areas (Farrell & Wyse 2003a; Callan 2004), and industry and VET partnerships (Waterhouse, Virgona & Brown 2006). Regional areas are also caught up in the allied Australia-wide concern about skills shortages, and research such as that of Choy, Haukka and Keyes (2006), recommends the adoption of stronger partnerships between ACE and VET as a means of addressing such shortages. Partnerships have been identified as a way of building social capital in communities (Stokes, Stacey & Lake 2006; Gelade, Stehlik & Willis 2006), which, in turn, provides skill capacity, an aspect examined through the impact of VET partnerships in regional areas (Allison 2006). There are numerous demonstrations of industry and community partnerships (Ingle & Walls 2004; Callan & Ashworth 2004), provider and enterprise partnerships (Harris, Simons & Moore 2005), and a variety of collaborations among training providers coming together to facilitate regional skills development (Gelade, Stehlik & Willis 2006).

It has been demonstrated that regional providers also deliver flexibly to remote learners through partnerships that provide a range of what is called 'mobile learning resources' developed to focus on remote delivery (Allison, Gorringe & Lacey 2005). Similarly, training packages can accommodate flexible attendance patterns 'to fit in with workplace needs and "production" demands of the apprentices and their employers'. Also, a choice of learning modules and the sequencing of modules within a course are other forms of flexible delivery that can enhance learning (Hyde, Clayton & Booth 2004, p.63). Other research has examined flexibility in teaching and learning, as well as assessment (Rose & Schooneveldt 2004; Hyde, Clayton & Booth 2004) and online learning for regional Australians (Kilpatrick & Bound 2003a). Some of the recent research has also investigated how training packages can be implemented within rural areas and how collaboration between stakeholders can create more positive outcomes for those involved (Blom & Clayton 2003).

VET in Schools also plays an important part in addressing industry needs, as Stokes, Stacey and Lake (2006) show through their research, which discusses VET and partnerships with schools as a means of capacity-building in regional and rural communities and for the benefit of business. Benefits include 'an increase in productivity of existing staff and through student contributions,

enhancing the company's skill base through the training that staff gain or the rethinking of their role and existing work practices, more efficient recruitment … ' (p.13). Linking VET in Schools with employment and skills development in the particular region of the school is, as Jones et al. (2004) show, generally a successful venture if a VET course is intended as a pathway to local employment. While there is less evidence in the findings of an association between school VET and engagement with communities, researchers nevertheless found that school VET students were more likely to stay in their regional or rural area than non-VET students. That research is supported by Atkins's (2006) work creating linkages between schools and industry. In this project, businesses have been encouraged to provide input into the type of training they would like to see school-based trainees undertake, as well as businesses becoming engaged with schools through guest speaking, work placements and training incentives.

Despite the reported Australia-wide shortage of certain skilled workers (Department of Employment and Workplace Relations 2006), some authors suggest that it is not always so much a shortage of skilled workers, but rather a concern that there are not enough 'appropriately qualified workers willing to work under existing market conditions, particularly the prevailing wages' (Shah & Burke 2005, p.46). Other authors suggest that the term 'skill shortage' would be better viewed and classified against a range of indicators, as 'there is no simple reliable measure of the existence of a skill shortage' (Richardson 2007, p.7). Opinions are also divided in terms of what might constitute 'a skill'. Shah and Burke (2005, p.45) suggest this to be 'an ability to perform a productive task at a certain level of competence'. At the same time, however, and given that many regional areas are likely to be concerned with skills for agricultural industries, it is curious that the Department of Employment and Workplace Relations[1] (2006) listing of skill shortages across Australia contains few listings of skills required for work directly related to such enterprises.

Rationale and purpose of the research

Even with this sound body of literature and extensive research, it is apparent that there is no uniform answer to whether training opportunities are meeting the needs of industry through skills development in regional Australia. Likewise, it cannot be ascertained whether skills shortages are related to actual technical skills, the wages offered, the capacity of current training to address needs or whether applicants might 'lack some qualities employers think are important' (Richardson 2007, p.17). Hence, there remain a number of questions. Are regional development opportunities being *convincingly* matched by what is, or could be, available through local VET providers? What does 'skills development' mean to stakeholders in the regional areas and what issues do they need to address? How are these issues addressed? Do present levels of flexibility in VET provision need to be further improved to answer diverse learning situations and needs in the regions? Are skills shortages in regions related to particular issues of supply, or learning, or the industry itself? Are the development needs related to either a population or an economic factor, or something else? Indeed, recent research (Buchanan 2006) suggests there is often a 'coordination failure' within and between current workforce development and workforce needs. The purpose of this research is to interrogate such notions of match and mismatch to gain an understanding of the ways in which VET offerings in regional areas are realistically and economically meeting industry skill needs and to glean information about the ways in which VET can become more mobile and flexible in meeting local skill needs in specific regions and thus improve the match between industry needs and VET offerings.

[1] The Department of Employment and Workplace Relations was abolished in December 2007 and its functions assumed by the Department of Education, Employment and Workplace Relations.

Methodology

Purpose

The purpose of this research is to provide an understanding of the way in which VET offerings in regional areas can realistically and in economic terms meet skill needs, as well as gain an understanding of how VET capacity is harnessed to match local regional development. It also aims to provide information about the ways in which VET can become more mobile and flexible in meeting local skill needs in specific regions in order to improve the match between industry needs and VET offerings.

The research was guided by two key questions:

- In particular regions of Australia, how well does the range of VET offerings meet local skill needs based on realistic economic opportunities?
- How can VET become more mobile and/or flexible to meet those locally identified needs?

Contributors to the research

Much of the research previously undertaken about skills development in the regions has described training from a provider or partnership aspect. The research presented here is focused largely on a range of industry perspectives and aims to outline the skill issues that impact on their enterprises and the strategies being adopted to account for any unmet needs. As is noted, the importance of economic development in the regions means that local regional development boards and commissions, along with the industries, enterprises and individuals who make up the membership, need to consider training issues where skills development is required. As a result of these interests, and through the auspices of their regional development organisations, two case study sites with diverse industry and enterprise bases were invited to participate in this research. The two sites were selected partially on the basis of their geographical and industrial range, and partly to integrate with similar projects being undertaken in other regions. Industry representative members were invited to take part in either interviews or focus groups. The sites and their representatives are the Limestone Coast Regional Development Board in south-eastern South Australia and the Cairns Regional Economic Development Corporation in the far north region of Queensland.

Phases of the research

This research has been undertaken in a series of interconnecting phases, planned to yield comparable data, which were collected in a form of scaffolded knowledge development. These phases follow.

Phase 1: Reviewing relevant literature and information sources

The researchers have conducted an Australia-wide review of the previous three years' research on skills development, capacity-building, industry/VET partnerships and VET performance and training delivery in regional areas. This overview provides the broad context of regional VET delivery. The full literature review can be read in the support document available on NCVER's website.

The next sources of information reviewed were the TAFE institute websites and private registered training organisation databases, which designate specific regional locality course offerings. These were accessed with the aim of providing an overview of current TAFE course availability in regional areas and information about the private registered training organisation course offerings in the regions. In conjunction with the VET course searches, an Australia-wide review of selected regional development authority strategic plans was conducted to determine how the plans identify localised skill needs in relation to industry development for their specific region. From nine selected regional areas, the identified industries, both current and emergent, were juxtaposed to the current course availability in regional areas to identify how well industry needs and course availability are seen to match.

It should be noted that some limitations are attached to the data records. An unknown number of private registered training organisations will be based outside each specified region and therefore would not appear on a table of providers. Private registered training organisations listed in the tables supplied in the support document are those defined as actually located in each region and have been consulted for course offerings related to local industries in that region. It may be that a given number of these are able to offer courses within a listed region, but as they are physically based outside that region they do not appear within set parameters. As a result, some courses and some private registered training organisations will not appear on the regionalised listing for this project and it remains uncertain whether both current and emergent learning needs for industry are being met by such providers.

The industry/course tables provided in the support document do not show generic courses such as literacy and numeracy, occupational health and safety or first aid, as these do not necessarily relate to a particular industry. Also not listed are those courses that pertain specifically to government/local government institutions and hospitals. These include: police certificates in public safety, local government or regulatory services and statutory compliance, or health, for example, palliative care.

A further limitation to regional training data and accessible training is that of VET in Schools. The authors acknowledge that these programs have a vital role in providing regional skills development for local industry, but data access and overview is not part of this current study.

As with the literature review, a full outline of the data and the comparison tables can be accessed via the support document accompanying this report.

Phase 2: Canvassing regional providers

A short focused questionnaire-based interview on the subject of how decisions about course provision in regional TAFE are made was developed to canvas the views of regional providers. These interviews have been conducted with relevant managers and educators in those regional TAFE organisations that agreed to participate in the research. The interviews aimed to determine:

- the basis on which organisations make decisions about course/training program offerings in their particular locality
- the methods used to deliver these programs and the level of flexibility at which students and clients can access the teaching and learning within the programs

- their views/knowledge and experience of alternative options they consider could be used (or have already used) for effective flexible and mobile delivery of teaching and learning in their region.

The project proposal stated that up to five interviews in regional areas of each state would be conducted with TAFE staff. Enquiries for this research showed, however, that in some states a number of regional areas share a TAFE institution and, although there may be several discrete campuses attached to one institution, not all make decisions about course offerings and delivery. Consequently, interviews at separate campuses would have resulted in overlapping or repeated data, and so fewer campuses/institutions have been interviewed. Interview numbers are as table 1.

Table 1 Institutes approached and agreeing to participate

	SA	Qld	Vic.	Tas.	NSW	WA	NT
Approached	3	5	8	1	5	4	1
Agreed	3	4	4	1	2	1	1

Phase 3: Case studies

The researchers travelled to the two nominated regional development board/corporation areas and conducted focus groups with a total of 19 different business and industry and stakeholders, as well as face-to-face interviews with nine different businesses representatives. Responses to the interviews and discussions provide qualitative data illustrative of industry views and their training strategies. These data are extensively reported on and discussed in the following chapters.

Phase 4: Analysis and reporting

This report provides a qualitative analysis of how current issues of skills development within diverse regional industries, as well as the communities in which they are situated, are being addressed by respondents from industry and enterprise. The analysis utilises the sample case studies from Stage 3 (above), the situation presented by recent research from Stage 1, and the information taken from data sources and providers in Stages 1 and 2.

Regional development boards

Industry representation from the regional organisations is a crucial factor of this research, as the economic basis of many regional areas is highly dependent upon local industry. It is therefore pertinent to provide a brief overview of the functioning of these organisations. Regional development boards and regional economic development corporations or commissions are located in one form or another in regional centres in all Australian states. These bodies have a key task to promote their region's economic development, as well as aspects of social, cultural, environmental and community development that add to the sustainability of their regional areas. The boards and commissions all have a framework of salaried administrators and volunteer board members. The regional boards are typically led by a salaried chief executive officer, supported by project and administrative staff, and have a chairperson elected from local industry. Board members are drawn from personnel who represent local industry and community interests. Boards receive funding for infrastructure and salaries and they also access grant funding from government departments or specific Australia-wide industry bodies for key development projects focused on specific areas of need.

The framework of a regional development board or regional economic development corporation enables groups and individuals to come together to act on behalf of their regions as facilitators of expansion programs, applicants for funding or to assist in the engagement of their community's ongoing social and economic development. The boards can also act as lobby groups, for example,

on behalf of local industry and/or as facilitative entities that attract government employment strategies or migration programs to their regional area. Boards are able to provide advice to government about regional issues and they encourage local investment; they also develop leadership, facilitate partnerships and act as a forum for local interests.

The number of boards across each state varies. It appears that population is not a key factor in determining number, as New South Wales has the same number of regional boards as South Australia, which has a quarter of that state's population while, at the same time, the regional areas of South Australia are larger for each board. However, boards also have interrelationships with local councils; hence, this will impact on set-up and spread across each state. Regional development boards or regional economic development corporations are established and supported through a mix of local, state, and federal government funding. They can be independently incorporated bodies and also include representatives from local council(s) and local peak bodies from health or various levels of education. A representative from state government might also attend board meetings on a regular basis.

Additional information about regional development boards or regional economic development corporations, the conduct, methodology and protocols attaching to this research project and a completed table showing all data gathered on current industries and known available courses are available in the support document.

The view from the regions: Key themes from two case studies

Introduction

This chapter reports on findings from the case studies. Industry representatives and stakeholders had the opportunity to discuss the training issues confronting local industries and how they are addressing their skills development needs. Rather than a close analysis of how each individual business or enterprise might match their needs with the learning available in their region, this chapter offers a qualitative account of the collective views of the participating representative industries.

Case study 1: Cairns and far north Queensland region—Host: Cairns Regional Economic Development Corporation

Cairns is the administrative centre of the far north Queensland region, an area stretching from Cardwell to the Torres Strait and west to the Gulf of Carpentaria. The overall population is in excess of 230 000, and Cairns as the primary urban centre has a population of approximately 128 000 people.

The region is rich in natural assets which attract a high number of domestic and overseas tourists. Beyond tourism, the region's key industries are aviation, tropical agriculture and expertise, marine, manufacturing, mining and minerals processing, agribusiness and food processing. The Queensland Government has established Cairns and far north Queensland as a 'centre of enterprise' to assist the region to further develop its current economic position.

There are disparities between Cairns and other areas across the region, with Cairns and its north coast having higher labour force participation and employment rates than other inland areas (MRD 2006). Average income rates, by comparison with the rest of the state, also change, dependent upon area: Cairns has 96% of the average income and inland areas have 85%. Population rates are expected to grow rapidly within Cairns and immediate surrounds over the next few years, but less so for inland regions.

Case study 2: Mt Gambier and Limestone Coast region—Host: Limestone Coast Regional Development Board

The Limestone Coast region covers an area of 21 376 square km (2.1 million hectares) and is 2% of South Australia's land mass. It has a population of almost 63 000, which is 4.1% of the state's population. More than two-thirds of the population (43 664) live in the Lower South East with 23 506 of these residents in Mount Gambier. Mount Gambier is the largest regional centre in South Australia. The population has increased slightly over recent years, but is expected to decrease by comparison with the state population by 2011.

The region's share of young people aged 0 to 14 years and people aged 30 to 49 years is higher than the state average. The region has fewer people aged 55 years and older compared with the state average.

Industry sector employment is strongly clustered in agriculture, forestry and fishing, manufacturing, retail trade and health and community services. Growth is forecast in education, construction, manufacturing, business services and wholesale trade. The Limestone Coast has a diverse industry base, allowing the region to remain buoyant when there are peaks and troughs within individual industry sectors. Key industries in terms of employment and generation of income are forestry, dairy, viticulture, agriculture, retail, fishing/aquaculture and tourism. In October 2006 the official unemployment rate was 3.9%, considered well below the state average.

Participants

Participants in this research come from a wide range of industries and represent businesses and enterprises from the micro to the medium. All those in a business operate in stand-alone enterprises, but a number of participants also represent the regional industries found across the country, such as wine, forestry, agriculture, tourism, hospitality and food. Despite their diversity of interests, and diversity in terms of geography, climate, demographics and major industry type, their issues in relation to skills development needs were strikingly similar. Due to such similarity, and with more to compare than to contrast, the 'view from the regions' has not been separated to represent each case study locality, but has been presented on an overall thematic basis.

Key themes affecting industry and training across the regions

Population stress and competition for personnel

The initial research questions were related to regional industry's ability to access suitable training for new and current workers; however, these questions did not promote significant responses from the research participants. Rather, the most common and pressing viewpoint across both regional areas related to competition for employees and the allied stresses of low availability of employees. Setting aside factors relating to training for any particular industry, all interviewees underlined their own industry's difficulty in finding workers at times when unemployment is at record-low levels in their region, as well as across Australia. Both regions are experiencing rapid economic growth and, in a number of key industries, growth is outstripping resources. These key industries are in turn dependent upon allied industries for support, and it is the small population of employable people available to service all the industries that causes major concern to all respondents.

In the far north Queensland region, and Cairns in particular, the key tourism industry has to be supported by retail, food and various hospitality and travel industries. These industries are in turn supported by staff across another range of areas such as marketing, cooking, delivery, manufacturing, engineering, service and maintenance, cleaning, administration and management. Sourcing workers and supplying them with the necessary skills development for all these areas creates a flow-on effect that impacts upon other industries in the region. One example is agriculture, where a former pool of semi-skilled and seasonal workers now has a wider range of higher-paying job choices and is opting to undertake 'easier' work or develop further skills.

The Limestone Coast region has a similar situation of rapid industrial growth not being met by the available population. In forestry, for example, a number of allied industries employ a very wide range of staff across such areas as management, administration, sales and marketing, engineering, delivery, maintenance, harvesting and milling. The industry as a whole is in a rapid growth phase, but the region's population has remained relatively static. So, although job availability is expanding, there is a consistently small pool of workers relative to industry needs, and competition for them is high.

It should be noted that, while each region has population stress, the dynamics are not the same for the two regions. In the Cairns region, the population is both growing and transient; new arrivals, such as retirees and 'sea changers', rub shoulders with a transient group of backpackers and seasonal workers. While both groups supply some of the necessary workers at differing levels, they also create their own industry pressures in relation to services, goods, building, construction and infrastructure. Across the Limestone Coast region, the population may be relatively static, but this is more the result of other changes that have occurred in the more recent past to affect the overall region. Households have become smaller, farms have been consolidated and farmers have moved away into other industries, or have retired. A prime example is dairying, which used to support as many as 50 factories across the region, but now supplies only one or two large companies. The farmers have moved away and will not return, and relatives and workers long ago changed their work focus or moved with them. While dairy products now command higher prices than previously, the land has since gone to other uses, such as forestry or viticulture.

Forestry is an example of the complexity on the Limestone Coast, where mechanisation has shrunk the workforce from an estimated 500 to around half that number. At the same time, that mechanisation has led to expanded and new plantings on the previous dairying land and new products such as hardwood. When the harvesting of the hardwood begins, the workforce will require an expansion of personnel able to perform cutting, grading and trucking. However, there are problems recruiting workers. As the respondents reported to the researchers: 'truck drivers are harder to get here than doctors and you can't stop one harvest while another one happens'.

The respondents from both regions suggest that their inability to compete with the mining and construction industries is a major hurdle to developing and keeping a skilled workforce. However, it is worth noting that even those regional enterprises that are supplying services to the mining industry are having issues finding skilled staff. Like the mining industry, they are turning to overseas workers for answers.

> We've got a team of people on site for the Olympic dam, we offered them $100 000 a year to start off with and we can't fill those positions, we cannot fill those positions, we ended up we went overseas and we've got 5 people now from overseas up there because they've got the skills and everything like that, they want to get out from where they are and we've brought them in there and they're happy as they'll do their 2 years and make it big and do what they like in Australia but that's what we had to do to fill the positions.

Overall, the study's respondents come from micro, small and medium business[2], but across all of these areas, participants cite examples of losing both trained and untrained staff to work at mine sites and other enterprises where pay is much higher than in the job for which they originally trained. A restaurant recently lost the services of two fourth year apprentice chefs at the peak of their training and on annual salaries of $45 000–50 000. With open-cut mine drivers 'out west' receiving up to $120 000 per annum, this more attractive proposition meant that their accumulated training years were lost to the food industry as a whole. None of the smaller operators and industries with lower pay scales for workers can compete with offers from the high-profit export minerals area. All respondents express fears that the situation will become more difficult across the regions as expanded and new mining sites, along with defence construction, are developed.

> If you think it's tough now, just wait until they start building the destroyers in Adelaide, and they open up Olympic Dam … one of the biggest mines in the world and it's a very wealthy mine … just wait until the two of those happen.
>
> (Limestone Coast Regional Development Board focus group)

The situation is even grimmer for the agricultural industry, which not only competes with mining and construction, but also with a wide range of less physical or better-paying positions. The lure of

[2] These terms reflect the Australian Bureau of Statistics (ABS) standard for business size: a micro business equates to fewer than five employees, a small business fewer than 20 and a medium business more than 20 but fewer than 200 employees.

city positions is an added issue for farming families. While many fight to keep their businesses viable, their children have often left for the cities, either to undertake schooling or to go to university or to undertake other courses. From there they may not return to take on work at their family's struggling business and holdings, resulting in the added burden of finding suitable staff willing to work for a farm-level wage.

It is clear from these interviews that finding and retaining staff is more of a concern for employers than are skilling staff and finding relevant VET courses.

Is it relevant to train?

The small pool of available workers in regional areas is also suggested as a reason why potential employees are reluctant to actually engage with initial learning and training to gain a position. Employers across both regions cite the 'easy' job market as a probable reason why unskilled or lesser skilled prospective workers view the upgrading of skills as relatively unnecessary at this time.

In terms of lower-level skill requirements, both regions have a small (relative to the notional figures provided) percentage of unemployed people. These groups are targeted by 'welfare to work' programs, literacy and numeracy and other training schemes aimed at building basic work skills. However, there is concern among employers that such schemes do not result in actual learning for any particular industry. Across both regions it was noted that once in a job employees view training and development positively and are keen to upgrade skills within their particular industry area if they get support from employers.

Across the regions, preparatory training and acquiring certificates are dismissed as 'a meaningless exercise', as trainees do not relate the skills to acquiring jobs. The view is that skills are better developed through on-the-job training. A variety of industry personnel from viticulture, forestry, horticulture, food and retail suggest that training for industry, at any level, operates more efficiently when people are already in some form of related employment. Learners can more readily apply those skills and relate them to actual workplace situations.

> The important point is [that] the most suitable training for these sorts of people has been proved time and time again, I think. It's training in a job, for a job, and training in a job rather than training to get a job – because it won't happen.
>
> (Cairns Regional Economic Development Corporation focus group)

The employers suggest that on-the-job training further encourages staff to gain more skills because the relevance of the training is better understood. These factors may account for an apparent reluctance among the majority of respondents to discuss issues surrounding the efficacy or otherwise of training the long-term unemployed. In this climate of job availability and skill shortage, the respondents view the long-term unemployed as a group that simply does not want the positions being offered.

Importantly, industry views on what makes a 'skilled' worker are also influenced by the current environment of competition and population stresses. Certification is necessarily a factor in terms of required qualifications for operating in certain fields such as engineering, accounting, metal trades and electrical trades. But respondents in enterprises not subject to such formal qualifications or trade certifications talk of operating on the principle of taking on personnel who, at the least, *arrive* for an interview. There is concern that current shortages are thus exacerbating the skills deficit in the longer term through a forced acceptance of lower-level competencies in employees, who are becoming largely transient across an industry as they aim only for higher pay, rather than higher skills.

TAFE and industry

Most of the industries involved in this research acknowledge the value of TAFE institutes in providing accredited training for local employees. At the same time there is also a tendency to dismiss TAFE as not being involved in or understanding the factors impacting on their industries, even though there is overall satisfaction with provision.

> There's no doubt Mount Gambier [TAFE] is as good at training people as any other regional town I would imagine, so I don't believe it's the trainers that's the problem, it's finding the suitable trainees. (Limestone Coast Regional Development Board focus group)

Yet at the same time and across both regions, respondents cite TAFE's bureaucratic inflexibility as a key factor in thwarting the skills development needs to be addressed. Employers noted their difficulties in finding suitable course and timing matches; in finding specific skill needs relative to a specific aspect of their industry; in having to address the minimum number of learners to fill a class; and in having a specific course available at a local, rather than distant, institute. Crucially, employers talked about having courses they see as 'up to date' with their industry, which is often subject to rapid change. Some respondents are not sure that TAFE, with its dependence on bureaucracy, can always offer a viable economic training situation, because industry's wide-ranging and constantly changing needs leave the provider behind.

In a similar vein, interviewees voiced concerns that TAFE teachers might not be keeping their own skills up to date. Again, with industry subject to often rapid change and requiring immediate answers, it is expected that trainers will adapt as fast as industry and its employees. This ability to adapt creates concerns in the mind of industry operators. This issue was mentioned by a restaurant operator who considers that his apprentices at TAFE are not being kept up to date with the latest trends in food delivery. We note, however, that, while being an aspect of skills development that concerns industries and one that does require investigation, professional skills development of TAFE teaching/training personnel is not the subject of this report.

While industry approaches to TAFE about training in their various industries are made as both individuals and as groups, training development responses always lag a long way behind immediate need. Individual industry representatives sit on committees and boards of TAFE or adult and community education providers, but they protest that they are not making a difference to the time it takes to get a required course up and running.

> By the time the bloody paperwork gets through, and it goes through the hierarchy and channels, it's six to eight months down the track and you've lost the opportunity, lost the people … you've lost them, it's taken so long to get the training.
> (Cairns Regional Economic Development Corporation focus group)

The economic reality of their businesses also means that respondents would prefer more workplace learning, rather than class courses, so that workers are not off site and placing stress on business operations. As a consequence, industry supports and encourages TAFE or private registered training organisations that can provide on-the-job training rather than classroom delivery. However, industry representatives acknowledge that such options are not always economically realistic, and consequently have found other means of meeting skills development needs.

How training needs are currently being met in the regions

Preference for workplace learning

Like the findings from recent research, we found among the enterprises taking part in this research no uniform approach being adopted to facilitate training and skills development needs. As demonstrated below, often the approach taken depends upon an enterprise and its relationship with compatible industry groups, or the size of a business, or whether they can use the networks within a regional board.

Possibly as a result of TAFE provision not keeping up with industry's needs, there is a majority view that contextual learning undertaken in the workplace has a higher value, and is of most use to employers and employees alike. Accordingly, apart from the generic skill set expected of new employees in terms of literacy and numeracy, the majority of employers who contributed to this research prefer to conduct on-site and workplace training.

> I don't think TAFE would actually teach them a lot, a lot of different things we'd actually teach them, perhaps a few more technical bits which we don't explain very well but it should be in theory. If you're training people properly at work they shouldn't learn a lot off site because you want your people to know what *you* teach them.

This workplace and on-the-job training occurs either through industry's own staff or, if necessary, uses a specifically engaged private registered training organisation to focus on an agreed aspect of the work, after staff have already undertaken some in-house training. In viticulture, for example, respondents preferred to have staff gain onsite training in the general areas of vineyard skills and, when they are confident of their ability, allow their employees to attend TAFE to obtain certification. Vineyard managers suggested that employees are then more able to make judgements in areas such as machinery use, systems of cutting and cover crops than they would be without that earlier contextual learning. It was also mentioned across a number of industries that learners gained more from discussions with tutors and peers met at courses if participating in the course subsequent to some learning on the job.

As noted, the majority of businesses and industry representatives who contributed to this research are from micro and small-to-medium enterprises. Their preference for the contextual on-the-job learning aspect also relates to the economic viability of their situation. They have neither high cash flows nor spare staffing levels to accommodate large blocks of training occurring off site. One example given was that of truck driving, where learners could gain the skills necessary to obtain a heavy vehicle licence, but then had to be partnered with an experienced driver to learn all the other necessary key skills. Such ancillary driver skills are seen as integral to their workplaces and include diverse skills such as record-keeping and documentation requirements, knowledge of efficient and economic routes to take from A to B and good communication skills for dialogue with other businesses. Therefore, training that takes place during work times and runs alongside normal working conditions with facilitating mentors or more experienced workers is the option preferred by business.

Supporting staff with training and learning

The lack of extra staff and/or cash flow circumstances also impacts on other areas of skills development. Workers across all the industries encountered are said to be encouraged, or even required to seek skill upgrades from outside their workplaces; however, for courses that do not lead to higher accreditation, employers rarely offer time off in lieu or payment for learning time or course fees. On the other hand, when staff requirements are at diploma and degree level, or involve an apprenticeship, such as that related to engineering, manufacturing, catering or accounting, personnel are encouraged to access courses outside their workplaces. At management and administrative levels also, personnel are sent away specifically to gain the extra training. The medium-sized businesses interviewed are more able to accommodate staff time away or have the capacity to send them to capital cities to gain those extra or higher qualifications. These businesses are also more likely to be those employing permanent full-time, rather than casual or part-time staff. Hence, economic capacity has a strong relationship to the ability to support training and its delivery. Also at this level there is less concern about whether there is a local match of training to meet needs.

Depending upon their economic situations, enterprises will either engage private registered training organisations as a response to their urgent training needs, or simply undertake their own in-house training to get staff 'up to speed'. The regional development board representatives expressed concern that the current government training agenda focuses on addressing the short-term demand

for job skills, rather than a long-term and sustainable program aimed at people within the workplace. It was stressed that a sustainable program should be aimed at supporting industry needs in general by encouraging generic and transferable skill capacity across the whole range of regional workers. Although many industries require specific skills, for example, in viticulture and wine-making, there are also generalised certifications such as fork-lift driving or heavy vehicle licences that are relevant to a range of industries, and these skills could form a part of that sustainable program.

Industry facilitation of training and skills development in the regions

Through industry group collaborations

Both regions support enterprises which are part of larger industry groupings, for example, as forestry, viticulture or marine services. These industries have a range of collaborative strategies designed to benefit members who need to train and develop staff with specifically related skills. As well as these industry groupings, some enterprises take advantage of regional group training schemes. The Cairns marine industry, for example, makes use of a group training scheme and the industry is content for apprentices to move across enterprises to learn; at the same time the burden of organising each individual apprenticeship has been removed. The benefits of the group training scheme are seen to outweigh issues of competition for skilled staff, and industries participating in them encourage a widening of these schemes.

The Limestone Coast forestry industry is part of a collaborative network that includes federal and state government groups, national forestry associations, unions, and training providers. These collaborations are integral to the development of the training packages and certification structures that allow staff to move within the industry. At the same time, employers acknowledge there is a tension between collaboration and competition in a tight labour market. National training benchmarks are especially valuable to regional industries when training cannot be matched with need in one region and trainees can be sent 'across the border' to gain necessary certification for immediate needs.

Similarly, the wine industry in this area of South Australia, encompassing viticulture and wine-making undertakes both federal and state skills benchmarking, and supports a number of associations at both national and state levels, as well as a range of training packages and accreditation levels. There are nationally recognised TAFE and private registered training organisation courses available across the country, which are accessed by both prospective and working employees, as well as by employer groups and individual enterprises. Despite this match of needs and learning, economy-of-scale issues now mean that individual growers may not employ individual personnel and train them. Rather, they accommodate seasonal needs by sourcing skilled workers through local labour hire companies that supply teams of pickers and pruners.

Not all industries fare so well. In the Cairns region, banana growers' access to both skilled and unskilled workers is near crisis point as they compete for a very small pool of workers for year-round harvesting, preparation and packing. A recent strategy, auspiced by the state government, is attempting to address the problem of banana worker development through a program hosted by Growcom, the state-supported representative organisation of fruit and vegetable growers. This 'training model' is part of the FarmBis-funded Targeted Industry Initiative (TII), which provides trainers and on-farm advice across the horticultural industry, and targets group needs, such as those needed for the banana industry. Such programs may help to address skill shortages by sourcing and encouraging long-term unemployed and non-traditional workers, such as Indigenous groups and migrants, to become involved in basic training for the industry. Given the ravages of the cyclone in 2006, growers acknowledge the importance of being able to address training needs through collaborative, rather than single-farm strategies.

The mix of TAFE, private registered training organisation and workplace

Across the entire range of micro, small or medium business, industry is addressing skills development needs through a mix of training strategies. This mix spans industry/enterprise training delivery by internal staff, TAFE standard courses and/or related apprenticeships, and/or provision of focused or general courses offered by private registered training organisations, and suitable higher education courses. Examples vary, as in the case of a large hospitality and accommodation resort that trains its staff using a private local registered training organisation in tandem with an in-house training program developed and delivered by the human resources director.

As with other participant enterprises, the reasons this resort uses a mix of providers are both economic and strategic, as their employees range across a highly diverse skill set, from garden maintenance to cleaners, to food preparation and service, to reception and management. All of these employees need certain similar skills in good guest communications, but have different needs for their work tasks, which cannot be fulfilled by any one training source. This business sees the adoption of the organisation's cultural attitude as crucial to its successful operation and has initiated orientation and induction schemes and an employee awards system across all levels of work as a means of building that positive and skilled culture. The employer does not believe that their training system could depend on training delivered by a single outside provider.

A similar case is that of a large tourist attraction outside Cairns, where management has developed its own in-house training courses for various categories of staff learning needs, based on both TAFE and private registered training organisation courses and delivery methods. These courses are delivered in tandem with other specialised training for selected staff, accessed through external sources and by staff travelling to another region, capital city or interstate. Staff who travel to another region to train generally have degree or diploma-level needs or have specific professional-level skill needs.

The majority of enterprises note that private registered training organisations in general can more immediately address specific training needs than is possible by the highly structured TAFE system. However, respondents suggest that no single provider is likely to meet all their training needs across the entire workplace, so a mix of in-house and external provider training prevails among all industries canvassed. The enterprises across both regions talk of 'basic' skills coming via pre-employment TAFE courses, with the more specialised learning being given once employed. An example is of a Limestone Coast micro business, where new staff (if available) may be employed following a retail course at TAFE. The manager then provides training on systems and workplace requirements. In this business, staff training is augmented throughout the year by external technical representatives, who give product training and assistance to employees who need to demonstrate the products to customers as part of their sales roles.

Making use of what regional development authorities can offer industry

In the regional areas visited, the regional development board and corporation are also involved in facilitating skills development for local industry. On the Limestone Coast, a career development centre auspiced through the regional development board has channelled 120 people into jobs in the past 12 months, along with 'a range of others [who] have gone into training, and a number have gone into volunteering as a move towards employment'. Working closely with the regional businesses, this regional development board initiative is funded through the state government's 'SA Works' program. The board also assists industry skills development through involvement in arenas such as the regional Skilled Migration Project, as an Indigenous Business Australia service provider, and through the operation of a 'home-based business shop front'. The board has recently facilitated data collection for an engineering workforce survey. A further regional development is the recent presence of the University of South Australia's Mt Gambier campus, where, among other courses, students can now attend accountancy programs.

As well as conducting their own workforce surveys, the Cairns Regional Economic Development Corporation facilitates an industry clustering program, where the small business community can overcome size limitations by combining their efforts and resources to pursue the growth objectives of their particular industry. In terms of training and skills development, this program is able to engender a sizable lobbying voice to gain leverage with all providers—TAFE, the regional university (James Cook), private registered training organisations—and with the state government, for skills development funding. Over the past ten years the clusters program has assisted the establishment of a training agenda for various industries in that region, including tourism, marine, aviation, landscaping and agriculture.

There is disquiet in both regions that the training agenda and funding for key courses is set by a centralised government with little understanding of regional industry issues and associated training needs. This disquiet was reiterated in discussions with TAFE personnel (see later chapter), whose decision-making in relation to the training offered is constrained by a funding program supported on the basis of immediate metropolitan, rather than regional skills shortages.

Improving flexibility

Few of the participant industries suggest that flexibility, in terms of online delivery, would improve the match between skill needs and learning in their industry or enterprise. Rather, participants seek a more flexible approach in other areas. One relates to the availability of courses across and between institutes and campuses throughout regional localities. Currently, their staff may have to wait until the beginning of an academic year, when a particular course will return to a TAFE institute close by. Consequently, they lose opportunities for skilling a worker who needs immediate training.

Another issue noted by focus group participants in both study sites was that training delivered onsite fits in more readily with low staffing situations than when staff need to leave the site to attend training. Even at a relatively local level, distances in the regional areas often mean that staff are away longer than the actual class times, as travel extends a one- or two-hour class to four or five hours away from the workplace. As a consequence, the flexibility of a trainer on site saves considerable costs and down time to each industry.

Coupled with this issue is the importance of a more contextualised learning environment, with respondents suggesting that opportunities are needed for learners to 'get down and dirty' with real workplace situations while undertaking TAFE (or other) courses.

> … a bit more on-the-job training … but involved in parts of their course as such. We have quite a few of the young graduates that come to us and they struggle trying to do a bank reconciliation … if they could see how it happens in a bank then they would have a bit more of an understanding.

As previously mentioned, it was strongly suggested that TAFE's training overall could be more flexible in its structuring: first, in its current practice of class times that coincide with daytime working hours; and second, in class sizes. Participants suggest that a flexible approach to the minimum student number requirements for delivering a course would be a major factor in addressing access to training. Similarly, when raising issues of flexibility, these contributors stress again the need for TAFE to be able to answer training needs in a shorter time than is currently the case. Despite the number of industry representatives who are on committees and boards of TAFE or ACE providers, both the current government assistance with training and the TAFE training development response are seen to be inflexible and lagging far behind immediate need.

Addressing the future

Attracting learners to industry

In both the Limestone Coast and Cairns regions, concern was expressed that not enough attention is given to getting school students interested in working in regional industries prior to their leaving school and commencing further learning. A small number of the respondents—marine engineering, general engineering and food—are already working with schools to attract their students as a source of suitable apprentices or trainees. However, the belief is that many more students would be interested in becoming involved with a variety of industries, if they knew more about the potential career opportunities open to them.[3] There is acknowledgement that VET in Schools is playing an important role in skills development, but the respondents see schools' primary focus on higher education as a goal as detrimental to both student and industry needs. The view is that not enough young people are aware of what is actually involved in a regional industry career. To that end participants suggested that schools and industry representatives could work more closely in presenting aspects of their work to students earlier in their school careers.

One suggested strategy is for industry to enhance its engagement with schools, especially early high school years, through presentations, 'industry weeks' at schools, and student tours to a variety of businesses to identify interested learners early. This strategy was suggested as a means of addressing a perceived gender imbalance among teaching staff, which is seen to affect student views of industries. Respondents felt that 'industry work' and what it entails do not enter the curriculum until students begin to stream in high schools. It was also suggested that industry could work towards introducing teachers to the trades, which would then help them to identify students who had aptitudes for these trades. Likewise, prior surveying conducted by the Cairns Regional Economic Development Corporation has shown that school careers counsellors do not have enough knowledge of industry career prospects either.

> In surveys we see kids in year 11 and 12 [who] do not know what an electrician is or a fitter and turner or a whatever, they've go absolutely no idea … It needs a partnership and then if you can create an opportunity for somebody to see that there's actually a real job there and how that applies to the skills you might have, you engage them.
>
> (Cairns Regional Economic Development Corporation, focus group)

There is also strong support expressed for the proposal that would see current high schools separated into those that prepare young people for university and those that are full technical schools catering for trade skills. An additional suggestion was that such regional technical schools could then work with local industry groups, who would supply mentors and trainers from the industries relevant to a particular region. A number of further suggestions were presented to the researchers, such as:

- the building of a mobile driver training simulator, which could be sent around to different regions to both encourage likely operators and to find trainees from schools who have aptitude in this area
- the development of industry 'road shows' to visit regional schools on a regular basis to inform and encourage student interest in careers in local industry and inform them of the options available
- class-size groups of learners from similar industries sent to a centre for a period of time to gain specific skills.

In the following chapter this report turns to the data sources to evaluate the match between the regionally located industries and the courses available in their localities. We also seek the views of

[3] The authors acknowledge the existence of such organisations as the 'Country Education Foundation' and others that promote many student/industry engagements. However, respondents to this research appeared not to know of these programs.

regional TAFE management on how they match industry needs with the development and delivery of courses in their areas.

For a full listing of the focus group and interview protocols see the support document.

Local needs and local courses

Identifying localised skill needs related to development

There are approximately 32 regional development board and regional economic development corporation strategic plans available on their respective websites. An examination of nine selected organisations was undertaken to identify both the *recognised* current range of local industries and the *emergent* industries in each region. The range of identified industry types was then juxtaposed against data gathered on known TAFE and private provider courses being offered in each region. This comparison was then used to underpin inferences about what skills development options could be accessible to learners in each selected region.

While the industries listed were described as being either established or emergent by the strategic plans of each area, it is acknowledged that there is likely to be a number of other industries in any of the regions which may not appear on the development board web publications. The nine selected sites and their local TAFE campuses are:

1. Cairns Regional Economic Development Corporation. Their region is covered by Tropical North Queensland TAFE, operating in Atherton, Bamanga, Cairns, Innisfail, Mareeba, Mossman, Thursday Island and Tully.
2. Grampians Pyrenees Regional Development Board. Their region in Victoria is covered by South West Institute of TAFE, operating in Ararat, Hamilton, Horsham and Stawell.
3. Northern Regional Development Board. This region is covered by TAFE SA Regional, operating in Coober Pedy, Woomera, Leigh Creek, Roxby Downs and Port Augusta.
4. Murraylands Regional Development Board. This region is covered by TAFE SA Regional, operating in Berri, Loxton, Murray Bridge and Waikerie.
5. Limestone Coast Regional Development Board. This region is covered by TAFE SA Regional, operating in Bordertown, Kingston, Lucindale, Millicent, Mt Gambier and Naracoorte.
6. Illawarra Regional Development Board. This region is covered by TAFE Illawarra, operating in Bega, Cooma, Dapto, Goulburn, Moruya, Moss Vale, Nowra, Queanbeyan, Shellharbour, Ulladulla, Wollongong, Yallah and Yass.
7. Riverina Regional Development Board. This region is covered by Riverina Institute of TAFE, operating in Albury, Coomealla, Cootamundra, Corowa, Deniliquin, Finley, Griffith, Lake Cargelligo, Leeton, Narrandera, Temora, Tumut, Wagga Wagga, West Wyalong and Young.
8. Pilbara Development Commission. This Western Australian region is covered by Pilbara TAFE, operating in Karratha, South Hedland, Newman, Tom Price and Onslow.
9. Northern Tasmania Regional Development Board (Cradle Coast). This region is covered by Tasmania Institute of TAFE, operating from Burnie, Devonport, Smithton and Queenstown.

A full presentation of the analysis and the accompanying data on private registered training organisation courses offered in each region are available in the support document; however, the following details are relevant at this stage of the report.

The overview of course provision through web resources and data searches indicates that TAFE is offering a wide range of courses in the regions and these can be matched to the identified industries and hence their training needs in each area. The courses range from certificate I through to certificate IV and diploma. Where available, the courses are supplemented by regional university VET offerings at diploma and degree level. Beyond TAFE, there are private registered training organisations supplying supplementary or complementary courses in all but the Northern Regional Development Board in South Australia. These courses either fill gaps not available through TAFE, or are focused industry-specific training.

Of crucial importance, however, is that this overview is only *indicative* of matching needs. While most industries (as identified through their regional development board plans) have some matching courses offered either by TAFE or another provider, it is less obvious whether *all* learning needs across each industry are being addressed by those available courses.

Other learning needs not addressed may relate either to the actual level of attainment required by the industry or at a level suitable for learners' needs. For example, some learners may want or need to start at a more basic level than is available, while others may be keen to take their learning to a certificate IV or diploma level and are unable to access this level in their locality.

While TAFE offers courses in most industry areas identified by regional development board plans, prospective students may not always be able to study at their *local* campus, as not all courses are offered in every local region. It is also not possible to be certain how far learners/workers/trainers within any regional locality are likely to travel in order to access skills development courses, or in the case of providers, deliver courses. In addition, many of these courses will be run during work times and days, and it is not known how well learners will be supported to take time off, or whether they will be paid to attend the training. As a result of these considerations, our understanding of how well a course is matched to industry is only related to its *apparent* availability, as given in the lists of courses for a region. The reality of how well these courses can, or may, be taken up by learners and their industries is not made clear by the figures.

Overall, strategic plans vary in their consideration of how industry's labour needs and skills development might be matched. Strategic plans for regional areas indicate a broad range of goals in regard to skills development initiatives. In terms of a clear connection between these initiatives and current local course availability, some plans do acknowledge that a closer relationship needs to be established between providers and industries, but few set out strategies to achieve this correlation.

Harder to identify from the overall regional plans are details of the relationship between industry board members and local training providers in these regional areas. What are the real negotiations that take place with training providers? What are the economic realities faced by these regional industries in getting training for their workforce? What strategies do they put in place to make training happen? How do boards and their members actually establish communication networks between industry and providers? How do providers make decisions about what courses to offer? In the following section we examine the provider point of view through an analysis of telephone interviews conducted across regional TAFE institutes.

Understanding provider decision-making on delivery in the regions

Decisions on program offerings

Across all the regional institutes canvassed, decisions on the courses offered by TAFE institutes are largely made at management level. This means the decisions are usually made by academic directors, faculty directors, heads of school, program managers and directors of study, either in consultation as a collaborative process or as final arbiters in deciding on training options and delivery. In Western Australia, Victoria and Queensland, business development managers and their staff are also involved in the programming decisions through contact with industry. In the Northern Territory, Victoria and South Australia, lecturers and teachers are encouraged to provide information and 'intelligence' on needs expressed by current students.

TAFE respondents suggest a variety of grounds on which decisions about program offerings are made. Drivers for program offerings are quite diverse and cover: availability of funding, student demand, state government priority policies, expressed community need, industry demand, trainer/staff availability, campus capacity in terms of infrastructure, historical precedent (courses already offered) and profit. When asked the one factor that might have a higher weighting than others, responses varied between states rather than between regions.

All four Queensland respondents stated that it was state government priorities, the State Skills Plan and consequent availability of funding that are the main considerations for determining programs offered. In New South Wales, industry plus regional needs was followed by government policy and finance. In Western Australia and Tasmania offerings are more likely to be based on enterprise demand and industry-aligned career information. In South Australia and the Northern Territory, funding and available infrastructure, specifically in relation to staffing, as well as historical precedent, were suggested as the main reasons for course offerings. Only in Victoria are specific differences seen between institutions, with student numbers, funding, market-driven demand and state government directions being different drivers.

How local influences impact on decision-making

Across all the institutions, campuses, regions and the states respondents were very clear that local industries have a definite influence on their decisions about courses offered. Statements ranged from being able 'to meet 95% of needs' and that 'we live or die by what industry needs', to an 'industry drives it' approach to courses. The majority of regions talk about working closely with industry through meetings, canvassing local industries, liaison through TAFE–industry coordinators, and the fostering of industry networks. As these respondents are based in regional areas where community contacts are strong, it is acknowledged that networking and local knowledge are major factors in the deliberations about offerings. The size of an industry in a particular area also plays a part in influencing the decision-making, for example, in the Hunter Valley, where group-training companies operate.

However, such responses are tempered by acknowledgement that other factors (see below) will take precedence over stated industry needs, and that there is often an 'incompatibility of obligations between state and locality'. As one respondent suggested, while their negotiations with and among industry personnel work 'in theory', the practicalities of delivering all that industry requires make the reality somewhat different. Those who operate fee-for-service courses are generally able to respond more fully to local industry needs that diverge from available standard courses.

Beyond localised industry, a number of other stakeholders exert influence on TAFE course decision-making. The most pervasive influence noted across all regions is that of the state government, through their various training bodies. Queensland respondents mentioned the influence of the former Department of Education, Science and Training (now the Department of Education, Employment and Workplace Relations), through funding strategies to meet skill priorities. Northern Territory respondents spoke of the influence of the Council of Australian Governments through their 'national priorities'.

At a local level, the Victorian and South Australian institutes listen to the concerns of local councils and the regional development boards operating in their localities; schools and the VET curriculum available also have some influence on their decision-making. New South Wales is influenced through local community partnerships. Across all the regions, industry development boards (such as tourism), enterprise reference groups and service/community groups also exert influence. Industries with organising bodies that can cross state borders, such as dairy and transport, are also influential in terms of what course offerings can be developed through an Australia-wide approach.

All campuses experience a 'tyranny of distance' in one form or another when delivering courses across their regions. As well as erratic communication with remote communities, there are the environmental aspects such as a wet season and consequent occupational health and safety factors for staff delivering workplace training and assessment. The geographical aspect is considered a factor in recruitment of staff—in the capacity to service all areas and funding that must be found to cover travel and time. The lack of good communication (internet, video-conferencing infrastructure etc.) and a simple cost-effectiveness equation between vast distance and small population is a limiting factor in answering industry needs.

Training providers 'constantly balance community benefit against available funding'. They acknowledge that online delivery is a sound way to address needs, but feel that personal delivery should also be part of the equation. Both Western Australian and Queensland respondents note that they must compete with private providers, who are better situated to address the needs of smaller classes and the 'one off' and 'just in time' requirements of local industries. The TAFE respondents note that such providers do not have to conform to the same long-term planning, viability of enrolment limitations, pay levels and a bureaucratised system.

Flexibility in delivery

The current options available for flexible delivery within all of the institutions canvassed indicate that TAFE teaches through online, print-based, external and face-to-face delivery for its various courses. Institutes offer recognition of prior learning and/or recognition of current competencies, and the majority will try to take a trainer to a workplace—where numbers make this viable. A number teach blended courses, with a mixture of online and face-to-face tuition, while providing a compact disc (CD) and print-based materials to external students. Campuses offer some flexibility in the way they can address the on-the-job training and assessment requirements of their local industries, but within the limitations mentioned.

Victorian regional providers are currently offering project-based traineeships and, where possible, some night courses to assist workers who cannot get leave to study. In South Australia one campus offers learning through seminars and tutorials in workplaces that go hand in hand with course

materials and external study. Similarly, a Queensland provider delivers workshops on site that condense face-to-face classes which normally operate over a longer time period, while another offers dual enrolment with videostreaming. Where telecommunications permit, all of the regional providers offer either teleconferencing or videoconferencing and virtual classes, where bandwidth makes this possible.

When respondents were asked about what they considered would improve the use and take-up of flexible options, approximately half first nominated more funding. This funding would be used for: technological infrastructure (such as broadband); online capacity improvement; travel and associated time; development of course materials appropriate to flexible delivery; and for addressing workload issues related to course development.

An alternative view is that flexible delivery could be improved if some of the 'innate conservatism' towards such options could be broken down. Interestingly, these comments are not simply focused on changing student attitudes towards online delivery. Rather, it is suggested that, as well as getting students to adapt to online delivery, there was capacity for changing attitudes among teaching staff and industry bodies as well. One manager suggests that, while technological options made a big difference, it is also about 'addressing staff attitudes to technology, while offering support to students grappling with change'. At the same time, there is the issue of everyone understanding the new skills demands being faced by industry. As one respondent commented: 'the reality is, we also have to educate industry about what is possible, rather than what they'd like'.

When asked what might enhance flexibility, the respondents were unanimous that, along with more funding, more training is needed. The majority suggest that ongoing training in the use of technology for both providers *and* their students should be a priority. Student training in using technology is especially crucial among disadvantaged learners. A smaller number suggests that some professional development in curriculum design and web-authoring would enhance delivery, along with 'training as a given for each new product installation'.

Professional development to increase teacher qualifications is also recommended, the respondents suggesting that a diploma in e-learning with corresponding time off (perhaps in lieu) to undertake studies would be of advantage to both the teacher and their students. In regard to attitudes towards training, respondents in Queensland are of the view that training would change attitudinal views of mature-age learners towards the use of technologies, while a Victorian provider suggests that it is the mature-age teachers who have issues of resistance towards new technologies, which could be altered with training. A New South Wales respondent notes that 'inevitably, there is always more work involved in the development of less traditional delivery options'.

In the final chapter, we discuss the conclusions arising from this research and offer some associated implications.

Discussion and implications

The research methodology used a staged collection of data across three sources of information that enquired about the match of training needs and learning in regional Australia. The study looked at web-based data on available training courses and matched these with identified regional industries and obtained information through telephone interviews with regional TAFE personnel on how decisions were made about the provision of courses. Interviews and focus groups were conducted with regional industry representatives about skills training to meet their needs. The data from these sources have been presented in preceding chapters and are available in full in the supporting document.

In this final chapter some conclusions are drawn about the factors affecting regional skills development and the ways in which skill needs are being realistically and economically met by training in the regions. Within this discussion we raise a number of implications relating to development and delivery of training in regional Australia.

TAFE and training in the regions

From the telephone interviews it can be concluded that TAFE organisations provide skills development and training to regional industry across a diversity of state government requirements, economic situations, environmental impacts and sociocultural circumstances. Also, while such diversity is reflected in the decision-making processes in regard to courses offered, there is much similarity across the regions in the way programs are delivered, the level of flexibility available and the views and experience of alternative options for that delivery.

The major drivers for the course offerings vary across states. Diverse factors such as state government priorities, industry and regional needs, funding and infrastructure and student numbers take precedence, depending upon each state's policies. Of most concern to TAFE institutes across the country is the level of funding they can access to address viability of delivery. All the institutes operate within the pressures of distance and demographics—in terms of delivery to accommodate the needs of all industries, a small population, their capacity to service all local areas, or staff recruitment into their region. Priorities, however, are often structured on state government directions, resulting in arrangements relating to skill needs formularised through city-based state offices. As a result, regional areas see course offerings frequently devised on the basis of what is understood about metropolitan rather than regional skills development needs. This factor is a concern to regional industry.

All the regional training providers interviewed commented on the difficulties they had accessing good information communication technologies infrastructure—for either their own facilities or those of their learners. This impacted directly on their online flexible delivery arrangements. At the same time, providers would like to see more funding directed to learning in more workplaces and on-the-job sites as a means of addressing skills development.

The report finds that flexible delivery from TAFE takes many forms and, from the institutional point of view, addresses all areas of learning needs, in terms of online delivery and mixed mode for learners. Industry, however, has a different view.

Industry and training

The case studies give a divergence of views about whether training needs are being adequately met in the regions. At the same time, it is *not* provision of training that mainly concerns industry. Regional industry is far more concerned about personnel shortages than it is about skill shortages or training. Industry is unanimous in its view that skill shortages in their regional areas will not be solved by additional, extended or online training courses. Rather, the skill shortages can only be solved by a larger pool of potential employees being available to undertake any necessary training. With competition for workers as the key issue for industry, the availability of training courses to match skilling needs is largely taking second place to having enough staff to keep businesses viable.

> *Implication*: Extending the current range of TAFE courses will not initially make a difference to skilling development to meet industry's needs.

Even with the severe labour shortages, this study found that industry has little faith in current 'welfare to work' training strategies for the unemployed sector in regional areas as means of fulfilling their needs. There is concern among employers across the regions that such schemes do not result in actual learning for industry; acquiring certificates is dismissed as 'a meaningless exercise' because trainees are not relating the skills to acquiring jobs. Employers see that skills for work are better developed *at* work as on-the-job training, or as directly associated with particular industries, such as 'Growcom' and its relations with the horticultural and agricultural industries.

> *Implication*: Funding could be usefully directed to supporting other regional industries to engage with development programs that place unemployed people in positions and then support their on-the-job training.

Several other conclusions relating to the shortage of labour issue are of note, as they impact on the matching of training with skills development needs. First is that enterprises are not able to choose the certification level at which staff might enter their workforce. With precise qualifications, certification or licences specified in many occupations, businesses that cannot offer attractive enough salaries to compete with more affluent industries will continue to experience difficulty in finding employees with the qualification(s) appropriate to immediate needs. As a result, many enterprises are prepared to employ staff who might not measure up to previously set requirements, or they may take on staff with lesser qualifications.

> *Implication*: Current shortages may be exacerbating the skills deficit in the longer term through the acceptance of lower-level competencies in employees who are becoming largely transient as they aim for higher pay, rather than higher skills.

With regard to non-certified staff, enterprises are similarly prepared to employ staff who may not have the required set of attributes, such as good communication skills or empathy with clients, which has implications for an enterprise's development. On the one level, mismatched attributes require more workplace mentoring and training to raise skills to the required levels than may be economically feasible for a small or even medium enterprise. On another level, staff without the commensurate attitudes can prove to be a negative factor in building relations with customers.

> *Implication*: Enterprises faced with having to upgrade staff skills while needing them at work to keep the business viable are less likely to access outside training.

The study found that negotiations about training needs are being undertaken at various levels, ranging from single approaches by either learners and/or enterprises, to TAFE providers that

initiate a particular training course, through to industry board or peak body representation to TAFE. It is also concluded that regional development boards play a crucial role in assisting industries in skills development matters in their regions. However, while there are instances of regional development board members on training provider committees and working with providers to develop longer-term strategies for skills development, skill shortage pressures impact on these strategies. Industry is also concerned that the skill shortages in regional areas do not directly relate to skill shortages in cities, where the decisions about training needs are made.

At the same time, regional TAFE providers in the main consider that their courses are able to meet the skill demands and needs of both local industries and learners. The analysis of TAFE interviews found that respondents felt assured that a high level of industry input goes into the decision-making on courses being offered from their institutes. They agree, however, that with greater funding and infrastructure capacity they could address more emerging requirements.

> *Implication*: Regional industry growth potential will not be fully met while a centrally controlled view of needs exists. Hence, the courses on offer need to have a significantly closer relationship to actual regional skill shortage needs, rather being than offered as a result of perceptions of need made by distant capital cities where different shortages will be occurring.

The most crucial issue relating to negotiations between TAFE and industry is that of the time lag between the identification of the need for a training course and the course's availability. This time lag has resulted in enterprises developing a range of strategies, mostly based on their own in-house or industry group training to address their immediate skill needs. Their economic reality is to circumvent TAFE provision by developing and delivering much of the necessary training for their employees in the workplace and through their own staff. Where necessary, the training is supplemented through whichever provider is most suited to their needs.

> *Implication*: A reduction in the amount of time between identification of course needs and its delivery by TAFE would also mean that industry would be less reliant on private registered training organisations for addressing their immediate needs than is currently the case.

In relation to the notion of increased flexibility as a means of better matching skill needs to learning, few of the participant industries see flexibility, in terms of mixed mode or online delivery, as an issue of concern to their training delivery. Enterprises and industry seek flexibility in regard to: availability of courses across and between institutes; more onsite delivery; and more classes outside daytime working hours. Due to the low regional population and resultant skill shortage situation, participants suggest relaxing the minimum student number requirements to enable course delivery. This would be a major factor in addressing access to training.

TAFE respondents also spoke of their *own* needs for professional development in information technology to better address both industry and learner skilling and to have abilities to further develop online curriculum. This response begs the question of perception or need on the part of TAFE staff, who had not considered the issue previous to our enquiries.

> *Implication*: While it can be concluded that, within their limitations, regional TAFE institutes are satisfied that learning needs are being answered by their institutional delivery, options for further and/or wider training of staff in information technology is an important area to be explored.

This research found that enterprises unable to employ staff with the desired qualifications will take on staff who have a basic, often generic, skill set and who can be trained in a particular industry. Industry does acknowledge that it is economically unrealistic in terms of economies of scale to expect TAFE, as a training provider, to meet the range of 'catch up' learning needs across industries. At the same time, it is acknowledged that training is an ongoing imperative in building

the future workforce. As TAFE does not have the capacity to meet some business training needs in a timely fashion, the majority of businesses operating above the micro level, by necessity, tend to access private registered training organisation courses or specific training when required.

> *Implication*: Not all the available training offered by TAFE that is an apparent match to an identified industry is being used in regional areas.

This research also evaluated whether skilling issues are related to specific industry type. Across a wide range of industries the researchers found that the skills shortage is endemic and that training issues are not differentiated between skill arenas, or between high- or low-level accreditation and occupations. Despite, or perhaps as a result of, the shortages, the study finds that these enterprises and businesses have become highly competent in devising and delivering a mix of training across industry types. The research has identified a variety of industry groups who work on specific strategies for skilling workers across their industries and who aim for more transferable accreditation for their employees. In areas such as agriculture, horticulture, forestry, hospitality and viticulture, industry bodies are working together to bring skill sets and allied training to regional interest groups.

> *Implication*: Targeted programs that deliver training in collaboration with industries are able to directly address skills development in particular areas. This results in a better match between needs and learning.

Conclusion

In terms of a reality check, industry argues that, in a time of critical labour shortages, the means of attracting and keeping employees are economically more important to them than issues pertaining to the training and development of those employees. Issues such as the relevance and flexibility of TAFE courses, the use of private registered training organisations, and the commitment to onsite training must be seen alongside the fundamental issue of finding staff to support the human resource needs of enterprises.

As a result, this research indicates that there is more than one answer to any of the questions posed about training which matches industry needs. For industry in general, needs are so diverse that matching all of them is a task beyond any single type of provision. The research shows that industry has consequently adopted and adapted a range of strategies that provide both realistic and economically sensible answers to their diverse skills development needs. While these strategies make use of both TAFE and private registered training organisations for their provision, they also pragmatically circumvent and augment that provision through a high level of industry-run workplace training and development.

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Support document details

Additional information relating to this research is available in *Reality check: Matching training to the needs of regional Australia—Support document*. It can be accessed from NCVER's website <http://www.ncver.edu.au/publications/2005.html> and contains:

- Methodology
- The context of regional skill development in Australia: An overview of literature
- The local needs and local courses
- References
- Appendices

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