



BROKERAGE FOR TRAINING AND WORKFORCE DEVELOPMENT

Prepared for Skills Tasmania.

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Purpose and scope of this report

Skills Tasmania has commissioned this report based on the recognition that successful workforce development and planning needs to be undertaken at the sector level as well as the enterprise level. The main objective of the project is to document qualitative cross-industry intelligence on the current models of brokerage which are generating funding and propose general approaches which could be utilised broadly in Tasmania.

Definition of brokerage

For the purpose of this report 'brokerage is defined as:

A peak industry body (or similar) purchasing training on behalf of the sector and

1. attracting funding support for the training (whether PPP, NWDF or other);
2. charging a fee to either employers and/or training organisations

and from this generating a surplus to use for workforce planning and development activity.

The consultant was engaged to research existing examples of where industry bodies or peak bodies have adopted a brokerage model and used the ensuing revenue stream to resource workforce development activity.

The project involved initial desk research of academic and grey literature around models of brokerage used in a range of industries. This was followed by consultation with industry organisations around Australia who were identified as having implemented brokerage.

Seven in-depth case studies of good broking practice were prepared to identify and showcase models of good broking practice. Subjects for the case studies were selected from the interviews with representatives of organisations identified during the literature review. Potential case studies were identified to represent a variety of broking arrangements. Examples are also given of models that have not progressed.

A suggested pathway for setting up a brokerage structure is also provided as a result of analysis of successful examples of brokerage by industry organisations.

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The project Advisory Committee comprised the following people:

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Why broker training?

Generally there are three ways of arranging for staff to be trained. Namely to set up an in-house training programme; engage a private trainer to run staff training workshops or send staff to a training programme run by a registered training organisation.

In our rapidly expanding information society, a clear need has emerged for the role of brokers who have the skills and capacity to work across a number of areas where a need exists to ensure a match between knowledge and those who require it. According to Kilpatrick et al. (2006) a broker is an individual or organisation whose role is to match employer needs to appropriate training. As such, a training broker plays an active and purposeful role in identifying training needs in terms of the whole suite of present and potential training opportunities and actively matches needs to training, acting in the best interests of the client.

This type of broking activity yields a range of economic and social benefits for individual participants, organisations that auspice the broking and industry. Some of the key benefits include:

- accessibility;
- affordability;
- relevance and quality of training;
- cost effectiveness;
- the economic potential for broking activities;
- potential to reach a wider audience;
- good participation rates;
- continuity of service;
- industry/community ownership of the training; and
- the development of a training culture.

In most instances, brokers are doing much more than linking people to information—they actively building common ground between individuals and groups. In many instances they also act as advocates for their clients. The key elements of brokerage defined in this way are the ongoing relationship between broker and client; where the brokers become agents of change, rather than just providers of a service.

A brokerage model has the capacity for industry to impose greater contributions from employers where strong fee-for-service markets exist, and this helps to off-set costs of delivery in less viable areas, broadening the the coverage of training across industry, while at the same time encouraging (leveraging) greater involvement by employers. This encourages a demand-driven system, whereby industry determines their need for training.

Kilpatrick et al (2006) state that brokerage is most successful if undertaken by national industry bodies or state agencies. Miller (2001) further suggested that national bodies partner together with local organisations to maximise the benefits of industry sources and resources and local knowledge. This will result in training providers having a requirement to truly engage with industry to determine specific training needs and develop training solutions to meet those needs. Government agencies, with their wide networks, are able to create the conditions that allow groups and organisations to collaborate, in a coordinated approach to delivering activities that meet the training needs of clients and employees. However, in the current climate of smaller government there is a need to look to the non-government sector to undertake this coordination role.

Advantages to the one-stop environment

Larger organisations, regardless of whether they are non-profits, for-profits or public organisations have the ability to consolidate functions and offer services that may not be readily available to smaller organisations. Peak bodies are ideally placed for this purpose. For the purpose of this report the following definition of peak bodies will be used:

A peak body is a representative organisation that provides information dissemination services, membership support, coordination, advocacy and representation, and research and policy development services for members and other interested parties. the peak council role does not involve direct service provision (Industry Commission, 1995).

Advantages of hosting brokerage within a peak organisation might include greater administrative and financial stability, access to funds as well as expertise in program and financial management. They are more likely to be able to devote full time staff to focus on specific areas and provide technical assistance and strategic advice. They are also more likely to have infrastructures in place to disseminate information (Javar & Wandner, 2004). The focus of this report is industry organisations or peak bodies.at the state level.

Brokerage operated through industry organisations in Australia

This section of the report identifies and describes seven industry organisations that are operating brokerage models.

The main sectors that were identified were the health and community sector, primary industry and mining. Two organisations were from Queensland, one from Western Australia and four organisations have already investigated brokering training in the Tasmanian context.

Queensland's Health and Community Services Workforce Council

The Health and Community Services Workforce Council Inc. (Workforce Council) is the lead agency with responsibility for supporting and developing workforce capacity in Community Services and Health industries in Queensland. The Health and Community Services sector is Queensland's largest employment industry, representing 12 per cent of the state's workforce. Workforce Council has over 900 members throughout Queensland. Each year, members elect an Industries Reference Group to provide cross-industry advice to Workforce Council Board and projects. The Industries Reference Group is made up of 62 positions representing employers, unions, peak bodies, education and training providers, Indigenous Australians, regional and remote stakeholders, and general members. Workforce Council manages the Skills Alliance for Community Services and Health, which is the primary industry engagement and advisory strategy funded by the Queensland Department of Education and Training (DET). The role of the Skills Alliance is similar to the previous role of Industry Training Advisory Bodies, including advice to DET on skills and labour shortages, change drivers, workforce development priorities, skilling and training gaps, industry innovation and technological changes impacting on workforce development. The Skills Alliance also provides support for the implementation of national training packages and accredited courses, provides technical advice to RTO audit and registration activities, and applies for declaration of traineeships and apprenticeships in our industries.

Workforce Council manages the current Health Skills Formation Strategy and managed three previous Skills Formation Strategies - Aged Care, Child Care and Child Protection. Although funding for these latter Skills Formation Strategies has ceased, Workforce Council continues to support industry collaboration to address skilling and workforce issues in these sectors. In addition, Workforce Council manages a number of workforce

development projects for key sectors such as Home and Community Care, Children's Services, Disability Services and a range of Community Service sectors including youth, Child Protection, seniors, homelessness, Community Development, family and domestic violence, diversion services and Family and Individual Support. These projects support networks of services at the regional level to identify the sector's workforce development priorities across the region, and broker training and workforce development activities to respond to these needs. In all, Workforce council supports 53 regional networks to identify local workforce needs. The Workforce Council operates three brokerage models – in VET, Children's Services (PSCQ) and the sector in general via the Skills Cluster. The suite of programs developed over many years along with the recognition that one size did not fit all components of the sector.

Vet Brokerage

The Workforce Council's VET brokerage aims to boost workforce participation and productivity across the Health and Community Services Industries by brokering training places for existing workers. The Workforce Council works with key employers, peak bodies, unions and training organisations to identify priority qualifications and skill sets. Health and community services organisations provide input about their workforce skilling priorities through their preferred RTO or directly to the Workforce Council. The Workforce Council works with employers and RTOs to arrange the delivery of qualifications and skill sets according to industry needs. The Workforce Council is not a RTO and does not deliver PPP-funded training to individuals. The Workforce Council brokers the allocated places to RTOs on behalf of organisations for their existing workers. Around 25 per cent of funds for student hours are set aside to fund the brokerage activity.

Professional Support Coordinator Queensland (PSCQ)

Established in 2007, PSCQ is a sector and regional capacity building strategy and broker of professional development and support for the children's services sector in Queensland. Through PSCQ, the Workforce Council coordinates professional development and support for eligible Queensland children's services which include those that receive Child Care Benefit, and Budget-Based child care services. The Australian Government through the Department of Education, Employment and Workplace Relations funds the Workforce Council to operate PSCQ as part of the Inclusion and Professional Support Program. Previously, this funding was distributed to a number of different service providers. Health & Community Services Workforce Council Inc. was

successful in the application for tender to implement the new Professional Support Coordinator (PSC) in Queensland. PSCQ serves as a single access point for professional development within children's services across the state. It is a membership based model of which benefits of membership include financial support for services to run professional development. Membership¹ is structured in terms of target group services and non-target group services. Target group services include services providing long day care, outside school hours care, In-home care, Family Day Care and inclusion support agencies. Non target group members include kindergartens, limited hours care services, early years centres etc.

PSCQ operates on a regional decision making and capacity building basis. Workforce Consultants based in Brisbane and Townsville facilitate 14 regional Professional Support Networks (PSN). These networks are made up of 8 to 12 educators working in eligible children's services. Their role is to help identify and prioritise the professional development needs of educators in their area, and plan activities to meet these prioritised needs. Each regional network has an annual budget to allocate to the professional development and support that they plan in their region. The Workforce Council conducts an annual Workforce Survey and each Region conducts a Workforce Forum. The data from these sources is collated and analysed and fed back into the Networks to ensure a comprehensive needs identification and prioritisation process is implemented in each region each year. This data is also collated and examined for state-wide trends and needs and utilised to plan innovative state-wides strategies that meet these needs.

PSCQ has a dual approach to the allocation of funding for professional support opportunities; there is state-wide allocation for professional support i.e. resource library and advice service, specialist equipment, bicultural support pool and specialist advice services and a regional approach that includes the involvement of 14 Professional Support Networks (PSNs) that consist of 10-12 child care professionals from all service types. These people meet on a regular basis to share what has been identified as professional support needs for their region, prioritise the needs then implement opportunities to get needs met. Membership fees are used to broker professional development.

¹ <http://www.workforce.org.au/media/186849/2012%20membership%20flyer%20and%20form.pdf>

PSCQ offers many innovative professional development and support options and opportunities, some of which are free for eligible services such as: Specialist Equipment Pool; Bi-cultural Support; Professional Conversations for local support personnel; and others for which services pay a reduced fee for each activity, such as online learning sessions; locally planned peer support networks, one off and workshops series, conferences and so on. Training is non-accredited.

Skills Cluster

The Workforce Council's Skill Cluster Funding enables health and community services organisations throughout Queensland to upskill their existing workers. This initiative aims to support integrated service delivery and is funded by Skills Queensland. Skills being offered in the first half of 2012 are:

- Case Management
- Medication Assistance
- Alcohol and Other Drugs
- Basic Foot Care - Health focus
- Chronic Disease Self-Management
- Dementia Support - Service delivery
- Mental Health - Recognise and respond to individuals at risk
- Dementia Support - Planning and coordination
- Mental Health - Respond to risk of suicide

This funding is 'employer-driven', requiring the employer/organisation to apply for funding under the program <http://www.workforce.org.au/initiatives/vet/scf>. Funding on offer will be up to 70% of the cost of a particular skill cluster. As the beneficiary of this professional development, the employer is expected to contribute financially. This employer contribution may vary depending on the cost negotiated with the Registered Training Organisation (RTO) which may be due to:

- The size of the organisation
- The number of employees being trained
- The method of delivery agreed on with the RTO
- The existing knowledge and skill level of the employee
- The level of learning support needed by the employee
- The geographical location for the training and assessment

Workforce Council brokerage activity is managed by an activities unit comprising of nine staff members. This includes a full time workforce consultant for each region funded out of a 15 per cent levy on the RTO. This consultant meets with the membership of their regions every six weeks. RTOs may be the local TAFE College or smaller providers. The consultants feed information back into their networks on innovations in implementation and assessment. They negotiate contracts with providers. The Workforce Council acknowledge that these are very complex roles which require a huge amount of sector and business knowledge. A significant amount of travel is involved. Each region also has an administrative worker. Workforce Council also has a Communications Unit which produces flyers and marketing materials in-house.

Workforce Council reported having good relationships with RTOs mainly due to the fact that the sector represents a growth area for training providers. TAFE in Queensland have employed an RPL coordinator to develop strategies for working with the sector. Their experience has been that RTOs have been amenable to renegotiating fees; however they note that those purchasing training outside the brokerage model seem to be paying a lot. . Workforce Council conceded that a powerful incentive to driving training in the sector has been its ability to fund backfill² to enable staff to undertake training. Workforce Council received \$1 million from Skills Queensland to fund backfill and have been able to convert this into over \$12 million in training.

Workforce Council also reported that it continued to face issues around assessment (tick and flick issues). They see it as a systemic issue in service delivery organisations that do not have the infrastructure to do otherwise. The brokerage model allows the Workforce Council to have closer interaction with its membership and thus is moving towards improving assessment practices.

The clear message from Workforce Council was that the big training systems were largely irrelevant for their sector and could not meet the urgency created by the number of unqualified staff in community services sector.

No matter how driven the RTO, class based, block release courses didn't work. We needed individual workforce development plans and flexible ways to achieve sector development.

Carolyn Ovens, Workforce Council

² Where an employee's position is filled by another person while they are on leave or attending training

Western Australian Council of Social Services (WACOSS)

WACOSS, the peak organisation for the Social Service Sector in WA, represents three hundred member organisations and affiliates, and over eight hundred organisations involved in the provision of services to the community.

WACOSS has been developing its brokerage model for about seven years. The Sector Development Division offers a range of capacity building and training services. WACOSS started off with a single trainer and has sixteen people involved in the Social Policy and Sector Development Division plus a pool of around twenty expert trainers. On offer are:

1. Public Training Workshops 2011 - A regular calendar of popular workshops providing various training under the categories of: leadership and management, personal development, skills development, Information Technology and governance.
2. Customised In-House Training - Tailored training delivered at workplaces or in regional settings to suit the specific needs of the organisation or community. Where possible WACOSS identifies opportunities to obtain funding to deliver regionally and will work in partnership with local agencies wherever possible.
3. Accredited Training - WACOSS accredited courses and workshops that are delivered in partnership with MODAL and YMCA both of whom are Registered Training Organisation's (RTO's).
4. Customised Consulting - in areas such as strategic planning. 30% profit unless needs a lot of customisation
5. Emergency Relief - WACOSS is FaHCSIA's preferred provider for emergency relief training in Western Australia
6. Non-sector training - charging market rates

This model started with WACOSS selecting five workshops to be run each semester and asking for expressions of interest from trainers. It was originally seen as an income generating venture to support WACOSS' policy work. With time this changed to becoming a philosophy of investing in the capacity of the sector.

For the first four years, this program was run with one training coordinator and an admin person. The training coordinator is now Director of the Division. The model took a couple of years to become sustainable.

Fee structure is 30 per cent from the whole program to manage the brokerage. All trainers are selected for their industry experience. The calendar training is based on a cost recovery model and is part of WACOSS' service agreement. Trainers running calendar training are paid between \$800 and \$1200 per day. This is a walk-in-walk-out model where WACOSS provides participants, venues, equipment, course materials, catering and organises travel and accommodation for trainers if required.

Customised training can be themed for an organisation's needs for example running five sessions around governance training. Where no package exists WACOSS pay the trainer to develop a package and therefore WACOSS owns the intellectual property.

The key drivers for success of the model are the provision of the practical skills that industry wants and needs; a critical mass of support available through WACOSS; good reputation; reviewing the strategy each year and reassessing; running forums and events to keep in touch with emerging trends; good relationships with training consultants; trainers that have worked in the sector.

Queensland Aquaculture

The Australian Prawn Farmers Association was funded by DET to produce a Skills Formation Strategy (SFS) for Aquaculture in Queensland (Queensland Government, 2011). APFA is a single person peak organisation and thus the funds were used to employ a person to undertake research to inform the strategy.

One of the key messages coming from the report was that the ongoing success of aquaculture in Queensland is directly linked to the capacity of industry to maintain the necessary human resources.

At the time the research was undertaken there was little uptake of training in aquaculture provided via TAFE. Any perception of industry as a poor patron of vocational training may in fact be a reflection on the makeup of the training resource offered to it. This was found to be true in the case of aquaculture training with industry finding limited ability to integrate training outcomes with workplace productivity outcomes. Because of zero uptake of TAFE courses, the trainer became retrenched. However, as a result of the skills strategy this individual has set up his own RTO and is the preferred provider for the aquaculture industry. Training has been restructured into a workshop delivery model which has proved to be a resounding success with industry. Training in aquaculture now

occurs on-site, with a smaller cohort, delivered by endorsed industry experts. There are now 152 employees being trained at various levels. This model uses a team approach to broker the training. A collective approach has proven critical to increasing the aquaculture industry's knowledge base in realising workforce related outcomes. This highly specialised RTO is part of the team, as well as key aquaculture and rural industry councils, and representatives from the different regions (see Figure 1).

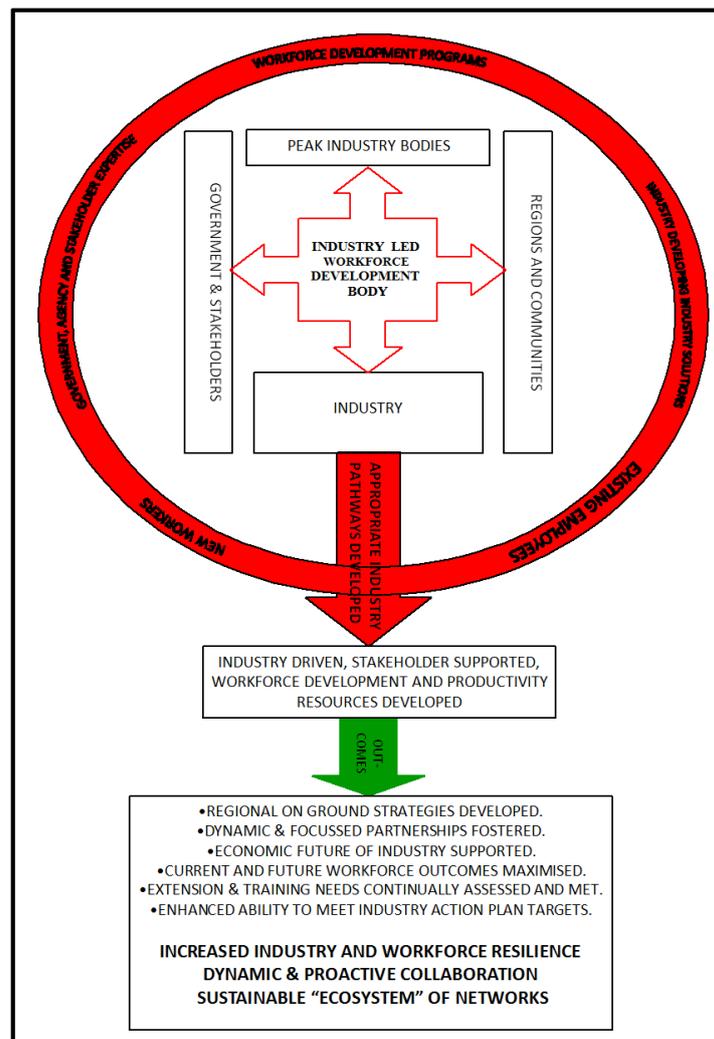


Figure 1 Workforce Sustainability for Aquaculture

There is currently around \$1 million worth of PPP training in the program, covering areas such as processing, forklift training, business training and a Diploma in Aquaculture. There are plans in place to add training in environmental issues and energy efficiency to enable industry to adjust to the proposed carbon tax.

The APFA continues to be involved in liaison with industry and has been instrumental in rebuilding the industry after last year's flooding and cyclones. The APFA Executive

Officer, with over 20 years' experience in the seafood industry, identifies potential sources of funding and courses that fit with the skills strategy. APFA currently charge the RTO 7 per cent of the training pool as an 'administration fee', however, it is acknowledged that this is insufficient and needs to be reviewed. APFA reported that the training dollar goes a lot further with the brokerage model; their experience having been that 60 per cent of funding via the TAFE mode was taken up with administrative fees.

Aged and Community Services Tasmania

Aged and Community Services Tasmania is the peak organisation for aged care services, community care services and retirement villages in Tasmania. It is staffed by an Executive Officer and a workforce development consultant was engaged with funding from Skills Tasmania to develop a skills plan. The focus of the plan is on identifying issues, setting industry standards and capacity building as well as training in the area of essential skills and knowledge. All these factors have been acknowledged as contributing to the development of the aged care workforce.

As part of the workforce development strategy ACST have developed diverse programs such as medication and leadership packages, core skills for carers, a graduate nurse program and a literacy screening tool for employers. There is a training calendar which uses eight RTOs to deliver a wide variety of training. ACST has also instituted quarterly round tables for RTOs and an industry reference group made up of 25 members.

Over the past 18 months to two years ACST have been developing a brokerage model around workforce planning and support for the industry. The strategy involves the brokerage model becoming self-funding within two years. To achieve this viability ACST looks at each project individually and assesses objectives and priorities. When the training calendar is being drafted, RTOs are invited to submit expressions of interest. Some training attracts funding under PPP; other non-accredited training harnesses the expertise residing in the sector and sometimes this is given for free. Generally ACST charges the RTO ten per cent of the fee for marketing and filling the courses and sourcing the venue.

While the model has morphed in a different way to the original business plan everything maps back to the skills plan and capacity building for the sector. It's about identifying opportunities as they present - building capacity in terms of skills and knowledge - always with the eye on sustainability.

Lee Veitch, ACST

At the current time ACST has funding for another 12 months to incubate the model. They acknowledge that the key driver for success is establishing ownership and the broker needs to consult widely and foster a culture of sharing and working together to achieve this. ACST has a suite of specialist reference groups for key areas. The broker also needs to keep abreast of national workforce development priorities and strategies, sources of funding, population trends and emerging risk factors. They need to be alert for duplications and to be able to think laterally. The main external risks that could affect the model are changes to government policies or funding structures, while the model could also be affected by ACST being too rigid in implementing its framework or alternately having a marked change of direction.

Mining Industry Network of Excellence (MINE)

In 2009 SkillsDMC (the national industry skills council for Drilling, Mining, Quarrying, Civil Construction) identified that an increase in skills was critical to the continuance of productivity within the contemporary economic climate. While the industry was less than happy with the way that training was 'thrown at them' by RTOs, neither did they 'own' their industry training so did not drive it, nor did most employers understand the national training framework. SkillsDMC realised the need to take ownership of training away from the providers and get industry to drive its own workforce development. SkillsDMC sought funding support from Skills Tasmania to undertake a workforce review with Tasmanian members of MINE with the objective of increasing the uptake of accredited training and growing the overall numbers of employees with formal qualifications within the mining industry. Analysis of the MINE member's workforce was conducted in consultation with HR Managers and Training Coordinators in order to accurately reflect the industry's skilling needs across a range of Australian Qualification Framework (AQF) levels. A further aim was to increase the level of confidence of employers that accredited training could produce the appropriate level of skill attainment. A key strategy to achieve the change of culture was to reframe the language of training into business-speak i.e. viewing training as a key asset.

In Tasmania there were a limited amount of training qualifications available for the mining sector. Many of the employees within the mining sector have only achieved a level of education equivalent to, or below year 10, and many more have no formal qualifications at all. In 2008/9 there were only 97 employees (17 per cent of the existing workforce) in training programs and with none at Cert IV or above. The workforce

review recognised there was a fundamental need to undertake an overall skill development program of the workforce to Cert IV and Diploma level to promote higher quality training, enabling structured career paths, which are necessary to shift the traditional approach to that which fosters a long term sustainable workforce.

Skills Tasmania provided funding to commence the upskilling process. Mining Industry Trainer and Assessor Network (MITAN) was created to:

- Build capability and capacity for industry to take leadership and ownership of skill formation to achieve ongoing growth, success and sustainability;
- Increase RTO competition within the state for the mining sector;
- Ensure that training provided by Tasmania's vocational education and training system is better targeted to economic demands; and
- Achieve cost neutral training through the development of a training system which delivers quality learning outcomes via an efficient process.

The training needs analysis undertaken by MITAN identified the demand for 412 qualifications in sixteen new courses.

MITAN was developed in order to give employers control. MINE has supported their activity by developing an industry code of practice around training and a full service training delivery model.

The MINE model has now lost some energy because of lack of resources to move forward. Stakeholders commented that the current funding model where the RTOs receive funding for training is a barrier to achieving significant change in the mining industry. From their perspective it would be preferable to pay the funds to the industry to enable them to take full ownership to broker and drive their workforce training. For the model to progress into full brokerage requires a more fully developed infrastructure comprising a single go-to point and financial and human resources to work with industry. SkillsDMC is interested in continuing their involvement, however at the current time the brokerage model for the mining industry requires reassessment and development of strategies for the future.

Family Support Services Association Tasmania

Established in 1987, FSSA is the peak body for organisations working with children in vulnerable families, generally focussing on early intervention and mitigation prior to the

involvement of Child Protection. There are around 100 people employed in the sector in Tasmania. In the past couple of years they have embarked on a comprehensive strategic planning process with the key areas for focus in 2011-12 being training and workforce development. FSSA have worked with Lee Veitch from ACST to undertake research projects around capacity building for its clients and develop a training program. This sector has been characterised by the paradox of low skill levels amongst its workers, as they have come to the industry by many different routes, while at the same time requiring a highly specific set of specialised skills to enable staff to work with families with complex needs. FSSA's aim is to turn this around to being a highly skilled workforce.

About two years ago FSSA undertook a comprehensive skills mapping process which outlined the skills and attributes required to work as a Family Support Worker. These were then mapped against existing modules and developed into the Family Intake and Support Diploma – consisting of core subjects from the Community Services Diploma plus five electives developed by FSSA to meet the needs of industry. For example, FSSA found there was no course available in Australia around cumulative harm and this had been identified as a key skill that workers required.

The strategy aims to mandate Diploma level qualifications for workers entering the sector. Around 30 people are currently undertaking Cert IV as precursor to the Diploma around the state with an additional 14 undertaking the Diploma. Around 20 existing staff participates in a monthly workshop program to address skills gaps and to work towards completion of a Diploma.

FSSA stressed that it is crucial that trainers understand the specialised nature of the skill set. The RTO they are using employs people who have worked in the industry. FSSA's experience has been that not all RTOs have the ability to provide this level of industry knowledge. They found the Polytechnic and Skills Institutes were too structured or not amenable to providing training outside existing modules or were too expensive. FSSA currently work with a single RTO although they would like to broaden this base to include two or three RTOs to give their members more choice. FSSA acknowledges that there are some risks involved in using a single supplier, however likened their model to a partnership with a highly specialised training provider.

FSSA is run by a single employee and does not have any administrative support. FSSA does not charge its membership for brokering training with the RTO, as it is funded via

PPP, although sometimes levies a charge for non-members. However, FSSA has been charging the RTO \$50 per hour for the services it provides, namely:

- Liaising with the sector around its requirements;
- Working on designing and customising training programs and assessment models; and
- Promoting courses to the sector.

FSSA is currently reviewing this hourly rate and investigating restructuring the brokerage fees into a rate per student.

The FSSA Executive Officer pointed out that the person undertaking the brokerage role needs to have a vast knowledge of the sector or the capacity to acquire this knowledge quickly. Ongoing communication and liaison with the sector is crucial to gaining support for the skills strategy. FSSA runs regular forums around issues pertinent to the sector and to identify emerging needs. FSSA is working closely with Skills Tasmania to write up a comprehensive framework for the sector which will include standards and codes of practice.

Primary Employers Tasmania

In 2008 Farmbis (Rice & Bonney, 2008) recognised that the farm sector in Tasmania was in need of structural and qualitative change to ensure sustainability in the long term. Critical to achieving this change was the availability and quality of a pool of human resources both in management and labour.

Farmbis recommended that the Tasmanian agricultural industry develop an auspiced training brokerage to provide:

- Brokerage of quality training to farmers focused on priority skill needs through endorsed suppliers;
- Prospecting for and conducting fee for service consulting projects;
- Promotion of the business benefits of training as well as specific training opportunities; and
- Providing guidance to the farm sector about the quality and utility of specific training courses through the development and promotion of a 'brand' for farmer training courses, curriculum and materials.

Farmbis indicated that the preferred way forward was to establish a small training brokerage staffed by an executive officer and support from a host organisation to provide high quality, customised training and associated consulting services which was well promoted and in receipt of sector investment³ and support from government in the first two years of operation was likely to be viable in its third year of operation. The Farmbis report advocated the establishment of an independent, self-supporting agricultural training brokerage that has a thorough understanding of rural culture and farmers needs. Such a brokerage was considered much better placed than 'occasional' providers to industry in raising the quality of training and in achieving cultural and structural change.

In reviewing the current situation for this report, it appears that the project has encountered significant barriers to its implementation. The Tasmanian Farmers and Graziers Association withdrew its support for the model because were sceptical about its viability because of the ingrained reluctance of employers to pay for training. The sector remains characterised by very little formalised training, usually at VET level. The smaller industry association, Primary Employers Tasmania (PET) is currently undertaking training project to provide shearing shed skills training in partnership with Skills Tasmania and Australian Wool Innovation. . PET remains in favour of the brokerage model, but will be putting activity on hold for the next 12 months whilst developing a governance structure and sourcing suitable training providers. PET's preferred way forward is for Certificate I, II and III to be covered by the VET system (out of Burnie Polytechnic), while Certificate IV and above is funded via the brokerage model suggested by Farmbis. PET's view is that it is a 'chicken and egg' situation where without sufficient infrastructure such as available via an organisation of the size of the TFGA and seed funding, the model will prove difficult to establish.

³ Such as Rural Industry Training and Extension (RITE) Inc.

Features of brokerage models

The case studies above illustrate that the main enhancers of a successful brokering model as operated by an industry peak are a supportive hosting environment (networks, organisational infrastructure, policy); resources (human and financial); and processes (communication, planning and development, evaluation processes).

It is interesting to point out that all the models have adopted a slightly different definition of brokerage to suit their specific industry. This is one of the strengths of brokerage in that the definition can be flexible enough to meet individual needs of the industry involved.

Key elements

Common elements to successful models of brokerage are commitment to workforce development, good networks, and robust infrastructure. All exhibit a strong sense of purpose, a comprehensive understanding of their role and how the brokering process works and a commitment to brokerage as a business model. At the same time, there is no common fee structure.

Table 1 Matrix of Key elements

Organisation	Workforce Development Culture	Networks	Infrastructure/ Resources	Fee structure	Fee charged
ACST	Yes	Yes	Yes	Yes	\$2-300 per course
Aquaculture	Yes	Yes	No	Needs review	7%
PCSQ	Yes	Yes	Yes	Yes	Sliding scale based on employees
FSSA	Yes	Yes	Yes	Yes	\$50 per hour
MINE	Emerging	Yes	No	No	
PET	Emerging	Yes	No	No	
WACOSS	Yes	Yes	Yes	Yes	30%
WCQ Skills Cluster	Yes	Yes	Yes	Yes	15%
WCQ Vet Brokerage	Yes	Yes	Yes	Yes	25%

In summary the key elements that drive effective brokerage are:

- knowledge of the industry;

- a holistic approach;
- learner-centred;
- promotes a learning culture;
- actively manages relationships with training providers;
- maintains a continual awareness of training opportunities and gaps;
- good networks to identify emerging needs and awareness of training opportunities;
- actively matches employer and employee needs to training;
- good understanding of training funding opportunities and national frameworks;
- monitors the quality of the training provided as a result of brokerage; and
- regularly evaluates the brokerage process for credibility and quality assurance.

These can be categorised into five major categories; infrastructure being the most important success factor; followed by resources, networks, communication, and effective processes.

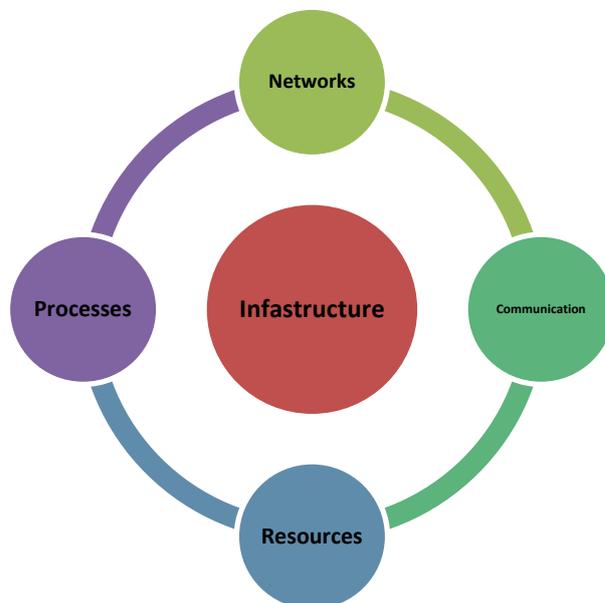


Figure 2 Key drivers of successful brokerage by industry peaks

The differentiating factor between where brokerage models have flourished or struggled appears to be at infrastructure level. The industry peak needs to be supportive of the

model and seed funding and resources need to be provided for at least two years before the brokerage can become self-funding.

Good networks are vital for the success of a brokerage model. Several case studies adopt the use of regular industry round table or forums; and regional forums in large states. In Tasmania, ACST has instituted a regular program of round tables where industry meets in the morning and the RTOs join the session in the afternoon. This has significant benefits for an industry that does not have a culture of 'shopping around' for training or requires educating around the benefits of training or which consists of a number of small employers. The united capacity of a number of small employers ensures greater bargaining power with RTOs. At the same time the RTOs benefit from dialogue with industry about its needs and strategic direction. This round table/industry workforce development forum is particularly useful in the Tasmanian context because of the dispersed nature of many employers. This type of group will provide a critical mass for planning to occur around training that meets industry needs.

The role of the broker

Vital to the success of brokerage is the specific areas of knowledge held by those in the role of training broker. Those in the primary brokerage role must have:

- commitment to a workforce development philosophy;
- an understanding of training needs in their industry;
- an understanding of learner requirements in their industry;
- a knowledge of training pathways for the industry;
- extensive networks; and
- skills in coordinating training delivery through the generation of long-term partnerships with employers, trainers and other stakeholders.

Many of those consulted for this report commented that this was not an easy role to perform and required someone with enormous energy and drive, high level communication skills and an exhaustive knowledge of their industry.

Establishing a brokerage model

The consultations undertaken for this project suggest that broking follows a four-stage development process. The stages are: getting started; matching needs and opportunities; and evaluating the broking process which leads to fine tuning of the model.

Broking can be compared to an organic process, moving from a looser, informal structure in the first stage, to a more formalised structure in the later stages. Consultation with industry must be comprehensive and ongoing.

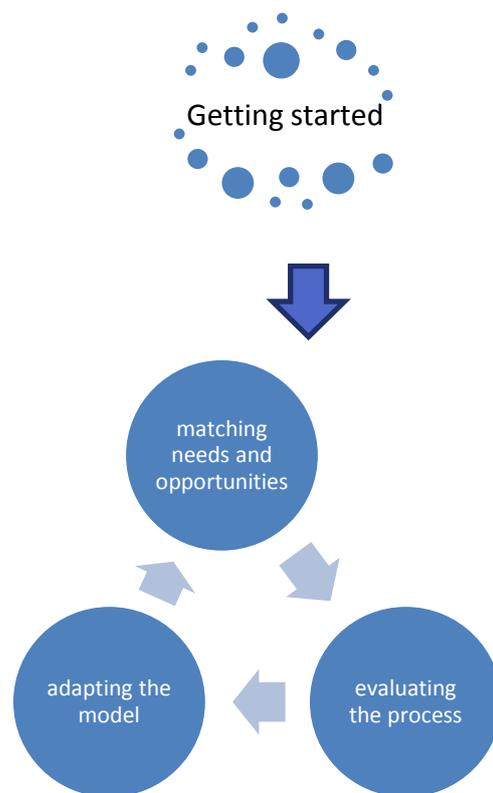


Figure 3 Key elements in the process of setting up a brokerage model

While this process appears to be common to all effective brokers, different broking contexts call for flexibility in implementing the principles, and determine how much time is spent at each stage of the process.

Getting started

If it does not have an existing workforce development focused group the industry peak needs to establish a workforce development network or reference group from its membership. Establishing a new network is a time-consuming enterprise that requires clear commitment from a broad range of stakeholders to its purpose, directions and

maintenance to support its intrinsic value and sustainability. No two networks will have the same characteristics. It is important that networks have the flexibility to develop their own structure and evolve at their own pace. Members of the workforce development network need to have a fundamental systemic commitment to the philosophy of workforce development by industry, to partnership arrangements and to working out new ways of interaction between industry, government, training providers and community groups.

A person to spearhead the brokerage needs to be identified and appointed at this stage. Examples in this report have accessed seeding funds from relevant government departments, Skills Tasmania, national peak organisation or a combination of sources. As evident from the case studies in this report, it is possible to start up a brokerage strategy with just one key person. However this person needs to be well versed in the specific industry and have existing knowledge of the sector and be able to harness a strong workforce development network.

The purpose of the workforce development group is to develop a sound understanding of the contemporary workforce needs of the enterprise or sector. The first task of this group is to develop a systematic industry workforce development strategy using the network and member organisations.

The development strategy needs to be augmented with a training needs analysis at the enterprise level. This will involve the examination of the workforce of individual organisations. This may mean that employers will need to identify what makes up the skills set needed for the roles performed by their employees. It may require the development or refreshment of position descriptions and detailing the competencies required. Some knowledge may be specific to the enterprise itself. The broker may need to assist enterprises with job-design, and identify what is required to optimise skills used in the workplace and build workforce capability.

There is a strong educative component of the broker's role. Depending on the employers' level of knowledge of the training and workforce development space, the broker may need to educate employers about the differences between the skills and knowledge provided by Certificate versus Diploma and Degree qualifications. The broker, together with the peak organisation, may also need to break down systemic barriers to communication to increase trust through breaking down competitive instinct between

network partners. Frank discussions are necessary for a more responsive service strategy.

Matching needs and opportunities

The second phase in the development of developing a brokerage is to analyse the current level of workforce skills and to identify gaps and potential training pathways. The key component of this phase is that the industry moves from a short term view (training) to a long term view (workforce development). The broker needs to identify training that will meet the needs of industry at industry and enterprise level. This can be accredited or non-accredited or a mixture of both.

Once a set of skills and qualifications have been identified, the broker will seek expressions of interest from RTOs or alternatively they may identify a pool of independent training consultants with specialised industry experience.

The broker will then sort out qualitative differences between providers, often in conjunction with a subcommittee of the reference group if this is a large group.

At this stage sources of funding including opportunities to subsidise training will be identified. The broker may also investigate opportunities such as commonwealth incentives to provide resources for backfill to allow staff to attend training without affecting the organisation's productivity or service to its clients. This is particularly relevant in service industries.

As well as identifying funding, and costs of providing workforce development, a brokerage fee will need to be established. The reference group will need to establish exactly what the brokerage will provide in exchange for the brokerage fee. It is recommended that this is set as a percentage of the cost per student rather than a dollar fee as then the brokerage fee will keep pace with any increases in market rates.

The broker negotiates and manages contracts with the RTOs. The broker in conjunction with the selected RTOs develops a training calendar for the sector. The broker may need to source venues and catering (if this is part of the broker's role).

The brokerage needs to market the training calendar to its industry members.

Evaluating the process

As with any new way of working, the brokerage model needs to be assessed regularly. The views of learners and industry as well as participating RTOs needs to be canvassed, any issues identified and strategies developed to address them.

It is recommended that a formal evaluation is conducted at the end of the first year of a brokerage which includes the three groups. The methods for evaluation may include surveys or individual interviews with the different groups of stakeholders.

Adapting the model

Over time, as a result of experience and evaluation and continuous monitoring of industry needs the brokerage may adapt. This may include the development of proprietary packages; the expansion of the brokerage role or the number of people involved in administering it. The size and scope of the reference group may change.

Any adaptations to the model will need to be evaluated after a trial period, thus creating a continual cycle of adaptation and review.

A key point to be made is that a brokerage model is simultaneously proactive and reactive. It needs to be proactive in terms of educating industry, identifying emerging trends, identifying sources of funds, identifying new RTOs and so on, but reactive in terms of being sensitive to what is working or not working and what factors drive these outcomes.

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