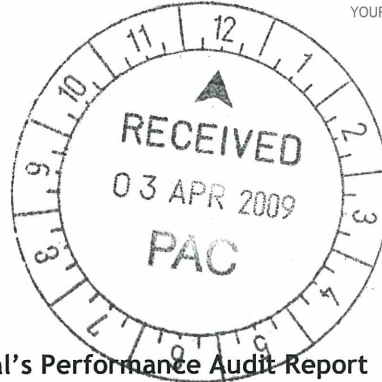


THE AUDIT OFFICE  
OF NEW SOUTH WALES

Mr Paul McLeay MP  
Chair  
Public Accounts Committee  
Legislative Assembly  
Parliament House, Macquarie Street  
SYDNEY NSW 2000

CONTACT NAME P Achterstraat  
TELEPHONE 9275 7101  
OUR REFERENCE  
YOUR REFERENCE



2 April 2009

Dear Mr McLeay

**Examination of Auditor-General's Performance Audit Report  
Ageing Workforce - Teachers**

We have reviewed the submission provided by the Department of Education and Training concerning the recommendations in the above performance audit report.

Following tabling of the report, we were pleased that the Department of Education and Training accepted most of our recommendations. The Department's submission indicates that it is making some progress in implementing the recommendations.

Please find attached our assessment of whether each response addresses the issues raised in the original report, along with a comment on progress. We have not substantiated the submission. In some instances, more information would be helpful to better understand what has been done to address our recommendations.

Our audit was conducted late in 2007 when the Department of Education and Training was faced with:

- the loss of large numbers of retiring teachers and their associated skills
- the need to replace this loss in an increasingly competitive labour environment.

It would be interesting to understand the extent to which this situation may have changed as a result of the global economic crisis.

Also, as we relied on relevant workforce policies, guidelines and better practice from the Public Sector Workforce Office, it may be useful for the Committee to seek comment from that Office.

I plan to forward a copy of this correspondence to the Director-General of Education and Training Commissioner for his information.

I am happy to provide any further assistance the Committee may need in completing its examination.

Yours sincerely

Peter Achterstraat  
Auditor-General

Attachment:

Recommendations	Action steps address issue	Comment on progress
<p><b>We recommend</b> that the Department including TAFE NSW develops a clearer picture of its future workforce and potential risk areas by:</p>		
<ul style="list-style-type: none"> <li>▪ improved information on retirement intentions with more frequent use of on-line retirement intentions surveys</li> </ul>	<p>This was rejected. The Department reports that it monitors retirement trends of the 55/60 year age group and that intentions are not an effective predictor.</p>	<p>Despite the Department's rejection of this recommendation, we consider that it is valid and should be taken up. While there is useful information at the macro level, this does not readily translate to the local school or local TAFE Institute trade learning centre.</p>
<ul style="list-style-type: none"> <li>▪ more localised impact, risk assessment and reporting, as this is where shortages will first appear</li> </ul>	<p>This was rejected. The Department redefines 'shortages' as 'operational issues' (with consequently no shortages to report) and says that this is successful.</p>	<p>Despite the Department's rejection of this recommendation, we consider that it is valid and should be taken up. It is at the local level that the impact of shortages is most obvious. It affects teachers, students and educational outcomes at the school or college in question. And this is where it is most likely to be able to be dealt with through a variety of measures.</p>
<ul style="list-style-type: none"> <li>• further development of medium term (3 to 5 year) projections of the future supply and demand in critical areas of shortage.</li> </ul>	<p>This was accepted. Although the projections for school teachers are for seven years, the projections for TAFE are only for three years at most, and this may represent a weakness.</p>	<p>Ongoing</p>
<p><b>We recommend</b> that the Department including TAFE NSW continues to develop new measures to enhance its workforce capability, such as by:</p>		
<ul style="list-style-type: none"> <li>▪ encouraging the retention of mature age workers; for example by facilitating a phased retirement</li> </ul>	<p>This was accepted. The Department's Phased Retirement Guidelines were published in July 2008.</p>	<p>This is a good first step. It would be helpful to understand the extent to which the new guidelines have been implemented.</p>
<ul style="list-style-type: none"> <li>▪ targeting the recruitment of mature age workers from industry, such as by accelerated teacher training program</li> </ul>	<p>This was accepted. It would be helpful to have more explanation as to how. The Department reports that the accelerated teacher training program has been discontinued, although it still has the teacher scholarship program. TAFE Institutes are reportedly targeting the skilled staff balance needed to meet their future workforce plan.</p>	<p>Ongoing</p>

Recommendations	Action steps address issue	Comment on progress
<ul style="list-style-type: none"> <li>▪ increasing its focus on knowledge continuity, where critical skills are mapped and mature workers take on a mentoring role to support younger staff</li> </ul>	<p>This was accepted. Mentoring forms part of structured induction programs for beginning teachers. In addition, mentoring is reportedly being promoted across the Department.</p>	<p>Ongoing</p>
<ul style="list-style-type: none"> <li>▪ keeping in touch with retired staff and drawing upon their skills, knowledge and expertise in filling short term vacancies (as proposed by the Alumni guidelines by Department of Premier and Cabinet)</li> </ul>	<p>This was accepted. All teachers have the opportunity to indicate if they wish to teach on a casual basis after they leave permanent employment or retire. TAFE Institutes reportedly utilise retired staff as a source of future part-time casual teaching staff. It may be helpful to have more information about how the Department keeps in touch with retired staff.</p>	<p>Ongoing</p>
<ul style="list-style-type: none"> <li>• requiring exit interviews of retiring teachers as a matter of course.</li> </ul>	<p>This was rejected. The Department advises that it has previously piloted exit interviews for teachers, but the response rate was not high enough to validate full implementation.</p>	<p>Although the Department rejected this recommendation, we consider that it is valid and should be taken up. This information is likely to be particularly helpful at a local level. It may be helpful to understand why the pilot was unsuccessful. In addition, the Department indicates that research about the effectiveness and benefits of exit interviews are 'mixed'. This need not, of itself, constitute a reason to reject the measure. Again, this is an area where more information may be helpful.</p>
<p><b>We recommend that the Department including TAFE NSW strengthen its workforce planning capability by:</b></p>		
<ul style="list-style-type: none"> <li>▪ developing targeted workforce action plans, focusing on the medium term outlook for their most critical skill sets/areas</li> </ul>	<p>This was accepted. TAFE reports establishment of a Workforce Capability Unit to assist in overseeing a new professional development program targeted to particular capability areas.</p> <p>More information could be provided in relation to schools.</p>	<p>Ongoing</p>
<ul style="list-style-type: none"> <li>▪ subject to the establishment of a business case, targeting the participation and retention of staff for critical skill sets/areas, such as mature-age workers, through specialised strategies</li> </ul>	<p>This was accepted. A proposal to establish a business case is to be developed.</p>	<p>Ongoing</p>

Recommendations	Action steps address issue	Comment on progress
<ul style="list-style-type: none"> <li>▪ improving workforce management information on emerging shortages, take-up of new programs, and effects of policy measures</li> </ul>	<p>This was accepted. The Department reports that improvements to workforce management information are being considered as part of the Department's major system replacement program for HR and finance.</p> <p>TAFE Institutes are to routinely report on their enrolments and strategies. An evaluation strategy for the 3 year Workforce Development Capability Initiative is under development.</p>	Ongoing
<ul style="list-style-type: none"> <li>▪ routinely evaluating the success of its workforce programs to ensure that successful programs are enhanced, new programs developed in timely fashion, and ineffective programs discontinued or modified.</li> </ul>	<p>This was accepted. The Department reports continued review of its workforce programs. Some examples may be helpful in understanding the extent of this.</p>	Ongoing
<p><b>It is also recommended</b> that the Department continues to advise universities and relevant Commonwealth Government departments of the Department's permanent teacher demand and supply needs. In particular its view of an oversupply of primary teachers and the need for additional teacher education places in areas of shortfall.</p>	<p>This was accepted. It would be helpful to have more explanation as to progress in relation to this, particularly in terms of the reported oversupply of primary teachers.</p>	Ongoing
<p>As TAFE shortages in particular are likely to have state-wide implications, our view is that it also needs to report annually to the Public Sector Workforce Office on critical areas of need, with specific plans for addressing problem areas (that may or may not involve mature age workers).</p>	<p>There is no response to this. It may be helpful to obtain the views of the Public Sector Workforce Office.</p>	