Australian industry and enterprise training providers

KATE BARNETT
Australian industry and enterprise training providers

KATE BARNETT

NCVER
Adelaide 1995
# Contents

Acknowledgements .......................... 1

Executive summary ......................... 4

1 Introduction ............................. 11

2 Project aim and objectives .............. 13

3 Methodology ............................. 14

3.1 Profile of the survey sample ......... 16

4 Findings .................................. 20

4.1 Costs related to training provision 20
4.2 Level of training delivered ........... 20
4.3 Type of training provided .......... 21
4.4 Access and equity provision ........ 21
4.5 Contracting of external training resources 23
4.6 Setting standards for training ....... 25
4.7 Impact of national training reform 28
4.8 Key issues identified in relation to training 36

5 Overview of case study findings ..... 41

5.1 Introduction ......................... 41
5.2 Findings from the case studies .... 43

6 Summary and conclusions ............... 54

Appendices .................................

A Case study of the laundry division of Email Limited (Adelaide) 57
B Case study of the SA Polymer Industry Skills Training Centre 65
C Case study of Telstra Learning (Victoria) 73
D Case study of Western Region Group Training Company (Melbourne) 89
E Case study of BHP Australia Coal (Queensland) 99
F Case study of Queensland Rail ....... 113
List of tables

3.1 The survey sample 16
3.2 Industry categories applicable to the sample 18
4.1 Training budget as a proportion of total salary budget 20
4.2 Level of training delivered by industry and enterprise providers 21
4.3 Types of training demanded from enterprise and industry providers 22
4.4 Providers’ identification of special needs groups 22
4.5 External training resources used by industry and enterprise providers 24
4.6 Role played by externally contracted training personnel 24
4.7 Enterprise providers’ rating of externally contracted training 25
4.8 Industry providers’ rating of externally contracted training 25
4.9 Business targets attained in relation to training provision 27
4.10 Sources used to determine ‘best practice’ 27
4.11 Sources used to benchmark 28
4.12 Providers’ understanding of the national training reform agenda 29
4.13 Percentage of jobs within enterprises based on identified competency standards 29
4.14 Percentage of jobs across industry based on identified competency standards 30
4.15 Cost to enterprises of re-defining jobs to reflect competency standards 30
4.16 Reasons for seeking registration as a provider 32
4.17 Providers’ rating of the registration process 33
4.18 Providers’ rating of the accreditation process 33
4.19 Providers’ rating of state government support during registration and accreditation processes 35
4.20 Impact of the national training reform agenda on enterprise and industry providers 36

List of charts

1 Size of enterprise organisations 17
2 Size of industry organisations 17
3 Enterprise providers’ rating of their organisation’s approach to training 26
4 Industry providers’ rating of their organisation’s approach to training 26
5 Impact of the national training reform agenda on enterprise providers 37
6 Impact of the national training reform agenda on industry providers 37
Acknowledgements

This national study of workplace training draws its information from six case studies and two surveys. It has been undertaken by three research teams based in Victoria, Queensland and South Australia and focuses on training provided at the level of individual enterprises, and across enterprises at an industry level.

The NCVER has received significant support from industry in carrying out this project. This has come from those training providers who took the time to complete the questionnaire for the surveys, by those individuals who assisted in the compilation of the case studies, and those who have provided advice in designing and operating the project. In particular, we would like to express our appreciation to the contribution made by:

South Australia

- Mr Jeff Berry, DETAFE
- Mr John Eagle, chair, Polymer Industry Development Board
- Mr Tom Haig, Murraylands EdTrain Consultancy Services
- Ms Jane Evans, chair, SA Polymer Industry Training Committee
- Mr Mike Hasler, executive manager, SA Polymer Industry Training Committee and Polymer Industry Development Board
- Ms Sue Hayward, project manager, AVTS Pilot Project, SAPITC
- Mr Steve Kelton, director, Regency Institute of TAFE
- Mr Murray Lewis, centre manager, Polytec
- Mr Alex MacFarlane, Regency Institute of TAFE
- Mr Gerry Quirk, human resources manager, laundry division, Email Ltd
- Mr Ron Seidel, Regency Institute of TAFE

We are also grateful to the valuable contribution made by the members of the project's South Australian advisory group:

- Mr Graeme Eagles, manufacturing manager, laundry division, Email
- Mr Gerry Quirk, human resources manager, laundry division, Email
- Mr Perry Raymond, training manager, Gerard Industries

We would also like to express appreciation to Ms Janine Cesnich for data analysis and to Mr David Meegan for research assistance to the project, and to colleagues at NCVER for feedback about the study and this final report. Finally, thanks go to our two independent reviewers, Dr Percy Worsnop from the Australian Chamber of Commerce and Industry and Mr John Wilkie from Tobal Consulting Pty Ltd.

Queensland

We are indebted to many people for their significant support during the various stages of the project. In the initial design of the project, immense assistance was received from Mr John Duggan (Cabinet Office), Mr John Whiteley (Queensland Rail), Mr Neil Costa and Mr John Stalker (VETEC).
The case studies conducted at Queensland Rail and BHP Coal Australia involved many people who gave willingly of their time and knowledge. We would like specifically to express our gratitude to Mr Brian Kennedy (BHP Coal Australia). His knowledge of the training industry and willingness to give of time provided great support to the Queensland-based component of the project. From Queensland Rail, we would like to thank Mr Frank Bell, Mr Greg Newmann, Ms Elaine Roberts and Mr John Whiteley for their support and professionalism.

At various times during the project, members of staff at VETEC assisted with this project. Such assistance was indeed welcome.

To those who responded to the survey, thank you for the considerable amount of your time.

The work of Julie Carroll in arranging meetings, air flights and general correspondence made the work of the research team considerably easier.

We are very grateful to the Queensland advisory group for their commitment and consistent support:
- Mr John Duggan, Cabinet Office
- Mr John Stalker, VETEC
- Mr John Whiteley, Queensland Rail

and to Mr Merv Fogarty, Mr Terry Simpson and Mr Merv Wilkinson from Queensland University of Technology for their assistance.

A number of people in the Office of Training and Further Education (OTFE), Victoria assisted with this study. In particular, James Tullio, manager of the Client Services Branch.

Others who assisted the consultants, Mr Russell Huntington and Ms Terri Clementson of The Wyatt Company in their work were Ms Sue Pelka, Ms Melinda Waldon and Ms Simone Thannhauser.

Our appreciation is expressed to those who took part in the survey, particular thanks is offered to those who participated in the two case studies at Telstra Learning and at Western Region Group Training Ltd.

At Telstra Learning interviews were conducted with:
- Ms Anne Diamond, national EEO manager, Telecom Australia
- Mr Frank Gallagher, national manager, Learning Methodologies and Materials Unit
- Mr Terry Hennessy, national manager, Outsourcing Unit
- Ms Judith Maddocks, national manager, Education and Industry Training Strategy and Telstra Learning Board
- Mr Bill Wyndham, principal telecommunications officer, Learning Methodologies and Materials Unit.
At Western Region Group Training Ltd interviews were conducted with:

- Mr Harry Brown, manager, Skills Centre
- Mr Tom Kinder, senior field officer
- Mr Fred Maddern, executive director, Western Region Commission
- Ms Pat O'Connell, project manager
- Mr Graham Saville, general manager.

Kate Barnett, project manager and manager for South Australia.

Professor Brian Hansford, head of curriculum and professional studies, Faculty of Education, Queensland University of Technology and manager for Queensland.

Peter Monie, Office of Training and Further Education and manager for Victoria.
Executive summary

Background

A key feature of national training reform is the promotion of competition between training providers in the delivery of vocational education and training. It is only recently that research has been undertaken which studies the role and operation of private providers within the vocational education and training system. The NCVER has undertaken a series of studies designed to enhance current understanding of these providers whose collective label 'private' providers gives the misleading impression that they are a homogeneous group. Our studies have separated providers into four groups:

- **commercial providers**—those who deliver training on a fee-for-service basis, either as individual consultants or as training colleges. These are the largest category numerically among private providers and include business colleges and management consultants.
- **adult community education providers**—these are usually government funded but also deliver training on a fee-for-service basis. Increasingly these providers are competing with commercial providers to deliver clearly vocational courses to individuals and to companies.
- **enterprise providers**—these providers deliver training within individual firms to employees, and sometimes, to other firms on a fee-for-service basis.
- **industry providers**—those delivering training across an industry or industry sector. Typical examples include group training companies, industry training advisory bodies and skill training centres.

The study presented here is a combined study of enterprise and industry training providers. It was intended that these would be studied as part of two separate research projects, but it was decided to combine both into a single study because of the relationship which exists between training at the industry and enterprise level.

Methodology

Information was collected from two main sources.

1. Two surveys, one with enterprise providers and one with industry providers, conducted in Queensland, Victoria and South Australia. These were undertaken by mail or by telephone interview, according to the preference of the interviewee, and from 90 responses sought (45 enterprise and 45 industry providers) a total of 72 providers formed the survey sample (36 enterprise and 36 industry providers). This provided a response rate of 80 per cent.

2. Case studies were undertaken with six providers, a pair of enterprise and industry providers in each of the three States involved—Queensland, Victoria and South Australia.
Sample profile

The majority of the enterprise providers (86.1 per cent) came from large organisations, that is, with more than 100 full-time employees. Industry providers varied in size (see section 3.1.1). For both types of providers, the total number of staff dedicated to training provision was usually ten or less individuals, and although there was a trend for this number to increase with the size of the organisation, the relationship was not significant statistically (see section 3.1.2). Among enterprise providers, these designated training personnel were most likely to be providing training in technical skills and, to a lesser extent, in interpersonal skills while industry providers were most likely to be providing training in managerial or supervisory skills (see section 3.1.3).

The sample was drawn from providers operating across a range of industries, most commonly from the retail industry among the enterprise provider group and within the industry provider sample, from building and construction and from food processing (see section 3.1.4).

Apart from these contrasts in characteristics, industry and enterprise providers also differed in their reliance on government funding to deliver training. Among the industry sample, 78.1 per cent had tendered to provide government-funded training programs, compared to 29.6 per cent of the enterprise sample. Government grants to deliver training were being received by 25 per cent of enterprise providers compared with 50 per cent of industry providers. Both groups were receiving government subsidies for apprenticeships and traineeships (see section 3.1.5).

Features of training provision

While both types of providers deliver training which is based directly on identified need, the nature of the training varies because of differences in each provider's role and stakeholders. Enterprise providers deliver training which is geared to the needs of an individual firm, with training being one feature of that firm's organisational processes. Industry providers target a range of enterprises across an industry or industry sector, and training is the central feature of the organisations to which these providers belong. This means that the enterprise provider addresses training needs which are highly specific to a particular organisation while the industry provider, in catering for a range of organisations, addresses training needs which are more generic.

The case studies of Email's laundry division (South Australia) and of BHP Australia Coal in Queensland provide further insight into the enterprise organisation's need for very specific training while the South Australian study of the polymer industry's skills training centre demonstrates the difficulties faced by an industry provider whose clients are small firms with varying training needs.
Training costs

The study sought an indication from providers about training costs, rather than a detailed analysis of individual costs related to training and found that training costs have different implications for each type of provider. Industry providers were heavily reliant on revenue from fee-for-service training in contrast to the enterprise provider sample, the majority of whom estimated that this revenue source contributed to less than 15 per cent of their total training budget. Among enterprise providers, most (52 per cent) were operating with a training budget which represented between one and five per cent of their total salary budget. About a third of the sample were unable to provide any sort of estimate of training-related costs (see section 4.1).

For all of the six providers case-studied, the perception of management was that training (especially competency-based training) had produced a range of observable improvements, and as such, meant that any costs involved represented a positive investment.

Level of training delivered

Providers were asked to relate the training they deliver to levels delineated in the Australian Standards Framework (ASF). Most of the training provided, for both industry and enterprise respondents, targets levels 1 to 4 of the ASF, but industry providers, according to their responses to the survey, were more likely than their enterprise counterparts to be delivering training at levels 6 to 8 of the ASF (see section 4.2).

It was interesting to note that 38.9 per cent of enterprise providers and 22.2 per cent of industry providers were not sufficiently familiar with the ASF to relate their training provision to this framework, which suggests the need for a targetted information strategy designed to increase providers' understanding (especially enterprise providers) of the Australian Standards Framework.

Access and equity provision

Access and equity issues were being addressed by both types of providers, with the groups receiving most attention by each provider being people of non-English-speaking backgrounds and people with literacy and numeracy difficulties. Three other groups with special needs were identified as receiving specific assistance from these providers and these were women, people of Aboriginal and Torres Strait Islander background and long-term unemployed people. Interestingly, the least nominated special needs group was people with a disability. This group was not identified by any of the enterprise provider sample as an access and equity target in their provision of training. From the information available, it is not possible to offer an explanation for this, but it does raise concern for this target group (see section 4.4).
Both enterprise and industry providers employed externally contracted training providers to assist them in their training role. These were most likely to be commercial private providers, usually individual training consultants (rather than training colleges). They were employed on an 'as-needs' basis to maximise flexibility. Where enterprise providers outsourced to obtain support in the design and delivery of customised training, industry providers used external training personnel only to deliver training.

After commercial private providers, TAFE was the second most frequently employed external training resource, with enterprise providers being more likely than their industry counterparts to contract training to TAFE. This may reflect the purposes for which external resources were used by each type of provider; enterprise providers were more likely to require assistance in training program design as well as in delivery (see section 4.5).

Enterprise providers were far more critical than were industry providers in rating their organisation’s approach to training. This may reflect the fact that training represents one aspect of a company’s operation and therefore, enterprise providers are constantly striving to improve training provision in competition with other aspects of an enterprise’s operation. Industry providers, on the other hand, can focus exclusively on their training role, and perhaps are able to more easily attain the standards they set for their training delivery (see section 4.6.1).

Those providers studied were more orientated to ‘best practice’ approaches than they were to benchmarking in setting standards for training. In cross-tabulating findings with those concerning organisational size, the trend was for large size organisations to not benchmark and to see their own organisation as a leader in their field, from which others could set benchmarks. Among industry providers, 50 per cent of those employing between 1001 and 5000 people did not benchmark, and among the enterprise sample, 40 per cent of those employing more than 10,000 people did not benchmark (see section 4.6.3).

The national training reform agenda was described by the survey sample as having made a noticeable impact on them, but this was more significant for industry providers than for enterprise providers (see section 4.7.6). From other information supplied in the survey process, it was apparent that the impact was linked to providers’ understanding of the agenda and its components. Industry providers described a slightly stronger level of understanding than did enterprise providers (see section 4.7.1) and in identifying which levels of their ASF were being addressed by their training programs.
### Recognition of prior learning

In relation to recognition of prior learning (RPL) industry providers were far more likely than enterprise providers to have made formal provision for RPL. This did not necessarily reflect a difference in commitment to RPL as a principle, but in most cases, arose from enterprise providers not having put in place the necessary procedures to implement RPL. Most of those surveyed indicated that they were unsure how to develop such procedures (see section 4.7.5). As one provider noted:

> Our training department is working on some process that is manageable... Sometimes this recognition is more complex than the training process.

This feedback, and that regarding the Australian Standards Framework suggests that there is a need for an information strategy targeting enterprise providers which will fill these and other gaps in their understanding of specific components of the national training reform agenda.

### Registration and accreditation

In general, the providers studied were supportive of the reasons underlying provider registration and course accreditation, because these were seen as quality control strategies. However, they were extremely hostile about what they perceived as the cumbersome, time-consuming and complex procedures involved, particularly those relating to course accreditation. These were seen as demanding more time, effort and input than providers were willing or able to supply and these findings should be of concern to national vocational education and training policy makers. It should also be noted that a number of changes have been made by state recognition units to registration and accreditation processes since our sample was interviewed. Such changes appear to address most of the problems identified by our respondents (see section 4.7.4).

Although accreditation represents a validation mechanism for courses delivered, providers regarded the aligning of courses to nationally endorsed competency standards as equally validating, and many had chosen to follow this path rather than that of accreditation because it was simpler and less time-consuming. One provider's comments summarise the general feeling of the majority of the survey groups:

> Why go to all the trouble when you can do it on your own with your own people and not have to put up with the frustration for no financial gains... We achieve just as much without being a registered provider and with less anguish.

Despite their antipathy most of those surveyed stated that they would recommend becoming a registered provider delivering accredited courses to other organisations, suggesting the value attached by them to quality controlled training. From the strength of providers' comments, the researchers have concluded that training reform would be boosted by a review of accreditation and registration.
procedures, and to ensure that this meets the needs of private sector training providers, it is essential that these stakeholders be significantly involved in that review.

It should also be remembered that a measure of administrative constraint is inevitable if quality control is to be attained. Many providers, accustomed to a lack of bureaucratic procedure in developing training programs for use within their own organisations, will have been somewhat shell-shocked by the level of detail required in submitting a curriculum document for accreditation. Courses receiving national recognition must be able to be delivered by a range of providers and are intended to be somewhat durable rather than once-off initiatives. The issue is that of determining a level at which quality can be obtained without unnecessary bureaucratic control.

Section 4.8 provides a summary of providers' views of the key threats and opportunities affecting training in Australia and of the three issues which they believe to warrant most urgent attention in relation to training. These highlighted the need to promote quality control in training, the need to simplify procedures associated with course accreditation, and the need to develop an effective network linking different types of training providers.

Change and training reform

The six case studies highlighted the significant amount of change being experienced by enterprise and industry training providers, with national training reform being one, albeit major, source of change. The study of Queensland Rail profiles an organisation which has undergone dramatic change induced by its transition from a government body to a private corporation, by the demand for enhanced productivity, by its adoption of award restructuring and of competency-based training, and its move away from predominantly on-the-job training to an extensive modularised training program. The organisation has been and remains in a state of extreme change and its training program has been driven by and underpins this change.

Like Queensland Rail, BHP Australia Coal has been influenced by a number of change factors, one of which is the national training reform agenda, which have demanded the development of a comprehensive training program. The program which has been implemented is competency-based and in module format. Telstra Learning also provides a profile of an organisation undergoing significant and continuing change as it responds to demand for product innovation, increased competitiveness, business globalisation and changing consumer need.

For all of the providers case-studied, it is difficult to clearly identify the impact of national training reform because this has been closely interwoven with other major sources of change. However, it is clear that aspects of the training reform agenda have been adopted (particularly competency-based training) and used to support overall
change. The degree to which this has occurred depends on the organisation itself and its particular needs, but in all cases studied, the linking factor has been the adoption of training practices which enhance flexibility.
1 Introduction

The national training reform agenda (NTRA) calls for a greater role to be played by private sector training providers, and for a more competitive training 'market' to be encouraged in the supply and delivery of vocational education and training. It is only recently that research has been undertaken which examines the role and operation of private providers within the vocational education and training (VET) system.

In the past three years, the NCVER has been conducting a series of research projects designed to increase existing understanding of VET providers other than TAFE. NCVER research staff believe that existing knowledge of training provision in Australia has been heavily focused towards TAFE, which reflects that provider's dominant role in the VET sector. Equivalent knowledge about other players in the VET system has been lacking.

In designing research to address this knowledge gap, the NCVER has categorised other VET providers into four main groups, with the acknowledgement that the boundaries separating them are more fluid than fixed. These four categories involve:

- **Commercial providers**—private sector providers delivering training on a fee-for-service basis, either as individual consultants or as training colleges. These are the largest category numerically among private providers in Australia and typical examples are computer training colleges, business colleges and management consultants;

- **Adult community education (ACE) providers**—these are usually government funded but also deliver training on a fee-for-service basis both to individual students and to firms. Increasingly, these providers are offering clearly vocational courses, and competing with commercial providers to do so;

- **Enterprise providers**—training providers who deliver training to employees within individual firms, and sometimes, to other organisations on a fee-for-service basis;

- **Industry providers**—these providers deliver training to a range of firms across an industry or industry sector. Typical examples include skills training centres and group training companies.

All of these providers are often grouped as a collective under the label 'private providers', which can be somewhat misleading, partly because this gives the impression that private providers are a homogeneous group, and because some providers traverse more than one category of provider. ACE providers often deliver within the adult community education sector while operating as commercial providers in delivering fee-for-service vocational programs.
Skillshare providers receive government funding to provide training to disadvantaged groups, but compete to deliver this training.

Consequently, this classification of these different types of providers is based on a group sharing predominantly similar characteristics, which allows researchers to separate research into more manageable project units. Prior to the preparation of this report, NCVER research on 'commercial' providers and that focusing on ACE providers was completed. (These projects are reported in two NCVER publications—Blurring the boundaries 1994 and Challenges and choices 1994.) It was intended that the two remaining categories of providers would be the subject of separate studies, but given that the relationship between training at the enterprise level and across enterprises at the industry level is in itself a subject for research, it was decided to combine both into the single study which is reported here.

Apart from seeking to increase our understanding of the way in which training is provided at the enterprise and industry levels, and of the key influences (both positive and negative) on this provision, this research has also been motivated by the aim of exploring the impact of national training reform on private providers. The NTRA is designed to be driven by industry, and among the issues explored in our research has been the degree of understanding of the NTRA among providers at the enterprise and industry level and their perception of its impact on their training provision.
2 Project aim and objectives

The project has been guided by this aim:

*To enhance current information and knowledge about the role being played by industry and enterprise training providers in delivering vocational education and training in Australia.*

The project was guided by the following objectives.

1. To identify and explore the distinctive features of industry-based and enterprise-based training provision.
2. To identify the major features of industry-based and enterprise-based training providers and their approach to training.
3. To identify examples of best practice in workplace training.
4. To explore the implications for TAFE of the relative roles and responsibilities of industry and enterprise training providers.
5. To explore the ways in which training is recognised in the workplace in such areas as recognition of prior learning, recognition of formal as opposed to informal training and recognition of pathways with other training sectors.
6. To investigate the relationship between elements of the national training reform agenda (e.g. competency-based training) and industry-based and enterprise-based training provision.
7. To identify attitudes towards and provision made in relation to access and equity issues.
8. To examine the changing role of enterprise-based training and of industry-based training providers and the implications of this role for the vocational education and training system.
3 Methodology

In pursuing these eight objectives, a four-phase methodology was constructed involving:

- a review of relevant policy documentation and research to provide a theoretical framework for the study and to guide the design of information collection processes for the project;
- the design and conduct of two surveys, one with enterprise providers and one with industry providers of training;
- case studies of six providers, three providing training within an enterprise and three providing training across an industry, with one pair of enterprise and industry providers being studied in each of the three States involved—South Australia, Victoria and Queensland;
- written reporting drawing together the findings emerging from the two surveys and from the six case studies.

The case studies

Six case studies were undertaken, three of an enterprise provider and three of an industry provider. These providers were drawn from the primary production, manufacturing and services sectors. The enterprise providers studied were:

- the laundry division of Email Limited (South Australia)
- BHP Australia Coal (Queensland)
- Telstra Learning (Victoria)

while the industry providers studied were:

- Polytec (South Australian plastics industry skills training centre)
- Queensland Rail
- Western Region Group Training Company (Victoria).

Information obtained for the case studies was derived from structured interview schedules conducted on-site with key personnel from the organisation being studied. The case studies provide an in-depth view of how individual providers address training issues and are designed to complement the quantitative, and more global information obtained from the surveys. (The case studies appear as appendices 1 to 6, and an overview of their findings appears in section 5 of this report.)

The surveys

Two surveys were conducted, one being designed for enterprise providers and the other for industry providers. Each survey had a common core of questions and information was collected about the key issues needing to be addressed in the provision of workplace training, the changes which are facing industry and enterprise providers and in particular those changes associated with national training reform. Specifically, this involved the following areas of enquiry:

- profile characteristics (number of full-time employees, industry grouping, types of training delivered, dedicated training resources);
• training delivery details (use of external training providers, their role and their effectiveness, contribution of government funding for training delivery, Australian Standards Framework levels targeted, entry level training provided, key areas of training demand, attention to access and equity issues);
• setting standards for training—the use of benchmarking and/or ‘best practice’;
• impact of the Training Reform Agenda (competency-based training, involvement in registration and accreditation processes, use of Recognition of Prior Learning, and impact of the agenda in general);
• key issues to be addressed in the delivery of training.

The survey sample was drawn from training providers registered with the State recognition units in South Australia, Queensland and Victoria. Registered providers were selected for study in order to obtain feedback about the registration and accreditation processes from a provider perspective. By restricting the sample to registered providers it was recognised that this would bias the sample, but as a key component of the study was examining the impact of training reform on providers, it was assumed by the researchers that registered providers would be relatively well established and would be relatively well informed regarding training issues and training reform.

In South Australia, the number of registered providers falling within the project’s categories of ‘enterprise’ and ‘industry’ providers was less than fifty at the time of sample selection. 30 providers (15 from each category) were contacted by mail in the first instance, and then by follow-up telephone call to obtain their agreement to participate in the survey. They were given the choice of a telephone interview or of completing the questionnaire and returning it to the NCVER. Most chose to complete the questionnaire and from the initial group of 30, twenty two (77.3 per cent) participated. Ten of these were enterprise-based and 12 were industry-based.

In Victoria, there was a large group of registered providers from which to obtain a sample for survey purposes. The sample selected from this group were interviewed by telephone with a copy of the questionnaire having been faxed to respondents prior to the interview. From the 30 contacted, 29 (96.7 per cent) successfully completed the survey. Of these, 15 were enterprise and 14 were industry providers.

In Queensland, as in South Australia, there was a limited pool of registered industry and enterprise providers from which to draw a sample. The Queensland-based research team also experienced considerable difficulty in obtaining providers willing to participate in the survey. Some of those approached were concerned about the information required in some questions while others were simply unwilling to be involved. As in South Australia, respondents were given the choice of completing the questionnaire by mail or through a
telephone interview and the majority chose the latter option. From the 30 providers approached, 21 agreed to participate (70 per cent). Of these, 10 were industry providers and 11 were enterprise providers.

Table 3.1: The survey sample

<table>
<thead>
<tr>
<th>Location</th>
<th>Enterprise providers</th>
<th>Industry providers</th>
<th>Total providers (n)</th>
<th>Total providers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Australia</td>
<td>10</td>
<td>12</td>
<td>22</td>
<td>30.5</td>
</tr>
<tr>
<td>Victoria</td>
<td>15</td>
<td>14</td>
<td>29</td>
<td>40.3</td>
</tr>
<tr>
<td>Queensland</td>
<td>11</td>
<td>10</td>
<td>21</td>
<td>29.2</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>36</td>
<td>72</td>
<td>100.0</td>
</tr>
</tbody>
</table>

A profile of these participating providers appears in section 3.1.

(Note: In presenting survey findings, only valid percentages are stated—that is, non-responses to individual questions have been excluded in calculating percentage responses.)

3.1 Profile of the survey sample

3.1.1 Size of the organisation

The majority (86.1 per cent) of the enterprise providers studied came from large size organisations, that is, with more than 100 full-time employees. The ABS definition of ‘small’, ‘medium’ and ‘large’ organisations is based on employee numbers of 1 to 19, 20 to 99 and 100 or more respectively. Industry providers varied in size, with 25 per cent being small in size, 41.7 per cent being of medium size and the remaining 33.4 per cent being large in size.

Charts 1 and 2 depict these differences in size.

The survey of enterprise providers sought information about the relative proportions of full-time, part-time and casual employees. Most of the sample group employed more full-time than part-time staff. For 82.9 per cent of the enterprise provider group, full-time staff represented between 80 per cent and 100 per cent of all staff. For 85.7 per cent of these providers, casual employees represented less than 20 per cent of all employees in their organisation.

3.1.2 Dedicated staff training resources

Within the total number of employees the proportion of staff dedicated specifically to providing training was usually 10 or less individuals, for both industry and enterprise providers. 74.3 per cent of industry providers and 57.2 per cent of enterprise providers had ten or less staff designated with training responsibilities. When the number of designated training staff was cross-tabulated with the number of total employees, it was found that the number of training staff increased with the size of the organisation concerned, which is not surprising, but this relationship was not statistically significant.
Chart 1: Size of enterprise organisations

Chart 2: Size of industry organisations

A study of industry and enterprise training providers in Australia
3.1.3 Type of training provided by designated staff

Providers were asked to estimate the allocation made of dedicated training personnel to three key areas of training—technical skills, interpersonal skills and managerial and/or supervisory skills.

Among enterprise providers, designated training staff were most likely to be involved in delivering training in the areas of technical skills and, to a lesser extent, interpersonal skills. Industry providers revealed a different pattern, with designated training staff being most likely to be providing training in managerial or supervisory skills.

3.1.4 Relevant industry categories

As a group, the sample of enterprise and industry providers delivers training across a range of industries, the most common among the enterprise provider sample being the retail industry, followed by manufacturing, engineering and related services, and communications, information technology and printing. Among industry providers, the two most common industry categories were those of building and construction and food processing. Table 3.2 describes the industry groups applying to the sample.

Table 3.2: Industry categories applicable to the sample

<table>
<thead>
<tr>
<th>Industry category</th>
<th>Enterprise provider (n)</th>
<th>Industry provider (n)</th>
<th>Total providers (n)</th>
<th>Total providers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>11.1</td>
</tr>
<tr>
<td>Building and construction</td>
<td>-</td>
<td>6</td>
<td>6</td>
<td>8.3</td>
</tr>
<tr>
<td>Communications, information technology and printing</td>
<td>6</td>
<td>3</td>
<td>9</td>
<td>12.5</td>
</tr>
<tr>
<td>Community services and health</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>Finance, banking, insurance and office skills</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>9.7</td>
</tr>
<tr>
<td>Food processing</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td>9.7</td>
</tr>
<tr>
<td>Light manufacturing</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Manufacturing, engineering and related services</td>
<td>6</td>
<td>4</td>
<td>10</td>
<td>13.9</td>
</tr>
<tr>
<td>Mining</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Primary industries</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>4.2</td>
</tr>
<tr>
<td>Process manufacturing</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Retail, wholesale and associated services</td>
<td>7</td>
<td>4</td>
<td>11</td>
<td>15.3</td>
</tr>
<tr>
<td>Tourism and hospitality</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>Transport and distribution</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8.3</td>
</tr>
<tr>
<td>Utilities</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>42</td>
<td>52</td>
<td>94</td>
<td>*</td>
</tr>
</tbody>
</table>

*Some providers were operating across more than a single industry, and for this reason, a total percentage figure is not relevant.
Industry providers were far more likely than their enterprise counterparts to be receiving government funding to deliver training. Of the industry provider sample 78.1 per cent had tendered to deliver government-funded training programs, compared with 29.6 per cent of the enterprise provider sample. Government grants to deliver training were being received by 25 per cent of enterprise providers compared with 50 per cent of the industry provider sample. Both groups were receiving government subsidies (for apprenticeships and traineeships).
4 Findings

4.1 Costs related to training provision

A full analysis of economic activity was not sought but rather an overview of providers' allocation of resources for training. It was expected that training costs would not be itemised—our case study fieldwork had identified the difficulties faced by most providers in calculating all components related to training cost, and the fact that a third of the sample were unable to provide even an estimate supported our expectation.

Enterprise providers were asked to estimate the proportion of their firm's annual total salary budget dedicated to training provision. Eleven of the 36 studied were unable to do this. Of the remaining 25 most (52 per cent) were operating with a training budget which represented between one and five per cent of their total salary budget. Table 4.1 provides these details.

Table 4.1 Training budget as a proportion of total salary budget

<table>
<thead>
<tr>
<th>Training budget as a % of total salary budget</th>
<th>No. of enterprises</th>
<th>% of enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 1.0% and 2.0%</td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td>Between 3.0% and 5.0%</td>
<td>8</td>
<td>32.0</td>
</tr>
<tr>
<td>Between 6.0% and 8.0%</td>
<td>7</td>
<td>28.0</td>
</tr>
<tr>
<td>Between 9.0% and 11.0%</td>
<td>1</td>
<td>4.0</td>
</tr>
<tr>
<td>Up to 20.0%</td>
<td>4</td>
<td>16.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Industry training providers were heavily reliant on revenue raised from fee-for-service training activities to support their training budget. For 22.2 per cent of these providers, fees raised between 95 per cent and 100 per cent of their budget, and for an additional 16.8 per cent of providers, contributed to approximately half of their training income. This stood in contrast to the enterprise provider sample, the majority (73.3 per cent) of whom estimated that revenue from fee-for-service training contributed to less than 15 per cent of their total training budget. This is expected given that most industry providers have training as their primary role and purpose while enterprise providers deliver training for and on behalf of an individual enterprise.

4.2 Level of training delivered

Providers were asked to relate the training they deliver to the levels delineated in the Australian Standards Framework (ASF). Most of the training provided, for both sample groups, targets levels 1 to 4 of the ASF. Both groups of providers were training apprentices and trainees, with each group providing more traineeships than apprenticeships. Industry providers were more likely than their enterprise counterparts to be delivering training at levels 6 to 8 of the ASF. Given that the upper levels of the ASF (levels 7 and 8) involve courses...
delivered by university or TAFE providers, and that our sample excludes these providers, the researchers query the responses of those providers who have indicated that their training falls within these upper levels. It is likely that this reflects misunderstanding of the framework. Table 4.2 describes the ASF levels at which training is being delivered by each group of providers.

It is interesting to note that 38.9 per cent of enterprise providers and 22.2 per cent of industry providers were not sufficiently familiar with the ASF to relate their training provision to this framework, which suggests the need for a targeted information strategy designed to increase providers' (especially enterprise providers') understanding of the Australian Standards Framework.

Table 4.2: Level of training delivered by industry and enterprise providers

<table>
<thead>
<tr>
<th>ASF level</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>12</td>
<td>33.3</td>
<td>6</td>
<td>16.7</td>
<td>18</td>
<td>25.0</td>
</tr>
<tr>
<td>Level 2</td>
<td>16</td>
<td>44.4</td>
<td>10</td>
<td>27.8</td>
<td>26</td>
<td>36.1</td>
</tr>
<tr>
<td>Level 3</td>
<td>14</td>
<td>38.8</td>
<td>13</td>
<td>36.1</td>
<td>27</td>
<td>37.4</td>
</tr>
<tr>
<td>Level 4</td>
<td>11</td>
<td>30.6</td>
<td>6</td>
<td>16.7</td>
<td>17</td>
<td>23.6</td>
</tr>
<tr>
<td>Level 5</td>
<td>4</td>
<td>11.1</td>
<td>4</td>
<td>11.1</td>
<td>8</td>
<td>11.1</td>
</tr>
<tr>
<td>Level 6</td>
<td>4</td>
<td>11.1</td>
<td>2</td>
<td>5.6</td>
<td>6</td>
<td>8.3</td>
</tr>
<tr>
<td>Level 7</td>
<td>3</td>
<td>8.3</td>
<td>1</td>
<td>2.8</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>Level 8</td>
<td>3</td>
<td>8.3</td>
<td>1</td>
<td>2.8</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>Don't know</td>
<td>8</td>
<td>22.2</td>
<td>14</td>
<td>38.9</td>
<td>22</td>
<td>30.5</td>
</tr>
</tbody>
</table>

4.3 Type of training provided

Providers were asked to rank seven main areas of training provision according to demand. For both industry and enterprise providers demand for specific types of training was highly similar. Table 4.3 describes these patterns of demand.

4.4 Access and equity provision

Survey respondents were asked if they identified any groups whose special needs required the design of specific training strategies. The groups most often identified by each provider group were people of non-English speaking background (NESB), who were identified by 38.9 per cent of enterprise providers and 27.8 per cent of industry providers, and people with literacy and numeracy difficulties. These were identified by 30.6 per cent of industry providers and 36.1 per cent of enterprise providers.

Other groups identified were women, especially those working in non-traditional areas of employment for women, and Aboriginal and Torres Strait Islander people. Industry providers also identified long term unemployed people, and some of these providers were delivering training programs for this target group. Interestingly, only industry providers identified people with a disability as a special
needs group, and they were identified by fewer providers than was any other group with known access and equity difficulties. Table 4.4 describes the identification of special needs groups by each type of training provider.

<table>
<thead>
<tr>
<th>Level of demand</th>
<th>Enterprise providers</th>
<th>Industry providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>Training delivery</td>
<td>Training delivery</td>
</tr>
<tr>
<td>Second</td>
<td>On-the-job coach training</td>
<td>Trainer training</td>
</tr>
<tr>
<td>Third</td>
<td>Needs analysis/curriculum design</td>
<td>Needs analysis/curriculum design</td>
</tr>
<tr>
<td>Fourth</td>
<td>Competencies definition</td>
<td>On-the-job coach training</td>
</tr>
<tr>
<td>Fifth</td>
<td>Training evaluation</td>
<td>Training planning</td>
</tr>
<tr>
<td>Sixth</td>
<td>Training planning</td>
<td>Competencies definition</td>
</tr>
<tr>
<td>Seventh</td>
<td>Trainer training</td>
<td>Training evaluation</td>
</tr>
</tbody>
</table>

Table 4.4: Providers’ identification of special needs groups

<table>
<thead>
<tr>
<th>Group identified</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People of NESB</td>
<td>14</td>
<td>38.9</td>
<td>10</td>
<td>27.8</td>
<td>24</td>
<td>33.3</td>
</tr>
<tr>
<td>Literacy/numeracy</td>
<td>13</td>
<td>36.1</td>
<td>11</td>
<td>30.6</td>
<td>24</td>
<td>33.3</td>
</tr>
<tr>
<td>Aborigines and Torres Strait Islanders</td>
<td>6</td>
<td>16.7</td>
<td>4</td>
<td>11.1</td>
<td>10</td>
<td>13.9</td>
</tr>
<tr>
<td>Women</td>
<td>5</td>
<td>13.9</td>
<td>5</td>
<td>13.9</td>
<td>10</td>
<td>13.9</td>
</tr>
<tr>
<td>Unemployed</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>13.9</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>With a disability</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>8.3</td>
<td>3</td>
<td>8.3</td>
</tr>
</tbody>
</table>

In responding to the needs of identified groups, providers recorded a range of strategies which they had implemented. For people of NESB these included:
- avoiding a reliance on written communication;
- providing as individualised an approach as possible;
- using interpreters or translators on an ‘as needs’ basis;
- providing special courses for people of NESB;
- providing language courses, including English as a Second Language (ESL);
- special induction courses;
- one-to-one teaching;
- self-paced learning techniques.

For people with low levels of literacy and numeracy these strategies were used:
- provision of an on-site learning centre;
- self-paced learning techniques;
A study of industry and enterprise training providers in Australia

- one-to-one teaching;
- 'hands-on' learning approach;
- provision of a literacy and numeracy program.

Special programs were also described as having been designed specifically for women and these included:
- separate programs for women;
- drawing on a specialist agency (Affirmative Action in Training, Victoria).

The needs of Aboriginal and Torres Strait Islander people have been addressed by these strategies:
- the use of Aboriginal 'mentors';
- special pre-employment training programs;
- the employment of Aboriginal training personnel.

4.5 Contracting of external training resources

Most of the 72 providers studied (88.6 per cent of enterprise and industry providers) employed external training personnel to deliver training for them. In most instances, this occurred on an 'ad hoc'/'as needs' basis. For both industry and enterprise providers, this was most likely to involve less than ten individuals being contracted annually to provide training. In most instances, such training personnel were drawn from private providers, either individuals or training organisations. TAFE was the second most likely type of provider to be contracted by both industry and enterprise providers.

Table 4.5 depicts the range of providers employed. It can be seen that enterprise providers were more likely than their industry counterparts to employ TAFE and university personnel, and equipment suppliers to deliver training. Industry providers were more likely than enterprise providers to employ community providers, a group which increasingly is competing with private providers to deliver labour market and work-based training.

While both groups of providers studied sought most external training support from private providers, for industry providers this was overwhelmingly the case, with 90.9 per cent (compared with 77.8 per cent of enterprise providers) indicating that they contract training from this source. (As more than one response was possible, totals in Table 4.5 will exceed 100 per cent.)

4.5.1 Role played by externally contracted training personnel

Enterprise and industry training providers contracted external training personnel for similar purposes. Industry and enterprise providers were most likely to employ external trainers to design and deliver customised training. However, industry providers were more likely than enterprise providers to outsource for training delivery only while enterprise providers were more likely to outsource for the design of customised training, without a delivery component. Table 4.6 provides these details. (Providers were able to select more than
one response and for this reason percentage responses exceed a 100 per cent total.)

Table 4.5: External training resources used by industry and enterprise providers

<table>
<thead>
<tr>
<th>Type of training resource</th>
<th>No. of Enterprise providers</th>
<th>% of Enterprise providers</th>
<th>No. of Industry providers</th>
<th>% of Industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private provider</td>
<td>28</td>
<td>77.8</td>
<td>30</td>
<td>90.9</td>
<td>58</td>
<td>84.3</td>
</tr>
<tr>
<td>TAFE</td>
<td>25</td>
<td>69.4</td>
<td>18</td>
<td>54.5</td>
<td>43</td>
<td>61.9</td>
</tr>
<tr>
<td>University</td>
<td>15</td>
<td>41.7</td>
<td>4</td>
<td>12.1</td>
<td>19</td>
<td>26.9</td>
</tr>
<tr>
<td>Equipment supplier</td>
<td>10</td>
<td>27.8</td>
<td>2</td>
<td>6.1</td>
<td>12</td>
<td>16.9</td>
</tr>
<tr>
<td>Community provider</td>
<td>1</td>
<td>2.8</td>
<td>2</td>
<td>6.1</td>
<td>3</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Table 4.6: Role played by externally contracted training personnel

<table>
<thead>
<tr>
<th>Role</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide advice</td>
<td>1</td>
<td>3.1</td>
<td>3</td>
<td>8.8</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td>Research</td>
<td>1</td>
<td>3.1</td>
<td>3</td>
<td>8.8</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td>Deliver training</td>
<td>11</td>
<td>34.3</td>
<td>14</td>
<td>41.2</td>
<td>25</td>
<td>34.7</td>
</tr>
<tr>
<td>Design customised training</td>
<td>17</td>
<td>6.3</td>
<td>-</td>
<td>-</td>
<td>17</td>
<td>23.6</td>
</tr>
<tr>
<td>Design and deliver customised training</td>
<td>2</td>
<td>53.1</td>
<td>14</td>
<td>41.2</td>
<td>16</td>
<td>22.2</td>
</tr>
</tbody>
</table>

4.5.2 Effectiveness of externally contracted providers

Providers were also asked to rate the effectiveness of the training provided for them by these external resources. Private providers received the highest number of 'excellent' ratings by both industry and enterprise respondents. Universities were rated as excellent by two industry respondents but not by any of the enterprise sample. TAFE received ratings of 'excellent' from one enterprise provider and two industry providers. Private providers did not receive any ratings of a negative kind.

TAFE providers received most of their ratings in the categories 'good' and 'strong', and were more favourably rated by enterprise than by industry providers. TAFE was the only type of externally contracted provider to receive a 'poor' rating by industry providers. Tables 4.7 and 4.8 depict the ratings received by each type of external provider contracted by the sample.
Table 4.7: Enterprise providers' rating of externally contracted training

<table>
<thead>
<tr>
<th>Rating</th>
<th>Private provider (n)</th>
<th>TAFE (n)</th>
<th>University (n)</th>
<th>Community provider (n)</th>
<th>Equipment supplier (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>6</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Strong</td>
<td>14</td>
<td>8</td>
<td>5</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Good</td>
<td>8</td>
<td>11</td>
<td>9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fair</td>
<td>-</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Poor</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 4.8: Industry providers' rating of externally contracted training

<table>
<thead>
<tr>
<th>Rating</th>
<th>Private provider (n)</th>
<th>TAFE (n)</th>
<th>University (n)</th>
<th>Community provider (n)</th>
<th>Equipment supplier (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>11</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Strong</td>
<td>13</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Good</td>
<td>5</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Fair</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Poor</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

4.6 Setting standards for training

4.6.1 Approach to training

Enterprise providers were far more critical than their industry counterparts in rating their organisation's approach to training. This may reflect the fact that training represents one aspect of a company’s operations and, therefore, enterprise providers are constantly striving to improve training provision in competition with other aspects of an enterprise’s operation. Because training is only one factor contributing to successful outcomes, this reduces perceptions of its strength. Industry training providers, on the other hand, can focus exclusively on their training role, and perhaps are able to more easily attain the standards they set for their training delivery.

Respondents were asked to rate their organisation’s approach to training, taking one of four possible descriptions—namely, ‘fragmented’, ‘fair’, ‘strong’ or ‘leading edge’. In doing so, 52.9 per cent of industry providers selected the category ‘leading edge’, in comparison with 28.1 per cent of enterprise providers. Enterprise providers were most likely to assign the rating of ‘strong’ to their company’s approach to training (43.7 per cent). Charts 3 and 4 depict the provider sample’s assessment of their organisation’s approach to training, which while different for each of the two types of provider, is generally positive.
Chart 3: Enterprise providers’ rating of their organisation’s approach to training

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fragmented</td>
<td>3</td>
</tr>
<tr>
<td>Fair</td>
<td>6</td>
</tr>
<tr>
<td>Strong</td>
<td>14</td>
</tr>
<tr>
<td>Leading edge</td>
<td>9</td>
</tr>
</tbody>
</table>

Chart 4: Industry providers’ rating of their organisation’s approach to training

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fragmented</td>
<td>0</td>
</tr>
<tr>
<td>Fair</td>
<td>1</td>
</tr>
<tr>
<td>Strong</td>
<td>15</td>
</tr>
<tr>
<td>Leading edge</td>
<td>18</td>
</tr>
</tbody>
</table>
4.6.2 Capacity to meet business targets set for training

Enterprise providers were also more self-critical than industry providers in assessing their organisation’s current capacity to meet business targets in relation to training provision. 63.6 per cent of enterprise providers, as distinct from 77.8 per cent of industry providers, stated that they were meeting these targets. Table 4.9 summarises these responses.

Table 4.9: Business targets attained in relation to training provision

<table>
<thead>
<tr>
<th>Business target attained</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attained</td>
<td>21</td>
<td>63.6</td>
<td>28</td>
<td>77.8</td>
</tr>
<tr>
<td>Not attained</td>
<td>7</td>
<td>21.2</td>
<td>5</td>
<td>13.9</td>
</tr>
<tr>
<td>Unsure</td>
<td>5</td>
<td>15.2</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33</td>
<td>100.0</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.6.3 Use of benchmarking and 'best practice'

Table 4.10 and 4.11 depict the sample’s choice of sources for establishing standards in relation to training. (It should be noted that respondents were able to select more than one response for this question.) In relation to best practice, both types of providers favour internal standards, and theoretical frameworks, to identify and determine standards for best practice. Industry providers also use as sources for best practice leaders in their own field and competitors.

Table 4.10: Sources used to determine ‘best practice’

<table>
<thead>
<tr>
<th>Source</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal standards</td>
<td>12</td>
<td>33.3</td>
<td>14</td>
<td>38.9</td>
<td>26</td>
<td>36.1</td>
</tr>
<tr>
<td>Leader(s) in same field</td>
<td>2</td>
<td>5.6</td>
<td>10</td>
<td>27.8</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>One particular organisation</td>
<td>4</td>
<td>11.1</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td>Theoretical framework</td>
<td>18</td>
<td>50.0</td>
<td>13</td>
<td>36.1</td>
<td>31</td>
<td>43.0</td>
</tr>
<tr>
<td>Competitors</td>
<td>2</td>
<td>5.6</td>
<td>8</td>
<td>22.2</td>
<td>10</td>
<td>13.9</td>
</tr>
<tr>
<td>Unsure</td>
<td>2</td>
<td>5.6</td>
<td>2</td>
<td>5.6</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td>Don’t identify ‘best practice’</td>
<td>4</td>
<td>11.1</td>
<td>5</td>
<td>13.9</td>
<td>9</td>
<td>12.5</td>
</tr>
</tbody>
</table>

In relation to benchmarking, the most commonly used source, for both groups of providers, was ‘internal standards’. Given that benchmarking is a strategy which involves establishing comparative standards with external sources, the researchers have concluded that providers were more oriented to best practice than they were to benchmarking. For industry providers, theoretical frameworks were made use of to a greater degree than they were by enterprise.
providers. By contrast, enterprise providers made greater use of one particular organisation to set benchmarks.

In cross-tabulating these findings with those related to the size of a provider's organisation, the trend emerging was for large size organisations to not benchmark and to see their own organisation as a leader in their field, from which others could set their benchmarks. Among industry providers, 50 per cent of those employing between 1001 and 5000 people did not benchmark. Among the enterprise sample, 40 per cent of those employing more than 10 000 people did not benchmark.

Table 4.11: Sources used to benchmark

<table>
<thead>
<tr>
<th>Source</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal standards</td>
<td>11</td>
<td>30.6</td>
<td>9</td>
<td>25.0</td>
<td>20</td>
<td>27.8</td>
</tr>
<tr>
<td>Leader(s) in same field</td>
<td>3</td>
<td>8.3</td>
<td>5</td>
<td>13.9</td>
<td>8</td>
<td>11.1</td>
</tr>
<tr>
<td>One particular organisation</td>
<td>8</td>
<td>22.2</td>
<td>3</td>
<td>8.3</td>
<td>11</td>
<td>15.3</td>
</tr>
<tr>
<td>Theoretical framework</td>
<td>2</td>
<td>5.6</td>
<td>7</td>
<td>19.4</td>
<td>9</td>
<td>12.5</td>
</tr>
<tr>
<td>Competitors</td>
<td>7</td>
<td>19.4</td>
<td>12</td>
<td>33.3</td>
<td>19</td>
<td>26.4</td>
</tr>
<tr>
<td>International research</td>
<td>4</td>
<td>11.1</td>
<td>2</td>
<td>5.6</td>
<td>6</td>
<td>8.3</td>
</tr>
<tr>
<td>Unsure</td>
<td>3</td>
<td>8.3</td>
<td>4</td>
<td>11.1</td>
<td>7</td>
<td>9.7</td>
</tr>
<tr>
<td>Don’t benchmark</td>
<td>6</td>
<td>16.7</td>
<td>4</td>
<td>11.1</td>
<td>10</td>
<td>13.9</td>
</tr>
</tbody>
</table>

4.7 Impact of national training reform

Survey respondents were asked to provide information about their involvement with a number of the components which comprise the collection of reforms known as the national training reform agenda (NTRA). These components were identified as being of crucial concern to training providers consulted in the design of the surveys. The components concern:

- provider registration processes
- course accreditation processes
- recognition of learning
- competency-based training.

Providers were also asked to describe their experience in general with national training reform and to assess the impact of this reform on their individual training efforts.

4.7.1 Understanding of the national training reform agenda (NTRA)

We asked survey participants to rate their understanding of the NTRA and found that industry providers displayed generally stronger levels of understanding than did enterprise providers. Table 4.12 summarises this pattern.
In obtaining their understanding of national training reform providers had relied on two main sources of information—written materials, mostly supplied by government authorities (such as, ANTA, TAFE) and interactive information sessions, such as, workshops. Industry providers were more likely than their enterprise counterparts to access information in a written form. Despite the information provided to date, our information, while based on a relatively small number of providers, suggests the need for government to develop an information strategy targeting training providers.

### 4.7.2 Application of competency standards within enterprises

Enterprise providers were asked to indicate whether or not they had invested in identifying competencies for specific areas of work within their organisation and 86.1 per cent indicated that this had occurred. Table 4.13 describes the percentage of jobs which had been re-defined to reflect competency standards.

### Table 4.13: Percentage of jobs within enterprises based on identified competency standards

<table>
<thead>
<tr>
<th>% of jobs based on competency standards</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5.0</td>
<td>2</td>
<td>6.5</td>
</tr>
<tr>
<td>6.0–10.0</td>
<td>4</td>
<td>12.9</td>
</tr>
<tr>
<td>11.0 – 20.0</td>
<td>4</td>
<td>12.9</td>
</tr>
<tr>
<td>21.0 – 50.0</td>
<td>10</td>
<td>32.3</td>
</tr>
<tr>
<td>51.0 – 100.0</td>
<td>11</td>
<td>35.4</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Of the industry providers in the sample, 27 (79 per cent) had participated in industry initiatives which defined competencies for particular jobs. These providers were asked to estimate the percentage of jobs across their particular industry which had been re-defined to meet competency standards. 46.4 per cent indicated that
between 51 per cent and 100 per cent of jobs had been aligned to competency standards. Table 4.14 provides these details.

Table 4.14: Percentage of jobs across industry based on identified competency standards

<table>
<thead>
<tr>
<th>% of jobs based on competency standards</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5.0</td>
<td>1</td>
<td>3.6</td>
</tr>
<tr>
<td>6.0–10.0</td>
<td>3</td>
<td>10.7</td>
</tr>
<tr>
<td>11.0–20.0</td>
<td>4</td>
<td>14.3</td>
</tr>
<tr>
<td>21.0–50.0</td>
<td>6</td>
<td>21.4</td>
</tr>
<tr>
<td>51.0–100.0</td>
<td>13</td>
<td>46.4</td>
</tr>
<tr>
<td>Unsure</td>
<td>1</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.7.3 Costs associated with defining work on a competency basis

Thirty of the 36 enterprise providers studied gave a range of amounts in estimating the cost to their organisation in defining work on the basis of competency standards. As Table 4.15 indicates, this ranged from under $20 000 to more than $500 000. Of the 30 responding to this question, nine were unable to provide any estimate.

It is interesting that of the remaining 21 providers, 78.1 per cent believed that the exercise had yielded the benefits which they expected when initiating the move to a competency basis.

Table 4.15: Cost to enterprises of re-defining jobs to reflect competency standards

<table>
<thead>
<tr>
<th>Cost to date</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0–19 999</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>$20 000–39 999</td>
<td>1</td>
<td>3.4</td>
</tr>
<tr>
<td>$40 000–59 999</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>$60 000–199 999</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>$200 000–499 999</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>$500 000 plus</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Unable to say</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.7.4 Registration and accreditation processes

In general, the providers studied were supportive of the reasons underlying provider registration and course accreditation, because these were seen as quality control strategies. However, they were extremely hostile about what they perceived as the cumbersome, time-consuming and complex procedures involved, particularly those relating to course accreditation.
Providers were asked to summarise in one word their experience of the registration and accreditation processes in their own state and nationally. (Thirty-one industry and 33 enterprise providers responded to this item.)

Registration

Both industry and enterprise providers reported mixed experiences with the State registration process. Ten of the enterprise group (30.3 per cent) and 10 of the industry group (32.3 per cent) made essentially positive remarks about their experience (for example, ‘satisfactory’, ‘easy’). Negative experiences were reported by 23 enterprise providers (69.7 per cent) and 21 (67.7 per cent) industry providers, describing the process as ‘complex’, ‘daunting’, ‘exhausting’, ‘bureaucratic’, ‘tedious’ and ‘chaotic’. One provider, commenting on the complexity made this comment:

It's a joke. The rules differ as much as the bureaucrats' understanding does.

Another commented:

The whole process is a farce. No-one is co-ordinated or in control, although everyone seems to have authority. There is no structure and they openly admit they don't have it all under control.

Among those with essentially positive feedback about the process, one provider made this qualifying comment:

It depends who you deal with. Some staff are helpful, others would not get a job in any real private industry—staff selection needs a real look at.

Providers were asked to describe their reasons for having sought registration, and these reveal an essentially positive view of the underlying purposes of provider registration. As Table 4.16 indicates, registration was perceived as providing formal recognition, flexibility to respond to training need, the opportunity to deliver accredited courses and served as a means of quality control over training. As one provider noted ‘it keeps the cowboys out’. Within these reasons, differences in motivation are apparent between industry and enterprise providers, with the former being more likely than their counterparts to value formal recognition of their training provider status and gaining access to government funding to deliver training.

It is perhaps this essentially positive view of the purpose of registration which overrides providers’ antipathy towards the registration process and accounts for the fact that 76.5 per cent of enterprise providers and 84.4 per cent of industry providers stated that they would recommend becoming a registered provider to other organisations.
Table 4.16: Reasons for seeking registration as a provider

<table>
<thead>
<tr>
<th>Reason</th>
<th>No. of enterprise providers</th>
<th>No. of industry providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal recognition</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Flexibility to meet demand</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Quality control</td>
<td>19</td>
<td>30</td>
</tr>
<tr>
<td>To deliver accredited courses</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>To deliver courses which carry credit transfer</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>To increase training provision</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>To raise revenue</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

Accreditation

In assigning *one word* to describe their experience of the State accreditation process, providers were *more* critical than they had been in assessing the registration process, and this was particularly noticeable among enterprise providers whose descriptions, were predominantly negative. Where 68.7 per cent of industry providers’ perceptions of the course accreditation process were negative, 74.9 per cent of enterprise providers’ assessments were negative. The most commonly used descriptor was ‘time consuming’, followed by ‘frustrating’ and ‘complex’, and then by ‘confusing’, ‘frustrating’, ‘laborious’ and ‘expensive’.

Overall, the view of the accreditation process was a cynical one, with one provider summarising the general opinion expressed by both industry and enterprise providers in this way:

*I must say that in part the system keeps a number of useless people employed.*

In summarising the registration and accreditation processes on a three-point scale (‘complex and too detailed’—‘requires significant understanding to work with’—‘simple and straightforward’) industry providers were less harsh than enterprise providers in their overall assessment. From Tables 4.17 and 4.18 it can be seen that industry providers were most likely to describe both registration and accreditation processes as requiring ‘significant understanding’ while enterprise providers applied this middle ranking and that of ‘complex and too detailed’ in most instances.

Most survey participants expressed considerable anger and frustration with what they perceived to be excessive attention to administrative detail, which made the accreditation process overly lengthy and time-consuming. Because of this, they could see no reward to off-set their efforts, and many had resolved to avoid becoming involved in seeking course accreditation and, therefore,
Table 4.17 Providers’ rating of the registration process

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex/too detailed</td>
<td>12</td>
<td>34.3</td>
<td>6</td>
<td>17.6</td>
<td>18</td>
<td>26.1</td>
</tr>
<tr>
<td>Requires significant understanding</td>
<td>19</td>
<td>54.3</td>
<td>21</td>
<td>61.8</td>
<td>40</td>
<td>58.0</td>
</tr>
<tr>
<td>Simple/straight forward</td>
<td>4</td>
<td>11.4</td>
<td>7</td>
<td>20.6</td>
<td>11</td>
<td>15.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
<td>100.0</td>
<td>34</td>
<td>100.0</td>
<td>69</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.18: Providers’ rating of the accreditation process

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of Enterprise providers</th>
<th>% of Enterprise providers</th>
<th>No. of Industry providers</th>
<th>% of Industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex/too detailed</td>
<td>13</td>
<td>41.9</td>
<td>4</td>
<td>12.1</td>
<td>17</td>
<td>26.6</td>
</tr>
<tr>
<td>Requires significant understanding</td>
<td>16</td>
<td>51.6</td>
<td>24</td>
<td>72.7</td>
<td>40</td>
<td>62.5</td>
</tr>
<tr>
<td>Simple/straight forward</td>
<td>2</td>
<td>6.5</td>
<td>5</td>
<td>15.2</td>
<td>7</td>
<td>10.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31</td>
<td>100.0</td>
<td>33</td>
<td>100.0</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

provider registration. These are examples of additional comments written by survey participants after having answered the given questions.

- Why go to all the trouble when you can do it on your own with your own people and not have to put up with the frustration for no financial gains . . . We’re doing the government a favour, but they look at it the other way. We achieve just as much without being a registered provider and with less anguish.

- There are too many organisations and departments to deal with. What is required is a ‘one stop shop’.

- The accreditors aren’t up-to-date with 1994 training practices and principles. How can they be authorities in accreditation? And why is it so different each time a location or program changes?
Feedback from training recognition units in South Australia, Queensland and Victoria indicates that they have been aware of the issues raised by survey participants and that changes have been implemented to address these issues. These changes have been introduced AFTER our survey participants were interviewed and their comments reflect the situation existing prior to those changes. They also indicate that such change was necessary.

Prior to November 1994 (our fieldwork was conducted in September 1994) the categories of training eligible for accreditation under NFROT were not relevant to much of the training occurring in industry. At that time, recognition was applicable only to courses leading to a formal qualification and, therefore, needing to involve more than 200 hours of training and to courses not leading to a qualification but giving credit towards a qualification.

In November 1994, MCEETYA agreed to a third category of recognised training involving short courses neither leading to a qualification nor articulating with a formal award course. This third category was developed in response to enterprise and industry training need. Many of the respondents in our survey had been deterred from seeking accreditation because of these previously existing constraints, and could be expected to welcome this change.

Another complaint made by respondents concerned the lack of a 'one stop shop' approach which avoids repetitious seeking of approval for more than training program by the same provider. In South Australia, the proclamation of the VEET Act will create a single approval mechanism by consolidating the approval of courses to train apprentices and trainees as well as for accreditation under NFROT.

Despite the antipathy expressed to the procedures involved in obtaining course accreditation, and to a lesser extent, registration as a provider, survey participants—especially those from the industry provider sample—were more positive in assessing the support and assistance offered by the State government unit responsible for registration and accreditation. This unit was perceived by a number of participants as being under-resourced and, therefore, limited in its ability to support providers. Table 4.19 describes providers' assessment of this unit's assistance to them. It can be seen that industry and enterprise providers had predominantly rated the support given to them, on a five-point scale, as 'good'.

Overall, while criticism has been made of the cumbersome administrative procedures by many providers surveyed, it is also clear that the quality control mechanism provided through provider registration and course accreditation is valued. It must be remembered that for such quality to be attained a measure of administrative constraint is to be expected, in order to 'keep the cowboys out'. Many enterprise and industry providers, accustomed
Table 4.19: Providers’ rating of state government support during registration and accreditation processes

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry providers</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>2</td>
<td>5.9</td>
<td>4</td>
<td>11.4</td>
<td>6</td>
<td>8.7</td>
</tr>
<tr>
<td>Limited value</td>
<td>9</td>
<td>26.5</td>
<td>4</td>
<td>11.4</td>
<td>13</td>
<td>18.8</td>
</tr>
<tr>
<td>Good</td>
<td>14</td>
<td>41.2</td>
<td>16</td>
<td>45.8</td>
<td>30</td>
<td>43.5</td>
</tr>
<tr>
<td>Strong</td>
<td>6</td>
<td>17.6</td>
<td>7</td>
<td>20.0</td>
<td>13</td>
<td>18.8</td>
</tr>
<tr>
<td>Excellent</td>
<td>3</td>
<td>8.8</td>
<td>4</td>
<td>11.4</td>
<td>7</td>
<td>10.1</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100.0</td>
<td>35</td>
<td>100.0</td>
<td>69</td>
<td>100.0</td>
</tr>
</tbody>
</table>

to a lack of bureaucratic procedure in developing and delivering their own training programs for the use of their own organisations, will have been somewhat shell-shocked by the level of detail required in submitting a curriculum document for accreditation. Courses receiving national recognition must be able to be delivered by a range of providers and are intended to be somewhat durable rather than once-off. In maintaining a quality standard, a degree of administrative effort is to be expected. The issue is that of determining a level at which quality can be obtained without unnecessary bureaucratic intervention.

4.7.5 Recognition of prior learning (RPL)

There was a marked difference between industry and enterprise providers in their recognition of prior learning. 85.7 per cent of industry providers made provision for RPL as compared with 67.6 per cent of enterprise providers. Of the remaining enterprise providers, several commented that their lack of provision arose from a lack of procedures to allow RPL to occur rather than from any disagreement with the principle of RPL. From responses made to this open-ended question in the survey, the impression gained is that enterprise providers may need some guidance in developing RPL mechanisms, and that in the absence of such assistance, other more urgent organisational issues will take precedence in receiving attention.

Our training department is working on some process that is manageable . . . Sometimes this recognition is more complex than the training program.

Those providers with RPL mechanisms in place described these as taking five main forms—with more than one mechanism being applied in most instances:
- challenge testing
- on-the-job assessment
- individual interview
- checking of formal credentials and references
- checking of written documentation, including statements of attainment.
4.7.6
Overall impact of the national training reform agenda on participating organisations

Providers were asked to rate, on a five-point scale, the impact made by the NTRA on the training provided by their organisation. It can be seen from Table 4.20 and from Charts 5 and 6 the agenda was rated as having more impact on industry training providers than on enterprise training providers.

The agenda was rated by 19.4 per cent of industry providers (compared with 2.9 per cent of enterprise providers) as determining the direction set for their provision of training. In contrast, 17.1 per cent of enterprise providers (compared with 8.3 per cent of industry providers) rated the agenda as having made no impact on them. However, the most predominant rating given by both groups of providers was that the training reform agenda contributes to the direction set for their training provision.

Table 4.20: Impact of the national training reform agenda on enterprise and industry providers

<table>
<thead>
<tr>
<th>Impact</th>
<th>No. of enterprise providers</th>
<th>% of enterprise providers</th>
<th>No. of industry provider</th>
<th>% of industry providers</th>
<th>Total (n)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>1</td>
<td>2.9</td>
<td>2</td>
<td>5.6</td>
<td>3</td>
<td>4.2</td>
</tr>
<tr>
<td>None</td>
<td>6</td>
<td>17.1</td>
<td>3</td>
<td>8.3</td>
<td>9</td>
<td>12.7</td>
</tr>
<tr>
<td>Little</td>
<td>12</td>
<td>34.3</td>
<td>11</td>
<td>30.6</td>
<td>23</td>
<td>32.4</td>
</tr>
<tr>
<td>Contributes to direction</td>
<td>15</td>
<td>42.8</td>
<td>13</td>
<td>36.1</td>
<td>28</td>
<td>39.4</td>
</tr>
<tr>
<td>Determines direction</td>
<td>1</td>
<td>2.9</td>
<td>7</td>
<td>19.4</td>
<td>8</td>
<td>11.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
<td>100.0</td>
<td>36</td>
<td>36</td>
<td>71</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.8
Key issues identified in relation to training

The final section of the questionnaire sought providers' views on the main threats and opportunities facing training in Australia in the immediate future, and sought from them key recommendations regarding the Australian training system.
Chart 5: Impact of the national training reform agenda on enterprise providers

Chart 6: Impact of the national training reform agenda on industry providers

A study of industry and enterprise training providers in Australia
Threats to training

*Industry* providers identified a wide range of perceived threats to Australia's training:

- insufficient planning in providing training
- inadequate training-related information
- complacency and apathy towards the need to train
- assumption by governments that industry will take the initiative to train
- the need for initiatives to encourage industry to provide quality training
- removal of the training guarantee levy (perceived as removing a major incentive)
- industry being unable to keep pace with advancements in training
- lack of industry support for workplace assessment and assessor training
- funding inconsistencies
- variable quality in training provision
- the 'training bureaucracy'
- insufficient competent trainers
- resistance to change
- persistence of a TAFE 'monopoly' on training despite national training reform
- the 'White Paper's' promotion of a focus on training provision directed to entry level training and the long term unemployed (thereby ignoring other groups)
- insufficient information about competency standards and training reform generally.

*Enterprise* providers also cited these threats to training provision:

- removal of the training guarantee levy
- the variable quality of trainers
- the 'training bureaucracy'
and identified these factors which were not mentioned by their industry counterparts but have obvious relevance at the enterprise level:

- national direction of training reform was seen as occurring at the expense of enterprise-driven agendas
- slow-down in economic growth
- downturn in importing and exporting reducing available expenditure for training
- government funding cuts
- training not being linked to international 'best practice'
- the pace of change
- poor understanding by management of training issues
- the cost to employers of training.
Opportunities

Industry providers described the following as being major sources of opportunity:
• Training reform in general, with these specific features
  highlighted—the Australian Vocational Training System (AVTS)
  - competency-based training
  - the development of competency standards
  - moves towards a 'level playing field' for private providers
  - improved linkages between on- and off-the-job training and assessment
  - the National Framework for Recognition of Training, providing national consistency and portable credentials
• better identification of industry training needs
• increased resourcing for vocational education
• the development a national approach to training
• development of a 'positive industry culture' in relation to training
• the promotion of quality control for training
• increased opportunities for traineeships and improvements generally in the provision of entry level training
• provision of workplace assessor training
• linkages to international models of training
• multiskilling
• enterprise bargaining which makes provision for training.

Enterprise providers also identified national training reform as a key opportunity for training in Australia, giving particular support to these aspects of training reform:
• the development of competency standards
• the move to a competitive training market increasing the role to be played by private providers
• increased use of flexible delivery
• competency-based training
• the increased application of quality standards within enterprises
• economic growth
• improved standards of management which lay the framework for structured training
• industry having a stronger involvement in training
• a national training system, allowing portability of credentials
• development of a training 'culture' which recognises training as an integral part of enterprise functioning and which sees training as an investment rather than merely a cost.

Survey respondents were asked to make three recommendations regarding the current training system as it affects providers in the private sector. In so doing, they have highlighted the issues which are of central importance to them as training providers.
For industry providers these focussed on the following, which have been grouped into three main issues and are listed in order of frequency.

1. The need to *promote course accreditation* as a quality control mechanism and to *simplify accreditation procedures* to ensure that providers are not hampered in following these procedures.

2. The need to establish an effective network allowing private providers to exchange information and to encourage peer learning.

3. The *promotion of quality control* in all aspects of training, and especially in relation to workplace assessment and the setting of standards for trainers and course provision was perceived as essential and needing specific attention.

Enterprise providers shared with their industry counterparts a primary concern with accreditation procedures and the need to simplify these. This issue was identified by the majority of the enterprise providers studied.

1. The need to *reduce the complexity of the procedures associated with accreditation* was the key issue seen as requiring urgent attention. Providers expressed the need for better communication with accreditation authorities and for clearer guidelines and for a user-friendly package, similar to the tax pack approach.

2. There was also a need identified for *training to more accurately reflect industry needs*.

Other issues identified included the need for:
- attention to *quality control* mechanisms in training
- *closer links* between TAFE Institutes and individual enterprises
- *improved networking* among different types of providers.
5 Overview of case study findings

5.1 Introduction

One of the areas investigated by this research project has been the relationship between training at the industry level and at the enterprise level, and the six case studies undertaken have provided useful information about this relationship. Our study of Email’s laundry division, located in South Australia, indicated the need for training which is highly specific to the needs of an individual enterprise, which means that only some of its externally provided training can be based on industry-wide training programs. Appendix A contains a full report of this case study.

The case study of Polytec, which provides training for the South Australian plastics industry, found that one of the challenges facing this skills training centre was developing training programs for an industry comprised mainly of small size enterprises, which could not be assumed to be homogeneous simply because they share certain characteristics. Polytec training programs cater for these areas of common need, but recognise that there are some training needs which they cannot address because they are too enterprise-specific and, therefore, too costly to include in an industry-focused program. Appendix B contains a full report of the Polytec case study.

In Victoria, the case study of Telstra Learning profiles a private training provider established by Telecom Australia to deliver training to its employees. Telstra Learning is interesting because it operates as an enterprise provider but in its provision of training products and services for the Australian and for the international market it also operates as an industry provider. Although established as part of Telecom Australia, Telstra Learning also operates as a commercial training provider, with 50 per cent of its revenue being raised externally and to obtain any of this revenue from Telecom Business Units, it must compete with other training providers. (The remaining 50 per cent of Telstra’s budget is guaranteed by Telecom Australia). Appendix C contains a full report of the Telstra case study.

The case study of Western Region Group Training Company (WRGTC) describes a training provider which does not deliver training, but acts as a training broker, arranging (primarily apprenticeship) training and locating apprentices and trainees with ‘host’ employers. The WRGTC was the first group training company in Victoria. Appendix D contains a full report of the Western Group Training Company case study.

By contrast, the two Queensland case studies involved an extremely large size enterprise (BHP Australia Coal) and an organisation (Queensland Rail) which straddles the enterprise-industry boundary because it is a large enterprise providing a service across four different industry sectors (mining, primary industries, manufacturing and tourism). For Queensland Rail, this has meant structuring the
organisation to address the needs of different client groups and developing appropriate training programs to fulfil the combined role of business and service organisation.

The Queensland Rail case study is also of interest because it profiles an organisation which has undergone dramatic change induced by its transition from a government body to a private corporation, by the demand for enhanced productivity, its adoption of award restructuring and of competency-based training, and its move away from predominantly on-the-job training to an extensive modularised training program (which itself was demanded by the industry’s change from manual to increasingly mechanised and ‘high technology’ systems). Queensland Rail has been and remains in a state of extreme change and its training program has been driven by and underpins this change. A full report of the case study appears in Appendix F.

Telstra Learning provides training to an organisation undergoing significant change, both as an operator in the fast-growing telecommunications industry and as an organisation no longer operating as a monopoly provider. Telecom Australia also faces ongoing demand for product innovation, increased competitiveness, business globalisation and changing consumer need. This means that staff are training and re-training at a rapid rate, and Telstra Learning describes itself as the prime source for providing this training to Telecom.

Like Queensland Rail, BHP Coal has also been influenced by a number of change factors including, the national training reform agenda, which have demanded the development of a comprehensive training program. This program is competency-based and modularised, and has been developed by staff from within the organisation (where previously most training was out-sourced to consultants). Its focus is on multi-skilling, in response to changes in organisational and work processes. Appendix E contains a full report of the case study of BHP Coal.

There are industry-wide training provisions which are of benefit and relevance at the level of individual enterprises. This research project has found that the development of national competency standards across industries has been of particular assistance to enterprises. Email’s laundry division has not only used these standards to identify training needs and to deliver programs to meet these needs, but has found that training developed in this way avoided the necessity of seeking validation for its training via course accreditation and provider registration mechanisms. As reported below, these procedures were found to be overly time-consuming and cumbersome.

In overviewing these case studies, it is also apparent that approaches to training are distinctly different when training is provided as part of, and to support, a number of organisational processes (as occurs
within enterprises), as opposed to provision which occurs when an organisation's primary role is that of training, which is the case with the skills training centre and group training company studied.

5.2
Findings from the case studies

5.2.1
Key features of training provision

The most apparent feature of Email's training provision is that it is directly linked to, and derived from, the demands of its manufacturing processes, and this means that much of its training is highly specific and based on the needs of the organisation. Training is linked to corporate goals and company Vision, and an increasingly planned and co-ordinated approach to formal training is evident.

Appraisal is used as a staff development tool, and forms the basis of individual staff training plans. Training plans are also developed for work teams. These training plans define training needs in terms of recognised competency standards. Employees are also encouraged to initiate training on the basis of their identification of their own training needs, and a procedure has been designed to allow expressed need to be translated into training programs.

Polytec's most notable feature is its model of provision, involving a partnership between industry and TAFE in delivering training for the plastics industry. Despite some operational difficulties (e.g. differences in pay and some working conditions), Polytec is proof that such a partnership is possible, and that its key advantage as a model of provision is that it draws on what each partner is best equipped to offer.

At the same time, Polytec is industry-driven, with courses being offered to develop skills of relevance to industry stakeholders. These are presented in module format and, where possible, on the sites of individual firms within the industry.

Almost all training delivered by Polytec is off the job, with industry having donated the necessary equipment, which is located on a site within a TAFE Institute (Regency Institute of TAFE). This has the advantage of allowing employees to participate in training without their employing organisation having to make equipment available, thereby delaying production schedules. In fact, in providing on-site training, Polytec's main difficulty is that of obtaining access to equipment which is being used for production purposes.

The training program which has been developed within BHP Australia Coal in Queensland has been driven by the goal of engendering a sense of ownership by staff of this training. In developing 72 modules of a competency-based program, more than 120 staff were involved in task analysis and validation processes, and staff have been encouraged to provide written feedback about the adequacy of training and training materials. In writing curricula, training staff remained responsible, either by undertaking the writing themselves, or by employing consultants who were closely supervised. Each module is linked to a career development plan, with
staff being able to identify the competencies required for their current or future work with the organisation.

The need for staff ownership stems as much from a desire to make training a central organisational process rather than a marginalised activity, (which has also been part of Email's laundry division's approach) as from the need to address an identified degree of cynicism held by some staff to training. The researchers undertaking this case study believed that the goal of ownership of training had been achieved, based on statements made by staff during interviews and by their expressed enthusiasm to complete modules. While staff generally undertake each module individually, in some instances small groups have been established to do this, with one group even working through a module on a strike day.

The program developed by Queensland Rail is competency-based, and this has been a direct outcome of award restructuring which was introduced in 1989. The award restructuring process demanded the development of a skills-based career path which was perceived by staff to be best developed through a competency-based training program. It has also demanded improvement in productivity, with wage increases being directly linked to improvements in productivity. This transition was initially expected to be achieved readily, but actually necessitated significant change, from a direct instruction and rote learning model to a program facilitating problem-solving skills and conceptual understanding. There was an accompanying need to change rigid attitudes to training, to encourage acceptance of rather than resistance to the change involved, and to alter basic intra-organisational communication processes.

At the same time, Queensland Rail has also become a corporate entity, a major change in itself, demanding a commercialisation of all activities. This has extended to training, with an increasing interest in delivering training to other organisations. Modules are offered to a range of clients on a fee-for-service basis (clients include the Queensland sugar industry, Mount Isa Mines and Comalco).

Telstra Learning's approach is designed to provide a high volume of training delivery. Between 50 and 60 per cent of training provided to Telecom employees is in the area of technical skills training. Customer service, marketing and sales, and new product training are areas of increasing demand for training.

The Western Region Group Training Company was formed in response to a downturn in the provision by employers of apprenticeships. A key concern for employers then, as now, was the inability to sustain over four years the employment of an apprentice because of fluctuating business activity. The group training company overcomes this uncertainty by acting as the employer for the period of the apprenticeship and places apprentices with host employers for periods of up to one year at a time. The host employer pays the employment costs during the apprentice's stay, with duration varying
with the nature of the trade concerned. Group training companies also assist small businesses, because the rotation of apprentices and trainees across employers provides a variety of learning experiences which might not otherwise be attainable within a small size organisation.

Training is provided on-the-job and off-site, usually by TAFE. Apart from entry level training, the WRGTC also offers a number of pre-apprenticeship programs and provides fee-for-service programs.

5.2.2 Integration of on- and off-the-job training

Email has made a conscious effort to integrate on- and off-the-job training, and two key strategies have been employed to this end. One recognises the importance of assessment in achieving integrated training, and 12 staff in the laundry division have been trained as assessors to ensure that assessment is carried out as effectively as possible. The second strategy has involved the establishment of a co-ordinating team comprising on- and off-the-job training personnel who meet regularly to plan and monitor their respective training activities.

Polytec is essentially a provider of off-the-job training, but a focus on integration of on- and off-the-job training has been encouraged by the recent implementation of an AVTS pilot project, for which the SA Polymer Industry Training Committee has received funding. Polytec provides the off-the-job training component for this pilot, and one of the key issues being addressed through this pilot is that of integration. The two strategies being used to promote integration within the pilot are workplace trainer training and ongoing communication, initiated by the pilot’s co-ordinator, between on- and off-the-job training personnel.

The training modules developed for Queensland Rail’s new training program are being delivered both on- and off-site, with a small amount of training being conducted by external training personnel. Integration of on- and off-the-job training is dependent on the use of accredited assessors who are experienced in the activity which they assess.

Issues of integration have also been addressed through the assessment system by BHP Australia Coal in Queensland. Two types of assessment are used in their training program—formative and summative. Formative (or ongoing) assessment is always conducted off-the-job while summative (at the end of a training unit) is conducted on-site and normally on the job. Staff receive feedback from assessors who may or may not be on the same site as those completing the module being assessed, but is undertaken by people who are familiar with the organisation and its operational processes.

Integration of training is a central issue for the Western Region Group Training Company whose effectiveness as a training provider is very
dependent on integrated on- and off-the-job training. It faces a number of barriers including:

- variation among employers in providing meaningful training opportunities
- variation between the standards used by on-the-job trainers and those of the WRGTC and
- the limited understanding among employers of key features of the training reform agenda.

The third barrier identified causes the company considerable concern because it usually refers to employers in small businesses, who provide some 80 per cent of training positions for WRGTC apprentices and trainees.

5.2.3 Flexibility

Telecom Australia spent about $70 million on outsourcing training in 1993–94. During the same period $80 million was provided to Telstra Learning. Telecom Australia's business units use external training providers mainly to deliver training (as opposed to designing that training) and to obtain services which Telstra Learning cannot provide (for example, specialised technical training). Business units sometimes contract to external providers who can deliver training more quickly than Telstra Learning, which holds as important taking a thorough approach to training provision (which has to be traded off against speed of delivery). Telstra Learning also acts a training broker for business units during outsourcing processes, and offers a service which includes managing the selection of external providers and any contracting details. At the same time, business units have the autonomy to contract directly, without Telstra Learning's endorsement. These options are a response to the organisation's need for flexibility.

Telstra Learning's main provider in delivering telecommunications training has been TAFE. Telstra is keen to work in a co-ordinated partnership with a group of public providers who would work together as a consortium, building industry-wide training programs, producing curricula from different TAFE institutes in a program delivered and accredited nationally.

In providing training, Email expects training providers to be flexible and to take an entrepreneurial approach to their delivery. The organisation seeks training which is tailored to its needs, delivered according to its needs, and which represents value for money. Its own internal training unit, Email Training Services, must compete to provide training, which it delivers on a fee-for-service basis. Like those providers surveyed for this project, Email's laundry division representatives expressed a high level of satisfaction with the training received from externally contracted training providers, who have been used on an as-needs basis, and for the purpose of both designing and delivering training, either on- or off-site.
The use of externally contracted providers also allows the division to maximise flexibility in its provision of training and to respond quickly to changing training needs. A minimum of staff are designated as training resources. This not only fulfils the need for flexibility but reflects divisional management philosophy which regards training as the responsibility of all staff and work units, believing that separating training units encourages a marginalised approach to training. By contrast, BHP Australia Coal in Queensland has preferred to develop and rely on internal training resources, providing training tailored to the specific needs of the organisation.

The Western Region Group Training Company is a provider whose entire method of operation exists to promote flexibility. Its training provision is geared to fluctuations in business activity and to the varying needs of employers, especially those operating small businesses, to provide training opportunities for apprentices and trainees. By acting as a training broker, the WRGTC is in a position to select the most appropriate training from a range of providers—although interestingly it is most likely to turn to TAFE for this training, perhaps reflecting available expertise.

Polytec exists to meet the training needs of the plastics industry, and as such, its delivery format seeks to maximise flexibility. This has been found to be expedited by providing a short course format, delivered in modules. Polytec must also be able to respond quickly to changing industry needs, and to implement new courses as rapidly as possible.

Email is developing a method of tracking formal training over time, and relating this to costs incurred. Costs and training for employees are charted on a monthly basis, with records depicting training by functional areas and the type of training provided. Individual employee characteristics (e.g. gender, cultural background, age) are not recorded because this information is not needed for internal planning and monitoring purposes.

Laundry division personnel are attempting to develop a set of indicators from which to calculate a return of expenditure on training but this is proving difficult to achieve because training as an independent factor is difficult to isolate from other factors involved in production input and output.

As training is Polytec’s primary purpose, costing issues are quite different and less complex from those faced by enterprise training personnel. Polytec delivers its program on a fee-for-service basis, with operating costs being significantly reduced by the contribution of TAFE to its physical facilities and training staff costs, and equipment-related costs being provided by industry. Polytec’s key cost-related issue focusses on operating with minimum financial outlays, while delivering training which is relevant to stakeholders and represents value for money.
Telecom Australia regards training as an investment, and skilled staff as providing a competitive advantage. Like other providers studied, the organisation was unable to definitively identify annual training expenditure, but could specify annual budgets for Telstra Learning, for outsourced training and for its individual business units.

For all of the organisations case studied, the proportion of the budget spent on training exceeded the amount which had been set by the Training Guarantee Levy. With pressures generated by external forces, training was perceived as more of an investment than a cost. Costing itself was fraught with problems, particularly for enterprise organisations for whom it was difficult to separate training costs from other costs related to organisational processes. The actual costing process posed its own set of challenges, especially in relation to informal training, which is most unlikely to be included in formal estimates of training expenditure. Although additional difficulties were involved in relating costs to outcomes achieved through training (e.g. enhanced skill levels among employees) the perception of management in all cases was that training (especially competency-based training) had produced a range of observable improvements, and as such, meant that any costs involved represented a positive investment.

5.2.5 Access and equity

In addressing access and equity issues, Telstra Learning is guided by Telecom Australia's corporate Equal Employment Opportunity (EEO) Unit, which is based in Brisbane. Training managers in each business unit share responsibility for access and equity policy implementation in training. Training materials are translated into the 12 most commonly used languages (other than English) for the benefit of the 12 per cent of employees for whom English is their second language.

Corporate commitment to access and equity seems to focus on women, who represent 28 per cent of employees. The Telecom workforce was described as 'gender-divided', with women working mostly at operator level and men mostly performing technician roles. In 1993 and 1994, special projects targeting women included a women's conference for 130 selected female staff to identify issues of concern and refer them to Executive Council for action, and a 'glass ceiling' project designed for pre-executive level employees, which was later extended to all staff.

In 1994, the organisation's Aborigines and Torres Strait Islander unit conducted focus groups to identify needs affecting people from these backgrounds, who represent 0.68 per cent of staff. For employees with learning difficulties, Telecom Australia tends to outsource, particularly to TAFE, because of their expertise in this area.

Email's laundry division identified two groups as having special needs and for whom specific efforts are made to address these needs. These are young people with little or no employment experience, for whom traineeships are provided, and people for whom English is
their second language. English language classes are provided for this group.

The key group identified by Queensland Rail and BHP Coal as having needs requiring special and additional intervention were people with low levels of literacy. For Queensland Rail, many of these employees were also born in overseas countries and, like many of their Australian counterparts, had received minimal formal education.

The Western Region Group Training Company offers a number of access and equity oriented programs as part of its overall training role. It hosts a Group Employment Initiative Program which targets Kooris and those from non-English-speaking backgrounds, and provides assistance in preparation for job selection and training. Targets have been set for the admission of minority groups into WRGTC programs. These include a target to recruit women to at least 10 per cent of places in non-traditional training programs. Half of all awards made to apprentices and trainees are won by women. The company believes it has a responsibility to provide for trainees who are functionally illiterate and innumerate, and part of the selection process includes testing for numeracy and literacy. A similar responsibility is felt for applicants with a physical disability and to encourage employers to acknowledge this responsibility, the company ensures that they are fully informed about government subsidies which offer incentives to employ people with a disability.

5.2.6 Use of ‘best practice’ and benchmarking

Email was selected to be a best practice company as part of the Best Practice Demonstration Project, and is currently focussing its improvement-oriented activities on addressing gaps in its internal effectiveness and efficiency. Other companies use Email as a benchmark, but Email itself believes that it must first address its own internal practices before undertaking benchmarking. Consequently, like the majority of enterprise providers surveyed for this project, Email Laundry Division relies on best practice rather than benchmarking as a means of improving standards.

BHP Australia Coal is an exception, with the Queensland case study identifying that benchmarking of the competency-based training program had taken place, with comparison of learning processes in 16 organisations in the United Kingdom, Germany and the United States of America.

Queensland Rail's use of best practice has been closely tied to its adoption of Quality Improvement (QI) as a long-term initiative. QI provides a framework through which the organisation can involve employees in meeting customer needs and is regarded by Queensland Rail as crucial to its aim of increasing its market share by providing quality services. Benchmarking has also been used to improve specific features of Queensland Rail's operation, having been introduced in 1987 with regard to rail tracks.
The use of best practice comparison and benchmarking is reported not to have occurred in any systematic fashion within the Western Region Group Training Company. Where program features have been modified it has been stimulated more by initiatives designed to benefit from identified weaknesses in competitor organisations than by emulating successful features of other providers.

The researchers case-studying Telstra Learning could not identify evidence of the use of benchmarking, but did identify a preference for best practice as a means of setting quality-related guidelines. This was achieved through comparison with other large training providers. At the same time, Telstra Learning sells about 1.0% of its training overseas within the telecommunications industry, providing the opportunity for comparison with international best practice training units.

5.2.7 Difficulties faced in providing training

In common with most organisations, Email faces a constant challenge in achieving a balance between the need to maintain production levels and to take staff away from production processes in order to receive training. Although company representatives are clear about the value of training and its contribution to production effectiveness, there are times when training and production demands are in conflict.

A further difficulty is that of maintaining a supply of qualified in-house training staff while resisting the development of a separate training unit which representatives feel will marginalise training from mainstream organisational activities. To address this problem, the laundry division had twelve staff complete ‘train the trainer’ courses.

One of the key challenges facing Polytec is that of meeting the needs of individual enterprises but on an industry-wide basis. The plastics industry in South Australia consists, in the main, of very small firms, and while injection-moulding represents the major production activity, there are other activities also requiring training. Polytec courses take an industry focus, and cater for the majority need, but this means that some areas of need cannot be addressed because of the costs (e.g. for specialised equipment) involved.

For Queensland Rail, the provision of a training program which addresses changing need has been challenged by resistance from pockets within the organisation to change. The commercialisation of training has brought considerable pressure for staff involved, although the outcomes to be attained are perceived as positive.

BHP Australia Coal in Queensland has also faced some initial resistance to change in the form of cynicism on the part of some staff towards training and its value, expressed in the attitude ‘we know what to do in mining’, without the input of training personnel. In moving quickly to a competency-based program (72 modules were developed in a two year period), staff responsible have been subject to considerable pressure. In developing training programs within
national training reform guidelines, BHP Australia Coal has been hindered by what are described as bureaucratic procedures on the part of government accreditation staff. As one representative put it: 'We wanted to put in place a first class program; they wanted to dot the i's.'

5.2.8 Impact of national training reform

The national training reform agenda is perceived by Email Laundry Division representatives as a framework for continuous improvement in training for industry, and with the exception of course accreditation and provider registration, its components, especially competency based training, have made a major impact.

Competency based training is regarded as enhancing the organisation's accurate identification of training need, and the development of competency standards at the national level has been a major impetus for changing training provision within the organisation. Recognition of prior learning is regarded by the division as a valid mechanism, and is being applied on an individual basis. There is as yet no planned approach to RPL because of the need to develop formal procedures, and the organisation needs both time and guidance to do this.

For Polytec, the main impact arising from national training reform lies in the adoption of a competency-based training approach. Provider registration and course accreditation appear to be having minimal impact on Polytec, while recognition of prior learning is evolving, stunted mainly by lack of student demand (which may well reflect lack of student information about RPL).

Telstra Learning supports the RPL principle but its implementation has been sporadic throughout Telecom Australia, perhaps because although supported as a concept, it is simply not seen as a key issue for the organisation. At the level of the individual employee, the issue takes on significance, with RPL being negotiated within business units.

Most of the Western Region Group Training Company's activity involves brokering training and the company is, therefore, only in a position to grant RPL in relation to programs which it runs through its training centre. However, all company project and field officers are qualified in the testing processes related to RPL and in this way, assistance can be offered to employers to encourage them to adopt RPL.

The SA Polymer Industry Training Council's AVTS pilot project has been a key source of impetus for training reform. This pilot is providing entry level training for the industry, with a curriculum linked to national competency standards. It has been designed to address the 24 hour work cycle of the industry, and to address the issue of how best to integrate on- and off-the-job training.
While provider registration and course accreditation are perceived by Email's laundry division representatives as worthwhile from a quality control perspective, the process of accreditation (which was sought for particular courses) has been found to be complex, time consuming and difficult. It was abandoned in favour of delivering training which consists of industry-approved competency based modules.

Like the majority of other providers surveyed in this study, Email has found the accreditation process, and therefore, provider registration, too cumbersome and inappropriate from a resource consumption viewpoint, to be valid and worthwhile. However, other aspects of training reform have been taken on board and pursued with enthusiasm.

For BHP Australia Coal in Queensland and Queensland Rail, the most apparent training reform inspired change lies in the adoption of competency-based training. Both organisations have been involved in change processes on a massive scale, and the changes represented in the national training reform agenda have been relevant to supporting the organisations in this overall change.

Modules are part of an accredited training program within BHP Australia Coal in Queensland, with the decision to seek accreditation having been based on the perceived need to give the program validity through formal recognition. Staff are reported to appreciate the portability of qualifications obtained. The program also incorporates RPL, with participants being able to seek assessment without undertaking a given module or to seek exemption from a unit by submitting evidence to demonstrate the attainment of the skills involved in that unit.

Telstra Learning was one of the first registered providers in Victoria. However, the training reform agenda was described as having been 'largely ignored' by Telecom, with parts of the organisation being 'still unsure about what it means'. The researchers noted that Telecom Australia's size and unique training requirements have impeded the development of a collective approach to the agenda's implementation. For example, some units have chosen to define enterprise-specific competencies using the Hay-McBurr framework rather than working towards industry competencies. Telstra Learning is attempting to educate all units about the need for a consolidated approach, as is promoted by the National Training Board.

Despite having sought early registration as a provider, Telstra Learning has found the processes of registration and accreditation difficult. The main problems faced arose from a lack of consistency across States and Territories in meeting the standards, which required separate applications and different documentation. The situation has been redressed with a recent decision to align approaches nationally and by the mutual acceptance of registration by all States.
For Queensland Rail, change has been stimulated by moves to increase productivity, award restructuring and the move to commercialisation, and it is difficult to separate the impact of the training reform agenda from these other sources of change. A similar scenario exists in relation to BHP Australia Coal, with changes in training provision being related directly to change processes associated with industry restructuring. However, aspects of the training reform agenda (competency-based training, accredited training) have been embraced to complement and underpin wider change.

For all of the providers case studied, it is difficult to clearly identify the impact of national training reform because this has been closely intertwined with other major change factors. However, it is clear that aspects of the training reform agenda have been adopted and used to support overall change. The degree to which this has occurred depends on the organisation itself and its particular needs, but in all cases studied, the linking factor has been the adoption of training practices which enhance flexibility.
6 Summary and conclusions

This study sought to obtain information about the way in which enterprise and industry training providers deliver training, the distinctive features of each type of provider and the impact of national training reform on their provision. While industry and enterprise providers have many features in common (for example, both are driven by the needs of their stakeholders, and by the need to deliver training with maximum flexibility), there are a number of distinguishing features which separate these two types of providers.

The first area of distinction emanates from the role of each provider. Enterprise providers deliver training which is geared to the needs of an individual firm, and training is one feature of that firm’s organisational processes. Industry providers target a range of enterprises across an industry or industry sector, and training is the central feature of the organisations to which these providers belong. This means that the enterprise provider addresses training needs which are highly specific to a particular organisation while the industry provider, in catering for a range of enterprises, addresses training needs which are less specific and more generic.

While both types of providers deliver training which is based directly on identified need, and which can respond quickly to changing need, the nature of the training varies because of these differences in role and stakeholders. Training costs have different implications for each type of provider. For the enterprise provider, training costs are derived from the organisation’s total budget, and for most of those surveyed in the present study, this represented between 1.0% and 5.0% of the total salary budget (see section 4.1). Industry providers were more likely than enterprise providers to rely on revenue being derived from fee-for-service delivery of training, and these providers were also likely to be deriving income from government funding. Enterprise providers, on the other hand, were far less likely than industry providers to derive training income through delivery of government-funded programs (see section 3.1.5).

Both groups of providers studied were providing apprenticeships and traineeships, and most of their training was focussed at levels 1 to 4 of the Australian Standards Framework (ASF). Industry providers were more likely than their enterprise counterparts to be providing middle training at ASF levels 6 to 8. A significant proportion of respondents (22.2 per cent of industry providers and 38.9 per cent of enterprise providers) were unable to locate their training within the ASF, suggesting the need for a targeted information strategy designed to increase their understanding of the Australian Standards Framework (see section 4.2).

There were differences in the types of training provided and demanded. In surveying providers, three areas of training need were distinguished—namely, training in technical skills development, training in interpersonal skills and training in supervisory and
manangement skills. Enterprise providers were most likely to be delivering training in the first two areas of need while industry providers were most likely to be addressing the third area of need—supervisory and management skills (see section 3.1.3).

Both enterprise and industry providers employ externally contracted training providers to assist them in their training role. These contracted training providers are most likely to be private providers, usually individual training consultants rather than training colleges, and they are employed on an ad hoc, as needs basis to maximise flexibility. Both industry and enterprise providers employ less than ten of these external trainers annually.

After private providers, TAFE is the second most frequently employed external resource, and enterprise providers are more likely to contract TAFE for training than are industry providers. This may reflect the purpose for which external training providers are being used; enterprise providers are most likely to seek external support for the design and delivery of customised training, while industry providers are most likely to employ external training resources only to deliver training. In assessing the effectiveness of external training resources, both groups of providers gave essentially positive ratings, with the most positive rating being assigned to private providers (see section 4.5).

Access and equity issues are being addressed by both enterprise and industry providers, with the groups receiving most attention by each provider being people of non-English speaking backgrounds and people with literacy and numeracy difficulties. Three other groups with special needs were identified as receiving special programs or assistance from these providers and these were women, people of Aboriginal and Torres Strait Islander background, and long-term unemployed people. Interestingly, the least nominated special needs group was people with a disability. This group was not identified at all by enterprise providers as an access and equity target in their provision of training. From the information available, it is not possible to offer an explanation for this, but it does raise concern for this target group (see section 4.4).

The national training reform agenda was described by these providers as having made a noticeable impact on them, but this was more significant for industry providers than for enterprise providers (see section 4.7.6). From other information supplied in the survey process, it would seem that this impact is linked to the level of understanding of the agenda and its components. Industry providers described a slightly stronger level of understanding than did enterprise providers, (see section 4.7.1) and in identifying which levels of the ASF their training addressed.

In relation to recognition of prior learning (RPL), industry providers were far more likely than enterprise providers to have made formal provision for RPL. This did not necessarily reflect a difference in
commitment to RPL as a concept, but in most cases, arose from enterprise providers not having put in place procedures to facilitate RPL. Many of those surveyed indicated that they were unsure how to develop such procedures (see section 4.7.5). This feedback, and that regarding the Australian Standards Framework suggests that there is a need for an information strategy targeting enterprise providers which will fill these and other gaps in their understanding of specific components of the national training reform agenda.

Two other components of training reform—provider registration and course accreditation—produced findings which should be of concern to vocational education and training policy makers. It was clear that enterprise and industry providers regarded registration and accreditation as highly useful mechanisms of quality control. However, the procedures required—particularly for course accreditation—were described by those surveyed in highly negative terms, mainly because they demanded more time, effort and input that providers were willing or able to supply (see section 4.7.4).

Although accreditation represents a validation mechanism for courses delivered, providers regarded the aligning of courses to nationally endorsed competency standards as equally validating, and many had chosen to follow this route rather than that of accreditation. From the strength of the comments made by providers, it would seem that training reform would benefit from a review of accreditation and registration procedures, and to ensure that this meets the needs of private sector training providers, it is essential that these stakeholders are significantly involved in such a review. Feedback from State recognition units in the three States involved indicates that their awareness of the need for such a change and that it has been initiated, or is in the process of being initiated. What is needed at this point, is a follow-up survey of providers to ascertain their reactions to these new, more streamlined procedures.

Section 4.8 summarised providers’ views of the key threats and opportunities affecting training in Australia. In addition, providers have identified the three issues which they believe most warrant urgent attention in relation to training. These highlight the need to promote quality control in training (with course accreditation being seen as central to this), the need to simplify the procedures associated with course accreditation, and the need to develop an effective network linking different types of training providers.
Appendix A

Case study:
Email Limited, Laundry Division

Prepared by:
Kate Barnett
National Centre for Vocational Education Research Ltd

September 1995
Background

Email Ltd was incorporated as a public company in November 1934. In its 60 year history it has always traded at a profit and has demonstrated an ability to adapt to changing circumstances and the challenges of the time. Originally known as the Electricity Meter Manufacturing Company (EMMCO), it gave Australia its first locally produced electricity meter and has always manufactured products demanding high level engineering skills (notably whitegoods, electric motors, telephone equipment, radio sets). Email Ltd was formed through the merging of EMMCO with New Systems Telephones to form Electricity Meter and Allied Industries Limited, later re-named Email Ltd.

Email has become well known for its culture of diversifying its product range and this, together with its innovative approach to company training, makes it an ideal choice for case study purposes. Structured into five main groups (as well as corporate services), Email operates with this group profile:
- major appliances (whitegoods)
- metals distribution (steel products, pipes, valves and fittings, timber and other construction materials)
- building products (security and plumbing products)
- industrial products (products for industrial, commercial, automotive and domestic markets)
- measurement and control (metering devices, switchgear, air handling, printed circuits and electronics).

This case study focusses on the laundry division of the major appliances group, which operates from five sites—one in Orange and four in Adelaide.

Current training provision

Email Ltd has offered apprenticeships for most of its 60 years and was the first Australian company in the metal manufacturing sector to offer traineeships under the Australian Traineeship System (ATS). It now offers Career Start traineeships, mainly because these provide training for all age groups. In 1955, Email established in Sydney one of the first off-the-job private sector training centres. The company’s history of operation has included a strong emphasis on training, both on and off the job.

The laundry division has an evolving program of training developed in direct response to the needs of its manufacturing processes. In providing training to address identified needs, the division chooses from trainers external to Email or from the company’s training section, which is known as Email Training Services (ETS).
ETS operates in an entrepreneurial fashion in that it charges on a fee-for-service basis (both to Email personnel and to organisations outside Email). Whether or not it delivers training to individual company divisions is dependent on how those divisions perceive the value of particular courses and their value for money, relative to the offerings of external training providers. Email Training Services operates on-site from metal industry skill centres located in Adelaide, Sydney, Melbourne and Orange, and offers competency-based training and training across a range of areas, including:

- management
- sales and marketing
- occupational health and safety
- technical skills (including computer-assisted drafting, computer-assisted machining, electrical disconnection and re-connection)
- train the trainer
- assessor training
- quality
- communications.

A range of broad-based modules leading to either the Certificate in Broad Based Skills for the Metal Industry or to the Engineering Production Certificate are also delivered. These are accredited courses.

Email Training Services provides the off-the-job training component for Career Start trainees attached to the laundry division (as well as to other divisions), while the division provides the on-job component. Most off-the-job training for trainees occurs through the skill centres.

Training for the division is the specific responsibility of the human resources manager and two full-time training staff. Additional training personnel are employed on a needs basis and have been drawn from a wide range of training providers—private providers, TAFE, universities, community providers, Email Training Services and equipment suppliers. On average, each employee receives about one hour of formal training each month.

One of the most distinctive features of the division’s training approach is its linking of training to corporate goals and philosophy. At the time of writing, the division was developing individual staff training plans, based on an ongoing appraisal of employees. In essence, this means that appraisal is being used as a training development tool.

This strategy is enhanced by the company’s competency-based training approach which is reported as facilitating the identification of training needs. Competency-based assessment is being used to develop individual and team training plans, with staff at the supervisory level having individual development plans. Identified training needs are linked to the company’s stated vision, the six
elements of which are incorporated into appraisal sheets which are evaluated by team leaders.

Another distinctive feature of the training provided by the division is its encouragement of employee-initiated training. A training request sheet has been designed to encourage employees to identify areas of training need. This sheet is completed by individual employees, signed by their team leader and forwarded to the human resources manager. If sufficient numbers of staff request training in a given area, a trainer is brought on-site to deliver the appropriate course. Otherwise, staff are sent off-site for this training.

These training initiatives represent a move towards an increasingly planned and co-ordinated approach to formal training within the division.

Integrating on- and off-the-job training

A considerable amount of effort has been put into promoting the integration of on- and off-the-job training. This has been stimulated mainly by the need to ensure that the program being provided to Career Start trainees was integrated in its on- and off-the-job components.

The strategy employed has involved establishing an overseeing team comprising four individuals—one off-the-job trainer, one on-the-job trainer, one divisional supervisor and one additional trainer. This team meets regularly to discuss both components of training, to review individual participants’ progress and to monitor the attainment of outcomes sought by the training program.

Assessment is also perceived as a critical element of integration and to this end, the division has had 12 staff trained as assessors. Some of these were trained by Email Training Services and some by the Croydon campus of Croydon Institute of TAFE. Interestingly, few differences could be observed in the training outcomes attained by each provider. However, in terms of procedures there was one identifiable difference, and this related to recognition of prior learning (RPL). The TAFE provider had adopted RPL principles, while Email Training Systems had not done so.

Formal and informal training

Like most enterprises, Email can more readily identify, cost and monitor the impact of its formal training than it can its informal training. Yet this does not reflect the relative importance attached to either form of training, particularly as this relates to outcomes. This difference is particularly noticeable in the costing of training.

Costing training

The laundry division has developed a system which can accurately track training-related costs, with regard to formal training. Training budgets are set at 1.5 per cent of payroll expenditure, following the model set by the Training Guarantee Levy. In reality, training
expenditure is closer to 2.0 per cent of payroll expenditure, but this figure is based on aggregated information.

The system being developed at the time of writing charts the average time spent in formal training by employees for each month, and the costs associated with this. This system does not provide a detailed profile of these employees (for example, by gender, age, part- or full-time status, etc.) because this level of information is not seen as highly relevant to management data needs. The system is designed to allow managers to see training distribution patterns by functional areas and the type of training involved. This information is plotted across a one year period, to allow managers to monitor monthly fluctuations in training provision and expenditure.

The next step is to determine a set of indicators by which a return for this expenditure can be calculated. At present, such indicators exist in relation to production output, (for example, reaching independent quality standards, level of productivity) and in relation to production processes (for example, lack of industrial dispute) but it is difficult to isolate training as a given factor in contributing to production outcomes.

**Training, other than that provided within the organisation or by Email Training Systems, is delivered by a full range of training providers—TAFE, private providers, community providers and universities. Laundry division personnel are satisfied with the training provided by these sources, who are employed on a needs basis. A good working relationship has developed with the Croydon campus of Croydon Institute of TAFE, which is described as being client-focussed in its provision of training, able to deliver according to the division's needs and at a competitive price.**

**At the time of writing, benchmarking was being used only in an informal manner. The laundry division regards benchmarking as a valuable tool for improving organisational outcomes. However, best practice has been the mechanism employed to date, largely because Email was selected as a 'best practice' company. The major appliance group received a Commonwealth Government grant in 1991 to demonstrate best practice in a number of areas (for example, business strategy, organisational structure, training) and was required to establish strategies to accomplish this.**

Part of the contract with the Commonwealth involved benchmarking other companies. However, Email personnel believed that before they could do this, they needed to focus internally and address identified gaps in effectiveness and efficiency. Nevertheless, other companies have used Email to benchmark themselves, and this has been encouraged by the best practice demonstration project which involves other organisations visiting Email sites to observe their methods of operation.
Addressing access and equity issues

The laundry division has identified two main groups who are sufficiently disadvantaged to require special assistance in the workplace and in training programs. These are people for whom English is a second language, and young people with little or no previous employment experience. These two groups are assisted by the provision of English language tuition and by the provision of traineeships.

Challenges faced in providing training

A key difficulty in providing training is ensuring a constant supply of qualified in-house training personnel while at the same time preventing a division between ‘training’ staff and other staff. The laundry division is making a conscious effort to avoid categorising some staff as ‘training’, thereby marginalising them and removing a sense of shared responsibility for training within the organisation. To this end, 12 staff have completed train the trainer courses and these are designated as ‘coaches’ who provide formal training within the division.

Another challenge is the time required to deliver quality training. This includes the time in which employees are off the job (thereby incurring costs) and the time taken to identify training needs, design or locate appropriate courses to address these needs, and to deliver courses and monitor their impact. As the division becomes increasingly planned and co-ordinated in its approach to training, time issues become more significant.

The design and delivery of competency-based training exemplifies this challenge. However, it is the division’s view that this is not a loss because the ultimate outcome, in terms of improved training needs identification and assessment, makes it worthwhile.

To some degree, training and the demands set by production can be seen as competing with each other and addressing both sets of needs is an ongoing challenge. At the same time, each type of need is seen by division personnel as equally important and mutually dependent.

Impact of training reform

The training reform agenda would appear to have made a substantial impact on Email’s laundry division. This section of the case study examines the division’s involvement in competency-based training and assessment, course accreditation, provider registration and recognition of prior learning—all key components of the training reform agenda.
Competency-based training and assessment

The development at the national level of competency standards for the metals and engineering industry has been a major impetus to Email and its laundry division in identifying competencies for its various areas of operation and in designing training programs which can either develop these competencies or fill gaps in identified competencies among employees. Together with 59 other companies, Email was part of a model implementation program for national metals and engineering competency standards.

Assessor training and on- and off-the-job assessment of training is competency-based, and laundry division personnel regard the identification of competencies as enhancing their ability to identify accurately training needs. This is also regarded as a meaningful standpoint from which to provide recognition of prior learning.

Recognition of training (Recognition of prior learning (RPL))

At present, RPL procedures have not been formulated, but the division is aiming to establish these. It is expected that the impetus to do so will arise in the coming year with two test cases, when two students with two years completed of a university degree in electrical engineering begin traineeships in electronics. It is the division’s intention to ‘fast track’ these two individuals through the traineeship and for them to obtain qualifications related to both the completion of the traineeship as well as the engineering degree. Given that they will each have attained two years’ experience on the work site, two years of formal training in the traineeship and two years of the university degree, this does not seem unreasonable. But to achieve this dual accreditation, RPL processes will need to be established within the organisation, and credit transfer arrangements will need to be made with the university concerned.

Provider registration and course accreditation

The process of seeking course accreditation has been a difficult experience for laundry division training personnel. The procedure was found to be complex, time consuming and difficult, and ultimately was abandoned in favour of delivering industry approved competency-based modules. Because the accreditation process was rejected, registration as a provider was not relevant.

Future directions

The laundry division’s personnel who have responsibility for training believe that their training provision can only improve, given its shift in recent years to a more strategic and planned approach, and the clear linkages which have been drawn between training and the organisation’s mission and guiding objectives. Perhaps its greatest asset in this is the company culture which assigns a high priority to training and values training as an integral part of its operation. With the exception of accreditation and related procedures, the training reform agenda is seen as providing a framework for continuous improvement in training at the enterprise level.
Email Laundry Division
Training Request

Authority
Please make appropriate arrangements for:
Name: ........................................... Clock No: ...........................................
Department: ...........................................
Course: ...........................................
Authorised Signature: ...........................................
(Forward to Divisional Training Officer)

Training Arrangements
Arrangements have been made for:
Name: ........................................... to attend ........................................... training
Location: ........................................... Date: ...........................................
Commencing at ........................................... duration ...........................................
Conducted by ...........................................
(Copy to PTC/ Manager—Trainee to retain for reference only)

Finance
Course fee: $  Travel: $  Accommodation: $
Other: ...........................................

Training Review
Was training relevant? ............ Were training needs addressed? ............
Would you recommend the course for others? ...........................................
Signed ........................................... Date: ...........................................
(Completed by Div Training Officer/Forward to Personnel/Copy to Finance)
Appendix B

Case study:
Polymer Industry Technology Centre (Polytec)

Prepared by:
Kate Barnett
National Centre for Vocational Education Research Ltd
September 1995
Background

Polymers are synthetic materials known colloquially as 'plastics' and 'rubber' and are used primarily in the manufacture of products like cars and whitegoods. This case study focusses on Polytec, a skills training centre in Adelaide, which, while encompassing the polymer industry, at present addresses the training needs of the plastics sector. In South Australia, some 18 500 people are employed by firms within the plastics sector. The majority of these are small size firms, and some large firms also exist. The focus of these firms is almost exclusively on manufacturing, and of this, between 70 per cent and 60 per cent is devoted to injection moulding. The plastics sector of the polymer industry has only recently developed a structured and planned approach to formal training, including entry-level training. Polytec is the first organisation to provide structured, formal off-the-job training in the industry in South Australia. This in itself makes it interesting as a case study, as does Polytec's partnership with TAFE and the fact that it is industry-driven.

The historical development of training for the South Australian polymer industry is characterised by the strong collaborative efforts of TAFE and the industry. This partnership began in the late 1960s when a joint agreement between TAFE and the Plastics Institute of Australia (the trade association for the industry, now known as the Plastics and Chemicals Industries Association—PACIA) began to address the training needs of the plastics industry. By the early 1970s, a number of strategies had been devised in which TAFE provided programs designed to meet industry needs (for example, the significant demand for training in the areas of die-setting and injection moulding), and in a format which was essentially industry-driven.

The outcome was the establishment in 1979 of the Training Centre for Plastics, the first of its kind in Australia. In its earliest phase, this centre operated from the premises of enterprises from within the plastics industry, using their equipment and employing their own instructors, with some TAFE training input. Paralleling these embryonic training initiatives was the development during the 1970s of industry training committees (ITCs), and in 1981 the plastics ITC was established. This is now known as the South Australian Polymer Industry Training Council Inc. (SAPITC) and was established by industry sources specifically to develop a planned training program for the South Australian polymer industry.

Infrastructure and TAFE involvement

Regency Institute of TAFE is the industry's partner in the provision of training through the skills training centre. Regency offered to the industry an area of its premises for use as a training centre. This area had been designated for plastics training and would have been reallocated if not used.
A joint venture was developed, with industry donating equipment and raw materials, in themselves significant cost items. The SAPITC assists with secretarial input. Regency Institute of TAFE, through its School of Mechanical Engineering, maintains equipment in most instances, and meets costs related to power, water, light, telephone, photocopying and floor space.

Industry, through funding from the Commonwealth Department of Employment, Education and Training (DEET), was able to provide a full-time lecturer with DETAFE matching the DEET funding (i.e. 50 per cent DEET and 50 per cent TAFE funding for the employment costs of the lecturer). Initially, TAFE also provided a salary for a half-time centre manager. (This was increased to a full-time salary, and TAFE has also funded jointly with the plastics industry the salaries of an additional full-time lecturer who was appointed in 1988, bringing the total staff complement to one manager, who is also a lecturer, and two full-time lecturers.) However, in June 1990, the DEET share of the employment costs ceased, and at the time of writing, only DETAFE support remained.

Polytec’s unsettled and somewhat insecure funding infrastructure was further complicated by the resignation of the TAFE-funded lecturer who accepted a targetted separation package. At the time of writing, TAFE has been unable to replace this position. Funding has since been sought unsuccessfully from the Australian National Training Authority (ANTA) and from the South Australian Government. Polytec is employing part-time lecturers to fill the training responsibilities left by the TAFE-funded lecturer, and will seek to employ a third full-time lecturer by increasing course fees in 1995. At present, these fees range between $400 and $500 per course and it is planned to increase these by 25 per cent. The effect of this on future enrolments is unknown at the time of writing.

This somewhat complex pattern of funding support is very much a reflection of the lack of readily accessible funding for a skills training centre in the plastics sector, and the need for innovative and flexible approaches to overcome this resource gap.

The centre which was developed from this collaboration was opened in March 1984 and at the time was known as the Plastics and Rubber Technology Centre (PARTEC). It is now known as the Polymer Industry Technology Centre (Polytec).

There are two structures which underpin Polytec, one being the SAPITC and the other being the Polymer Industry Development Board (PIBD). These structures reflect the dual roles of training advice and training provision, and the DEET requirement, at the time of establishment, to separate these two roles. However, with funding now being provided by ANTA, and the absence of any formal requirement for the ITC to separate advice from provision, it is...
unlikely that this cumbersome dual structure will be a permanent model.

The PIBD was established in June 1992 to take responsibility for training delivery for the polymer industry. Essentially, the SAPITC sets policy and priorities for training and the PIBD implements these, mainly through the training centre.

Current training provision

The main distinguishing feature of Polytec’s training provision is that it is industry-driven, providing short courses which offer basic training in skills of industry-wide relevance. (A list of courses appears in appendix A.) The significant contribution made by industry to Polytec, both in relation to equipment and in identifying training needs on which to base courses, sets the training centre apart from others in Australia which are essentially State financed and TAFE operated. It does mean however, that obtaining/retaining funding is an ever-present challenge, as described in section 1.

In responding to industry demand, Polytec is targeting a majority of small size, and a minority of large size enterprises involved in manufacturing (as opposed to supply) of polymer products. Most courses are oriented to processing, and in particular, to injection moulding.

Course structure

Polytec delivers short courses which are structured into module format with provision for multiple entry and exit. They provide basic training in a competency-based format with accompanying competency-based assessment. Assessment is conducted at Polytec, but some of the Australian Vocational Training System (AVTS) pilot project’s training (see section 4) involves work-based assessment.

Courses are focussed at entry-level and provision is made for traineeships. A Career Start traineeship had been developed, but prior to its inception, the SAPITC succeeded in obtaining funding to run an AVTS pilot project (see section 4) and this is the vehicle for its provision of training to trainees.

Some courses are conducted on-site (for example, in rural areas) but users are encouraged to use Polytec because of its equipment and training facilities. (The demand from industry for on-site training is discussed in section 3.)

Course numbers are limited to 12 and three staff are involved, ensuring individualised attention to student needs and to safety.

Courses are not formally accredited. However, three modules have received formal recognition at the national level. These form part of the nationally recognised and accredited 30-month course which
leads to the Certificate in Polymer Processing. Students completing these modules will receive credit towards the complete course. At this stage, Polytec is unsure about whether it will seek to provide all of the modules comprising this course. Much depends on student response and interest.

The SAPITC has recently been successful in obtaining funding from the Australian Committee on Training Curriculum (ACTRAC) to undertake a survey of available training material in South Australia for chemical workers. A national Certificate in Manufacturing Process has been developed, but it appears that it does not cover all training needs in the South Australian chemical industry. Depending on the outcome of the survey, a new course for South Australia may be developed, or specific modules designed to address gaps for the South Australian industry may be developed. Polytec could play a key role in such initiatives.

**User profile**

Approximately 240 students, coming from some 100 different companies, attend Polytec courses each year. Many of these are regular attendees. These are either trainees or are employed at operator level. Most students have their tuition fees met by their employers, but recently, there has been an increasing number of individuals, often supported by WorkCover, seeking re-training via Polytec courses. Beyond this, Polytec keeps information only on the users’ names, their employing organisation and their course performance.

**Challenges faced in training provision**

Although described as an industry, which implies some form of homogeneity, the South Australian plastics industry embodies an extremely diverse range of enterprises who manufacture plastics products across a number of other industries. Therefore, a key challenge from a training perspective is the co-ordination of training provision to meet a range of needs. Yet there are limits to Polytec’s ability to meet training needs which are highly specific to individual enterprises. It cannot deliver all of the structured training needed across the industry due to different production needs at individual work sites and the accompanying need created by such variation for specific machinery. For this reason, it focusses on basic and core areas of knowledge and skills.

Added to this need to address a range of training needs and work site production requirements, is the lack of visibility of the plastics industry, which is usually defined as a sub-set of the engineering vocational field, even though this represents only one of the relevant vocational fields applicable to the industry. It is not, or itself, a declared vocation. This has considerable implications for funding for training and for the clear identification of specifically plastics-focussed training requirements.
Due to its focus on processing, the South Australian plastics industry operates on a 24 hours (as opposed to a nine to five) production cycle. This presents a significant challenge for Polytec and other training providers to deliver training to meet the needs of employees working outside of the usual hours. Polytec does provide evening as well as day classes, but there is scope in the future for its delivery to encompass self-paced learning and interactive computer-based technology which, in combination with its flexible entry and exit options, could allow students to participate in structured training at any hour of the day.

The training provided by Polytec is user-driven, and a number of companies seek on-site training. The key factor affecting Polytec’s ability to meet this demand lies in the availability and accessibility of appropriate equipment. For most organisations, temporarily shutting down equipment for training purposes can represent a cost in the form of lost production. Logistical problems can occur too, for example, when a training session is arranged and Polytec lecturers arrive on-site to find that the equipment has broken down. Despite such challenges, Polytec has been able to provide on-site training to some local companies in processing skills and in other areas, like occupational health and safety, which are less equipment-dependent. In general, on-site training is more easily arranged for large companies than for smaller ones.

A further difficulty arises in respect of the different working conditions for TAFE-funded and industry-funded staff (for example, TAFE staff receive some eleven weeks’ annual leave while their industry-funded counterparts receive four weeks). These differences present management challenges, and affect planning of course delivery and other aspects of operation. At present, no solutions have been found to address this issue but the difference in the two types of working conditions is of significant interest when considering the scope for partnership between TAFE and private providers in delivering training to industry.

However, apart from these operational difficulties, the challenges facing Polytec lie within ‘big picture’ issues. Uppermost among these is the constant evolution within the polymer industry of new techniques and processes. The challenge from a training perspective is to keep pace with this change and thereby to ensure that the training provided is relevant and appropriate. This requires innovation and flexibility, and the need to remain attuned to training needs as specified by Polytec stakeholders.

Impact of the national training reform agenda

Responding to the range of initiatives collectively known as the national training reform presents something of a dilemma for Polytec. As an industry-driven training centre, Polytec responds to expressed training need, but the agenda itself appears to be having a limited
impact on many of its consumers, particularly small size enterprises. Nevertheless, Polytec is taking on board a number of training reform-inspired approaches to training. Its courses are competency-based and are assessed on a competency basis. Recognition of prior learning (RPL) is accommodated, with provision being made for competency-based testing of individuals to determine their level of skill. (Interestingly, there have been no requests for RPL from students to date.) Within the framework of the national Certificate in Polymer Processing, three accredited modules are available, but the remainder of Polytec’s courses are not accredited. Polytec is a registered training provider.

Polytec’s response to training reform is receiving an additional and significant impetus arising from the SAPITC’s implementation in 1994 of an Australian Vocational Training System (AVTS) pilot project. This project is providing 10 trainees with basic production line training designed for plastics operative workers. The curriculum was modified from that prepared for a Career Start traineeship, which Polytec was preparing to implement when the AVTS pilot funding was allocated to the SAPITC. This curriculum is focussed at Australian Standards Framework (ASF) levels one and two, and is linked to national competency standard.

The pilot project has been designed to address the training implications of the 24 hour work cycle of the plastics industry in South Australia and the central training issue of integrating on- and off-the-job training. Off-the-job training is delivered as Polytec in seven blocks and trainees are using self-paced learning materials. The project’s manager has provided a specific training program for workplace trainers which is designed to ensure their understanding of the content of the off-job component of the training program. The manager plays a key role in linking, through personal contact, on- and off-the-job training personnel, and is examining the potential for further co-ordination through written learning guides developed for both training components.

Future directions

At present Polytec courses are targetted to basic operator levels, but it is planned to provided courses at more advanced levels in the future. This is partly a response to gaps which have been identified in training provision for the polymer industry. For example, there is no plastics industry-focussed training for line managers/ supervisors of processing. At present, their training is based on generic line management courses, with adaptation to the plastics processing context being made in the work environment. There is scope for Polytec to deliver line management training tailored to the needs of the plastics industry.
Polytec's courses are oriented to injection-moulding processes, which represents the main source of industry demand. However, it is possible that other aspects of production could be addressed and the existing number and range of basic operator level courses expanded to accommodate a variety of production processes.

Apart from increasing course provision, there is also potential for Polytec to augment its current delivery of training by incorporating improvements in learning technology. The use of self-paced learning and interactive computer-based learning packages offers considerable scope, especially to providing consumer-driven training which can accommodate the working conditions of most of those employed in the plastics production area.

Overall, however, such changes would not represent significant change to the character of Polytec. They would represent response to changing needs and to the industry's demand for flexibility, innovation and adaptability.

---

**Training courses offered by Polytec in 1994**

- Introduction to Injection Moulding
- Injection Moulding Die Setting
- Injection Moulding Die Setting for Toolmakers and Tool Designers
- Injection Moulding Trouble Shooting
- Injection Moulding Die Trialling
- Introduction to Advanced Injection Moulding
- Injection Moulding Machines: Maintenance and Trouble Shooting
- Polymeric Materials
- Pipe and Profile Extrusion
- Fabrication and Thermoforming
- Hot Air Welding
- Basic Rubber Technology
- Fibre Reinforced Plastics
- Introduction to Quality Control and Inspection Techniques
Appendix C

Case study:

Telstra Learning
(part of the Telstra Corporation Limited)

Prepared by:
The Wyatt Company as part of a research project for the Office of Training and Further Education (OTFE), Victoria

[NB: At the time of preparing this report, Telstra was still known as Telecom Australia in this country. Since 1 July, 1995 the name has changed to Telstra Corporation Ltd.]
Background

Telstra Learning was identified for the researchers by the Office of Training and Further Education’s (OTFE) client services branch as an enterprise provider of training worthy of case study research. Telstra Learning was seen as part of a dynamic industry, operating with a high degree of professionalism. This impression was gained during the process of registering Telstra as a private provider of training in Victoria, and through other contacts with OTFE.

The industry

Telecommunication is the single fastest growing industry in Australia. Despite being downsized in the 1980s, as occurred with most phone companies around the world, Telecom’s 8.3 per cent fall in employee numbers was less dramatic than that reported by other international phone companies in the same period. For example, the Bell Telephone Company downsized 35 per cent in the same period (Financial Review, 3 Nov. 1994, in reference to the report, ‘Australian telecommunications competition and beyond’, 1 Nov. 1994.)

Telecom Australia is currently the largest telecommunications employer in Australia with 65 100 staff. Telecom also is involved in assisting other countries, such as Pakistan, establish their telecommunications infrastructure. [Telecom is now also known as Telstra Corporation Ltd in Australia, since 1 July 1995.]

Competitor activity

In 1991, the telecommunications market was de-regulated and Optus was launched, effectively converting Australian telecommunications from a monopoly into an oligopoly. The advent of an aggressive competitor (Optus) threatening to break Telecom’s hold on the residential phone local access market has sharpened Telecom’s business approach in the last few years.

Managing change

In the last ten years, consumer expectations of Telecom have escalated. Constant product innovation; population migration; business globalisation and increased competitiveness (fuelled by world-wide recession) have put increasing pressure on business and domestic communication systems.

Australians are amongst the fastest to take up new technology and Australia, more than any other country, has led in the domestic uptake of computers, modems, mobile phones and faxes. Business travel now competes with teleconferencing; conventional mail with electronic mail and the Internet. Telecom is riding a perpetual wave, constantly anticipating new markets and changing customer needs, and integrating new products faster than ever before.
The immediate future

Around the corner, technological challenges for Telecom include the integrated services digital network 'visionstream' (pay TV via phone lines) and the information superhighway. Also, the re-seller market, which Telecom has traditionally dominated, is expected to grow from $380 million in 1994 to $590 million in 1995. The velocity of these changes has been dramatic. Managing rapid change has been described as having left Telecom without a current mission or vision statement guiding its unprecedented growth.

This backdrop is dramatic and Telecom employees are training and re-training at a rapid rate. Telstra Learning sees itself as the primary vehicle for Telecom employees' knowledge and skills acquisition, stating that it is 'an organisation whose people are continually expanding their capacity to create the future'. High volume quality training, developed quickly for flexible delivery, is the challenge.

Case study methodology

The researchers used focus groups as the primary means of obtaining information about the operating environment and of identifying issues.

Case study content is based on information obtained during semi-structured interviews and from documentation provided by key stakeholders in the organisation.

The fieldwork this case study was carried out in November 1994.

About Telstra Learning—the provider

Telstra Learning is a private training provider established in July 1994 as a sub-set of Telecom Australia. Telstra Learning, which employs approximately 680 employees nationally, acts as:

- an enterprise provider—designing and/or delivering training products and services to more than 65,100 Telecom employees;
- a quasi-commercial provider—Telecom business units transfer funds to Telstra Learning in return for training products and services;
- a global industry provider—sometimes trading training products or services as part of overseas telecommunications deals or as a way of developing strategic relationships within the industry internationally;
- a training broker and quality control body for Telecom's business units; and
- an important stakeholder in the Telecommunications Industry Training Advisory Board.
Telstra Learning's charter prohibits the sale of training products or services outside of Telecom.

The emphasis across business units currently seems to be training for the middle layer within Telecom, with less emphasis on the recruitment or executive layers. Telstra Learning was one of the first registered training providers in Victoria and now looks forward to new automatic national registration.

Telstra Learning's vision statement reads:

*Telstra Learning will be:*
- central to Telstra's business success;
- recognised by its customers (the business units) for its capability and professionalism;
- internally boundaryless;
- leading edge in its internal practices and processes—particularly people management;
- a desirable place to work—its people will be proud to work here.

---

**Telecom Training Services (TTS) existed between 1988 and June 1994 to train Telecom employees. It seems that TTS did not play a conventional corporate training co-ordination role across business units, instead marketing itself as a separate internal business unit. It was required to be entrepreneurial, to raise its own revenue and to compete against other external training providers for Telecom training business. Telecom decision makers however perceived external private providers as superior to TTS. This led to 40-60 per cent of TTS time being spent in marketing internally for Telecom work.**

On the positive side, the lack of control by TTS over training meant that business units embraced training. In many other large corporations, devolving ownership and accountability for training from human resource management to line managers is difficult to achieve. The downside of decentralisation meant that training in Telecom became somewhat fragmented. Business units delivered training of varying quality; they tended to duplicate effort and often negotiated expensive one-off deals with external providers.

The change from TTS to Telstra Learning promised substantial changes in the way Telecom employees related to their primary enterprise training provider. 'It (the formation of Telstra Learning’s board and councils) shifted the organisation to think as a corporation rather than a series of business units'. Telstra Learning’s formation has attempted to:
- create a structure (consisting of a board and councils) to promote the philosophy of a 'learning organisation', beyond staff training;
elevate Telecom’s commitment to TL as its preferred supplier of training and development thus obviating marketing time and increasing its capacity to deliver results;

- reinforce the service expectation on TL from Telecom business units;
- strengthen co-ordination and co-operation across the business units to maximise TL’s efficient and effective training provision; and
- increase TL’s ability to direct and quality control at least 50 per cent of Telecom training expenditure.

Telstra Learning also has a new management reporting structure. It includes a board (chaired by Telecom’s chairman, Mr Frank Blount) where key Telecom stakeholders work with four ‘learning councils’. The Councils are set up around themes such as: management development; sales and customer service; technology; and administration and business systems rather than established around the business units. Under this management structure, corporate planning and direction-setting for training across units should be more systematic in the future. The extent of this initiative’s success is still unfolding.

Main features of Telstra Learning’s approach

The main features of Telstra Learning’s approach have to do with the quality and systems developed to support high volume training delivery. The following features seem to represent a large, mature bureaucracy with long-standing and increasing dedication to training.

**Trainer expertise**

Trainer expertise varies depending on the type of training designed and piloted. Most Telstra Learning staff do not deliver training on an ongoing basis as this becomes a business unit responsibility after piloting.

**Network technical trainers** usually have a qualification such as an advanced certificate in telecommunications and would have attended numerous short courses.

**Business development trainers and sales and customer service role model instructors and principal consultants** may have a variety of expertise up to a full degree in a relevant discipline.

Trainers from all the above groups have usually attended a methods of instruction course and some have undertaken an associate diploma in adult education via distance learning whilst employed with Telecom.
Context for Telstra Learning's training

The varying maturity of three bodies is central to this case study. These include:

- Telstra Learning, which now has an endorsed position and funding as the preferred provider for Telecom training, established approaches to training and skilled trainers;
- Telecom Australia, coming to terms with the interdependence that Telstra Learning wants to cultivate, and still grappling with the demands of large-scale training delivery; and
- the Telecommunications Industry Training Advisory Board, working in partnership with Telstra Learning as the primary employer's training provider. It is trying to assist in the promotion and realisation of the national training reform agenda as it affects Telecom's 65,100 employees.

Each of these three bodies has undergone substantial development in the last two years and is now at different points in their understanding of, and capacity to address, training issues. Each can make an important contribution but has competing needs. The next 12 months will be crucial in terms of aligning approaches to capitalise efficiently, where possible, on shared plans and resources. Telecom clearly sees training as an investment and skilled staff as providing a competitive advantage. In the past, telecommunications growth centred around infrastructure and technology acquisition. Now, competitive edge is seen as depending equally on customer service and product knowledge.

Training in Telecom has a strong history and a comprehensive curriculum of training that employees access many times during their career. Over the last five years there has been a strong push away from a 'menu-driven approach' to training attendance; and towards training on a needs basis and in response to performance targets.

Telecom training budget and expenditure

Telecom training involves enormous costs. These were reviewed as part of a business unit review of training report undertaken by Telecom in 1993. It was not possible definitively to identify annual training expenditure by Telecom and Telstra Learning, but it has always well exceeded previous Training Guarantee Levy requirements. In 1993-94, expenditure included:

- Telstra Learning's budget of $80 million per year for 700 employees' salaries, accommodation, training materials and other national resources;
- business units' own training budgets for coordinators/facilitators/mentors working in some of Telecom's business units;
- short-term productivity losses and salaries for trainees involved in formal and on-the-job training; and
- outsourced training (i.e. training not provided by Telstra Learning or Telecom business units' training staff) estimated at $70 million per year coming both from Telstra Learning's budget and business units' training budgets.
Prior to producing any training, Telstra Learning prefers to perform a training needs analysis and to develop a training specification for client 'sign off'. The specification often is adjusted by the client prior to starting work.

About 50-60 per cent of training delivered to Telecom employees is technical (rather than management) training. The products and services Telstra Learning are being asked to deliver have changed, with technical training having been the focus in the past. Customer service, marketing/sales and new product training are increasingly in demand.

One problem identified more recently relates to rapid change and the client-internal consultant relationship. New product training for operators is becoming a frequent request. Training designed usually seems adequate when assessed during limited trials. Training however often ‘falls over’ when trials become more popular with consumers than expected. This can lead either to: more ambitious implementation goals set by the business units or operator ‘swamping’ caused by increased demand and decreased training time. Product problems and business results are sometimes attributed to the training, rather than the products’ implementation.

**Training styles**

Standard training models are used, as is multimedia technology; self-paced training; computer-based instruction; and a variety of classroom learning styles.

**Management development training** was described as being designed around a learning process rather than as a training ‘event’, usually with an action learning component in the middle.

**Technology training** was described as mostly instructor-led, driven by visuals and diagrams or flow charts. When asked, use of these tools was *not* seen as a conscious integration of accelerated learning but more as ‘... old school’.

**Systems training** was described as ‘hands-on’. This training has changed from a dry task explanation process. It is now trying to recognise the need to educate trainees to *access and interpret* information systems rather than to learn the content of systems which are perpetually changing.

**Sales and customer service training** was described as ‘... exercise and role play-driven’. Product information is usually given via handouts, and trainees are encouraged to put themselves in the place of the customer.

**Telstra’s customer service ethos**

Telstra Learning is intent on demonstrating its professionalism in servicing its clients’ needs. It uses a ‘customer service monitor’ form
developed by A G B McNair to assess Telecom business units' satisfaction with Telstra Learning products and service.

**Quality**

Telstra Learning staff pride themselves on the quality of their contribution. One employee said that quality standards and the expectations of the business units could be seen as an impediment: 'we could “throw something together in a couple of days”, but that’s not our approach'.

Although not explored in detail, some feedback indicated frustration caused by the business units wanting a faster response from Telstra Learning, perhaps at the expense of quality. With its thorough approach, Telstra Learning could be labelled educationalist/purist, with a quality focus and driven by expert trainers implementing models and philosophies that take considerable time to execute.

**Telstra’s approach to outsourcing training to other providers**

Telecom spent approximately $70 million in the 1993–94 financial year on external private commercial providers other than Telstra Learning. This feature was explored in some detail.

Outsourcing has tended to concentrate on obtaining assistance to deliver what is thought to be Telecom-specific material, even for generic topics such as time management. This is slowly changing. The Telstra Learning methodologies and materials unit's view was that '... the organisation is maturing. We are outsourcing less'.

As a training provider, Telstra Learning manages outsourcing of training provision. This takes Telstra Learning into different roles:
- *as a direct competitor*, with other private providers vying for Telecom training dollars;
- *as a broker* of training through its outsourcing unit, TL locates training providers and may be appointed as a *project manager*; and
- *as the Telecom training quality controller*, TL tries to implement consistent standards and cost controls for training outsourced by diverse independent business units with often competing resource needs.

Outsourcing of Telecom training is currently initiated in two ways.

- Telstra Learning may choose to select an external provider to deliver training on its behalf to Telecom’s business units. Telstra Learning estimates it outsourced $30 million worth of training in the 1993–94 financial year, mostly for training delivery.

- The business units can contract independently outside providers, although this should decrease under the Telstra Learning council co-ordination system. The outsourcing unit within Telstra estimates that in the 1993–94 financial year, about $40 million was spent by business units choosing to go ‘outside’ Telstra Learning for training. Exact figures are not available. The unit estimates
$20–30 million of that money was spent on external consultants (as distinct from course attendance fees, equipment purchases etc.).

**Why outsource beyond Telstra Learning?**

Business units use external suppliers other than Telstra Learning for a variety of reasons, including:

- to obtain services TL can’t provide (for example, specialist technical training such as defensive driving or to access multiple facilitators for an intensive period of training);
- to obtain a training product or service perceived as superior to TL’s;
- to allow the business units to act autonomously, outside the Telstra learning council approach, seeing its needs as unique or more entrepreneurial; or
- to side-step TL’s thorough approach believing outsiders deliver training more quickly, (for example, training independently organised by Telecom Mobile Net).

Telecom business units assign 50 per cent of their training budget to Telstra Learning each year, whether Telstra Learning delivers their training or not. Telstra Learning staff see the transfer funding as one means of guaranteeing that Telecom use Telstra Learning. By being involved, Telstra Learning feels it can then maintain quality control. The impact of this new ‘forced dependence’ measure was not evident at the time of the case study.

**Telstra Learning as a training broker**

Telstra Learning’s outsourcing unit acts as a training broker for Telecom business units, managing the selection; contracting and records management associated with approximately 200 external providers. As mentioned before, training delivery seems to be the primary area where external providers are used. Telecom however currently also uses at least five external instructional design providers including Andersen Consulting, KPMG and Price Waterhouse.

Brokering means that, ironically, Telstra Learning, as a quasi-external provider, finds itself managing the quality of services and products delivered by other external providers.

**Management of outsourcing by Telstra Learning**

In addition to the 200 providers commissioned by Telstra Learning, some business units also directly source providers. This is not endorsed by the Telstra learning council or Telstra Learning’s outsourcing unit which believes Telstra Learning has the expertise to source quality training at competitive prices, rather than the business units:

Most people (managers in the business units) don’t question prices but experts (the outsourcing unit) know the difference . . .

Consultants put a high price on themselves but 98 out of 100 will negotiate on price.
Control of outsourcing

The outsourcing unit described a few difficulties experienced with private providers that have developed when the business units work outside Telstra Learning.

- Excessive costs per trainee, (for example, up to $2000 per person for sales training sourced by a business unit agreeing to a 2:1 TNA-design ratio which TL felt was excessive given the repetitive nature of the training).

- Consultants using Telecom work as a testimony to their quality/breach of contract obligations and pointed reminders not to do so.

- Training providers blacklisted by TL because they failed to meet adequate training quality standards or meet contract obligations, after which they ‘farmed’ for business, despite clear statements indicating that there would be no future work from Telecom. One such provider approached different parts of the business for work, confident that the size of Telecom and TL’s difficulty in controlling all training would ensure the consultant had access to a lucrative source of ongoing work.

- Complex contracting for purchasing intellectual property rights involving instructional materials designed for Telecom. One purchase took Telstra Learning nearly six weeks to resolve legally with a provider.

The outsourcing unit regards screening providers and quality assurance as part of their domain. When asked about the role of the Office of Training and Further Education (OTFE) in both these areas, Telstra Learning’s outsourcing unit said it had no contact with OTFE.

When discussing OTFE’s role in the accreditation and registration of providers and the pertinence of that role to Telstra Learning, the outsourcing unit said it saw Telecom’s own new system as a more appropriate official training register for them. Unit representation stated that its standards for assessment of contractors exceeded OTFE’s criteria for registering private providers.

Outsourcing preferences

In terms of preferring registered providers, TL stated only that they preferred to deal with companies rather than independent operators acting as a sole trader or in partnership. This is because of tax implications and the accounting requirements of Telecom which, they say, more established companies understand. Large, established companies also tended to use a consistent project management approach to outsourced instructional design which the outsourcing unit prefers, including detailed contracting of the ‘deliverables’ and processes involved and joint project planning and ‘sign off’ of key milestones. The unit said it had no difficulties refusing provider payment if dissatisfied.
Outsourcing evaluation

When asked, the outsourcing unit said most training providers had no evaluation process, other than perhaps ‘happy’ sheets detailing trainee satisfaction with training after a session or course.

The outsourcing unit uses contracts as its primary evaluation tool, which ask, did the provider deliver what was described? There is no rating system used by the unit other than ‘acceptable’ or ‘not acceptable’. Reviewing external training was referred to as ‘a form of evaluation’.

When asked, outsourcing unit personnel said most training provided by outside suppliers was of a quality comparable to Telstra Learning’s own. When asked about the involvement of TAFE specifically (not mentioned in general discussion), the outsourcing unit described overall quality as ‘acceptable’ and recalled:
- a supply and distribution course (developed in 1991);
- Outer Eastern College of TAFE working on a financial certificate with Telstra Learning; and
- some open earning access provided by TAFE.

The researchers were told that systematic evaluation would not affect independent arrangements made between some business units and private providers. This may be due to the current level of resistance or uncertainty about the brokering/quality control/co-ordination roles of the outsourcing unit.

Best practice in workplace training

When asked about Telstra Learning’s model for best practice in training design or delivery or benchmarks used, Telstra Learning staff identified the customer’s reaction (business units’ feedback) as their best guide and the traditional training models they implement (for example, Dick & Carey) as best practice.

Benchmarking does not appear to have been used by Telstra Learning. Representatives, when asked, compared themselves favourably with other providers. Comparisons were made informally through observation of how larger consultants operate and the quality of their training and other services. In terms of curriculum design, Telstra Learning saw themselves as ‘better than most’.

Telecom sells about one per cent of Telstra Learning training as part of its overseas deals within the telecommunications industry, implying international recognition of their training. This may translate to a belief within the organisation that Telecom training is automatically considered international best practice.

The approach described above suggests pursuit of best practice was the Telstra Learning goal, rather than benchmarking.
Relationship with TAFE

Most Telecom employee training has traditionally been delivered or co-ordinated in-house. The main industry provider in telecommunications has been TAFE.

Telstra Learning identified an advanced certificate in telecommunications which has recently been structured as a bridging program for participants from VCE level (the Victorian equivalent of the Higher School Certificate or final school study year) through to TAFE.

Telstra’s involvement with NETTFORCE was described as a mechanism for ‘developing more effective relationships with TAFE’. There is potential for employees to enter Telecom, having gained skills through secondary school, TAFE, and/or an undergraduate/graduate qualification which related directly to Telecom’s core business.

Telstra also discussed their desire to work in a more co-ordinated partnership with public education providers. They want to build industry-wide programs, sourcing materials from different institutions which can be delivered and accredited nationally.

Gaining co-operation from providers may be problematic, given the relatively independent marketing approach most institutions have taken in the past. Many TAFE colleges and universities presently are discussing collaborative ventures in relation to courses crossing the entire occupational spectrum. Telstra are keen to harness and dovetail this effort by working together with a collection of public providers as a consortium. They want to promulgate the providers’ view of the industry and Telecom’s longer-term needs, rather than viewing industry education from the perspective of each single provider’s conventional course offerings.

Recognition of training in the workplace

Two views were expressed about the direction and commitment for recognition of prior learning (RPL). One was that Telecom and Telstra Learning ‘support it’ but that implementation has been isolated ‘in pockets around Telecom’. The second view was that RPL is ‘... not a big issue for Telecom’.

When asked about the proportion of employees with overseas qualifications, and the possibility of RPL affecting this group, the response was that this is ‘not one of corporate importance ... rather [this is] for individuals to resolve through their business unit’. First line supervisor training through assessment centres, and attempts more recently to recruit skilled staff were offered as examples of Telecom’s implementation of RPL.
RPL seems to have most significance in terms of Telecom employee training records. Previous training record systems are being replaced by a system which will record Telecom employees' training histories across all business units, linking to a corporate skills audit which will be conducted periodically.

Relationship between the training reform agenda and industry and enterprise training provision

The researchers were told that 'Telstra Learning only found out there was a wide training industry out there a few years ago', and that 'Telecom had largely ignored the training reform agenda until recently' and implementation was labelled as 'still in its early days' with 'parts of the organisation still unsure about what it means'.

The organisation's size and perceived unique requirements have slowed down the formulation of a corporate view on the agenda's implementation. Some parts of the business have chosen to break away and define enterprise-specific competencies using the Hay-McBurgh framework, rather than work towards industry competencies. Telstra Learning is trying to educate the units and the unions about the value of a consolidated approach, as promoted by the National Training Board (NTB).

Telstra Learning has been involved actively in the establishment of the national Telecommunications Industry Training Advisory Body (TITAB) in 1992. Telstra Learning's relationship with the TITAB was described as a partnership. Only one set of competencies has been accredited by the NTB so far.

Registration as a private provider and accreditation of training

Telstra Learning was one of the first organisations to seek registration as a private provider in Victoria. Telstra staff spoke highly of individuals from the registrations branch of OTFE, emphasising the degree of support they were given throughout a long process.

When asked about the process however, it was described as 'bloody horrendous'. Time involved in seeking registration was extensive and contact with OTFE staff was, at times, required on a daily basis. The main difficulty experienced by Telstra Learning was not in trying to meet the standards set by OTFE but rather the lack of consistency across States, with each requiring separate applications and different documentation. Telstra Learning staff said they 'dropped the idea of national registration until the system caught up with our (Telstra Learning's) needs'. This situation has been redressed with a recent OTFE decision for alignment in approaches nationally and mutual acceptance of registration by all States.
In the past, Telstra Learning would usually explore accreditation of training only if requested by a business unit. Again, this may reflect the dominance of Telecom as the sole employer in the telecommunications market for so long, where skills recognition and employee mobility have not been a critical issue. It may also reflect differing credence given to ‘qualifying’ the education of staff. The fact that Telstra Learning do not sell training outside Telecom would also have made accreditation less important.

Response to access and equity issues

Telstra Learning’s client (Telecom Australia) manages corporate equal employment opportunity/access and equity issues across the whole corporation—including TL. Telecom employee characteristics are as follows.

Of Telecom’s 65,100 employees:
- women represent 28 per cent of the workforce
- English as a second language speakers represent 12 per cent
- Aborigines and Torres Strait Islanders represent 0.68 per cent
- employees with a disability represent 5 per cent of staff.

Within Telecom there appears to be no differentiation between access and equity policy applying to trainees or employees. Telstra Learning implements Telecom’s corporate policy on access and equity. Generic guidelines have been designed to ensure non-discriminatory work practices, including training practices.

Telecom’s corporate equal employment opportunity (EEO) unit and the training managers in each business unit share responsibility for corporate access and equity policy implementation in training. Organisationally, information sharing in Telecom frequently targets the 12 most commonly spoken language groups with multi-lingual literature.

As a large employer, target group needs are identified and met in a variety of ways. For example, in 1994 the Aboriginal and Torres Strait Islander unit conducted focus groups to identify needs such as literacy and numeracy relevant to this group. External sources would often supply such specific training.

Corporate interest in access and equity seems to target women. The workforce was described as ‘gender divided’ with women mostly at the operator level and men mostly performing roles as technicians/lines people. Eleven per cent of Telecom’s executive rank (top 1000) are women and 40 per cent of the recruitment rank are women. Statistics were not available for the management rank. A recent recommendation to be implemented in 1995 was that all women in Telecom should have a career development plan, not just a training plan, to assist their progression through the organisation.
In the last two years significant corporate initiatives have targeted women including:

- a 'glass ceiling' project for pre-executive level employees (later to be provided for all staff)
- a women's conference for 130 selected females (a vertical and horizontal cross-section of staff) to discuss women's issues and refer them to the executive council for action
- an 'open house' program facilitated by senior executives for women from the operational end of the business to discuss any issues of concern to them—without a set agenda.

Business units were described as 'the place to tackle "systemic" barriers' (rather than corporately prescribing solutions). Emphasis on access and equity in training delivered by the business units may vary according to each unit's training manager's approach. For example, one training manager was identified as interested in this issue (for example, monitoring language used in training ensuring it is appropriate and inclusive).

Conclusion

The organisation, industry and employee requirements are changing rapidly. Telstra Learning's establishment is only relatively recent and its attempts to synthesise, co-ordinate and plan a strategic approach to training are still evolving.

The issue of TAFE's ability to assist organisations like Telecom is an important one. In 1991, Telecom explored the feasibility of devolving a proportion of its entry-level technical training delivery to TAFE. There were difficulties relating to Telecom's need for high volume, national training delivery (implying classroom-style facilitation). It appeared that TAFE was unable to cope at that time with the volume of delivery involved and the idea was shelved.

Overall, Telstra Learning and Telecom (now Telstra) display relative autonomy and independence in the industry. They have a comprehensive curriculum of structured training and, as recognised by OTFE, they have developed organising systems and internal training service standards that industry providers such as TAFE and private providers need to emulate if they are to complement internal training.
Appendix D

Case study:

Western Region Group Training Limited

Prepared by:

The Wyatt Company as part of a research project for the Office of Training and Further Education, Victoria

September 1995
Background to the case study

This case study is one of a pair conducted in Victoria to complement pairs of case studies produced by the National Centre for Vocational Education Research (NCVER) in South Australia and by the Queensland Institute of Technology in Queensland.

Western Region Group Training Limited was identified by the Office of Training and Further Education’s (OTFE) client services branch as a suitable group training company for study. The company readily agreed to take part in the research project.

In Victoria group training companies are classified as industry-based private providers.

Organisational profile

History

Western Region Group Training Limited was the first group training company to be established in Victoria. There are now 22 in all. Group Training Australia is the umbrella organisation representing the interests of the 110 companies Australia-wide.

Western Region Group Training Limited was established in 1982 as the result of an initiative of the then State and Federal Governments which were seeking to correct the downturn in the number of apprenticeships offered by private employers. The initiative was modelled on successful industry group training schemes, such as the scheme operated by the Master Builders and the Westrock Regional Training Company in Sydney.

The Group Training Scheme, as it originally called, was established through the Western Region Commission, an association of the nine municipalities of the western suburbs of Melbourne. Since incorporation, the board of management has comprised a councillor from each of nine municipalities. Changes to local government boundaries within Victoria resulted in the disbanding of the Western Region Commission on 31 December 1994. From 1 January 1995 the board of Western Region Group Training Limited was reconstituted to include representatives of local employers, municipalities and unions.

Organisational goals and principal activities

The goal of Western Region Group Training Limited is to offer career pathing and employment and training opportunities for people within the western suburbs of Melbourne. The company's role as an employer of apprentices and trainees is still a very important part of its function.

The principal activities of the company in the course of the financial year to 30 June 1994 are described as:
employment of apprentices and trainees in accordance with joint State/Federal policy;
operation of the Highpoint Retail Skills Centre providing retail, clerical and other accredited training; and
managing special government funded job creation programs.

The company’s primary role is to act as a training broker rather than purely to deliver training.

Staffing

The company employs around 20 people. At any one time, the number of employees depends on the nature and requirements of short term projects being undertaken by the company. Employees include a general manager, a senior projects officer, up to four contract project officers, four field officers, a skills centre manager, two full-time and up to four sessional trainers and six administrative staff.

Project staff, field officers and trainers are all qualified trainers, often with experience in the TAFE system. Part-time trainers may be experts in program content such as visual merchandising.

Funding

Income in 1993-4 was approximately $1.5 million. Of this, 25 per cent came from the State and Federal Governments in support of apprenticeship, traineeship and labour market programs. The balance is recovered from charges to employers.

Competitors

Since Western Region Group Training Limited is the only company of its type in the western suburbs of Melbourne, those interviewed do not see that they directly compete with alternative suppliers. However, the company competes against other providers for its students. Pre-apprenticeship programs are offered by TAFE colleges, a retail training program is offered by the industry training group and TAFE colleges offer programs equivalent to both the retail and office clerical programs.

Distinctive features of industry training provision and approach to training

Apprenticeships

As already described, the company was formed in response to a downturn in the provision of apprenticeships by employers. One of the factors that periodically discourages employers from engaging apprentices is a concern that business levels throughout the four years of the apprenticeship will not enable the employer to meet the costs of employing an apprentice. The group training company seeks to overcome this uncertainty by acting as the employer for the period of the apprenticeship, and rotating apprentices across employers. The company places the apprentice with host companies for periods
of up to one year at a time. The host employer will pay the employment costs of the apprenticeship for as long as the employer’s business can sustain the cost or until such time as it is in the interest of the apprentice to move to another host employer who can offer different work experiences. The duration of any placement varies according to the nature of the trade. Group training companies can be especially useful in allowing very small businesses to participate in apprentice training.

Western Region Group Training Limited employs apprentices in 12 trades including:

- plumbing
- carpentry
- electrical mechanics
- gardening
- plumbing and gas fitting
- motor mechanics
- boiler making
- radio trade person (electrical)
- fitting and turning
- sheetmetal
- spray painting
- cabinet making.

There are currently 160 apprentices employed by the company.

**Apprentice selection, placement and management**

Thirty-five apprentices are employed each year. Places are advertised in newspapers throughout the western suburbs. In 1994 there were 350 applicants. Each applicant takes an aptitude test on the basis of which a short list is identified for interview.

The company’s field officers recruit host companies; officers of the State Training Board assess the suitability of these companies as trainers. Western Region Group Training Limited provides employers with a choice of three candidates for placement from among the group of unplaced apprentices. Downtime, that is periods where apprentices are not placed with a host employer, is negligible.

The company’s field officers manage apprenticeship placement.

**Program funding**

The host employer pays the apprentice an amount equivalent to the net award-based wage after tax. On the basis of time sheets completed by the employer, Western Region Group Training Limited bills the host employer for taxation arising from the net payment and ‘on costs’ which contribute to the funding of the program. The host employer receives a credit for time taken by the apprentice in attending TAFE classes and for the cost of any leave. Western Region Group Training Limited uses any income surpluses from the project to fund additional training such as Department of Industry licensing programs.
Benefits to host employers and apprentices

Employment of an apprentice through Western Region Group Training Limited provides the host employer with flexibility to respond to fluctuations in business activity, as explained above. In addition, as the employer the group training company handles all administrative matters related to an apprenticeship.

Traditionally, apprentices have come to the group training company if unable to find an apprenticeship with an independent employer. More recently it has been evident that school leavers and other are applying for group training company apprenticeships because they see them as offering a more varied training experience during the course of the apprenticeship.

Traineeships

Western Region Group Training Ltd offers two Career Start traineeships through its retail skills centre at the Highpoint Shopping Centre in suburban Maribyrnong. Both programs are registered through the Office of Training and Further Education, Victoria.

The retail program was first offered in 1993 under the Australian Traineeship Scheme. About half the trainees are school leavers; the other half come from a variety of backgrounds but most have spent some time out of school. Each program consists of nationally accredited units of study. Graduates of the programs receive the Certificate of Occupational Studies awarded by the OTFE.

The Department of Employment, Education and Training (DEET) pays each employer subsidies for employees who start and complete the training and an additional subsidy if the employee belongs to a disadvantaged group. The Commonwealth Department of Employment, Education and Training (DEET) funds the skills centre at a rate of $2100 per student for the retail program and $2400 for the office clerical program.

Employers may choose one of two relationships with the skill centre. The first option is equivalent to the arrangements for apprenticeships described earlier in which case the trainee is an employee of the group training company. Alternatively, the trainee is employed by the host company and nominates the group training company as the training provider.

Equivalent programs are offered by other providers, most notably TAFE colleges and industry training groups, in the case of retail. The retail skills centre is an attractive option to participants and employers because it provides training over seven hours per day rather than the more usual six, so reducing days off the job. As well, it offers flexible entry and exit points and optional class times.

Job creation programs

The group training company offers a number of pre-apprenticeship programs. These include the Certificate of Occupational Studies in Horticulture and the Landcare and Environment Action Program.
(LEAP). LEAP is a six month program combining training with work on a local government or community project. Modules of the program provide recognised prior learning for those who enrol in an apprenticeship or traineeship.

Pre-apprenticeship programs are offered by TAFE colleges but are typically off-the-job and classroom based. The group training company programs are primarily on-the-job and hence more applied.

The company is conducting three Australian Vocational Certificate pilots. The chemical cadetship is co-ordinated by an engineering trainer employed by the company working on the sites of host organisations. Western Metropolitan College of TAFE delivers the off-the-job training. A retail pilot is to be offered in 1995 in conjunction with a number of schools in the region. This will provide graduates with credits toward the Certificate of Occupational Studies Retail. Twenty-three Koori students are enrolled in a horticulture and heritage pilot. The curriculum was drafted by a group representative of employers and the Koori community and is based on the national gardening curriculum. Those who complete these programs proceed either to an apprenticeship or to a traineeship or use the skills they have acquired and guidance provided during the program to proceed to tertiary studies.

Fee-for-service programs
The company’s skill centre provides fee-for-service programs. Examples include programs funded by DEET for older workers and training programs for employees funded by their employers.

Integrated training
With its historic role in extending the availability of apprenticeships and the more recent role in sponsoring a traineeship program, Western Region Group Training Ltd relies heavily on the effective integration of workplace training.

Key stakeholders identified a number of barriers to effective integration of workplace training. There are concerns about employers providing meaningful training opportunities for trainees, particularly smaller employers in the retail industry. Most concern relates to the standard of on-the-job training. While those interviewed believed that employers and those with accountability for on-the-job training wanted to deliver quality outcomes, typically the standards used by on-the-job trainers differed markedly from the group training company’s standards. Despite the introduction of competency-based training and the Australian Standards Framework, there is no common definition of standards to be achieved in on-the-job training. In the opinion of one interviewee, the solution will come with more opportunities for training professionals to work beside on-the-job trainers providing feedback and support. Labour market
programs provide such opportunities but fewer opportunities exist within the structure of apprenticeship and traineeship training.

The issue most frequently reported by those interviewed as a barrier to the effective integration of workplace training is employers' limited understanding of key features of the national training reform agenda. This is most acute with small employers. DEET has been inclined to direct its communications campaigns to employer organisations assuming that all businesses are active members of those associations. In the experience of those interviewed small businesses do not have the resources to digest the frequent changes in training provisions. On the other hand, 80 per cent of training positions are provided by small employers. The frequency of changes under the umbrella of the national training reform agenda contributes to the confusion and lack of information among employers.

Best practice and benchmarking

The systematic benchmarking of the practices of the group training company against other providers is not well developed. Many of the programs have features that have been tailored to overcome perceived weaknesses of competitor organisations including TAFE and industry training groups. As a result, the retail traineeship is offered on optional days and completed in a shorter period by training over seven hours per day rather than six. However, such practices are intended to be competitive with other providers rather than based on the successful experiences of a benchmark organisation.

Group Training Australia has initiated a project that will enable each group training company to apply for quality accreditation under the AS900 standard. Western Region Group Training Ltd sees this process as a way of causing it to review its processes against external standards.

Implications for TAFE

Western Region Group Training Limited interacts extensively with the TAFE system relying on it to deliver most of the training it brokers. Company members expressed strong interest in improving the quality of existing TAFE programs. They indicated that the willingness of TAFE colleges to respond to needs the company identifies and seeks to satisfy, is of vital importance.

Those interviewed reported successful working relationships with some TAFE colleges. The company is selective in its choice of colleges and individual college departments. Barriers to effective working relationships with TAFE include those arising from the rigidities of college employment arrangements. These especially limit the times
that programs can be delivered. There are other perceived barriers, resulting from the limited work experience outside of TAFE colleges of teachers, which can colour their view of external employers.

Particular concerns were expressed about TAFE’s willingness to diversify into areas in which they lack strength, potentially jeopardising the quality of services they provide to prime clients, including the group training company. There may be merit in TAFE colleges and group training companies establishing partnerships in which each can play the roles for which they are best suited: TAFE delivering the training and the company organising the program and placing trainees within its considerable network of employers.

Recognition of training in the workplace

Most group training company activity is directed towards brokering training provided by others. The company is therefore only in a position to grant recognition of prior learning (RPL) in the case of programs it runs through its training centre. In the case of sources run by other providers group company staff ‘badger’ the provider to formally recognise prior training and learning.

All group training company project and field officers are qualified in the testing processes related to recognition of prior learning, including competency-based assessment. In this way the company has prepared itself to assist employers interested in recognising prior learning of employees.

In the retail training centre, all students are advised of the provision for RPL and are invited to make an application. On the basis of assessment made by the trainer of each applicant’s previous study and training, some entrants are exempted from modules. Exemptions are often given for computer studies although, rather than exempting students from a module, a more advanced module may be substituted.

Relationship between the training reform agenda and industry training provision

The national training reform agenda strongly complements the activity of the group training company. Indeed the company’s success in the future will depend on continuing funding and support of the sort embodied in the training agenda. The recently implemented Australian Vocational Training Scheme (AVTS) is seen as addressing weaknesses in the secondary school system which resulted from the discontinuation of technical schools, because it is seen as providing preparatory training for apprenticeship programs of the sort once provided by the technical school. From another perspective, the
AVTS is expected to provide for school leavers whose career interests are not academically driven.

Perceptions vary about the impact of fast tracking the accreditation of new programs. On the one hand, NETTFORCE's capacity to fast track accreditation was expected to provide greater flexibility and reduce the costs of introducing new programs. On the other hand, key stakeholders are concerned that more flexible accreditation processes may result in diminution of training standards. Concerns were expressed that employers would be able to attract subsidies in return for the provision of minimal training. This training may have a strong industry focus but no established relationship to ASF levels leaving the trainee with diminished career opportunities.

**Access and equity issues**

The group training company has set targets for the admission into its programs of people belonging to special groups. These include a target to recruit women into at least 10 per cent of places in non-traditional trades. The company has a target of 50 per cent female trainees in the land management program by 2001. Overall half of all awards made to apprentices and trainees are won by women and 30 per cent of all trainees are women.

Some programs have been designed for Koori students. The company hosts a DEET funded group employment initiative program. This 12 month program is targeted at Kooris and those from non-English speaking backgrounds and aims to assist participants in preparing for job selection and in accessing appropriate training.

The company believes it has limited opportunities to provide for people with a physical disability, especially in its apprenticeship and traineeship programs where the host employer can use their discretion in choosing the trainee from a short list. Nonetheless, field officers ensure that host employers are aware of government subsidies that apply to the employment of people with a disability.

The company believes it has a duty to provide host employers with trainees who are functionally literate and numerate. The literacy and numeracy levels of applicants for apprenticeships and traineeships are tested as part of the selection process.

**Enterprise bargaining**

The stakeholders were asked to identify the changes they envisaged arising from enterprise bargaining. None of those interviewed expected enterprise bargaining to have a significant effect on training in the workplace given the countervailing impact of the Federal awards. If a significant number of host employers move to enterprise awards with the effect of moving away from the common award rates,
Conclusion

Making an objective assessment of the success of the group training company is difficult since the consultant did not have access to a representative range of clients or agreed benchmarks. Key stakeholders interviewed, including the executive director of the Western Region Commission, believe that the company's success is indisputable.

Certainly, the company has survived through at times very difficult economic conditions, and in the process has employed and overseen the training of a large number of apprentices and trainees, many of whom otherwise would not have received any formal training.
Appendix E

Case study:

BHP Australia Coal

Prepared by:

Brian Hansford and Merv Wilkinson
Faculty of Education
Queensland University of Technology

September 1995
BHP Australia Coal manages seven large coal mining operations in central Queensland (Bowen Basin). Production began at Moura in 1961 and since that time both reserves and production have grown substantially. The company employs 5200 persons and many of these live in the towns of Moranbah, Dysart, Blackwater, Moura, Emerald and Capella. These towns were either rural centres or did not exist until large scale open-cut mining came to the region in the 1960s and 1970s. The majority of the workforce (4200) are wage employees, the remaining 1000 are salaried members of staff.

Training programs were in existence prior to the introduction of the national training reform agenda, but it was the need to upgrade staff training coupled with the implications of this agenda that stimulated BHP Australia Coal to move into the development and implementation of a comprehensive training program. The previous training programs were consultant delivered and according to Billet (1992) were not valued as the participants frequently perceived these outside consultants as lacking in appropriate expertise. This concern is supported by Kennedy (1994), who states:

Where programs have been available they have often been so general that transfer of learning to the workplace context has been difficult. Credibility problems for providers such as TAFE have resulted.

(p.13)

The new competency development training program is, in the interim, administered from Brisbane. Two staff members are responsible for the development and implementation of the training program. It is planned that the operating sites eventually will take over the entire management for the training.

A total of $13 million in direct costs was spent on training in the past 12 months. This represents approximately 3.1 per cent of the budgetary expenditure and is clearly well above the 1.5 per cent initially specified by the national Training Guarantee Levy.

The training program discussed in this case study was introduced initially to salaried staff. This decision was based on an enterprise agreement entered into with the staff union. There are other training programs available for non-salaried workers but in general, the competency-based component is not as advanced as in the program that is the focus of this case study.

Case study methodology

The data for this case study arose from interviews, observation, documents and papers relating to the competency development program conducted by BHP. Interviews were conducted with training
personnel, representatives from management and staff who had completed training modules. At the beginning of the study, the researchers drew up a check list of issues to be addressed in each case study. This check list provided the basis for the semi-structured interviews used during data collection. These interviews were usually conducted on an individual basis but in several instances small group interviews were used. Although most personnel were interviewed on one occasion only, the BHP Australia Coal training staff received several interviews. In some instances it was possible to tape interviews and in others notes were made during the interviews. These interviews varied in length from a few minutes to in excess of an hour.

Development of the BHP coal training program

Terminology
Throughout this case study the BHP program has been described as 'training program'. For the purposes of this study, this terminology seems appropriate. However, it is important to note that this terminology is not used by BHP training personnel. During interviews we were told that 'we are really talking about learning. Learning you do for your self'.

Discussions with staff indicated that a sharp distinction was drawn between programs concerned with 'training' and 'learning'.

Principles behind the program
At present, an impressive 72 training modules have been developed. In discussions regarding this program, a number of comments were made regarding the driving force behind the development. Although not expressed in the terms of a philosophy, it did appear that something akin to a widely accepted set of principles ensures the implementation of the training program. These principles are illustrated in the following comments. For example, there appears to be a genuine effort to ensure that 'ownership of the program must be with the workers on-site' and that 'the training process must result in the development of our personnel'.

Program features
The methodology used by BHP Australia Coal to implement processes consistent with the National Framework for the Recognition of Training (NFROT) has been described by Bloch and Thompson (1994). Rumsey (1994) has further elaborated on the competence assessment used by the enterprise. Internal publications of BHP Australia Coal outline career planning (career development plan, 1992) and the approach to competency development (competency development program, 1993). Kennedy (1994) points out
that it is feasible to implement a training program in a major enterprise that is consistent with NFROT, but states:

*Further research will need to be conducted as the program progresses and this will allow the effectiveness... to be tracked.*

(p.19)

In keeping with contemporary trends, BHP has moved to benchmark their competency development program. This activity sought to compare the learning processes available in BHP Australia Coal with learning processes available in 16 organisations in the United Kingdom, Germany and United States of America. The data for this exercise was gathered during visits to the various sites by the manager of training and a mining superintendent.

The elements of the methodology used by BHP Australia Coal are outlined in appendix 1. Although the reported elements may appear to be in a linear sequence, this is not the case as in a number of instances elements of the process are operating parallel to each other.

Rather than deal with each element of the process, this case study will focus on providing a description of four major aspects of the training program offered by BHP Australia Coal. These four elements are curriculum development, curriculum delivery, accreditation and assessment. The final section of the report is an overview of the perceptions of employees who have actually completed BHP Australia Coal training modules. This section is titled 'the Blackwater perception'.

The competency-based program was developed in accordance with the national competency standards policy and guidelines, and features substantial task analysis and validation. Both the task analysis and the validation were conducted in what might be described as 'feedback loops' between the employees and the training personnel. In excess of 120 staff were involved in the task analysis and validation and this ensured firstly, that the competencies identified covered the tasks performed and secondly, that employees were given a sense of the training program belonging to them. This involvement of employees continues, with staff being encouraged to provide written comments on the adequacy of the training materials.

The actual writing of units was undertaken by either the training staff or consultants. In situations where consultants were used, they were closely supervised to ensure that there was a consistency in both format and quality of prepared materials.

This competency-based program endeavours to foster multi-skilling and incorporates recognition of prior learning (RPL). Employees who believe they are entitled to the benefits of RPL can proceed in two ways. One path is to complete the assessment requirements without covering the learning materials. The other path is to claim exemption...
from a unit, making sure that they submit 'sufficient evidence to allow a judgement of competency to be made' (Career Development Plan Bulletin, 1994, p.1).

There is a direct link between the learning modules and a career development plan. With the assistance of their immediate supervisor, an employee can identify the competencies required for their present or a future job.

By engaging in this process an employee can design an individualised competency career development plan.

Curriculum delivery

The training modules are based largely on a self-paced, self-directed learning approach. This ensures that staff can complete specific modules as rapidly or as slowly as they choose. Currently, the modules are prepared in Brisbane and delivered on-site to the staff. A single master copy of the modules is delivered to the on-site learning co-ordinators. These are photocopied and given to staff completing modules.

In general, staff work individually on units, but in some instances self-formed small groups have been established. One interesting example of working as a group occurred on a strike day. In this instance, several staff worked as a group on training modules.

The only fully facilitated module is CBO3 (team development) which is a three-day program incorporating outdoor team development exercises. There are also some topics within modules that also are facilitated, for example, safety modules.

Accreditation

On completion of a module, candidates obtain a statement of attainment and following the successful completion of a block of modules, a Vocational Education, Training and Employment Commission (VETEC) accredited certificate is awarded. The accreditation of the training program is considered important by the staff and it is not unusual to see accredited certificates displayed on walls. On the receipt of a certificate it is quite customary for a mine manager to present the statement to the successful employee.

The decision to accredit the program appears to be based on the fact that accreditation would give the program face validity and standing. To a certain extent, staff are attracted to a program which has portable, nationally recognised certification as an outcome and which has been approved by an independent agency.

Assessment

The assessments are designed to determine whether the staff member completing a module has acquired the appropriate knowledge and skills.
Two types of assessment are used in the program, formative and summative. Formative assessment is always conducted off the job and summative assessment on-site and normally on the job. The integration of assessment procedures is facilitated largely by a process of up-to-date record keeping. Staff receive feedback on their completed work and may attempt an assessment task a number of times. In broad terms, the assessment of knowledge is through the submission of written work or oral questions. The assessment of skills is by observation of actual performance or by simulation of the skill-based activity.

The program has assessors who may not be on the same site as the staff member completing the module. Currently, the majority of formative assessment is shared between the Brisbane-based training staff and site assessors.

The Blackwater perception

The researchers carried out a series of interviews at Blackwater Mine with salaried employees who had completed aspects of the competency development program. The following comments are based on the interview data.

Leadership and motivation

A number of the senior staff spoke about their reasons for getting involved in the training program, and comments such as ‘leadership’, ‘setting an example’, ‘being a front runner’ and ‘motivating others’ were quite common. In fact, there appeared to be high levels of motivation surrounding the desire to complete relevant modules.

Competency-based training (CBT)

Prior to the Blackwater interviews it had been ascertained that the concept of competency in the BHP programs had been guided by definitions developed by a number of writers. One such definition was that expounded by Kemp (1977). This definition is based on measuring learning outcomes against a standard or criterion specified by the learning outcomes.

There seemed to be a wide-spread acceptance of competency-based training among the personnel interviewed at the mine. Employees tended to select modules that had an immediacy for them. They also made many comments supporting competency-based training. The following are examples of this.

Mine manager: “I can look out my window and see topsoil being correctly handled. This is because the foremen have learned how to do it properly using the modules. This type of learning was never used before. The topsoil is being maintained in a viable state.”
Personnel secretary: “Completion of the modules has made me more efficient in the way I carry out my job. I now have an understanding of improving the ways of doing my day-to-day work.”

It should be pointed out that this acceptance of the principles behind CBT was also evident in Brisbane-based management and training staff.

Value of training

Employees felt the training modules were valuable to them for the following reasons: ‘increasing skills’, ‘improving job prospects’, ‘stops me becoming rusty’, ‘improving credibility’ and what appeared to be a simple pride in the successful completion of units and certificates.

Several interviewees spoke of the obvious value to the company in terms of the potential to improve production and a capacity to develop a more motivated workforce.

Difficulties, concerns and problems

The major impediments to the completion of training modules appeared to be ‘getting organised’ and ‘finding the time’ to do the work.

Getting started

It was interesting to hear that some staff preferred to work alone on a module, whilst others worked in small groups.

Family circumstances were mentioned as a possible impediment to completion of units. However, in one instance the employee said his wife was ‘always very pleased when he completed a unit’.

Given that coal mining is basically a ‘man’s world’, it was difficult to ascertain whether female employees perceived the modules as appropriate with regard to gender issues. Although two women had completed a substantial number of modules, it was possible to interview only one. In this instance, the interviewee was completely satisfied with the modules and had in fact completed ten modules for a human resources certificate.

Cynicism

The introduction of a new training program at BHP Australia Coal was part of a change process associated with the restructuring of Australian industry. Change, irrespective of the context or content, tends to meet with some resistance. During interviews, the term ‘cynicism’ was used to describe the attitudes developed by some to the introduction of a CBT program.

The researchers were informed that it was necessary to ‘develop a marketing process to overcome, or at least cut back the degree of cynicism’. Apparently, a certain amount of cynicism remains and is based on a belief ‘that we know what to do in mining’. To a considerable extent, the endeavours to minimise cynicism are based
on a philosophy that in training 'success breeds success'. It was difficult for the researchers to assess the apparent extent of 'cynicism'. In fact, none of the interviews reported any cynicism; the reverse seemed to be the situation.

**Ethos and culture of mining**

The operations of BHP Australia Coal in the Bowen Basin are located in somewhat isolated and initially rural communities. To a large extent mining is the region and during interviews we were frequently told that there is a particular feeling or attitude in the area. This might be viewed as a mining ethos or culture.

The coal miners were described as 'energetic, tough and hard nosed workers' and as 'here and now people'. These workers would only accept a training program that was relevant, lacking in jargon and involving real work issues. This was not, and is not, an environment that would be considered elsewhere as being conducive to the development of a training program.

In our estimation, BHP Australia Coal is endeavouring to counter the cynicism and ethos by marketing the notion that the program is owned by the participants. The researchers saw evidence that this philosophy is working. This was exemplified in statements of interviewees to the researchers, indicating that the participants felt they had ownership and control of their learning progress and process.

**Time**

There is no doubt that BHP Australia Coal made a deliberate decision to implement a comprehensive program quickly. This put demands on the staff responsible for the design, development and implementation of the training modules. Although the demands were great, it was minimised to a certain extent by precision in planning, including a precise format for the writers of modules. In a period of 24 months, 72 modules were completed.

**Bureaucracy**

With the introduction of the national training reform agenda and the adoption of such principles as competency-based training and recognition of prior learning, industrial and business enterprises were confronted with a series of new problems surrounding training. Guidelines were available, but in the view of BHP Australia Coal personnel, expertise to advise and support the new initiatives was 'thin on the ground'. Many new appointments were made in administrative structures for the new agenda but in some instances these appointees knew less about the agenda than the training development teams in workplace settings. Personnel responsible for driving the training program at BHP Australia Coal felt that at times they were hindered, rather than assisted, by persons in the bureaucracy. This was expressed in the following manner: 'We wanted to put in place a first class program; they wanted to dot the i's'.
A substantial number of comments were made that reflected frustration with 'the system', and a sharp demarcation based on an 'us and them' perception existed.

**Literacy of workers**

Workers completing modules are expected to provide written answers. It was suggested that the literacy levels of some workers was a possible impediment to both the introduction and completion of training modules. However, it was believed that this potential problem could be minimised by involving such workers in supportive group structures.

In some segments of the training program workers can choose alternative methods of assessment. For example, in the Certificate in Coal Preparation an oral model of assessment is used.

**Articulation and recognition**

Although the program is accredited, there were a number of comments about articulation. Research indicated that the training staff, management and staff members completing modules were pleased with the operation of their program. However, in instances where staff have completed many modules, there was evidence of a desire to link outcomes to pathways that may result in other awards, even a degree.

The question of interstate recognition is also viewed as important. In discussing the BHP program, Kennedy (1994) points out:

> All that is needed to complete the implementation is the recognition by other States of credentials issued by BHP Australia Coal under NFROT. There have not been occasions where such credentials have been presented for recognition in other States. (p.7)

**Benefits of training**

It has been indicated by Butterworth (1994) that there is virtually no conclusive Australian evidence of the benefits arising from training. Kennedy (1994, p.17) believes that it is too early in the long-term strategies of BHP Australia Coal to measure actual bottom line results. However, there is little doubt that this question of benefits is taken very seriously by senior administration and the training staff.

At this point of time there is speculation that staff career paths have benefited from involvement in training. Such speculation needs verification. From the point of view of those interviewed during this case study, there was certainly verbal evidence that training has a direct influence on skills levels. It was also evident that the linking of training to a career development plan has been judged in a very positive manner by staff.
References

BHP Australia Coal Limited 1992, Career development plan—Operations staff (working draft), BHP Australia Coal, Brisbane.

BHP Australia Coal Limited 1993, Competency development program, BHP Australia Coal, Brisbane.

Billett, S 1992, Authenticated learning—Learning in the workplace, School of Adult and Vocational Education, Griffith University.


Kemp, J 1977, Instructional design: A plan for unit and course development, Fearon Publishers Inc., Belmont, California.


BHP coal training program

1 Task analysis
The identification of all tasks carried out by staff by facilitating groups of people in particular positions. Forty-three positions were covered in this process.

2 Task analysis validation
Circulation of the results of (1) to other personnel not involved in that process for the purpose of confirming the content and amending and adding to the task analysis where necessary.

3 Functional analysis
Categorising the validated tasks into functional classifications related to what needs to be done rather than what is done by particular positions.

4 Functional analysis validation
Confirmation of the functional classifications with senior staff and amending functional classifications where appropriate.

5 Draft competence standards development
Using the function as the basis for categorisation to competency standards and developing the tasks into elements of competency and assigning performance criteria to those elements.

6 Competency standards pre-validation
Use of senior staff to verify competency standard elements and performance criteria and to amend where necessary.

7 Competency standards validation
Presentation of pre-validated competency standards to randomly selected staff members for assessment of applicability to particular positions followed by amendment and condensation of standards.
8 **Curriculum development**  
Development of learning outcomes, topics, learning objects and assessment methods by facilitated groups of content experts.

9 **Curriculum validation**  
Verification of, and amendment to curriculum by content experts not involved in (8).

10 **Application of approved training organisation status**  
A requirement, peculiar to Queensland, which allows organisations to participate in the accreditation and recognition processes (no longer required).

11 **Application for national accreditation of course**  
Submission of curriculum and course delivery processes to the accrediting authority for examination.

12 **Application for registration to conduct course**  
Submission of evidence that the provider has the human and other resources required to effectively conduct the course.

13 **Competency-based learning module development**  
Use of the learning outcomes, objectives and assessment methods from the curriculum development process by instructional designers to develop learning modules.

14 **Learning module validation**  
Circulation of draft learning models to subject experts on mine sites for validation of content.

15 **Competency assessor development**

16 **Competency assessor assessment**  
Completion of a module on competency-based assessment followed by assessment on the job by a competency assessor.

17 **Issues of CB learning modules to learners**  
Individual copies of self-paced learning modules provided for learners subject to nomination by agreement with supervisors.

18 **Formative assessment of module topics**  
Submission of an assignment at the end of each topic is followed by assessment to ensure that learners are achieving the requirement of the module.

19 **Summative assessment of competency on-the-job**  
Following successful completion of a module a competent assessor visits the workplace of the learner to gather evidence and make a judgment regarding the competency of the learners.

20 **Issues of statements of attainment under NFROT**  
Successful demonstration of competency results in the awarding of a nationally recognised statement of attainment to the learners.

21 **Issues of certificates under NFROT**  
The successful acquisition of the number of statements of attainment required results in the awarding of a nationally recognised certificate.
22 Maintenance of record
A main frame computer system is used to record all results of learning assessment, and certification.

23 Review of learning modules
Learning modules are reviewed and updated as necessary.

24 Quality review
The accreditation body carries out quality review of the application of the learning process and the resulting documentation.
## Blackwater Mine competency awards

<table>
<thead>
<tr>
<th>Position</th>
<th>Statement of Attainment</th>
<th>Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine manager</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Mining superintendent</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>HR manager</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Commercial superintendent</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Engineering superintendent</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Electrical superintendent</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Preparation plant superintendent</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Senior mining engineer</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Senior mining engineer</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Training adviser</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Operator training adviser</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Warehouse controller</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Personnel secretary</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Clerk typist</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Safety adviser</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Senior mining foreman</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Senior mining foreman</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>Mining foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mining foreman</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Mining foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Relief foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Drill and blast foreman</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Senior stripping foreman</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Stripping foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Stripping foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Stripping foreman</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Stripping foreman</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Coal preparation senior foreman</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Environmental officer</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>173</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>
Appendix F

Case study:

Queensland Rail

Prepared by:

Brian Hansford, Merv Fogarty and Terry Simpson
Faculty of Education
Queensland University of Technology

September 1995
Background

The Transport Infrastructure (Railway) Act 1991 was an important milestone in the history of Queensland Rail (QR). The act gave it a mandate to operate according to sound commercial principles and provided for the establishment of a board of directors to oversee this process.

Since 1991, there have been a number of significant developments. On 1 July 1992, QR converted from cash to accrual accounting, thus allowing it, for the first time since its foundation, to compare its results directly with those of other commercial organisations. On 1 October 1992, QR had its enterprise bargaining agreement ratified by the Industrial Relations Commission, and in so doing, became Queensland's first major public sector organisation to do so. QR's employees are members of approximately seven State and Federal unions. On 19 May 1993, the Queensland Parliament passed the Government owned Corporations Act which provides for the corporatisation of Queensland Government-owned agencies. By 1 July 1995, QR is to have completed its progression from a public service department to a fully operating corporation. To ensure the efficacy of this, QR has developed a five year plan (annually updated) that has been noted by the Queensland Cabinet.

The board of directors was appointed in August 1991 for a three year period. In essence it is to ensure that QR becomes more efficient, productive and customer oriented. In working towards this, QR is required to focus on the four basic tenets of corporatisation, namely, accountability; management autonomy and authority; competitive neutrality; and clarity of objective. QR's mission is stated below:

Queensland Rail people will excel in meeting customer needs by providing safe, competitive and efficient transport services.

The organisation of QR has at the highest level the Minister for Transport, the board of directors, and the chief executive. Below this level are three units that are overseen by the chief executive. These are corporate relations, internal audit, and strategic issues, the latter of which is responsible for quality improvement and corporate development. The units work in close consultation with the seven groups responsible for achieving QR’s objectives.

Queensland Rail services four major Queensland industry sectors: mining, primary industries, manufacturing and tourism. To fulfil its combined role of business and service organisation, it has established seven groups, four of which are business groups with the remaining three being support groups. The business groups are coal and minerals, freight, passengers and workshops. The support groups are human resources, corporate services and finance and information services.
Shortly after the commencement of its reform program, QR adopted quality improvement (QI) as a long-term initiative. Previously it had tried to introduce total quality management, but this was not entirely successful. QI provides a framework through which QR involves employees in meeting customer needs in all its businesses. It is thought to be crucial to QR's strategic aim of increasing market share by providing quality services. It is also felt that QI is playing an important role in unifying QR. It is maintained that it has encouraged business groups to collaborate and work together to ensure improvement across QR as a whole rather than having an organisation fragmented by inter-business rivalry.

Anticipating the future of QR, its chief executive stated that they are determined to become a world class transport business with a reputation for service, excellence and quality performance. In the years to come, QR plans to expand its passenger markets with new initiatives such as tilt trains and high profile tourist services. Its coal and minerals business is set for steady growth in both export and domestic markets. Its freight business, with a revitalised infrastructure, will provide a diverse range of high quality services to meet customer needs. The workshops will be restructured and modernised to provide high quality support to meet the requirements of business groups (Queensland Rail, Annual Report 1992-93).

Methodology

This case study was based on data obtained from a series of interviews, documents published by QR and conference papers presented by QR staff.

The interviews were guided by a check list developed by the researchers. This check list was drawn up following a series of discussions between the researchers in the States involved. In broad terms, the items in the check list reflected issues the researchers felt were important with respect to the examination of training programs.

The semi-structured interviews were conducted with senior executives, training personnel and staff who had completed training modules. Interviews varied in length from ten minutes to an hour and a half. Notes were taken during the interviews by two of the researchers and when compiled into the case study, the persons interviewed were asked to review what had been written to ascertain if their views were accurately reflected.

QR documents, mainly in the form of reports, and conference papers presented by QR personnel were content-analysed to identify components relevant to the current research.
Case study structure

This case study contains three major sections. The first section focuses on the general approach to training in QR. In the second section there will be a specific examination of training in one area of QR, namely civil infrastructure. The third section will provide a discussion regarding some of the problems and concerns encountered during the implementation of the training program.

Training in Queensland Rail

QR has operated for the last 128 years and in that period of time has moved from basically on-the-job training to an extensive modularised training program. Training on the job was adequate for its time and was largely carried out by long-term employees with extensive knowledge. During the period of full employment in the 1960s labour turnover increased, resulting in a loss of resident knowledge and skills. At about the same period of time, a move away from manual systems to more mechanised and high technology systems meant a major shift in the skills required and hence changes in the training program.

Since the Queensland Vocational Education Training and Employment Commission (VETEC) granted approval for QR to become an approved training organisation there has been a move toward preparing the necessary documentation to have a competency-based program accredited. In fact, QR had their first competency-based program accredited during 1994.

Training staff

There are 75 full-time trainers employed by QR with a number of part-time trainers from within the enterprise and from outside agencies also involved. These trainers are involved with a total QR workforce of approximately 15,500. The majority of the full-time training staff have had between 15 to 25 years' service with QR. Quite a number of the trainers have completed tenth grade in formal education and 50 per cent hold some post-secondary qualifications. It was estimated that 9 to 10 hold degrees, 15 to 20 have relevant certificates and approximately 10 are completing degrees, usually in business. Some trainers are now upgrading their qualifications, and it was suggested that a major factor in this was as 'a means of warding off any threats of retrenchment'.

During interviews, one comment suggested that the role of the trainer is a complex and demanding activity. The role to be performed by a trainer was described as 'that of a first line supervisor, but they must also be mentors'.
It is necessary to see the link between award restructuring, introduced to QR in 1989, and the adoption of a competency-based model. Whiteley (1993) points out that associated with the push for a new classification system was, among other things, an attempt to 'provide incentives for workers to improve their skills' and to improve the workplace by 'establishing a skills related career path' (p.3).

In May 1992, following considerable negotiation, the Industrial Conciliation and Arbitration Commission ratified a new classification system for QR. As a consequence of this outcome Whiteley reports that 'all QR employees were translated into the new structure with its commitment to a skill-based classification and remuneration structure' (p.4).

The award restructuring process required the development of a skills-based career path and it thus seemed a relatively small step to a competency-based career path. This deceptively small step was in fact a large task. Roberts (1993) states that major challenges had to be met before the reality of change could occur. These challenges had to do with 'mind-set', up-skilling, communication and productivity. With regard to mind-set, Schein (1993) concluded that:

\[ ... \text{the problem of organisational learning is to overcome the negative effects of past carrots and sticks, especially past sticks. To make people feel safe in learning, they must have a motive, a sense of direction, and the opportunity to try out new things without fear of punishment. Sticks are not very useful during the learning process.} \text{ (p.91)} \]

In some areas of QR there was a long history of rigid rules and hierarchy and these represented a mind-set based on 'sticks'. The promise of 'carrots' resided in the introduction of practices and procedures in the new emerging culture.

Roberts (1993) related the problem of up-skilling to the philosophy behind QR's training program. It was suggested that training initially was based on a direct instruction and rote learning model. What was required in the workplace was a program that facilitated problem solving skills and conceptual understanding.

Effective change in the QR workplace required substantial improvements in communication. It was argued that this change was impeded by literacy problems, misinformation changes and information hoarding. Roberts (1993) claimed that:

\[ ... \text{there were so many information chains, e.g. formal memos, word of mouth, union networks and rumour mill, that misinformation often moved through the organisation more speedily than facts. Knowledge could be seen as power and information hoarding was not uncommon. It was not difficult for profound distrust to flourish in this climate.} \text{ (p.5)} \]
Finally, there was the necessity for increased productivity. Award restructuring and other platforms of the national training reform agenda required QR to make decisions about how productivity could be improved. In particular, the driving force was the understanding that wage increases were to be linked to improvements in productivity.

Competency-based training

In discussing the move of QR to competency-based training, Whiteley (1993) stated:

... it turned out to be more like Cook's voyage into the unknown
... Like Cook's voyage, mapping the East Coast of Australia, QR has had its disasters but, also like Cook's voyage it will hopefully have a positive outcome. (p.1)

The initial reaction to the move to competencies and the re-designing of workplaces varied substantially. For some, it was a period of 'denial of change' or 'rejection of change'. Others, described as 'visionaries' saw potential in the change. However, there was substantial criticism of the National Training Board which was viewed as 'theoretical and bureaucratic, with little meaning to an organisation that was trying to keep its trains running on time and within budget' (Whiteley 1993, p.6).

A considerable amount of time was taken up developing a register to cover all QR's business outputs. The various streams used the same basic process for the development of competencies. This process involved:

- setting up cross-sectional teams from the workforce, unions and management
- conducting a functional analysis
- validating competencies by personnel drawn from the workforce, unions and management
- preparing the lists of competencies.

In the restructuring that has taken place in QR it is important to note the significant role performed by the unions. During interviews, a number of comments were made regarding the 'emphasis on blue collar training' and the potential for 'blue collar workers to move toward white, through grey'. It was also said that 'people in admin and management are already qualified, the blue collars are responsible for safety, yet they didn't have the needed programs. You can't get train drivers through the CES'.

Although the unions advanced a number of reasons as to why competency training was the way to go, many of the personnel interviewed believed that it was the potential link to a competency-based remuneration system that was the driving factor. In March 1994, the draft of competency standards in Queensland Rail was presented and in this document it is stated that:
A competency-based remuneration system is being considered by the civil infrastructure, engineering and operations streams. The main benefits of the model are that:

- it enables multi-skilling which enhances flexibility to meet the competitive requirements of the industry; and
- it provides opportunities for career development and training. (p.4)

The interviewers also heard a number of statements about the 'QR culture, how it needed changing and why competencies were the way to go'. Throughout the interviews it was evident that a move toward enhancing the skills and competencies of workers was supported from many levels at QR.

Delivering of training modules

The QR training modules are delivered both on-site and off-site and a certain amount of training is still carried out by outside personnel.

Currently, the extent to which modules have been developed and the mode of delivery varies within the QR streams. For example, with regard to railway operations training it is stated in a QR publication, Our competitive edge (1994), that 'on-the-job, off-the-job... self-directed learning packages or Computer Based Instruction (CBI)' (p.7) are available. Clearly these four modes of delivery are not available in all modules.

In the move to commercialisation, there is an increasing interest in the delivery of modules to other enterprises. QR lists among their past clients the Queensland sugar industry, Mount Isa Mines, Comalco (Weipa) and Westrail.

Modules are offered to the various streams on a fee-for-service basis and currently 20 per cent of the 'big ticket' courses bring in 80 per cent of the revenue.

Assessment of competency

Workplace assessment is carried out by accredited assessors who are experienced in the occupational role which is to be assessed. Workplace assessment can be carried out when an employee has completed a QR sponsored training program. Such assessment can also occur when an employee claims possession of a particular competency.

The 1994 draft competency standards points out that, although a range of assessment methods can be used, 'the primary method must be observation of performance' (p.9). These draft standards also suggest that 'wherever possible, the assessment should be carried out in the normal work environment to ensure that assessments are valid' (p.4).

The draft standards also raise for further discussion such issues as the 'shelf life' of assessments and the procedures managers would use in the selection of assessors. The question of shelf life is seen as being...
especially relevant with regard to safety matters. For example, re-
assessment may be necessary if the competency is not used within a
defined period of time. It is also suggested that irrespective of usage,
competencies relating to first aid, QR safety standards and workplace
health and safety standards may require periodic re-testing. In the
selection of assessors, managers would be required to look beyond
the fact that the assessor is qualified. (Assessors must complete a
three-day off-the-job course with an in-the-workplace assessment
component.) It is suggested that ‘availability, proximity and factors
which minimise disruption to QR’s core business’ (p.6) should be
taken into consideration.

Recognition of prior learning

Recognition of prior learning is defined by QR as allowing:

QR personnel to use the skills and knowledge obtained through
formal training, work experience and life experience to be used to
gain credit or exemption from all or part of a QR training course.
Draft competency standards, attachment 1, 1994, p.1

During interviews, many reasons were given as to the advantages of
recognition of prior learning. For example, it was suggested that
training and re-training could be completed in a shorter time span,
that there would be a reduction or elimination of training where the
learning already existed, that it represented an appropriate response
to skill shortages and that it would be a cost efficient method for the
advancement of multi-skilling.

Existing training officers also will be assessors of recognition of prior
learning. These assessors will complete a training course based on the
Broadmeadows College of TAFE model.

Looking to the future

Several points can be made regarding future trends in QR training
generally. These are as follows.

- With an accent on commercialisation it will be important that
  expenditure ensures quality programs at competitive prices.
- There will be an increasing number of training modules prepared
  for accreditation.
- Training will be provided on a fee-for-service basis.
- Training programs must take into consideration issues such as
  best practice and benchmarking.
- Training modules must reflect technological changes in the rail
  industry.
- The training modules must meet the demands of an increasingly
  multi-skilled workforce.
Civil infrastructure

Civil infrastructure is responsible for such components of QR as track, bridges and buildings. An immense amount of mechanical equipment, often very specialised, is needed to maintain everything on the lines except rolling stock. Currently, the value of the total plant is estimated at $75 million.

In freight infrastructure alone the work force was 3100 in 1990 but as new and additional strategies were put in place this decreased to 2400 in November 1994 and will eventually settle at approximately 1400. This downsizing is consistent with QR policies relating to wage restructuring and job respecification.

History of training in civil infrastructure

During the early 1960s there was no official training taking place at all. In 1968, as a consequence of a belief that specific skills were being lost, a training program was begun for timber bridge makers and carpenters. The first training centre for track-related staff was commenced at Rockhampton in the mid 1970s.

Throughout the 1970s and 1980s there was an increasing introduction of mechanisation. It was quite customary for the suppliers and manufacturers to train workers in using the new equipment. Apparently this training was not very effective and this was intensified by high turnover rates of workers in periods of full employment.

A feature of early training was the delivery of the programs off-site in classrooms. It was suggested that many of these programs lacked ‘reality’. The Rockhampton training centre was an exception to this as practical experience was built into programs.

Move to competencies

During the period 1988 to 1990 considerable development took place on a skills-based, rather than a competency-based model. The move from skills based to competency based commenced in 1991 at the direction of the Public Sector Management Commission. At that time, QR had negotiated a skills-based award and this is still in place.

In 1991 a new system was trialled for six months at Roma. This trial indicated potential improvements in efficiency and it was decided to move from skills to competencies. The first attempt to make this move was described as 'going up a blind gully'. Apparently there was a failure to identify precise outcomes and a general lack of direction. It was necessary to form a new group to put in place a structure upon which a competency-based program could be developed.

The competency model in civil infrastructure has three levels.
Looking to the future

Core competencies
These are competencies required by the work group and are those that any and all members of the work group can obtain if they so desire.

Additional competencies
These are competencies required by the work group but which are limited in as much as not all members of the group can obtain them. The competencies are often specialist or infrequently used competencies.

Elective competencies
These competencies are those not required by the work group in achieving their nominated work outputs, however the possession of the competencies within the group will increase productivity or reduce costs. Under normal circumstances, the competency is provided by others external to the group. This may be from other work groups or from sources external to Queensland Rail.

Civil infrastructure has its own instructors but can, on a user pays principle, buy training from within QR or go to outside providers.

The features of existing training in civil infrastructure are:
• a packaged-based program
• mentors to assist with on-site training
• both on-site and off-site training
• a preference for district-based training.

With regard to the integration of on-site and off-site training, extensive individual records are available. These records are kept in the human resources information system and as a consequence the nature and history of an individual’s training can be accessed.

In looking to the future, several statements can be made regarding the objectives for civil infrastructure.

• The work force will be smaller, but it will be a well trained and competent work force.

• There will be a focus on ensuring a wide spread of competencies in teams as opposed to an exclusive focus on the individual.

• With regard to rail tracks, benchmarking on a global basis began in 1987. There will be a move to the benchmarking of processes.

• Civil infrastructure will continue to have their own training personnel and on a fee-for-service basis training packages will be obtained.
• The emphasis on getting the most out of the training dollar will remain. The days of ‘sheep-dip’ training are over; that is, providing training whether it is needed or not.

Problems and concerns

Culture

Many comments were made about the QR culture and how it was necessary to consider how the culture would react to the changes contained in the national training reform agenda. During interviews, comments were made regarding resistance to change and how some of this resistance remains today. Award restructuring, moves to increase productivity and greater commercialisation have changed totally the face of QR. These changes were not easy to make, and would not have been possible without union support.

Literacy

A number of the QR workers came from overseas countries and like many of their Australian born counterparts had received minimal education. This remains a problem and the researchers were frequently told that the literacy problem is part of the old QR culture. A survey was conducted to assess the extent of this literacy problem and recommendations are being formulated regarding future plans. Some trainers have completed specialised programs with regard to literacy and there is a general objective to achieve ‘functional literacy and numeracy’ within QR.

Assessment

At this stage there is considerable discussion regarding the outcomes of downsizing, the increased productivity cost and benefits of the proposed move to a competency-based program. Although QR has moved to a stronger financial base, it would be difficult to argue that training was the major factor in this turn around.

Competencies and remuneration

The unions have supported a move toward competency- or skills-based wages rather than competency-based training. Initially, a certain amount of this support arose because of the belief that there would be a definite link between the competencies acquired and used and the remuneration. This link between competencies and remuneration recently was approved and accepted by Queensland Rail.

Commercialisation

The commercialisation of the training functions of QR has created considerable pressure for staff involved. The immense change generally appears to be perceived as potentially producing positive outcomes. However, there is some concern that in the rapid move to commercialisation some things that working well have been lost.
References

Queensland Rail 1994, *Our competitive edge.*
Schein, E H 1993, ‘How can organisations learn faster? The challenges of entering the green room’, *Sloan Management Review.*