

Enterprise Registered Training Organisations

Research project funded by Australian Research Council and ERTOA

Final report: Executive summary

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Introduction

This is an overview of a national research project which set out to evaluate the benefits, challenges and outcomes for all stakeholders of the delivery of vocational education and training (VET) qualifications by Enterprise RTOs (ERTOs).

The project had three main research questions:

- What are the benefits and challenges for companies associated with training through their own ERTOs?
- What are the benefits and challenges for workers associated with ERTOs?
- What is the equivalence of workplace-delivered qualifications among companies and with qualifications delivered in educational institutions?

The project aimed to be of benefit at several levels as described below:

- For workers, the research set out to examine whether the availability of qualifications through ERTOs offers the chance of a high-quality qualification and improved career prospects and life chances.
- For companies, the research hoped to provide firm evidence about the outcomes for their workers and quality features of their training compared with other companies and with institutional-based qualifications.
- For industries and for Australia, the research set out to build an evidence base about the efficacy of this type of training, to assist in the shaping of government policy.

The project

The project was funded by the Australian Research Council and by the Enterprise RTO Association (ERTOA). Eight ERTOs also joined the project as industry partners, with a ninth joining in the final year of the project. The research was undertaken between 2012 and 2014.

The partner organisations for the project were as follows:

- Abigroup
- DP World
- Foxtel
- NSW Rural Fire Service
- Queensland Rail
- State Transit NSW
- Uniting Community Care
- Western Health
- Calvary Care (joined the project in the latter stages)

The research process

Table 1 provides a snapshot of the research and participants.

Table 1: Project phases and participants

Phase	Activity	Numbers of participants
1.	Survey #1 of Enterprise RTOs Comparison of survey findings with 2003 survey from an earlier project by the researchers, and with the 2011 survey by ERTOA	83 ERTOs responded
2.	Detailed case studies of enterprise RTOs. Two visits, the second after an 18-month gap. Surveys of employee and volunteer learners in case study companies	9 case studies in 3 States Employee survey-103 responses from 5 ERTOs Volunteer workers – 66 responses from one organisation
3.	Comparison of training delivery between different provider types	13 qualification/skill set comparisons undertaken, with a TAFE and private RTO delivering the qualifications delivered by the ERTOs.
4.	Survey #2 of Enterprise RTOs	66 ERTOs responded
5.	International comparison with England	8 people interviewed in England, from 3 companies and 2 national bodies.
6.	Stakeholder Forum	8 participants nominated by ERTOA

Over 90 people (managers, trainers and workers) were interviewed or participated in focus groups during the research in the case studies. This is in addition to the survey respondents and ensures that the research is regarded as rigorous in its method.

Findings

How do enterprise RTOs operate?

The project showed that ERTOs tended to have quite a limited scope of registration, usually covering the main operational jobs in the organisation, such as bus driver in metropolitan transport services, or call centre operator in pay TV sales.

In some cases the ERTOs confined their operations to the delivery of the qualifications alone, while in others the ERTOs were part of the learning and development unit of the organisation. The latter was more likely to be the case where the qualifications managed by the ERTO covered a large proportion of the workers. The number of staff employed in the ERTO itself were often very small, with just two or three people involved in the management and administration of qualifications. They were often heavily dependent on the leadership of an experienced and enthusiastic staff member, who was quite often active in the vocational education and training (VET) system in the State or nationally. When

organisations merged, as happened several times during the project in the case study enterprises, decisions had to be taken about the fate of the ERTO. In one case the merged entity had to manage the situation of having had two predecessor ERTOs.

The training provided by the ERTOs was often very rigorous, and a variety of modes were provided, from formal classroom-type training through to completely on the job. Enterprises built their training systems around the organisational structures and geographical locations. They also took account of the nature of the work, and the point during the training at which it would be 'safe' to move workers into operational work. In civil construction plant operation, for example, simulations were used in training before workers were moved onto the actual machines; call center operators practiced in the classroom before taking 'real' calls, where supervisors listened in initially until the operator was confident. Enterprises also took account of the industry and occupational cultures, so that in occupations (e.g. aged care) where formal training was accepted as a norm, classroom training was more common.

ERTOs all had a heavy focus on quality in assessment. The latter is necessary and desirable for all RTOs, and well regarded by the VET regulatory system, and for ERTOs it was necessary to achieve consistency of workers' performance across multiple sites. ERTOs' moderation processes in particular were very strong.

The project's findings around the three research questions are now presented.

Benefits and challenges for companies

The major reasons for becoming an ERTO were training to meet industry regulation and licensing requirements, the control of the content of training and its quality, and in some cases a lack of other providers, or quality providers, for the relevant qualification. Having an ERTO enabled enterprises to assure quality, though levels of worker performance, throughout their organisation, which was of particular use in multi-site organisations.

ERTOs could control the curriculum, customising the Training Package qualifications to the enterprise context without having to go through a third party (i.e. without having to involve an external RTO). Having to be accountable to ASQA meant that the training departments could enforce high standards in assessment as well as in training delivery.

They could market the availability of qualifications to potential recruits; this was especially valuable in some industry areas that were viewed, in the public perception, as less attractive

The project provided evidence of the complexities of setting up and operating a training provider as part of a company or other organisation whose main business is not training. In all instances, staff needed to be employed solely to manage the compliance aspects of being a registered training organisation. The cost burden, to the parent company, of operating an ERTO was considerable, and needed constant justification. Organisations had deliberately kept their scope of registration (listed qualifications and/or skill sets) small to make the task manageable.

Changes in the parent companies, and their consequential effects on the ERTOs, were an unexpected feature of the research. The effects on the ERTOs were considerable; managing these changes consumed a lot of energy on the part of ERTO staff.

Changes to funding structures at national and State level provided extra complications for ERTOS. While the availability of funding for the training was not a paramount reason for becoming or remaining an ERTTO, it helped to justify the employment of staff to manage compliance matters and allowed for higher quality training.

Benefits and challenges for workers

Workers appreciated the practical and workplace-based nature of the training, stating that the training was highly relevant to their jobs. They reported a mix of training methods; training was in some cases quite formal and class-room based, at least initially; in others it was mainly on-the-job; and in many instances experienced a mixture of these modes. In general, workers reported a high level of satisfaction with training. They often built up a close relationship with their trainers and went back to them, even after they were qualified with questions and to discuss their work. There was clearly a relationship of trust.

Workers definitely appreciated the chance to gain a qualification at no cost and within working hours. They mentioned the transferability of their qualifications and/or skill sets to other employers. One of the case study organisations was mainly a volunteer organisation, and the volunteers reported transfer of skills and knowledge to their paid jobs.

Learners confirmed additional benefits beyond the job or company-related benefits reported. In the survey, they reported a high level of 'personal benefits' and also their movement on to higher-level qualifications. The relatively low prior educational achievement of the learners, shown in the survey responses, and the fact that over 30% of the survey respondents spoke a language other than English at home, confirmed previous studies showing that ERTOS assist disadvantaged worker groups. On the other hand, some learners interviewed in the case studies had high levels of previous qualifications, yet still appreciated the chance to gain a work-related VET qualification.

There were also some challenges. Some employees were not altogether happy with their training and would have preferred it to be more formalised. Some said that they were not really aware when they were training for the qualification and when they were undergoing 'ordinary' training.

Equivalence of qualifications with those delivered in TAFE and other institutional settings

During the research, it proved difficult to find other training providers delivering some of the qualifications, even by trawling the national register (training.gov.au). This in itself is an important finding, as it confirms that, for some enterprises as well as individual people in their geographical location, an ERTTO is likely to be the only option to achieve certain qualifications

The project showed that for those qualifications delivered by the ERTOS in the study, the delivery by other providers was often very similar, involving very close partnerships between training providers and companies, and often on-the-job delivery. This was an unexpected but important finding which applied in particular to the more 'technical' qualifications (e.g. civil construction, rather than more general or common qualifications like call centre operation or home and community care. It indicated that the 'ERTTO model' was becoming adopted more widely, even by institutional RTOs.