

## Approaches to measuring and understanding employer training expenditure: Support document

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# A Interviews and case studies

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As outlined in the report the research for this study was based on interviews and case studies, analysis of other research and a range of statistical materials. The form of the interviews and case studies is outlined here. A report on the case studies is included in section B of this document.

## Interviews

A series of interviews were carried out by phone and in person with representatives of the following organisations:

Aged and Community Services Australia  
Australian Bureau of Statistics  
Australian Government Department of Education, Science and Training  
Australian Industry Group  
Australian Services Union  
Business Council of Australia  
Community Services and Health Industry Skills Council  
Construction and Property Services ISC  
Construction, Forestry, Mining and Energy Union  
Early Childhood Australia  
Health Services Union  
Housing Industry Association  
Manufacturing Skills Australia  
Master Builders Association  
National Retail Association  
New South Wales Department of Education and Training  
Queensland Department of Employment and Training  
Service Skills Australia  
Shop, Distributive and Allied Employees Association  
The Enterprise Registered Training Organisation Forum  
Victorian Community Services and Health Industry Training Board  
Victorian Department of Education and Training  
Victorian Hospitals Association  
Victorian Process Manufacturing Industry Training Board

## Key questions in the interviews

1. What are the main forms of training employers provide in your sector?
2. What activities do you consider as employer-provided training?
3. Do employers in your sector measure the training they provide?
4. What is the split of expenditure between small and large enterprises in this industry?
5. What is the overall level of training expenditure in your industry and how has this changed in the last 5 years? Why has this trend occurred?
6. How is training investment distributed between different groups in the workforce and has this changed in recent years e.g. with the uptake of nationally recognised training?
7. To what extent is training investment split between accredited and non-accredited training? How would you estimate the investments in non-formal training in the industry?
8. What is the breakdown of funding for training in the industry between employers, individuals and governments? How has this changed in recent years?
9. What data do firms in this industry typically keep on training expenditure?
  - How does this vary between large and small firms?
  - Is this data a good measure of training investment and activity – if not, why?
10. What might be better ways of measuring training activity in firms in this industry? Would this apply to small as well as medium and large firms?
11. What data could employers in this industry reasonably expected to generate and maintain?
12. What is the importance of government incentives or (as exists in construction) of a levy scheme?
13. To what extent are training activities integrated into human resource policies in this industry and how could this be measured or reported on?
14. What is the values of higher level qualifications such as Diploma and Advanced Diploma especially in Community Services and Health

## Case studies

Ten organisations participated as case studies. Their names have been changed in the report and in the support document where they are referred to as follows:

### Retail trade

- Large Retail
- Maverick's Bakeries

### Construction

- MTC Building

### Manufacturing

- Stanley Motor Corporation Australia
- Exact Parts

### Community Services and Health

- Tiny Tricks
- Ivybush Private Hospital
- John Community Services
- Large Department of Human Services (intellectual disabilities)
- The Broken Bay Dental Ceramics Clinic

## Organisation of the case studies

The case studies focused on the training activities of the organisations, training expenditure, how the training was funded and the data those organisations kept on their training activities.

The case studies involved interviews with relevant staff involved with training. The case studies also included analysis of relevant documents at the organisational level and statistical data on the industry.

The areas for investigation included four sets of question areas:

1. Strategic level
2. Training level
3. Funding and expenditure
4. Data

Some questions are repeated in separate sections as different staff were involved in separate parts of the interview.

To focus for the discussion on training expenditure and training data, the participants were asked to consider the extent to which they could answer the questions in the last ABS Training Expenditure and Practices Survey.

### **General data**

1. How many employees in this organisation in total?
2. What proportion in the following categories

- Management/Professional/Associate professional
  - Trades
  - Clerical and sales/service
  - Production, transport and labourers
  - Full-time/part-time/casual
  - Apprentices and trainees
3. Gross wages and salaries bill per annum
  4. Percentage spent on training (excluding salaries)

### **The strategic level**

1. The role of training in the business strategy of the organisation
2. The role of training in the human resource management strategy and planning of the organisation
3. The major training activities currently being undertaken by the organisation
4. The major driving factors for training
5. Reasons for increasing or decreasing investments in training in recent years
6. The factors that would most encourage an increase in investment by employers
7. The training planning cycle
8. Is there a training budget?

### **Training level**

1. The major training activities currently being undertaken by the organisation
2. The major driving factors for training
3. Reasons for increasing or decreasing investments in training in recent years
4. The major groups of employees covered by training initiatives
5. The balance of entry level and existing worker training in the organisation
6. The balance of the use of accredited and non-accredited training in the organisation
7. How much training is informal or unstructured?
8. The extent of the use of Diploma and Advanced Diplomas and the drivers of these levels of training
9. The balance of the use of formal and informal training in the organisation
10. The use of nationally recognised training and other qualifications-based training in the organisation
11. The planned future training activities of the organisation
12. The way in which training is organised and delivered

### **Funding and expenditure**

1. Trajectory of training expenditure in the organisation in recent years.
2. Reasons for increasing or decreasing investments in training in recent years.
3. The sources of funding for different training activities in the organisation
4. The importance of funding and the availability of government funding for training activities

5. The training planning cycle
6. The budgeting for training activities

**Data on training**

1. Issues raised by the use of the ABS TEPS survey questionnaire
2. The extent and accuracy of training expenditure data kept in the organisation
3. Who keeps data and why
4. Other data that is kept on training activities including expenditures
5. The ways in which training activities and expenditures in the organisation might better be reported

# B Reports of the individual case studies

## Retail trade

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### Large Retail

Large Retail Ltd is a very large retail firm in Australia with employment spread over several major groups of stores. The company is undergoing major review and this could affect the provision of training.

Large Retail employs workers in a wide range of areas including general management, sales marketing, advertising, research, design and product development, buying, merchandising, store design, store management, human resources, finance and administration, logistics, legal services, corporate affairs and quality assurance. About 7000 employees are in management and professional occupations and most of the remaining 150,000 are in a range of retailing occupations. A considerable proportion are employed part-time and in casual employment.

Large Retail training is overseen by the Large Retail Institute. Training is planned a year in advance at the service level. Expenditures on training have been estimated at \$11 million per annum. Training expenditure has been increasing to meet these needs and the transformation of the company but at the same time there are ongoing issues of costs

Large Retail Institute has supported nationally accredited qualifications in Retail, Finance, Hospitality, IT and Distribution at the Certificate, Diploma and Postgraduate levels.

Programs for employees include:

- ✧ Graduate Programs: A two-year training program that provides university graduates with exposure to a range of business units, roles, personal and professional development opportunities.
- ✧ Traineeships: training programs from entry level to advanced including self paced on-the-job Certificate II and III in retail
- ✧ Over 30 store members have been encouraged to undertake Diplomas in Business
- ✧ School Based Traineeships: School Based Traineeships provides the opportunity for secondary school students to learn about a dynamic work environment while they are still studying at school. The Traineeship is completed on a part-time basis over a two-year period, combining working in a Large Retail business and attending training.
- ✧ Apprenticeships: 3 to 4 year program for a trade qualification as a Baker/Pastry Cook, Mechanic or Butcher. (Large Retail website October 30 2006).

Training within Large Retail is provided to support strategic business requirements in operations including merchandising, marketing, supply chain and retail support. Major factors necessitating training are:

- ✧ Compliance and safety e.g. food handling, forklift, first aid and mobile equipment.

- ✧ Developing line manager capability: operations, merchandising, compliance, and leadership.
- ✧ Turnover of staff: this is estimated at 38 per cent per annum in retail occupations and is difficult to reduce. However most structured training is directed at ongoing and not at casual employees.
- ✧ Competition

Table 1 shows the participation in training activities in 2006 to date. Over 154 000 participations are recorded of which about 15000 are in units of competency. The large majority of activities are induction, compliance and safety and do not lead to recognised qualifications. The split of expenditure across these activities will be discussed with Marcus Whitelaw.

**Table 1: Large Retail Training Activities (2006)**

	Participants	
<b>e-learning</b>		
On line induction	68,433	
PC Skillsoft	17,594	
e-compliance	14,530	
Sub Total		100,557
<b>Operational development unit enrolments</b>		
Certificate II in Retail Operations		
Apply food safety practices	3,952	
Other units	889	
	4,841	
Certificate III in Retail supervision	5,600	
Certificate III in Business	32	
Certificate IV in Business	21	
Certificate IV in Retail Management	4,400	
Diploma in Business	234	
Sub Total		15,058
<b>Compliance</b>		9,153
<b>Safety</b>		6,364
<b>Other Professional Development</b>		3,086
<b>Leadership development</b>		198
<b>Brand Specific</b>		19,671
Total		154,087

Training is largely directed at ongoing existing employees. Entry level training is estimated at about 20 per cent of the total.

The Large Retail policy has been to provide nationally recognised programs of training for a full qualification. In retail this has been with the use of the retail training package WRR02. This has enabled workers on traineeships to attract employer incentives and user choice funding but this has been abandoned except in Victoria and New South Wales. Access to user choice funding has been too difficult in the other states and training for the whole qualification has not been seen as necessary. Large Retail has been lobbying for incentives and user choice to be available for unit clusters rather than whole qualifications. For example the intention in supermarkets is to use only 5 of the 8 units of competence in the Certificate IV. However the strategy will be pursued whatever the outcome on government support.

Training is provided in a variety of modes including face to face, E learning and self paced. There are training centres within each state. The actual training provided to staff remains a decision of the separate brands, Target, K mart, etc. The degree of employer support for the costs of off-the

job training varies across the brands: in some cases it is 100 per cent but recent policy is for 50 per cent support. Some time release is provided also.

## Large Retail responses on the ABS questionnaire.

I1-5: Yes this information could be provided - would require effort from Remuneration and Benefits dept.

6&7: Unlikely to supply this due to commercial nature though some information may be available through annual report, obviously not the breakdown.

8-32: Theoretically could all be provided

33-34: Would be difficult given size and scope of the organisation but could be provided

35-45: Theoretically could all be provided

46: Almost impossible to provide, both for commercial reasons but also due to size and scope of the organisation with training delivered from different areas

47-48: Unlikely to supply this due to commercial nature

49-54: Yes this information could be provided

## Maverick's Bakeries

Maverick's Bakeries is a large and fast-growing bakery chain with its company headquarters located in Brisbane. Maverick's started in 1975 with a single store in regional Victoria. In 2006, Maverick's had 342 stores throughout Australia. Maverick's grew from the 1970s movement for fresh food and bread and was originally founded as an "alternative" bakery. Maverick's is almost completely franchised. At the time of the research, only 6 of over 300 stores were company owned. The company-owned stores are usually the product of the Maverick's corporate intervention to restore a failing franchised operation which gives the company the opportunity to create a "model" store which can provide an example to the franchise holders. Most of the company-owned stores are located in Queensland which has been the largest growth market for the company together with Victoria. Maverick's has enjoyed very high levels of growth in recent years. The number of stores has increased to its present number from only 51 in 1990 and revenue has grown by nearly 25 per cent since 2002.

## Company structure and operations

The franchised structure of the company results in a relatively small corporate operation with the bulk of Maverick's employees located in the franchised stores. The franchisees pay a fee to Maverick's for which they receive a number of corporate services to support their operations. The package of corporate support includes the provision of a central training operation which does not carry out training but supports and encourages the training of staff in the franchise outlets. Other services include marketing and merchandising support. Franchisees are expected to report in a significant level of detail on their business performance to the company centrally. This allows Maverick's to closely monitor store performance and design appropriate interventions to improve performance over the entire chain or in particular stores. Other services are bought by the franchisees locally. This includes most of the functions of human resource management. These functions are often provided to the bakeries by industry bodies such as the Franchise Council of Australia or, in the case of industrial relations issues, the Baking Industry Association. The stores are organised under Master Franchisees, senior managers of Maverick's, who are

responsible for the franchising operations in their various regions. The Master Franchisee is the major point of contact for the store managers and Maverick's corporate headquarters.

## Training at Maverick's

The key corporate functions part from the master Franchisees include marketing, properties, procurement, baking, finance, IT and training. There is no separate human resource management function in the corporate Maverick's structure. This means that training is the major human resource management function provided to franchisees by Maverick's and gives training a place at the top strategic planning council of the organisation. The National Training Manager reports directly to the CEO.

This strategic position gives training a great deal of influence within the corporate Maverick's structure and in the franchised stores where training is viewed by the company as key ingredient in commercial success.

Because of training's position at the apex of the corporate structure of Maverick's, training planning is driven quite strategically in this organisation. The training program for Maverick's is agreed with the senior management committee and the CEO on an annual basis. The annual plan usually consists of four elements;

1. Support for the current operational focus of the company. This might be merchandising or product knowledge or customer service. The plan identifies how training will support the current focus for Maverick's at the store level
2. Maintenance of the operational focus from the previous year so that the focus does not switch too quickly
3. Franchise effectiveness which is aimed at the business operation of the stores
4. Baking effectiveness which is aimed at improving the quality of the baking operations and hence the products at the store level.

The function of the national training operation is not to carry out training, this is the responsibility of the franchisees, but to support the training with a variety of materials and to encourage and monitor training performance.

Maverick's is not an RTO. The company considers that being an RTO would distract managers from the core business. Instead, Maverick's deals with a range of RTOs to deliver nationally recognised training to the stores. Nationally recognised training is used widely throughout the stores. The company is encouraging all its franchisees to undertake their trade qualification in baking if they are not already qualified. Many of the store owners have not completed the apprenticeship in baking and Maverick's is keen to ensure that all the stores are owned by fully qualified bakers. This had been an area of considerable skills shortage for the company which has actively sought to recruit qualified bakers from overseas. Maverick's has aimed at attracting school-leavers to join the company to undertake the baking apprenticeship and at current school students to undertake a pre-vocational certificate in baking as a preparation for joining the organisation.

Nationally recognised training is also used as a major element in the core training delivered to all staff in the stores. This includes induction training for new staff, customer service training and product knowledge training. This is supplemented by the use units of competency from the Certificates II and III in Retail Operations. The company encourages staff to progress through the Certificate III and complete the full qualification but will only support a certain number of the units of competency. Staff are encouraged to complete the full qualification in their own time through the local RTO. The national training department supports this training through the production of high quality training materials which store employees use and through the use of 18 store trainers who work with staff in the stores to deliver the required training. The store trainers meet twice a year to focus on the key training priorities in the annual training plan and

then work with the stores in their regions to implement the training. The company refers to “training by stealth” as the strategy for encouraging stores to undertake more training. The company gathers data from regular audits of the various aspects of the performance of the stores and has deduced that the higher performing stores are those that engage in more training of their staff. The company also uses the Diploma and Certificate IV in Front-line Management for the training of its store managers.

## Funding and training data

Funding is an important element in the extension of training throughout the Maverick’s franchise chain. Because Maverick’s is not an enterprise RTO, it cannot access user choice funding from the States. However, the national training department acts as a broker for stores to access the Commonwealth employment subsidy for apprentices and trainees and other funding that might be available. Thus funding is sourced from multiple agencies and is often important in decisions by franchisees to employ trainees and to engage in the training that the company is trying to promote. Nevertheless, the baking training is funded internally.

The franchised nature of Maverick’s means that little information on training or employment is kept centrally by the company. The company audits its stores on a regular basis and is now collecting more training information. The company knows the take up of the centrally produced training materials and can to a limited extent correlate this information against indicators of store performance. However, information on the employment of apprentices and trainees is not kept centrally, nor has the company any need or plans to do this. Limited information is kept on the roll-out of different training programs identified in the annual training plan and the company is keen to track the impact of training on store performance. However, answering questions on employment, the numbers receiving training and training expenditure and practices in a survey such as the TEPS survey would be all but impossible for Maverick’s. Clearly this same logic would apply in other franchise chains where crucial training and employment information would only be available at the individual store level.

# Construction

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## MTC Building

MTC Building is a small, Queensland-based and family-owned residential building construction company. The business was established by its principals, Marshall C and his wife, in 1989 and operates throughout SE Queensland. The company specialises in all aspects of residential construction from small scale renovation project to large, prestige dwellings. The firm has no permanent employees apart from the two principals and hires sub-contractors to carry out the work. The company also uses this logic in the training of apprentices. The company hires its apprentices from a large construction group training company. The company will often have a large number of apprentices operating on its construction sites and will often use apprentices instead of qualified tradesmen if sufficient supervision can be guaranteed. This is cost-effective for the company and provides opportunities for apprentices to work together on projects. This was the founder's own experience as an apprentice where the company for which he worked employed 9 apprentices supervised by 3 trade workers. The apprentices stay with MTC for a variety of periods from only a few weeks to 2 years or more.

The founder expressed strong views about the proposals under COAG to introduce 'skills sets' qualifications into the construction industry. He feels that full apprenticeships should not be diluted into sub-trades. Sub-trades such as paving, hanging cornice-work etc – should remain as competencies within the overall apprenticeship.

The Employer training expenditure and practices survey was largely irrelevant to his firm as it employed so few staff.

# Manufacturing

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## Stanley Motor Corporation Australia

Stanley is a large automotive manufacturer. The company employs over 200,000 people worldwide and operates manufacturing plants in a large number of countries. Stanley Australia established a manufacturing presence in Australia over 40 years ago and started to produce engines at its plant in Melbourne in the 1970s.

Stanley produces nearly 150,000 cars per annum. The majority of these cars are exported. Stanley believes that the Australian market is too small to support a profitable manufacturing operation and has emphasised export sales in recent years. Stanley's main export destinations for Australian built vehicles is the Middle East.

Stanley's success worldwide has been built on its reputation as a high quality "lean" manufacturing operation. The Stanley Production System has been the template for the implementation of lean production methods throughout the world. Stanley still leads the way as the leanest of the car manufacturers. The Stanley Production System incorporates the familiar lean production methods of just-in-time inventory control with its emphasis on very close relationships with selected suppliers, widespread automation of labour intensive tasks, low cycle times, job rotation for all factory workers (or "team members" in Stanley terminology), teamworking, a heavy emphasis on right first time quality and single status human resource management. All of these elements of the Stanley Production System are evident at the Melbourne plant. Stanley also places significant emphasis on its corporate values which drive many of the human resource management activities in the company.

Stanley employs about 4,500 people at the Altona plant. Of this number some 3,500 are employed in the manufacturing operation with about 1,000 employed in sales and marketing. The company employs about 330 skilled tradesmen and 21 apprentices. Employee turnover at Stanley is low, in the range of 5-7 per cent per annum. This figure varies between different parts of the organisation with higher levels of turnover in the welding and assembly shops. Production is organised on a 2-shift basis with a morning shift from 7.00 am to 3.30 and the afternoon shift from 5.30 to 2.30 am. The two hours in between allows for up to one hour's overtime which is very often worked and one hour for preventive maintenance. The average job cycle time on the assembly line is 90 seconds, down from 2 minutes in previous years. Assembly line employees are rotated between jobs every two hours. The growing demand for its vehicles and the difficulties that the company has experienced in recruiting good new staff have led to a constant re-evaluation of times and methods for jobs.

## Training at Stanley

The training function at Stanley is based in the organisational capability area within human resources. This function embraces training, much of which is co-ordinated through the Registered Training Organisation (Stanley is an enterprise RTO) together with organisational development. The Stanley training philosophy is to view training as a part of the building of the overall capability of the company. Thus global programs for organisational change, such as the current program, on problem-solving, are channelled through the organisational capability area. However, training remains the major function in organisational capability. There are two other parts of the Stanley organisation that have a significant involvement with training. The first is the training that is provided for suppliers to the company. The Stanley Production System demands that the company has a very close relationship with its major supplier companies. This extends to

a consultancy service from Stanley to the supplier organisations which is based in the company's purchasing department. The consultancy service enables supplier companies to meet Stanley's stringent quality and cost standards by adopting the Stanley Production System themselves. This involves a significant element of training for suppliers. The second training area is located in sales and marketing which provides a training service for the dealer network, also very closely linked to Stanley itself.

In the future the company has plans to gather all these training operations together in one structure to be called the Stanley Institute Australia which would sit outside the current human resource management structure of the organisation. However, this structure had yet to be implemented at the time of the research.

Stanley makes extensive use of nationally recognised training, hence the reason for its becoming an enterprise RTO. Stanley has a carefully planned training pathway beginning with new entrant training leading into supervision and management. All new entrants are taken on as trainees. They complete a five day induction, fundamental skills training program which is run in a vestibule training workshop located next to the production areas known as a dojo. In the dojo new employees are taught the basic Stanley philosophy and mental and manual dexterity skills. After induction and a 3-month probation period, new employees or team members, are enrolled on the Certificate II in Automotive Manufacturing from the Automotive Training Package. This qualification normally takes up to 2 years to complete and the company reports that over 95 per cent of all trainees complete the qualification. After this, team members may go on to complete the Certificate III if they have been selected to undertake specialist operations such as rectification. The company is thinking of moving from the current Automotive Training Package to the Competitive Manufacturing Training Package or, possibly, attempting the gain approval for an Stanley Enterprise Training Package. Under the Stanley Enterprise Agreement, employees who gain a qualification from the company receive a 5 per cent wage increase. This acts as a stimulant for employees to compete the qualifications.

Training and assessment is carried out by the supervisors, team leaders and general foremen who are also trained in the Certificate IV in Training and Assessment. Those trainers who run the fundamental skills induction training have also acquired the Certificate IV in Training and Assessment.

Supervisors and managers are trained using the Front-line Management Training Package. Team leaders complete the Certificate III, supervisors the Certificate IV and General Foremen the Diploma.

Stanley is playing an increasing role in the management of the training of its apprentices. Currently, the training of apprentices is undertaken in partnership with Chisholm Institute of TAFE. Apprentices are primarily recruited into machine tool fitting, toolmaking, and electrical work. They attend TAFE for one day per week. Stanley has established a large apprentice training centre at the Altona plant. However, the company feels that this traditional approach to trade training is increasingly unsuited to the competitive situation of the organisation. The rapidly changing nature of the technology used in the Altona plant has meant that Stanley has developed an extensive post-trades training program to keep skilled workers up to date in the operation and maintenance of new equipment. Topic areas include PLC maintenance and programming, robotics and mechatronics. The company finds that TAFE does not have the up to date competence to deliver this form of training and is increasingly moving to deliver this training itself, moderated by the TAFE Institute.

Funding has not been an important factor in Stanley's use of nationally recognised training. The company receives very little government funding to support its training operations. Stanley receives the employment subsidy for its apprentices and trainees but is not on the preferred provider list of the Victorian government for user choice funding. The extent of nationally recognised training in Stanley is not matched by the level of funding that it receives from either federal or State governments. The rapid introduction of new models means that the company

undertakes extensive training programs for both skilled workers and production workers every five years or so. None of this training, which is aimed at existing workers, receives funding. The company is attempting to contest its lack of preferred provider status for user choice funding in Victoria but does not anticipate much success. Thus, the training undertaken at Stanley is driven by the strategic needs of the organisation, not by funding.

Stanley keeps very detailed records of the training received by each person. The fact that much of the training is undertaken through nationally recognised training means that much of this information is kept by the RTO in the Learning Management system. As a result, Stanley would have little difficulty with most of the questions in the Training Expenditure and Practices Survey. However, the information required by the survey is kept in different parts of the organisation and this would present some difficulty to Stanley in compiling the information centrally. Thus, information on production plant training, sales training and supplier training is kept in three different parts of the organisation. Information on numbers of employees is kept in the human resources area – not in the training area. Some specific issues identified by the company in relation to the survey include:

- ✧ The definition of those involved in training as their ‘main job’ (Questions 5 and 7). Many of those involved in training such as supervisors, general foremen and others do have training as their main job. However, they play a critical role in the organisation of training at Stanley and would not be captured under TEPS.
- ✧ Much of the training that takes place at Stanley including nationally recognised training takes place on –the-job and is quite informal. This form of training would not fall under the ABS definition of “structured training” and would thus not be captured under TEPS. This would give a very distorted view of training at Stanley.
- ✧ The Learning Management system does not capture all the formal training that takes place at Stanley. The company could not guarantee that the data provided for the survey was completely accurate and the data would tend to understate the amount of training that is taking place at Stanley.
- ✧ The company is linked into global training programs run from the parent company. This form of training is not currently picked up by the questions in the TEPS.
- ✧ The questions on unstructured training do not capture all forms of training at Stanley. Increasingly training is built into the job and this makes it very difficult for the company to report of the amount of training and learning that is occurring through this form of training.

Generally, the company felt that the TEPS approach would not capture the essential nature of much of the training carried out at Stanley.

## Exact Parts

Exact parts is a small manufacturing company located in regional New South Wales. The company manufactures and repairs harmonic balancers and engine pulleys for automotive engines. Exact Parts was started as a small family-owned company in 1976 and went public in 1983. The company’s products are aimed at the automotive after-market, that is the market for parts after manufacture, rather than at original equipment supplied to the automotive manufactures for assembly into new vehicles. Despite its small size and regional location, Exact Parts has established itself as the market leader for harmonic balancers and engine pulleys with over 85 per cent of the after-market in Australia. In recent years the company has internationalised. It exports its parts to the United States of America and is increasingly manufacturing its cheaper and less complex parts in China through contract manufacturing arrangements. The decision to locate some manufacturing in China has been driven by cost and the need to supply the US market at decreasing price levels. However, manufacturing in China is limited and the company claims that it is unlikely to source the manufacture and repair of

complex parts in China due to the lack of skilled staff in their China partner operations. The company is currently exploring new export markets in Europe, the Middle East and South Africa.

The company grew quickly in the 1990s. Overall employment numbers increased from around 20 in 1990 to about 70 currently. The company considers that increasing internationalisation will drive further growth in numbers of employees in the next few years. The company currently employs:

- ✧ 4 management staff (inc the CEO)
- ✧ 3 administrative staff
- ✧ 5 skilled trade workers – machine tool fitters
- ✧ 10 semi-skilled machine setters and setter-operators
- ✧ 30 production workers) machine operators
- ✧ 10 labourers
- ✧ 6 fitting and turning apprentices.

Training is regarded as critical to the future success of the company. However, the degree of strategic alignment of training is difficult to assess as the company does not operate with a formal business strategy. The CEO explained that the company works through a series of business objectives which are set through the Board on an annual basis. Training forms a major underpinning for the achievement of the business objectives but is not strictly regarded as a strategic issue.

Much of the training that is currently undertaken, with the exception of the training of apprentices, is carried out in-house and primarily on-the-job. The training revolves around the induction of new employees, occupational health and safety and basic process control. The company operates under Australian Standard ISO 9002. This mandates a certain level of training and the keeping of documentation on training, among other issues, in order to retain accreditation under the standard. The company is moving towards the adoption of the ERP II materials control system. This involves a significant training commitment by the company for employees including machine operators, skilled trade staff and administrative staff who will be need to input data to the new system and retrieve data from it.

The company went through a period of major training about four years ago. This involved the use of nationally recognised training extensively for nearly all staff in the company. This period of training was driven by the adoption of the ISO 9002 standard in the company and its rapid growth as its international operations began to take off. At this time, the tight labour market was beginning to have an impact on the company's ability to recruit trained and trainable staff. This is still a major concern for the company. The company decided to meet the skills shortage challenge and the demands of the growth of the business by implementing a very extensive training program

The training program involved all semi-skilled and unskilled staff achieving the Certificate III in Engineering Production. At the time, this involved the training of about 60 staff from a basic standard of numeracy and literacy to Certificate III standard. The company used nationally recognised training for a number of reasons including:

- ✧ The ability to certify all staff at a recognised level of competency and thus assure the quality of the operation
- ✧ The awarding of a qualification, to staff that could use this in the external labour market if needed
- ✧ The availability of funding the transfer staff onto traineeships for the duration of the training.

The company did not use the provision for paying a training wage so that all staff undergoing training retained their current earnings level. The training was undertaken in partnership with a local private training provider. The company did not use the local TAFE Institute as they found the arrangements that the TAFE Institute wished to use too restrictive. Thus Exact Parts uses the TAFE Institute only for the delivery of its apprentice training. The training program was overseen by the Manufacturing Manager who also took on the responsibility for human resource management in the company at about the same time. Supervisors undertook the Certificate IV in Training and Workplace Assessment. This enabled them to act as the trainers in the new training system whilst the Manufacturing Manager undertook the on-the-job assessments associated with the training program. Much of the training was delivered on-the-job but with the use of classroom-based, off-the-job training where appropriate. About 15 per cent of the training delivery was conducted off-the-job. The company also extended the use of nationally recognised training through the training of all supervisors and leading hands in the Certificate IV in Front-line Management.

This was a major training investment for Exact Parts and meant that the Manufacturing Manager was employed almost full-time on training matters for over 2 years. The company still uses nationally recognised training but it is now confined to new recruits to the company and so the level of training has substantially declined in the last 2 years or so. Training needs for staff are identified through the performance management system in which all employees participate and is carried out with all employees every 6 months. The performance management system is now being complemented by the move to Australian Workplace Agreements for all staff under the Workchoices legislation.

The company keeps training records in two forms. The first is a Training Matrix, the form of which was borrowed from the training record system implemented by Ford Motor Company. The idea of the matrix was brought back from Ford by the CEO during a visit and now forms the major tool for training management at the company. The matrix simply plots all employees against the competency standards required for the qualification appropriate to their job. This allows managers to decide who can do which job in the company and to identify training needs. The second form of training record is the employee competency assessment record. An individual record is maintained for each unit of competency that the staff member needs to pass in order to attain the necessary qualification level. The form comprises a checklist of the assessment criteria associated with each unit of competency and is signed by the supervisor and the employee. Thus, each individual has a record for all units of competency that they have successfully met.

However, the company does not keep detailed records of training expenditure. This would make it difficult for the company to accurately submit expenditure data to any survey of employer training. Specifically when examining the Training Expenditure and Practices Survey the company would have difficulty with the following questions:

1. The numbers of staff whose main job was training. Most of the training is carried out by supervisors and by leading hands but this is only part of their job and is usually not the main part of the job. Thus, although the company does not employ staff whose main job is training, they do employ staff who perform training functions. This would not be recorded in TEPS.
2. The extent of structured training provided to employees. Structured training is not a category well-understood in the company which uses nationally recognised training and much more informal on-the-job training.
3. The numbers of employees who participated in structured training in the last year. The company does not keep easily accessible records of who participated in training over particular periods of time. Thus, any answer to this question would be approximate at best.

4. Similarly, the company does not keep records of unstructured training. Thus, the questions in Part 3 referring to unstructured training would be estimates only and likely to be quite inaccurate.
5. Training expenditure questions in Part 6 would pose difficulties. Thus, whilst the company can readily identify whether expenditure took place, it could not identify how much was spent. In this case, the company claims that any estimates are likely to understate training expenditure quite considerably but up to as much as 50 per cent.

# Community Services and Health

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## Tiny Tricks

Tiny Tricks is a long day care centre with 4 locations in the south Newcastle and Lake Macquarie region in NSW, about 100 km north of Sydney. The interview was conducted with the owner and director of the company, Michelle T. She is also a member of the related Industry Skills Council. Tiny Tricks employs 36 staff under a Federally Certified Work Place Agreement. Of these, 33 are classified as regulars and three as casuals. Their annual gross wages bill is roughly \$650,000.

The day care industry is currently in a state of flux as the ABC chain swallows up many previously locally owned businesses. Tiny Tricks is one of a few centres in the Hunter region that has held out against this competitor and expects to remain in business in the foreseeable future.

Michelle regards training as integral to her business strategy of surviving in a very competitive market. While training is important to ensure regulatory compliance in this industry, she believes that well trained staff is the most important factor in ensuring her business's survival. Child care centres operate in a highly regulated environment. In NSW they must comply with a range of regulations determined by the NSW Department of Community Services (DoCS), the National Childcare Accreditation Council, state OH&S and fire regulations, local government planning regulations and indigenous and disability requirements. Michelle noted that many of these regulations are contradictory (such as fire regulations requiring easily opened doors versus DoCS requirements to ensure the safety of children from unwanted intruders). Michelle also sees her organisation as being governed by a "bottom up" management philosophy, allowing the best response to customer needs, the key to her success.

Michelle believes that her investment in training has resulted in a growing and a large return on investment, especially through lower turnover and absenteeism and greater participation in management decision making. She also believes that this training has increased the level of self-esteem felt by the, predominantly, women working in her business.

Tiny Tricks has a very sophisticated approach to staff recruitment. Most staff are recruited as trainees and advance within the organisation. At the last intake of trainees there were initially 170 applicants. Of these an initial 70 were selected to take part in a group information session from which process about half were culled. The remaining 30+ were then asked to participate in group sessions which involved problem solving using a variety of scenarios. During this process experienced staff observed social interaction, leadership skills and other inter-personal skills. Finally, nine of these were selected for individual interviews from which four were selected. Michelle noted that one of the four chosen had performed poorly in the individual interview exercise but was selected on the basis of her performance in the group problem solving session, demonstrating high ethical standards but lacking confidence in the interview.

Training is conducted in a variety of ways. OH&S training is undertaken by staff on-line. Trainees undertake the Certificate III or Diploma in Children's Services at a local private RTO, which Michelle prefers to the local TAFE college. Of the 36 staff employed:

- ✧ 4 are management/professional
- ✧ 1 a cook
- ✧ 5 are trainees doing Cert III
- ✧ 11 child care workers either with a Cert III, untrained or studying for the Diploma

- ✧ 12 child care workers with Diplomas
- ✧ 3 child care workers with degrees

Tiny Tricks receives the standard government support for its trainees. There is an annual plan for these trainees and they are strongly mentored within the organisation, with regular reviews. Training for senior staff is reviewed every 6 months. As noted, most positions are filled via internal promotion and there is a succession plan. Senior staff are encouraged to do external courses. Michelle said that her training budget is currently \$7,500 per annum and is expected to increase. This however mostly covers short term regulatory/compliance related training. Costs associated with mentoring of trainees and other staff are not explicit but she estimated these costs would amount to about 5 times this budget. The enterprise pays wages while staff are absent undertaking training, pays training fees and training materials.

Trainees employed in the enterprise who are undertaking the Certificate III in Children's Services do so with a local private RTO. Michelle noted that the local TAFE college did not provide a sufficient level of quality in its equivalent course. She noted that her trainees often were uncomfortable with written and self-paced learning approaches and responded much better in face-to-face, group learning situations. All formal training undertaken by her staff as part of their employment is accredited. She said that training plans are developed for all staff and training is planned around accredited training courses. The Diploma in Children's Services is the target qualification for about 25% of her employees and for 33% of those directly delivering child care.

Existing national qualifications in child care do not cover all matters required under the variety of regulatory regimes governing child care centres. Such omissions include child protection, OH&S and food handling.

Michelle said that funding for training is growing and will continue to grow, both as a result of an increasing need for regulatory compliance and as it is seen as giving her enterprise a competitive advantage. Tiny Tricks receives government funding for its trainees but the rest of its training effort is funded from its own business revenue.

Comments in regard to the ABS Training Expenditure Survey were in brief:

1. the Full-time/part-time breakdown is not relevant under new IR laws - their staff are regulars or casuals;
2. Training, especially mentoring, is seen as the responsibility of all senior staff rather than the role of one person – hence the approach of the ABS misses out to some extent on picking up this arrangement;
3. Quantitative questions generally in the ABS survey would pose substantial difficulties for her and she expected that most respondents would make fairly uninformed guesses (e.g. 10, 29, 31);
4. Questions such as 19 seeking a choice of one preferred method of determining employees' training needs are unhelpful and fail to appreciate the complexity of such issues;
5. She felt that question 25 should aim to determine why there was a change in training effort rather than the quantity of change;
6. Overall Michelle thought the ABS questionnaire was too onerous in that it would require her to undertake additional research to answer it properly and would take about 1 day's work.

## Ivybush Private Hospital

Ivybush Private Hospital, located in Nedlands, Perth, Western Australia is part of the large Rambush Healthcare Group which has hospitals across Australia and Indonesia. Ivybush and another member of the group in Brisbane, are registered training organisations.

The interview was conducted with Ann X, Manager of Training and Development. Ann has the full-time equivalent (FTE) of 3 staff in her training unit plus herself. Ann undertakes corporate training while the other staff, who are all registered nurses undertake the medical-related training. There is a separate HR unit with which Ann works closely.

## General Data:

Ivybush Hospital employs approximately 2000 persons, other than medical practitioners.

About 70% of their staff are nurses, predominantly registered nurses, with a minority (about 120) enrolled nurses. The remaining 30% are predominantly administrative and finance workers and trades workers (about 7% of the total or around 140 persons.)

About two-thirds of their staff are employed on a casual or part-time basis with the remainder, mostly management level employed full-time.

They normally recruit about 12 trainees per annum who undertake a Certificate II in patient support from the health industry training package.

Their gross wages and salaries bill is about \$26 million per annum of which about 1.75% is allocated to their training budget.

## Strategic level issues:

Rambush Healthcare has a 5 year planning cycle at the Board level. Each business entity, including Ivybush Hospital, develops its own one year plan around the 5 year framework. This one year plan is developed in an annual 2 day planning conference held in June/July to plan for the coming calendar year. Ann's training plan, prepared in September, derives from this annual plan. Ann reports to the Hospital's executive fortnightly on training expenditure and hours of training delivered. There is capacity within her training plan to adjust to unforeseen events and to acquire additional funding during the year if necessary. For example, the Hospital is planning to expand their neuro-surgery unit and Ann has prepared funded training options to support this expansion.

Currently Ann's unit spends around \$35,000 on training per month. In addition, they spend about \$200,000 per annum on external training, such as conferences for professional staff. More than 50% of their training is driven by compliance requirements within the health system. A substantial element of their training is driven by the recruitment of new staff – they normally would recruit around 80 new nurses per annum, split 50:50 between registered and enrolled nurses. (This suggests a much higher turnover rate for enrolled nurses, given that they represent only less than 10% of the nursing staff.) Overall, the Hospital's turnover rate is around 12% per annum, a little lower than the other hospital's in the Rambush group. They are experiencing chronic shortages of registered nurses and are currently operating about 50 FTE below their nursing establishment. This chronic shortage has led to a change in the occupational mix, with growing numbers of enrolled nurses and ancillary staff (similar to assistants in nursing – AINs – in NSW). In fact the Hospital provides free training to recruitment agencies to encourage more ENs and AINs. Some of the ancillary nurses are recruited from those with experience in aged care, who undertake a Certificate III in acute care. Their recruitment criteria rest heavily on the individual's values, particularly teamwork, being client-focussed and having a positive attitude. Staff are selected via interview rather than psychological profiling.

The main training activities are:

- ✧ Orientation
- ✧ Mandatory training, based on compliance and accreditation requirements
- ✧ Recruitment/retention – for graduates, refresher training and renewal of registration

✧ ‘Educational resources’ – applying to across organisation training in areas such as new technology, computer skills, people skills, new legislation implications

They do not monitor training between entry level and existing workers.

Ann’s unit delivers accredited training on-site at the Certificate II, (Support Services) III (Client patient services) and IV (Frontline management) levels, representing about 20% of their training delivery. The remaining 80% of their training is however non-accredited. Some of their training, referred to as ‘in-service’ is informal, however this represents less than 10% of their training delivery. They also deliver 2 post-graduate courses, a post grad certificate in critical care which is endorsed with Notre Dame University and a post grad diploma in incontinence, endorsed through the Royal College of Nursing. They have recently tendered for the provision of a Certificate III for Health Care Assistants. Ann commented that most of their Cert III students are not eligible for government funding – only about 12 per annum meet the guidelines for government support.

### Future trends:

Ann sees casualisation of their work force increasing and hence an increase in the number of people for a given level of FTE.

### Comments on the ABS Survey:

Ann’s initial reaction was that the size of the survey was daunting.

The occupational breakdown used by the ABS is not consistent with their internal systems and would involve a great deal of effort to complete accurately.

She said all their nursing staff have a mentoring and ‘precepting’ role. By precepting she meant an overall responsibility for an individual’s learning, but not necessarily the responsibility for providing that training. As a teaching hospital with an annual placement of 7000 student days, training is built into their culture. By assuming as the ABS does that training is allocated to specific individuals a substantial amount of training effort is effectively ignored.

Ann noted she would have difficulty answering the following questions in the survey:

Q. 8 Could not answer as requires a generalisation and the Hospital’s policy varies by employee.

Q. 9 The permanent v non-permanent breakdown is not used and would require enormous effort to trace back to individual records.

Q. 10 Could not answer. The Hospital’s network is available from home and many staff learn on-line in their own time but there is no way to measure this.

Q.12 Not able to answer.

Q. 14 Ann noted that the ABS keeps changing the percentage breakdowns used in the survey for no obvious reason. The benchmark used by the Hospital is for 80% of their staff to access training.

Q. 19 Would have no idea how to answer this.

Q. 23 The reasons would vary by provider – could not generalise

Qq. 26, 27, 30, 31, 34 are all too hard to answer.

Q. 28 This assumes constraints exist. She noted that they must train to meet legislative/regulatory requirements.

Q. 34 This would be difficult and tedious to extract.

Qq. 35, 36, 37, 38 Records are not kept of this.

Q. 39 The question assumes an across the board policy, whereas at Ivybush the answer would vary according to each employee.

Q.46 and Q. 50 Ann asked why these important questions would be at the end when most respondents would have given up

## John Community Services

This interview was originally intended to be with June Y (CEO) however she was unavailable at the last minute and was replaced by Robert Z (General Manager, Human Resources) and Marcelle W, Training Manager).

John Community Services is an incorporated organisation separate from, but influenced by the Baptist Union. It provides residential and community-based care for the aged, women and children suffering the effects of domestic violence in NSW and the ACT and provides counselling services and supports childcare and training centres in NSW. It is a registered training organisation (RTO) offering the following courses:

- ✧ BSB51004 Diploma of Business (Frontline Management)
- ✧ BSB41004 Certificate IV in Business (Frontline Management)
- ✧ CHC40102 Certificate IV in Aged Care Work
- ✧ CHC30102 Certificate III in Aged Care Work

John Community Services is a large organisation employing 3199 persons. Its employment is made up of mainly part-time and casual workers as shown in the following table.

About 85% of employees are employed under an award while 15% are contract or similar. John Community Services is funded via government subsidies, client fees, trusts, donations and its trading activities. About 90% of its activities are in aged care services. Its annual operating budget is \$152 million of which just over \$100 million is on wages and salaries.

In 2005/06 total training investment across John Community Services equalled 3.4% of staff wages or \$872 per employee. This figure is actually used by the organisation and its Board as an internal performance indicator. They estimated their training expenditure *excluding* the wages of attendees to be about \$650,000 during 2005-06. Training is an integral part of their overall business plan. They have a 5-year plan from which annual plans are derived. The last training plan was structured to address three key HR strategies identified in their overall strategic plan. These were:

- ✧ Train and develop existing staff to ensure they are highly proficient and able to meet the changing needs of our client base.
- ✧ Provide a place of work that is safe for employees to enjoy their work.
- ✧ Develop and implement initiatives that ensure we are seen not only as an employer of choice within the welfare sector but in *the welfare sector at large.*"

**Table 2: John Community Services Staff**

Category	Full-time	Part-time	Casual	Total
<b>Care:</b>				
- Managers	53	11	1	65
- Coordinators/ Educators/other professionals	78	76	5	159
- Direct care staff	92	1446	738	2276
<b>Corporate:</b>				
- Executive	6	0	0	6
- Other managers	21	6	0	27
- Professionals	66	9	2	77
- Admin staff	54	97	20	171
- Chaplains	5	26	2	33
<b>Support Services:</b>				
- Managers	4	1	0	5
- Other	62	213	105	380
<b>Total</b>	<b>441</b>	<b>1885</b>	<b>873</b>	<b>3199</b>

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- ✧ “*Train* and develop existing staff to ensure they are highly proficient and able to meet the changing needs of our client base.
- ✧ Provide a place of work that is safe for employees to enjoy their work.
- ✧ Develop and implement initiatives that ensure we are seen not only as an employer of choice within the welfare sector but in *the welfare sector at large.*”

The main activities undertaken to support these strategies were conducted through a mix of VET programs (Certificate III and IV in Aged Care Work, Certificate IV and Diploma in Business Frontline Management, and Certificate IV in Assessment & Workplace Training), Leadership Training and Operational Training (such as finance/admin, customer service, computing).

In 2005:

- ✧ 18 staff completed the Cert IV in Assessment/Training
- ✧ 51 completed the Cert III in Aged Care
- ✧ 129 completed the Cert IV in Aged Care
- ✧ 45 undertook Change Management courses
- ✧ 62 undertook courses in Situational Leadership
- ✧ 38 undertook Performance Management
- ✧ 61 were train in revised recruitment and selection procedures.

In all there were almost 49,000 staff hours of training provided within the organisation with dedicated trainers spending over 15,000 hours conducting or coordinating this training.

The number of trainees currently employed was estimated between 30-60. Robert noted that they were unsure of the actual number since decentralised managers in the Hunter and the ACT had discretion to employ trainees. Currently John Community Services has suspended hiring trainees in Sydney as they have been unhappy with the quality of external training providers. They are currently preparing a preferred providers list in order to recommence employing trainees.

The main factors driving their training are their strategic business plan and to a lesser extent operational issues. Much of their aged care related training is locally driven and delivered via nurse educators employed by John Community Services with the HR department supporting this training with the provision of curriculum design. The overall level of training has been fairly level over recent years but they expect an expansion in leadership training in the future, as they plan to put 120 staff through such courses over the next three years. They also expect to expand their e-learning effort over the next year to allow them to address the growing amount of training required in the organisation and their wide geographic distribution.

Most of their training, perhaps 80 per cent is non-accredited. All staff undergo some form of training which as a minimum includes one-on-one mentoring/coaching. The extent of this informal coaching is too difficult to estimate but is a part of the organisational culture. They know from exit surveys that they are seen as a learning focussed organisation. They believe that their commitment to training has resulted in reduced turnover rates and has aided their recruitment in the tight Sydney labour market.

Government funding is important to John Community Services. In 2005-06 they received \$94,000 from the Federal Government under the 'Better Skills for Better Care' program. Their expenditure on training in 2005-06 was broken down as follows:

**Table 3: John Community Services Training Expenditure 2005-06**

	2005-06
Wages of staff at training and replacement	\$827,573
Training seminars & conferences	\$560,822
Nurse educators	\$578,649
Total employees	3,192
Total wage/salary costs	\$82,073,358
Training as % of wages	3.4%
Training per employee	\$872

John Community Services won the 2005 NSW Training Award for the Certificate IV in Aged Care that they developed. The main reason for winning the award was the structural change in the nursing occupations that was associated with this course. Previously only registered nurses (university trained) were allowed to administer medications. Because of shortages of nurses they successfully lobbied to allow this function to be performed by enrolled nurses after suitable training. They arranged this training through the College of Nursing, part of the University of Sydney, who deliver the relevant module.

John Community Services is currently considering relinquishing its RTO status when its current registration lapses in 2010 and will consider entering a partnership relationship with a private RTO linked to the industry. The advantage would be to externalise audit costs associated with being an RTO.

The ABS Survey of Training Expenditure questionnaire was reviewed with the Training Manager Marcelle. She believed the questionnaire was too long and that many of the questions required

more complex responses than was allowed for— such as qq. 12, 22, 23, 27, 29— while other questions sought quantitative data that most organisations would not easily be able to answer. The first 11 questions were easily answered.

Overall, this was a most impressive organisation in terms of integration of training with their overall business plan.

## Large Department of Human Services (intellectual disabilities)

### Background

Part of the wide range of services provided by the Large Department of Human Services (LD) is the support for persons with disabilities. State funded provision for adult persons with disabilities, largely intellectual disabilities, is mainly through Disability Accommodation Services in *shared supported accommodation*. Accommodation is now almost entirely in separate houses rather than in large institutions. More than half of this is provided in government operated houses and the remainder by non-government organisations which are funded by the government.

Ensuring that staff are trained to the levels required is the responsibility of the Disability and Learning Development Unit (DLDU) which is part of the Quality Branch of the LD. The DLDU funds the training for staff in houses run by LD. It provides 1.6 per cent of budget for the purchase of training for its employees.

LD includes 1.5 per cent of the funding it provides for non-government houses for training but does not exercise oversight of those funds. It provides some additional support and advice for training of staff in a range of facilities run by non-government community service organisations through Disability In-Service Training Support Service which has an advisory committee including representatives of non-government organisations and LD.

About 5000 persons are employed in the publicly provided houses for adults with intellectual disabilities. They are service workers, at advanced or intermediate levels.

The level of staffing and the skill requirements depend on the nature of the disabilities of the persons in each house.

### Strategic level

Ensuring that staff are trained to specified levels is central to the planning of the LD. It is partly a matter of health and safety. This is mandatory training, which can vary with the disability of the residents, such as first aid, fire safety, and CPR which must be updated every two years. Some of these are provided by private providers such as the Royal Life Saving.

In addition specified levels of qualifications and associated training are specified in the Enterprise Bargaining Agreements (EBA). All new ongoing employees are required to have or be undertaking a Certificate IV usually in Disability Work. Supervisors of complex houses, eg one with five persons with difficult behaviour or five with dementia, are required to have an Advanced Diploma in Disability Work or the equivalent which could include qualifications in psychology or social work.

### Training level

The drivers of training are the recognised need for staff to be able to care for those with particular disabilities, underpinned by the EBA and the specified funding levels. While some

forms of training are required or desirable for all staff some specialist training is also needed for particular disabilities or for other health problems of residents. One example is support for residents with diabetes.

LD does not provide the training itself but purchases it from a range of training providers. LD attempts to obtain profile funded places in TAFEs though this is not always possible. Some training is purchased from private providers eg from Surf Lifesaving Australia in various first aid areas.

Under the EBA new staff in ongoing employment have to be trained to Certificate IV. (The requirement in the non-government sector is level III). Training package qualifications are used, usually in courses in the Community Services Training Package. Most training is nationally accredited though some specific short courses may not be. Not all is for a full certificate. Most is based on training for specified competencies. As mentioned, supervisors of complex houses are required to acquire Advanced Diplomas. Supervisors are encouraged to do courses in leadership including at Advanced Diploma level courses from the Business Training Package. This is not supported directly by LD funds though some scholarships are available.

A major cost to the LD is the replacement of staff while attending a course. Partly for this reason supervisory staff have been trained as training assessors which means that some assessment can take place on the job with a reduction in time release of staff.

Where possible recognition of current competencies is sought to obtain exemption from part of a course.

Some staff are engaged on traineeships which means access to Commonwealth and state employer incentives and the provision of the training under User Choice. This is not available if staff have other qualifications acquired in the past seven years eg some hairdressers who have changed their field of work.

At central level of LD there has been a review and the development of an approved format of training. Emphasis has been placed on competencies needed in the particular workplaces. There has been a shift in emphasis away from class room training to work-based training. The training of supervisors as assessors in the workplace can be seen as linked to this.

Government shared supported accommodation is coordinated at a regional level with eight regions, five rural and three metropolitan. Eastern Region for example has 140 houses providing accommodation for persons with intellectual disability and 1300 staff (out of 5000 for the whole of Victoria). Each region has a training coordinator to identify need and to set priorities for LD funding support for training.

## Funding

As already stated, under the EBA, the funding for publicly provided shared supported accommodation equals 1.6 per cent of budget. Funding for training in non-government facilities is included in the overall funding support at a rate of 1.5 per cent. The rate has been stable for the last three years. Some access to other government funds is obtained via traineeship employer incentives and by access to profile funded training. Some staff training is self funded.

## ABS TEPS

The ABS TEPS questionnaire was discussed. The aim was to see if such a questionnaire could be answered. The overall conclusion was yes —the relevant data were available. Answers to some of the specific questions are listed here.

*Part 1 Characteristics of employees*

Disability Services purchases its training but does not provide it itself in the last five years. It plans and supervises. Hence there would be zero employees whose main job was training of employees (Q5).

*Part 2 Structured training*

These questions could be answered

*Question 8 on the types of employer support*

the main answers would be 'paid wages and salaries while attending training' and 'paid employees structured learning fees'

*Question 9 on training arrangements*

the main answers would be a) structured on-the-job training and c) external workshop, lectures, tutorials and training seminars—mainly for full courses for nationally accredited training

*Q10 on electronic learning arrangements:* low—up to 5 per cent.

*Q13 on types of training*

especially a) induction; b) managerial and supervisory; d) health and safety; g) occupational specific; and some of the other items listed

*Q14 percentage participated in training*

99 per cent would be engaged in some sort of training over a two year period

*Q16 and 17 on the percentage nationally accredited*

Very high

*Q18 on how determined requirements—*

Main items were: Performance management/appraisal; Skills audits/training needs analysis; Legislative, regulatory or licensing requirements (some requirements in new Disability legislation to be enacted July 2007)

*Q19 on which was most important*

Skills audit

*Q 20 on who was involved in determining requirements*

Managers; Immediate supervisors; Training managers; Individual employees

*Q21 on external providers*

Mainly TAFEs; Private training organisations

*Q 23 on Why these organisations*

Training course led to nationally recognised qualifications; Content was suitable; Training tailored to LD needs; Cost

*Q 24 Important factors*

Award/bargaining—EBA; Regional training committees; Some of the other factors listed too

*Q25 on how the expenditure changed*

Amount has not increased but there is now less class room, more on the job and better focused training

*Q28 constraints*

Budget set and agreed

Part 6 Expenditure excluding wages and salaries of trainers (Skipped Parts 3-5)

*Q39 Fees for external providers*

This is the main expenditure and can be reported exactly

*Q40 Training facilities*

DHS used to purchase some training equipment when it provided training directly five years ago but not now.

**Appendix.** Disability in the State Disability Plan

There are many different types of disability. A disability can be caused by a genetic condition, an illness or an accident. In the Victorian State Disability Plan, 'disability' includes:

- ✧ Intellectual disability
- ✧ Physical disability
- ✧ Sensory disability
- ✧ Acquired brain injury
- ✧ Neurological impairment
- ✧ Dual disability (one of the above and a psychiatric disability)
- ✧ Disabilities that are unrelated to ageing, or
- ✧ Any combination of these.

When the State Disability Plan talks about people with a disability, it includes:

- ✧ Men and women with a disability
- ✧ Children, young people, adults and parents with a disability
- ✧ People with a disability who are ageing
- ✧ People with a disability from culturally and linguistically diverse backgrounds
- ✧ Aboriginal and Torres Strait Islanders who have a disability

# The Broken Bay Dental Ceramics Clinic

The Broken Bay Dental Ceramics clinic (BBDC) was established by its principal, Mark Rondeau, in 1993 to provide a full dental ceramics service to residents of the Broken Bay area of Sydney. BBDC provides a full dental ceramics service specialising in crown and bridge services. BBDC primarily serves dentists who refer business to the company rather than dealing directly with the public. BBDC is co-located with a dental prosthetics clinic that specialises in dealing with the public. However, the two businesses are not formally linked but rather share premises and split their operating costs. The BBDC employs two full-time qualified dental technicians and usually employed between 2 and 3 dental technician trainees.

Although a small business, as are most dental ceramic clinics in Australia, Mark V places a great deal of emphasis on the importance of formal and informal training to the business. The role of training in the dental services area is perhaps illustrated by Mark's own career. Mark trained as a dental technician through Randwick TAFE, undertaking a Certificate IV full-time. This was the normal route for training in dental services. The formal element of the training was high. The course that Mark undertook included 3,000 hours of formal, off-the-job training at TAFE which lasted for 2 years. After completion of the off-the-job element of his training, Mark then found a job as a dental technician in a clinic and completed a further 2 years of on-the-job training. After four years of training Mark qualified as a Dental Technician. However, as Mark points out, graduation from the formal training of the dental technician course is only the start of a much longer period of continual learning on-the-job to develop the high level of skills that are required to service members of the public in what is essentially a medical role. Mark estimated that it would typically take up to 10 years for a qualified dental technician to learn all the skills necessary to handle the often complex and sensitive work of a dental technician:

*When they get qualified, any graduate wants to start their own business. The problem is, being a skilled job, you have to learn, you have to practice, and the only way of practising is repetition. You only start to become a good technician after about 10 years of working. A lot of technicians come out of their training and think that they're the bee's knees, and they tend to get a rude shock about it. And then you meet old boys who've been in the industry for 30 years and you realise what real skill is. When you see someone who can do sculpting of natural teeth and make them look like natural teeth, to make something look natural, it's a tall order.*

Mark worked for number of years, often with a number of jobs at any one time, to save the capital needed to start his own dental clinic which he did in 1993. This is a common path for many dental technicians who will leave the small clinics in which they undertook their training in order to establish their own businesses.

Mark employs between 2 and 3 trainees at any one time. The current training for dental technicians involves a Diploma program run through Randwick TAFE. The course requires attendance at TAFE for about 2-3 days per week – considerably longer than most traditional apprenticeships. After the formal training element of the course, the technicians are still required to spend two years working and learning on-the-job before they can sit the examinations for registration as a Dental Technician in New South Wales. During this period of on-the-job training, Mark and the other qualified dental technicians spend a great deal of time with the trainees, gradually introducing them to the more complex aspects of dental technician work and building their skills. Mark estimates that these informal learning processes can take up to 20 per cent of his time.

Nor does training in the workplace stop once the trainee has successfully passed the registration exams. There is a constant process of on-going training supervised by Mark as the principal in the business and involving all his staff. This form of on-going training has two components. There are independent courses that are organised by the supplier companies. These usually involve training in new dental techniques and the workshops may last up to 4 days, often running over a weekend. Thus, the staff who attend these courses are spending part of their own time to undertake the training. The costs of this form of training are shared by the BBDC and the

individuals concerned. Mark estimates that staff might attend 2 or more of these workshops each year, although he would like to send them to more. In a small business, it is difficult to spare staff for more off-the-job training.

The second form of training carries on from the on-the-job training that Mark and his staff give to the trainees. Mark views this on-going, informal training as the most important form of training that he gives to his staff with the aim of developing them into highly skilled, autonomous practitioners:

*David qualified last year, and I would consider him to be probably, at the 30 per cent mark as far as the level that I'd want him at, maybe 40 per cent. But if I gave him a combination of, say, 10 teeth to put together, he wouldn't be able to do it. So he needs to learn those higher skills for the more intricate cases. So I purposely give him the slightly more difficult cases that he can then learn and practice and then I'll show him how to do it. If he can't do it, I'll show him again, and so forth. So it's a time investment on my part. I would probably say about 20 per cent of my day is training or showing people how to do things, As the employer, and technician, your job is to make that staff member a replica of me. I need to show them 25 years experience in the shortest period of time.*

Mark is quite critical of the current level and volume of training for dental technicians in New South Wales. He points out that the current Diploma, although a higher level qualification than the certificate which he completed, has far less off-the-job content. The hours of TAFE-based training have been cut from the 3,000 he undertook in the 1980s to around 1200 today with a concomitant shift to on-the-job training. Moreover, the training for dental technicians is restricted. The dental technician programs are still offered through Randwick TAFE with only 30 places offered each year – the same level as 25 years ago despite the increase in population during this period. A larger number of overseas fee-paying students are now trained at Randwick and this helps to keep the costs of the course relatively low. However, many of these students cannot practice once they have graduated and are compelled to return to their home countries. This has led to acute skills shortage in qualified dental technicians in the state.

Whilst it is clear that training is an important element in Mark's work as principal of the practice, it is a largely informal and relatively unstructured process. There are no formal records kept in the business on training. With regard to the ABS employer training and expenditure and practices survey, Mark had little difficulty in answering basic questions on the nature of the workforce at BBDC and the types of training they undertook. However, questions on training expenditure were far more difficult. There were no records in the business that would allow him to answer these questions with any degree of accuracy.

BBDC presents an interesting study of a small business environment in which training is a critical part of the strategy of the business. The business is reliant on its reputation amongst dentists for the quality and speed of its work. This is critically affected by the skill levels of its workers with the result that a major part of the work in the business is in training new and existing staff and raising the overall skills levels and capability of the business. However, this is also not an environment in which formal training can play a key role; the emphasis has to be on informal, workplace-based, on-the-job methods which appear to pay rich dividends to the business.