

ERTOA BACKGROUND DOCUMENT

Title:	A knowledge bank of issues for enterprise registered training organisations
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Document overview

In 2005 the Enterprise RTO Forum (ERTOF) commissioned the development of a knowledge bank of issues. John Mitchell from John Mitchell and Associates conducted the research. In 2007 the Enterprise RTO Association (ERTOA) commissioned an update. It was conducted by Performance First Pty Ltd.

The updated sections from the 2007 review are included in the body of the text below. They are distinguished from the 2005 initial report by the use of italicized font

Definition

A knowledge bank is taken to mean a documented repository of ideas. By creating a knowledge bank, members' explicit and sometimes tacit knowledge can be tapped and shared.

Description

The ERTOF knowledge bank of issues is a knowledge management device to capture, record and share ideas between members.

Purposes

This knowledge bank of issues is a repository of key ideas is designed to be used as quick reference guide for ERTOF members. The knowledge bank will assist members in various deliberations in future – for example, when preparing submissions or papers, either for use by individual members or by the whole Forum.

Origin

The bank of issues is based on the ideas members of ERTOF expressed at ERTOF meetings and in other meetings and communications, particularly during the Reframing the Future project from July-November 2005. The ideas are based on members' practical experiences and ongoing research.

Version control

Each time the knowledge bank is produced and disseminated, the date of the current version will be shown on the cover and in the footer. Each version will be authorised by an appointed member of the Forum.

Priority issues

As at 25 November 2005, priority issues for ERTOF include the following:

ISSUES IDENTIFIED IN 2005	COMMENTS – 2007 UPDATE
<p>Issue No.1: Macro-environmental factors are impacting on enterprise training including changing customer expectations, a more competitive marketplace, new technology, the drive towards enhanced workforce capability</p>	<p><i>This issue remains as a corner stone of business operation in the current environment. ERTOs have sought to offset the effect of there factors by aligning their work closely with core business functions such as recruitment,</i></p>

<p>and the need to attract and retain staff. In an enterprise where the core business is not VET, it is particularly challenging for enterprise RTOs to function when the enterprise is being buffeted by such macro-environmental factors.</p>	<p><i>retention and performance improvement.</i></p>
<p>Issue No.2:</p> <p>New trends and challenges are emerging in the national training system, including new policies and governance arrangements and external providers needing a deeper knowledge of many different workplaces. ERTOF is actively monitoring these new trends.</p>	<p><i>ERTO A has worked successfully to gain a 'seat at the table' in discussions that lead to changes in the national training system.</i></p>
<p>Issue No.3:</p> <p>There are sound reasons for ERTOF to support the national training system, particularly as accredited training can lead to nationally recognised, portable qualifications that are quality assured.</p>	<p><i>During 2006 and 2007 best practice ERTOs have sought to position their activities to underpin core business activities with the gaining of qualifications seen as a secondary goal. The exception to this is in compliance driven ERTOs such as in some sections of the financial service industry.</i></p>
<p>Issue No.4:</p> <p>There are many different ways to implement the national training system within an enterprise, from comprehensive in-house delivery, to partnering with other RTOs, to outsourcing specific components. However, complex challenges remain, such as processes for the recognition of prior learning and how to position VET so that it links strongly with workforce development.</p>	<p><i>ERTOs still face many challenges in their operation. There has been considerable work in 2007 to ensure that registration and re-registration audits take a holistic view of the role of an embedded RTO. In late 2007 this work culminated in the publication of an ERTOA AQTF 2007 implementation guide. The guide's development was funded with DEST and in close consultation with NARA</i></p>
<p>Issue No.5:</p> <p>ERTOF has some concerns about the national training system, such as the jargon, the focus on compliance, the volume of paperwork, the variation in administration between States and Territories and the slow, seemingly rigid review processes associated with Training Packages.</p>	<p><i>There has been considerable activity around removing the layers of complexity that were in the way of ERTOs assisting their enterprises to improve performance. AQTF 2007 and the setting up of NARA are two examples.</i></p>

<p>Issue No.6:</p> <p>ERTOF has strengths in relation to the national training system. In an 'industry-led' VET system, ERTOF has knowledge and experience about the implementation of the national training system in industry that is of value not just to VET policy makers but also to other enterprises.</p>	<p><i>In 2007 ERTOA has developed a policy to actively seek opportunities to engage with the broader VET community to ensure the views of this important sector are heard. The policy has been a success with ERTOA representation sought for many policy, implementation and review processes.</i></p>
<p>Issue No.7:</p> <p>ERTOF currently has weaknesses in relation to the national training system, including its need – as a new VET stakeholder – to clearly articulate its value proposition to the rest of the sector.</p>	<p><i>The establishment of ERTOA policies and procedures and the funding of the ERTOA secretariat has largely overcome this issue.</i></p>
<p>Issue No.8:</p> <p>ERTOF members' organisations are all large but they vary, not just in size and industry focus, but also in terms of how VET is viewed within the organisation.</p>	<p><i>This remains an issue for ERTOA. On the one hand the various models used within the members' businesses provides a strength for comparative analysis. On the other hand the diversity of models makes comparisons difficult.</i></p> <p><i>During the development of the ERTOA AQTF 2007 Implementation Guide it has become obvious that all members look upon their L and D functions first and foremost as a means to meet business needs. The ability to award national qualifications through the ERTO is of secondary importance.</i></p>

Additional issues identified in 2006 and 2007

Issue No 9

Implementation of AQTF 2007. With the introduction of AQTF 2007 from 1 July 2007, ERTOA members have been focused on how they will implement the new standards. In general members believe the new standards will make their compliance issues less cumbersome by allowing a focus on outputs and documentation of normal business processes as evidence of compliance. This is in contrast to the previous standards where ERTOs were a difficult fit into a system designed for public or private RTOs. The implementation guide under preparation in late 2007 will give ERTOs confidence in the meeting the new standards.

Issue No 10

Aligned with the introduction of AQTF 2007 has been the setting up of the **National Registration and Audit Agency**. ERTOA members are keen to see the benefits implied in the new agency. The development of useable guidelines to claim multi-jurisdictional status has been a good initial step as has been the willingness of NARA to engage with ERTOA and its members. There has been some disappointment (late 2007) in the ability of NARA to gain the authority it needs to operate from States. Advice to ERTOA members indicates that the first ERTOs to operate under NARA will be in early to mid 2008. ERTOA and its members have high expectations that NARA can assist to overcome some of the compliance complexities encountered by large enterprise RTOs operating nationally.

Issue No 11

Building the internal business case. ERTOA members are still faced with difficulties in building the internal business case for their enterprise to either become an RTO or maintain status. During 2006 and 2007 a number of prominent ERTOA members were under review regarding their position within their organisation and the value they add to the organisation. These reviews are often based on the question 'Our organisation is committed to training staff but why do we need to be an RTO to do that?'

Issue No12

There is a need for research on issues that concern enterprises as they develop their workforce capability and the interaction between that development and the national training system. ERTOA members are frustrated by the lack of focused research on their concerns. The overlap between HRD processes and the VET system is a fertile area to be mined for research proposals.

ERTO A is addressing this issue in a number of ways:

- Working to raise the research issues in VET and VET policy circles
- Developing its own research capability and
- Influencing NCVER research priorities from its seat on the Selection Panel for National VET Research and Evaluation program.

Issue No13

Funding (External). Whilst a number of ERTOA members access User Choice funds, most enterprise effort to skill and re-skill their staff and offer pathways to VET qualifications is totally self funded. ERTOA members have flagged the issue of funding for discussion. Once the scale of effort (See issue 14) is quantified there will need to be a discussion with government about the equity of funding VET effort.

Funding (internal). ERTOA members are interested in the different models utilised within their businesses to fund the L and D activity and the RTO operation.

Issue No 14

Acknowledgement of effort. Over the past few years ERTOF and more recently ERTOA members have raised the issue of recording ERTO effort. To date, with the exception of User Choice funded effort, ERTO competency and qualification completion figures are not recorded nationally. During 2007, and in parallel with the implementation of AQTf 2007, DEST has funded work to look at simplified data collection for ERTOs. ERTOA welcomes this initiative as long as it does not impose substantial additional work on members, recognises privacy issues in businesses and utilises data from existing enterprise collection processes such as LMS.

Issue No 15

Whilst ERTOA members are aware of the quality, transferability and value of the training interventions they manage within their businesses, there is scope for a wider discussion about the outcomes of **work-based learning outcomes** compared to other types of learning intervention.

Issue No 16

ERTOA members' expertise is sought in a range of **representational work**. During 2007 ERTOA has developed protocols to manage this work and to ensure members represent the views of the Association as well as reporting back to members.