



An Australian Government Initiative

"The value of training for business"

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Who is RDA Sydney?

- RDA Sydney is part of a national network of organisations that support economic development, jobs creation and investment attraction for their regions.
- The RDA Sydney region is the 33 Local Government areas in greater Sydney and we operate as a not for profit receiving grants funding from the Federal government and providing consultancy services through fee for service arrangements.

Three Sources of Information

1. *Manufacturing and Engineering Skill Requirements - Views of Employers in two LGAs in Southwestern Sydney - Final Report to South Western Sydney Manufacturing and Engineering Skills Task Force*
2. The National Centre for Vocational Education Research (NCVER) – *Reasons for Training: Why Australian employers train their workers*
3. *The New Work Order Report Series – The Foundation for Young Australians*

Survey responses of 82 manufacturers:

Reasons as to why employers train their staff

- Changes in the skill content of their main jobs
- Skill complexity of main job had increased

The impact of skill shortages on their business

- Immediate impact on productivity and profitability – reduced output, higher rate of mistakes and reworking, loss of contracts
- Indirect or longer-term impacts on sustainability – need to micromanage because unqualified were doing skilled jobs, curtailment of expansion as firms stopped seeking new business, reduced innovation.

'Reasons for training: Why Australian employers train their workers'

- **Vocational qualifications** normally providing skills for specific jobs and/or for compliance with external regulations, licensing requirements
- **Apprenticeship or traineeship system** to fill a specific skill need or job vacancy, the employer may use this methodology to improve the overall level of skills in the workforce
- **Nationally Recognised Training** may do this for several reasons one is that it is a requirement of regulations or licensing of the business, it may be used to provide skills for specific jobs or business related skills, enhancing competitive by improving quality or responding to new demands of new technology
- **Unaccredited training** is to improve the overall skills level of their workforce; enhancing competitive position; developing more strategic approach to human resource management with skills enhancement and a more responsive workforce.

‘Reasons for training: Why Australian employers train their workers’

key themes of value include:

- staff retention
- business growth
- Competitiveness
- new work practices and technological advancement
- quality improvement and
- regulatory/ licencing compliance.

New Work Order Report Series

Is an analysis of 20 billion hours of work completed by 12 million Australians across 400 occupations with due consideration to the global forces of automation, globalisation and flexibility.

It predicts by 2030 that workers will:

- spend 30% more time learning on the job – using learning to update and use new knowledge, analyse and interpret information
- Workers will spend almost 100% more time at work solving problems
- 41% more time on critical thinking and judgement
- 77% more time using science and mathematics skills
- Workers will use 26% less management, 14% less organisational coordination and 10% less teaching

What needs to happen now to transition businesses and workforces into this paradigm?

- According to this report series staff will spend 30% more time learning on the job so what relationships and tools will a business need for its workforce to remain competitive?
- This cannot be solved by one entity, it will take an ecosystem of different players to develop agile training solutions that adapt to various needs, it cannot be bound by rigid one size fits all solutions and it should be based on what the business needs at the time of need.

Contact Details

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Sources:

- 1. Manufacturing and Engineering Skill Requirements -Views of Employers in two LGAs in Southwestern Sydney. Business School University of NSW – Report to South West Sydney Manufacturing and Engineering Skills Taskforce.
- 2. Reasons for training: Why Australian employers train their workers. NCVET Andrew Smith University of Ballarat; Eddie Oczkowski & Mark Hill Charles Sturt University
- 3. New Work Order Report Series – Foundation for Young Australians
- 4. Engaging Employers and Developing Skills. Jonathon Barr OECD.