

## **MEDIA RELEASE**

### **Vocational training funding for business enterprises**

The Enterprise RTO Association (ERTOA) President Mr. Chris Butler today cautiously welcomed Skills Australia CEO Robin Shreeve's comments on the merits of allocating a portion of VET funding directly to enterprises. Such a change would see VET funding move towards a mix of 'enterprise-responsive' providing funding to meet the skills needs of businesses, alongside the traditional 'individual-responsive' model where funding is provided to meet the skill needs of individual students.

Some of Australia's most successful companies are registered as RTOs. ERTOA members include Qantas, McDonalds Australia, Toyota and Westpac. According to Mr. Butler all have a strong commitment to providing high quality training for their employees, creating training pathways for career development, and supporting the achievement of national qualifications.

"The high quality of skill development, and associated job performance assessment in the work place is undeniable. Funding to assist enterprise-based RTOs would result in many more Australians having access to qualifications. ERTOA's only concern would be to ensure any proposals are developed in consultation with enterprises and take into account the very different ways that RTOs operate within an enterprise compared to the more traditional institutional training organisations," he said.

ERTOA believes that a system that seeks to encourage enterprises to set up as RTOs or to partner with RTOs will not only improve business outcomes, but will raise the skill level of workers, provide individuals with portable qualifications and skills, better engage business with the VET sector, and go a long way towards achieving the COAG targets that seek to raise the skill and qualification levels of Australian workers.

Mr. Butler went on to say, "ERTOA would like to see the Skills Australia discussion broadened to look at new and innovative ways to assist enterprises to set up and maintain RTO status or to enter into partnership arrangements with existing RTOs".

Mr. Shreeve's observation that "...60 percent of VET students don't end up working in the occupations they're studying for..." suggests there is real scope for implementing more cost-effective approaches for raising the skill and qualification levels of Australian workers and ensuring the Government gets greater value for its VET investment.

"For instance, funding to assist enterprise RTOs with set up and maintenance costs could be conditional upon the enterprise providing pathways for employees to gain transferable skills and qualifications based upon the existing enterprise training programs," he said.

ERTOA is also supportive of looking more generally at the roles of RTOs in the sector arguing that institutional based training could focus on generic skills and qualifications, while job specific skills are best developed and demonstrated in the work place; an ideal role for the enterprise RTO.

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