

**ERTO A response to Consultation Paper VET Training Products for the 21<sup>st</sup> Century**  
**Prepared with consultation of ERTOA members, March 2009**

**ERTO A:**

The Enterprise RTO Association was formed in late 2006 and represents enterprises with embedded RTOs. The Association has two broad aims:

1. Support and assist the member enterprise RTOs and their staff to operate effectively and efficiently by enabling members to:
  - seek advice, exchange ideas and experiences with colleagues from other organisations on all aspects of setting-up and running an enterprise RTO;
  - participate in regular meetings with colleagues from other enterprises to discuss issues of concern, exchange ideas and give and take advice; and,
  - participate in, and contribute to, an association that has a mandate to commission and publish research on specific issues facing enterprise RTOs.
2. Provide formal representation and promote the interests of member enterprise RTOs by:
  - interacting as an association, and in a coordinated way, with State Training Authorities, Industry Skills Councils, Department of Education Science and Technology and other Vocational and Technical Education (VTE) players, on the issues faced by enterprise RTOs in order to promote greater recognition of enterprise RTO activities and interests;
  - participating as a formal association with a 'seat at the table' whenever discussions occur, and decisions are made, affecting enterprise RTOs; and
  - influencing the Australian VTE sector regarding enterprise RTO issues and interests.

The membership of ERTOA has grown since it was formally incorporated as an association and at March 2009 stood at 35. These 35 members employ nearly 1 million Australians or 1 in 10 working Australians. More information and a full list of members is available at: [www.ertoa.org.au](http://www.ertoa.org.au)

**Background:**

ERTO A members are involved with the National Training Framework as an enabler for them to do their business better. Most members have a limited scope of registration closely linked to the main job roles their staff perform. A small percentage of ERTOA members are engaged with the NTF because of compliance needs (For example members from the Financial Services Sector) or to assist them in employing trainees.

The majority of ERTOA members receive no government assistance in providing training to their staff and to move staff toward nationally recognized qualifications.

ERTO A members make a very considerable contribution to skilling Australian workers. With the exception of AVETMISS reporting associated with funded training places, most ERTOA effort is not recorded in national VET statistics.

**Comments:**

A flexible VET sector with a range of industry focused VET products best meets the needs of ERTOA members. Whilst the flexibility in the current system suits ERTOA members there are areas where there can be substantial improvement. In general terms members want to see:

- ✓ Acknowledgement that ERTOs operate in a separate way to other RTOs. With a few exceptions, ERTOs do not build their training pathways from Training Packages. They build training from the business needs of the enterprise and map assessment of skills to Training Packages,
- ✓ Acknowledgement of the contribution (mostly un-funded) ERTOs make to skilling Australian workers,
- ✓ A review process for Training Packages that is swift and reflects current and future jobs,
- ✓ Closer alignment between Training Packages and the actual work their staff do,
- ✓ Greater flexibility in packaging rules to allow a greater customization of competency clusters,
- ✓ A removal of the complex layers of bureaucracy that impact on national businesses operating across States, with the development of a truly national training system,



- ✓ A closer alignment between the work done in enterprise HR and HRD sections and the use of Training Package competencies (A good example would be in the development of position descriptions and the alignment of Training Packages to specific job roles)

Additionally ERTOA members acknowledge some considerable developments in the past few years:

- ✓ The collaborative development of AQTF 2007 has allowed members to utilise existing and standard business processes to meet compliance needs,
- ✓ The associated implementation and audit response to AQTF 2007, with the exception of the implementation of the Quality Indicator tools, has been an empowering experience for ERTOA members and their businesses,
- ✓ The acknowledgement that there is a segmented provider sector including public, private and enterprise RTOs.

### **Comments related to VET Training Products for the 21<sup>st</sup> Century, Consultation Paper, February 2009.**

There are a number of direct comments on the consultation paper:

The ERTOA model of work-base training and associated assessment can be applied across enterprises with no current commitment to accredited outcomes for staff, to substantially increase the number of Australian workers holding qualifications. The ERTOA models look at staff members being able to show they do their jobs well. (Page 4) This is a clear example of industry leading the workforce development of their employees.

ERTO A members disagree with the fundamental assumption in the paper that underpinning skills and higher level skills are not developed in work-based training and assessment. (Page 9) ERTOA members ensure that workplace competency includes broad literacy skills applicable to the job role.

Our members are engaged with VET learners who are in jobs. Generally, they do not see their constituency in wider terms. (Page 6)

### **Recommendations:**

ERTO A members would like the developers of the discussion paper to visit their ERTOs to gain a real understanding of the reasons ERTOs are set up within enterprises and how they are different to public and private providers.

#### ERTO A recommends:

1. Industry is the driver of the VET sector
2. Industry needs determine the make up of Training Packages and competencies
3. Competency needs to be demonstrated in the workplace
4. That the ACCI definition of competency as '...consistent application of knowledge, skills and attitude to the standard of performance required in the workplace'<sup>1</sup> be accepted.
5. Training Packages need to focus on the needs of industry and enterprises and not the needs of other training situations.
6. Training Packages should be broadened to include links to job roles. This will enable Training Packages to become useful HR and HRD tools.

### **More information:**

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<sup>1</sup> Next Generation of Training Packages. An Industry Response. ACCI, Submission to the COAG / NQC Joint Steering Committee, February 2009