

The Enterprise RTO Association submission to the Senate inquiry into:

National Vocational Education and Training Regulator Bill 2010 [2011],
National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010 [2011], and
National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011.

The Enterprise RTO Association (ERTOA) welcomes the Bill to set up the National Vocational Education and Training Regulator. ERTOA has strongly argued since 2006 that a national regulator was needed for a truly national VET system. Many multi-jurisdictional RTOs have been disadvantaged by the different and inconsistent application of the AQTF across the States and Territories.

Enterprise RTOs (ERTOs) have emerged as a significant component of the Australian VET sector in recent years. To be classified as an ERTO an Australian RTO must meet the following criteria:

- The enterprise is a legal business entity within Australia
- The enterprise is registered as an RTO
- The principal business of the enterprise is not training and development
- The primary target learner population for the RTO are the employees of the enterprise.

There are currently around 250 ERTOs across Australia. They include both government and private enterprises. Examples include the Australian Public Service Commission, Department of Defence, Australian Taxation Office, Qantas, Woolworths, Westpac and Calvary Health Care Services. These 250 enterprise RTOs collectively issue around 100,000 VET qualifications per annum according to recent research.

The Enterprise RTO Association (ERTOA) is the peak body representing ERTOs. It was established in 2006 and has grown in membership and influence. A full listing of the current ERTOA membership is attached for information.

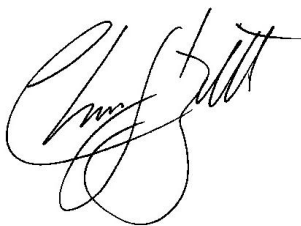
Many ERTOs operate as part of national enterprises whose training and assessment activities occur across state boundaries. With the establishment of The National Audit and Registration Agency in 2007, a number of ERTOs moved their registration to the new national regulator. They did this for several reasons:

- They wanted to be acknowledged as multi-jurisdictional RTOs and regulated as such with consistency and transparency,
- They wanted to limit the total number of audit contacts consistent with quality training and assessment outcomes, and with their multi-jurisdictional operation,
- They wanted a risk-based audit model, acknowledging the very low risk of compliance problems associated with many high profile quality enterprises,
- They wanted a model of regulation based upon quality outcomes and continuous improvement, and
- They wanted a partnership with a regulator that was business and enterprise savvy with a clear understanding that they operate very differently to public or private 'for-profit' RTOs.

ERTOA welcomes the establishment of the National Vocational Education and Training Regulator (NVR) but argues it needs to be implemented taking into account a number of ERTOA member concerns. These include:

- ERTOs are different to other RTOs. They offer pathways to national qualifications through job specific training and work based assessment, mapped to training package qualifications. They are primarily concerned with workforce capability, productivity, employee retention, and business outcomes.
- The NVR should acknowledge the important contribution ERTOs make to the skilling of the Australian workforce within the AQTF and aligned to the AQF. The NVR should see its role as encouraging and assisting quality enterprise RTOs to operate with a minimum of compliance and audit activity, consistent with maintaining quality training outcomes for the community, enterprise and enterprise employees.
- The NVR needs to acknowledge that there are four distinct types of RTO in Australia (TAFE, private fee-for-service RTOs, enterprise RTOs and community service RTOs) and that a 'one size fits all' approach to regulation will result in many 'unintended consequences' in application.
- ERTOs want national consistency in regulation and AQTF compliance audit practices. All states need to opt in, or there needs to be a guarantee that NVR-registered ERTOs won't be subject to additional state-based regulation.
- Contact with the regulator and subsequent audit events need to be conducted in a manner that enhances the quality of training and assessment. NVR staff need to understand how ERTOs meet the AQTF utilising existing business processes. NVR staff and contractors need a good understanding of the purpose and operation of ERTOs.
- ERTOA has a well developed compliance model for members based on utilising business processes and documentation to meet AQTF requirements. These models have been used successfully for several years with NARA and state regulators for new ERTO registration and ERTO re-registration. THE NVR should acknowledge and promote these business-aligned models.
- Most ERTOs (and ERTOA members) are complex, national enterprises adverse to risk and to any negative public exposure. They need to meet a raft of external compliance requirements related to running their business. They want their compliance with the AQTF to be based on risk assessment, especially in relation to governance and financial compliance.
- Activities of the NVR need to be sympathetic to the operation of the enterprises main business activity, which will not be running an RTO.
- The setting up and operation of the NVR should result in reduced impediments to enterprises training and assessing their staff within the AQF; not greater impediments. The work of the NVR should acknowledge the different ways ERTOs operate when compared to other RTOs.

ERTO A looks forward to continued consultation and discussions as the NVR Bill is discussed and directly with the NVR as it becomes operational.



Chris Butler
ERTO A President

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ERTO A Contact Details

Name: Mr John Churchill

Mob: 0419 276 017

Email: memberservices @ertoa.org.au

Address: Unit 503, 20 McKillop St, Melbourne VIC 3000

Post: PO Box 18091, Collins Street East, VIC 8003

Alpha listing of current ERTOA members

AAPC Ltd (Accor Hotel Group)
Abigroup Contractors Pty Ltd
Australian Broadcasting Corporation
Australian Customs and Border Protection Service
Australian Drilling Industry Training Committee Ltd
Australian Federal Police
Australian Public Service Commission
Australian Railroad Group
Australian Taxation Office
BIS Industries Limited
Boral Construction Materials Ltd
Brisbane Convention and Exhibition Centre
Calvary Home Care Services Ltd
Carter Holt Harvey Wood Products Australia Pty Limited
Centrelink
Department of Agriculture Fisheries and Forestry
Department of Defence
Department of Environment and Conservation (WA)
Department of Families and Communities (SA)
Department of Justice (Vic)
DP World Australia Limited
Energex
Ergon Energy Corporation Limited
ETSA Utilities (SA)
Excelior Pty Ltd
Fire and Emergency Services Authority of Western Australia
Fire and Rescue NSW
Fire and Rescue Service Qld
Foxtel Management Pty Limited
Friendly Society Medical Association Ltd
HBF Health Funds Inc
Honda Australia Pty Ltd
Hospitals Contribution Fund of Australia Ltd
Hungry Jack's Pty Ltd
IBM Australia Ltd
Insurance Australia Group Services Pty Ltd
Life Without Barriers

Macmahon Contractors Pty Ltd
McDonalds Australia Ltd
NSW Department of Corrective Services
NSW Police
NSW Rural Fire Services
OneSteel Manufacturing Pty Ltd
Orica Pty Ltd
Public Transport Authority of Western Australia
Qantas Airways Ltd
Queensland Rail
Rail Corporation NSW
Rebel Group Limited
Skilled Rail Services Pty Ltd
Staging Connections Pty Ltd
State Transit Authority of NSW
Surf Life Saving Australia Ltd
Surf Life Saving NSW
Surf Life Saving WA Inc
Sydney Water Corporation
Toyota Motor Corporation Australia Limited
TransAdelaide
Transfield Services (Australia) Pty Ltd
Victorian Arts Centre Trust
Village Theme Park Management Pty Ltd
Western Australia Police
Western Metropolitan Health Service (Vic)
Westpac Banking Corporation
Woolworths Ltd
Yachting Australia
Yum Restaurants Australia Pty Ltd
