



USER CHOICE AND THE NATIONAL TRAINING SYSTEM POLICY

PRINCIPLES OF USER CHOICE POLICY

ACCI and member organisations have committed significant resources, along with those of governments, to continuously improve the national training system to ensure it better meets the needs of employers, employees and Australia. The commitment of industry and all governments to this process has been imperative. Industry leadership on this matter is essential to ensure that State and Territory Governments continue to focus on employer needs and ensure that the gains in employer confidence in the system continue. ACCI also advocates the need for the rigorous national application of the Australian Quality Training Framework and the importance of the collective role of governments in this process.

The most important component of the National Training System is the development of a funding regime which is demand-driven, provides incentives for training providers to meet the needs of employers and encourages competition between, and within, the public and private training provider sectors.

ACCI advocates the full introduction of User Choice in the National Training System. User Choice is a transparent process whereby employers have the ability to gain access to a preferred public or private registered training provider.

The following principles must be recognised and agreed for User Choice to operate nationally:

- employer engagement focus;
- recognition that the primary relationship in training provision is between the Registered Training Organisation (RTO) and employer;
- User Choice is about competition, choice, accessibility, customisation and responsiveness;
- User Choice requires systems to be transparent, with equal treatment of all providers;
- the Australian Quality Training Framework is the primary tool to regulate the quality of the training system and employers prefer quality training arrangements;
- any introduction of User Choice should initially be limited to New Apprenticeships (currently 25 per cent of VET funding);
- the importance of State/Territories in setting their own priorities and funding levels, in consultation with industry. It may be necessary to agree at a national level on some broad parameters for unit costs in a transition period;
- any system requires employers, or those organisations acting on their behalf (e.g. brokers), to understand their role and influence over training activity (i.e. employer empowerment);
- the importance and availability of Training Packages in all jurisdictions;
- recognition of 'nominal hours' as a flawed concept and the need to move to a set unit cost for all training; and

- introduction of third party access where all providers can get access to public infrastructure at reasonable rates.

User Choice allows an employer and an apprentice or trainee to choose the training provider for the government-funded off-the-job elements of the training program so long as the training provider is registered to deliver the training.

POLICY OBJECTIVES

ACCI sees strengthening of User Choice arrangements as a key element in employer engagement in training as well as essential to the ongoing performance of the VET system in Australia.

THE POLICY FRAMEWORK

User Choice requires agreement to establish a new pricing and purchase policy at the State/Territory level linked to each available qualification. This would:

- allow all providers to clearly understand and cost service;
- allow employers to understand the extent of public money flowing to training and to supplement public monies if they seek alternate training arrangements or additional site-specific training; and
- allow a transparent process for States to determine priorities and price setting.

This information then needs to be supplemented with the flexibility to allow training providers to promote their ability to operate in a specific region for their registered Training Package area. This needs to be facilitated through an on-line-matching register for employers or organisations acting on behalf of employers. This would allow:

- employers to approach a range of providers prepared to operate in their region who registered to undertake training in their determined area under the Training Packages;
- providers to approach employers with a range of services to complement the areas in which they are interested; and
- providers to compete for the customer on the same price footing.

The introduction of this new, simple arrangement will deliver the goal of empowering employers to better skill their workforce and encourage real dialogue across the country between employers and Registered Training Organisations.

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