

Welcome

VET sector stakeholder
information session 2014



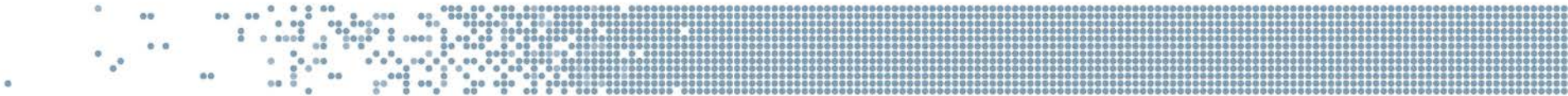
Australian Government

Australian Skills Quality Authority

About today's session

The focus of today's session is on familiarising you with the new standards and what is different about them.

Presenters at today's sessions are not able to provide responses to detailed questions about whether a specific resource or strategy would be compliant with the standards.

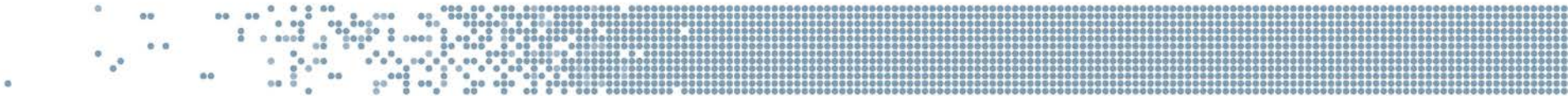


Users' guide to the Standards

ASQA has developed a guide to assist RTOs and other VET sector stakeholders to understand their obligations under the *Standards for RTOs 2015*.

A **pre-print** copy of the guide is available for download from ASQA's new standards website – www.asqa.gov.au/standards

Design and printing of the final guide is currently under way.



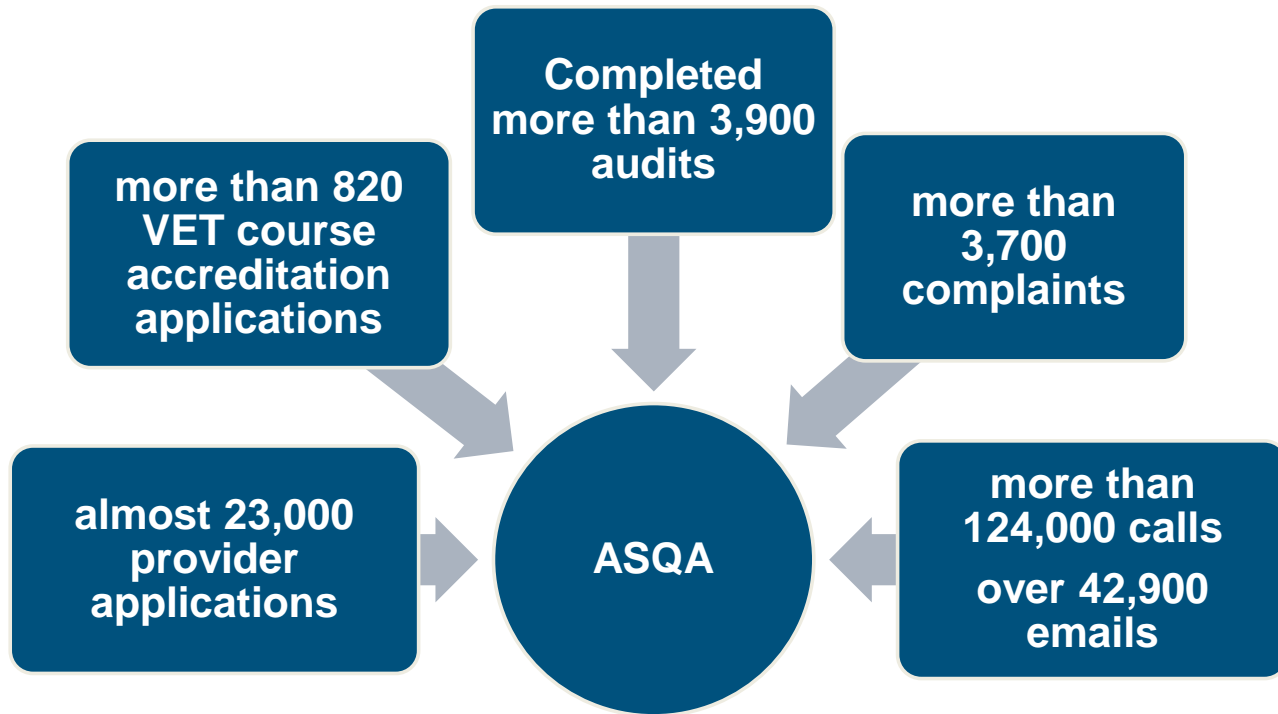
The regulatory journey so far and VET regulatory reform



Australian Government

Australian Skills Quality Authority

ASQA activity to date



*all figures are approximate as at 30 September 2014

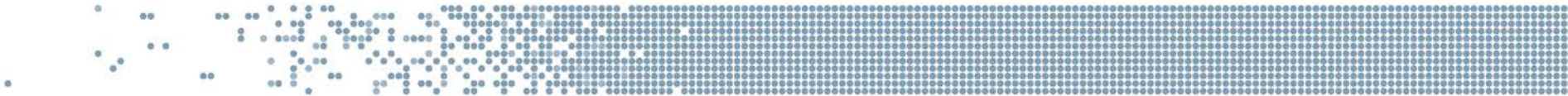
The national regulatory journey so far

Focus in the first three years on

- processing applications from RTOs
- evolving risk-based regulatory approach to identify poor quality providers
- establishing higher entry bar for new entrants

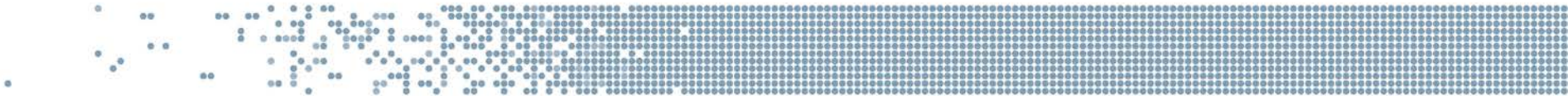
Between 1 July 2011 and 30 June 2014:

- 16.5% or 112 applications to setup a new RTO refused
- 6.8% or 113 applications to renew an existing RTO's registration refused
- 2.2% of change of scope applications refused



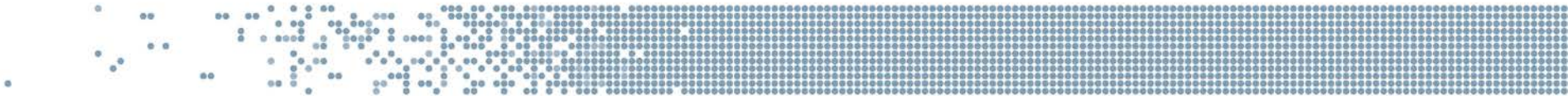
The national regulatory journey so far

- To date the main regulatory trigger has been an application
- Of 3,900+ audits completed by ASQA
 - only 10% have not been triggered directly or indirectly by the assessment of an application
- Between 1 July 2011 and 30 June 2014 targeted (non-application based) regulation led to a decision to cancel or suspend the registration of a further 130 existing RTOs, even though only 10% of total audit activity to date is not applications-based



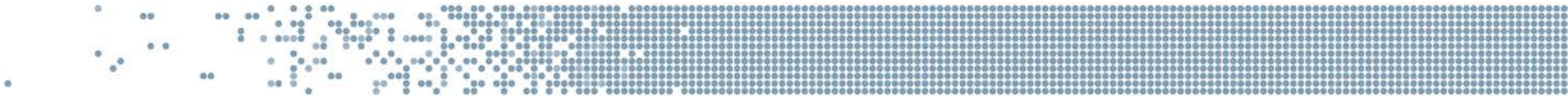
The national regulatory journey so far

- Most RTOs are not compliant at audit
 - only 20% fully compliant
 - 80% have at least one non-compliance
- Most RTOs are able to achieve compliance after 20 days rectification
 - 77% fully compliant after rectification
 - 23% still not compliant



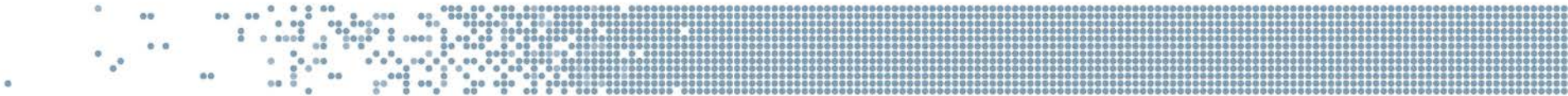
Conclusions from the first three years of national VET regulation

- Three distinct groups have emerged in the Australian VET sector:
 - High-quality providers who fully comply with the required national standards (around 20% of providers)
 - providers who want to comply with the national standards but who experience some difficulties, at least when audited (around 60% of providers)
 - providers who do not provide quality training and are unwilling or unable to comply with the national standards (around 20% of providers)



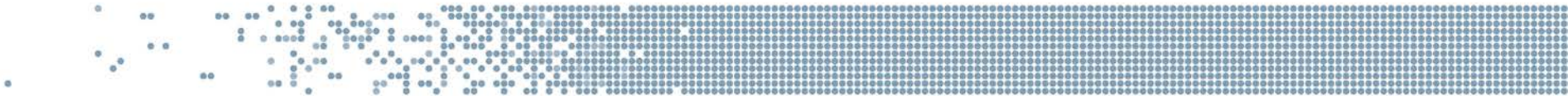
Conclusions from the first three years of national VET regulation

- Most providers – some 80% – are experiencing some difficulties with conducting assessment properly
- At least one-third of providers appear to be offering courses that are far too short to enable sufficient delivery to ensure the required skills are obtained
- The transactions-based regulatory approach is too slow a way to focus adequately on poor quality providers



ASQA's risk strategy

- ASQA has adopted a risk-based approach to regulation since its commencement.
- ASQA's risk approach has evolved and is transitioning from application-based to data/intelligence led proactive regulation.
- Some key milestones that have occurred:
 - strategic industry reviews
 - development and implementation of risk-based complaints process
 - provider risk ratings based on ASQA sourced data
 - relative increase in compliance monitoring audits rather than application triggered audits, and
 - VET reform package.

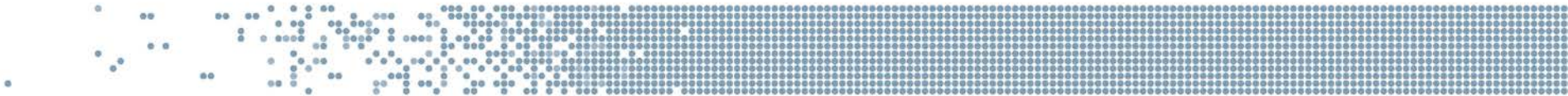


Provider risk ratings

Data sources

2014 contributing data:

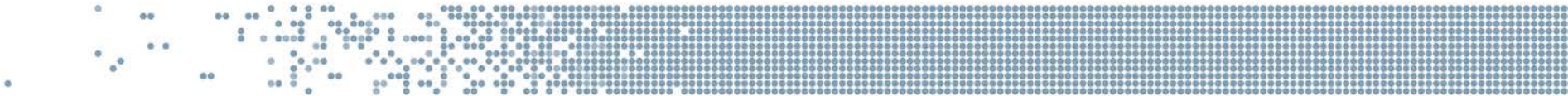
- recent non-compliant audit outcome/s (or no ASQA audit conducted)
- recent complaint submission/s requiring detailed investigation
- registration for less than five years
- recent changes to CEO or senior management
- regulatory sanction imposed in response to identified non-compliance
- incomplete quality indicator data submission—competency completions, surveys
- recent expansion of registration into new industry areas
- registered for scope items that lead to industry licensing
- record of defaulting on fee/charge payment requests, and
- specific CRICOS factors.



Provider risk ratings

Method and results

- Method
 - likelihood and impact factors
 - weightings applied
 - a tool for further scrutiny (not a quality statement)
- As at 31 October 2014
 - high risk = 398 = 10%
 - medium risk = 912 = 22.9%
 - low risk = 2230 = 56%
 - no rating = 443 = 11.1% (= newly registered but post-initial audit not yet finalised)

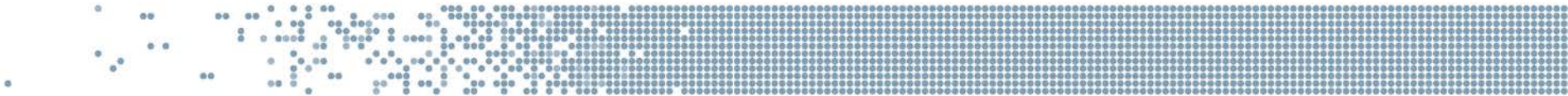


Rethinking the VET regulatory approach

The Australian Government is committed to reducing the regulatory burden on business.

What does this mean for the VET sector?

- lower regulatory burden on high-quality, fully compliant providers
- more support for providers who are trying to do the right thing but have some difficulties in fully meeting the national standards
- even more rigorous regulation of the minority who are seriously non-compliant, poor-quality providers
- Regulatory action is more likely to be triggered by ASQA's identification of risk, rather than applications.

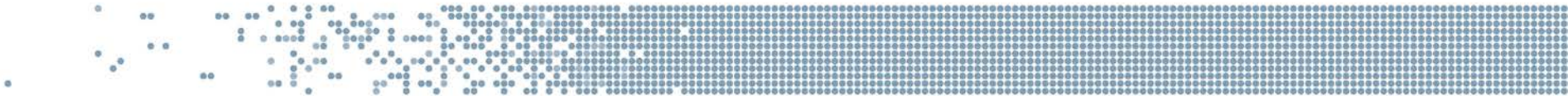


ASQA's emerging regulatory approach

ASQA is transitioning to a data/intelligence led regulatory model with the aim of targeting regulatory scrutiny and resources to areas of greatest risk

The elements of this model include:

- an intelligence framework to capture and evaluate information
- environmental scanning to inform where and how ASQA should apply greater scrutiny in its regulation
- provider risk rating and provider profiling to assess providers' compliance posture
- strategic industry reviews to better address significant and systemic risks in the VET sector, and
- a broader suite of regulatory tools ('soft' and 'hard').



Standards for Registered Training Organisations (RTOs) 2015



Australian Government

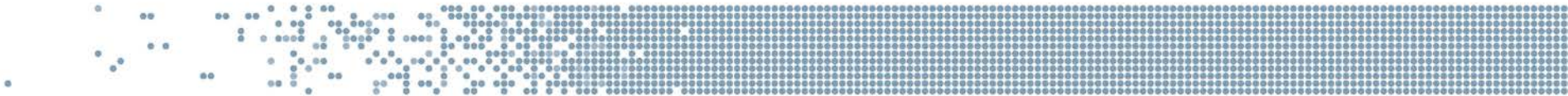
Australian Skills Quality Authority

Standards for RTOs 2015

The new Standards for RTOs 2015 will be implemented from 1 January 2015 for prospective RTOs and 1 April 2015 for existing RTOs.

The new Standards can be grouped as follows:

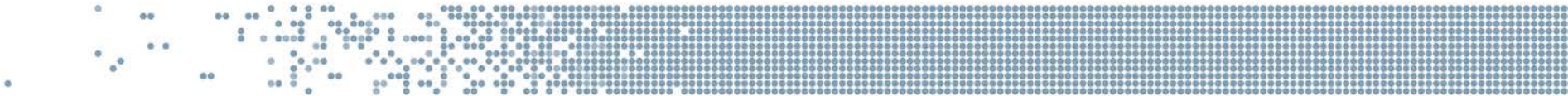
- training and assessment
- obligations to learners and clients, and
- governance



Standards for RTOs 2015

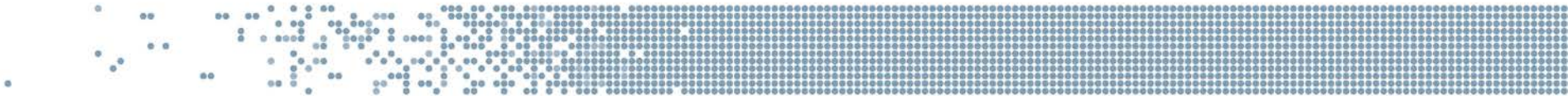
The key areas of difference with the current standards are:

- more detail about assessment
- validation process
- obligations around third-party arrangements including brokers and VET-FEE-HELP
- greater disclosure to students
- clearer and more detailed requirements around marketing
- certificate on compliance
- new requirements about trainers and assessors



Implementation arrangements

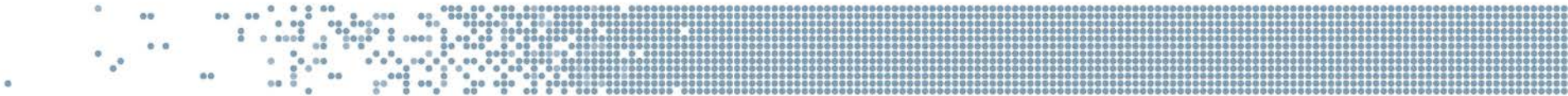
- Endorsed by COAG Industry and Skills Council
- Enabled by *National Vocational Education and Training Regulator Act 2011* (NVR Act)
- No formal 'transition' period. Standards are effective from:
 - 1 January 2015 – initial registration applications
 - 1 April 2015 – existing RTOs
- ASQA will take a 'fair and reasonable' approach to implementation



Implementation arrangements

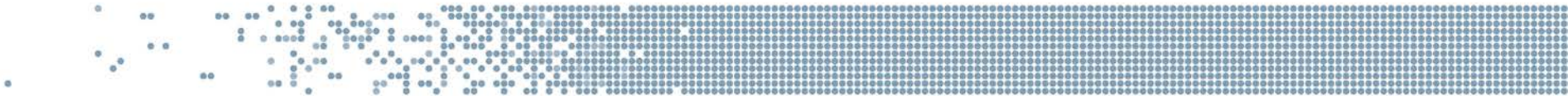
Transition

- All applications should be submitted based on the information on ASQAnet
 - forms on ASQAnet will be changed to reflect new standards well before the standards take effect
- All decisions on applications or compliance must be made against the standards in effect at the time of the decision
- ASQA will take a fair and reasonable approach to the transition
 - No adverse decision will be made based on new requirements without the provider being given a reasonable period of time to rectify any non-compliance
- Detailed advice on transition arrangements will be published on ASQA's Web site as soon as available



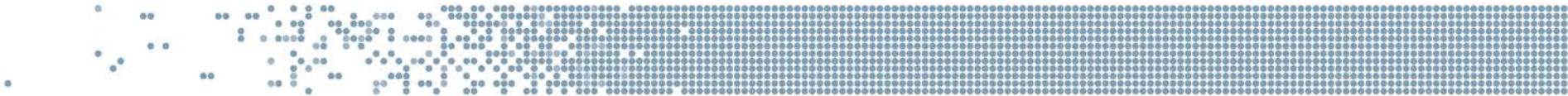
Standards structure

- Standards and context statements
- Clauses
- Schedules
- Glossary



RTO standards and other instruments

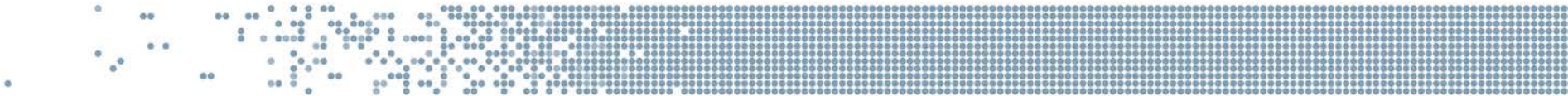
- NSSC policies
- Australian Qualifications Framework (AQF)
- Standards for Training Packages/VET Accredited Courses
- Standards for VET Regulators
- Other Acts and legislative instruments



Removed from standards

Some aspects of the current standards are no longer required

- parts of SNR 5/16, 6/17, 7/18 and 8
- continuous improvement of client services
- access to records of participation and progress
- detailed governance arrangements
- RTO objectives/business planning
- decision-making informed by trainers/assessors
- self-assessment with initial registration

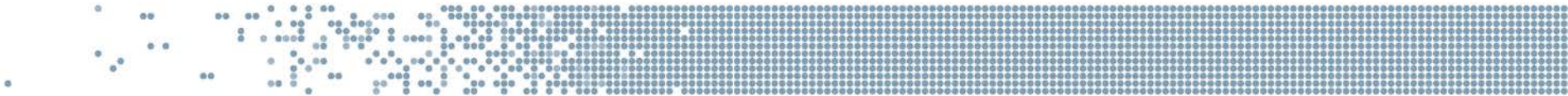


Standard One

The RTO's training and assessment strategies and practices are responsive to industry and learner needs and meet the requirements of training packages and VET accredited courses

Similar in coverage to:

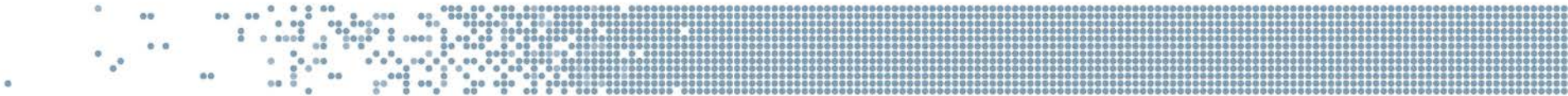
- SNR 4 & 15 - provide quality training and assessment across all of its operations
- SNR 14 & 25 - transition to Training Packages/expiry of VET accredited course



Standard One

Training and assessment strategies and practices

- volume of learning/amount of training
- industry engagement
- learner support
- assessment validation
- trainer and assessor competencies (general)
- trainer and assessor competencies (working under supervision)
- trainers and assessors (TAE)
- transition of training products



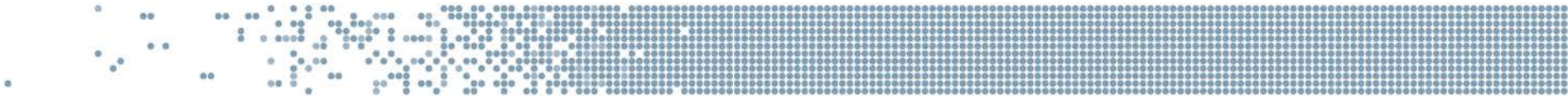
Standard Two

The operations of the RTO are quality assured

Similar in coverage to:

- SNR 6.3 & 17.3 - monitor training and/or assessment services provided on its behalf to ensure that it complies with all aspects of the VET Quality Framework

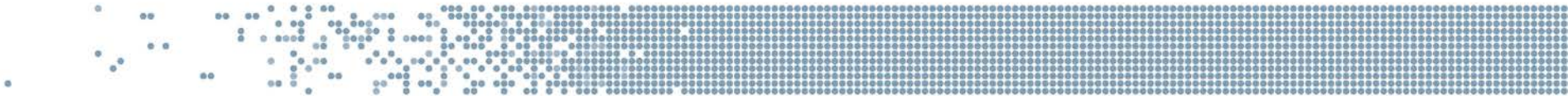
Some requirements of SNR 6 and 17 removed from standards



Standard Two

Quality assurance

- specific sources of information for quality assurance nominated
- written agreements required for 'third party' arrangements
- 'Third party' arrangements must be monitored

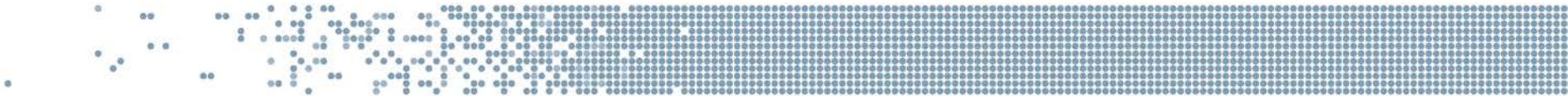


Standard Three

The RTO issues, maintains and accepts AQF certification documentation in accordance with these Standards and provides access to learner records

Similar in coverage to:

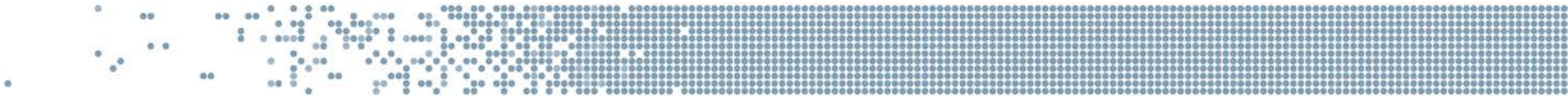
- SNR 12 & 23 - certification, issuing and recognition of qualifications & statements of attainment



Standard Three

AQF certification

- AQF certification documentation issued within 30 days
- credit must be granted for previous studies
- more detail on USI implementation

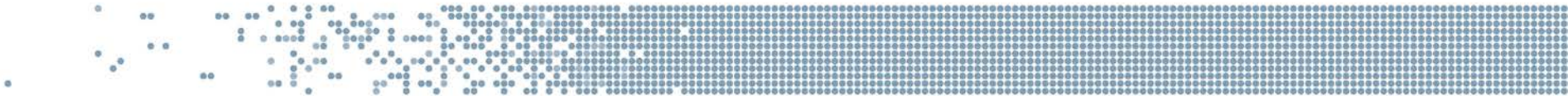


Standard Four

Accurate and accessible information about an RTO, its services and performance is available to inform prospective and current learners and clients

Similar in coverage to:

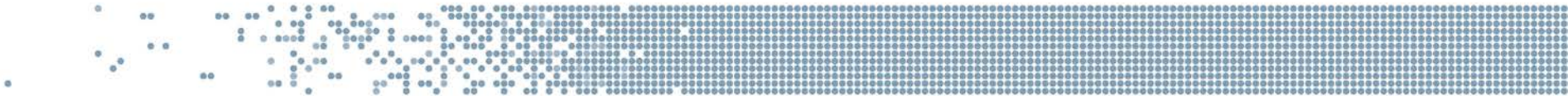
- SNR 13 & 24 - accuracy and integrity of marketing



Standard Four

Informing the market

- NRT logo conditions now in standards
- more transparency in marketing by parties other than the RTO
- more specific information must be included about training

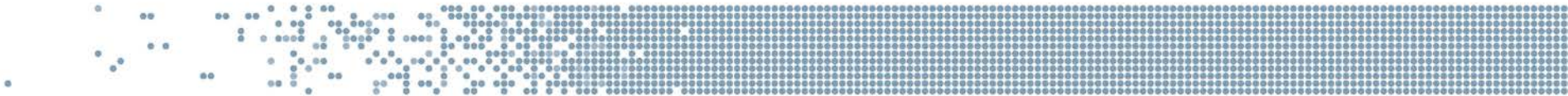


Standard Five

Each learner is properly informed and protected

Similar in coverage to parts of:

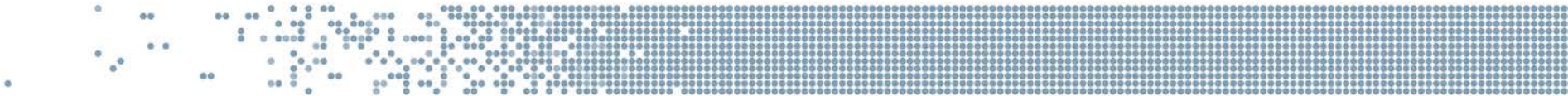
- SNR 5 & 16 - adhere to the principles of access and equity and to maximise outcomes for its clients
- SNR 11 & 22 - financial management



Standard Five

Informing learners

- more specific information to learners required
- clarification of fee information that must be provided
- learners to be advised of changes to services

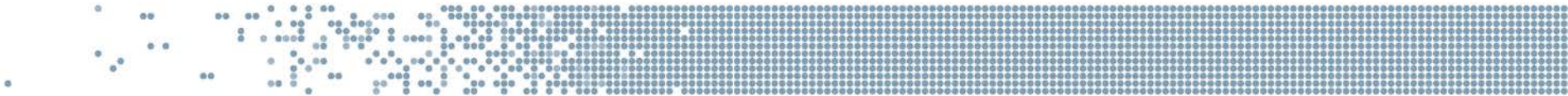


Standard Six

Complaints and appeals are recorded, acknowledged and dealt with fairly, efficiently, and effectively

Similar in coverage to:

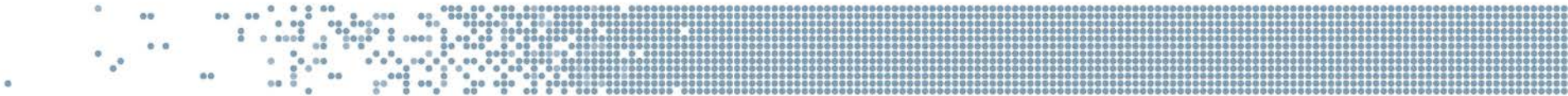
- SNR 5 & 16 - adhere to the principles of access and equity and to maximise outcomes for clients



Standard Six

Managing complaints

- policy/s for managing complaints and appeals required
- policy must include external review
- action required to address cause of complaints/appeals

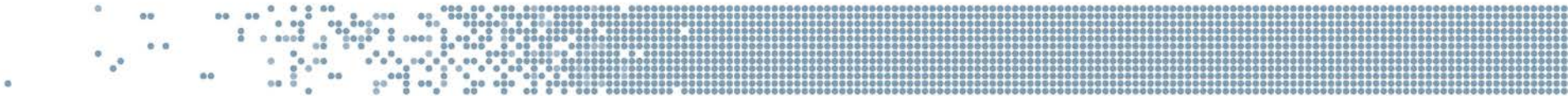


Standard Seven

The RTO has effective governance and administration arrangements in place

Similar in coverage to:

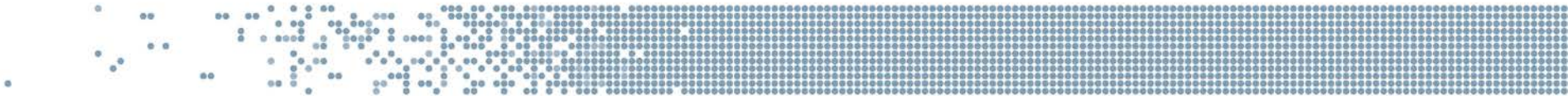
- SNR 10 & 21 - insurance
- SNR 11 & 22 - financial management
- SNR 12 & 23 - certification, issuing and recognition of qualifications & statements of attainment



Standard Seven

Governance and administration

- requirement that senior staff have authority
- prepaid fees:
 - government entities - have specific protection requirements (no options)
 - other RTOs – Prepaid fees under \$1,500 don't need to be protected
 - TAS can be approved by ASQA

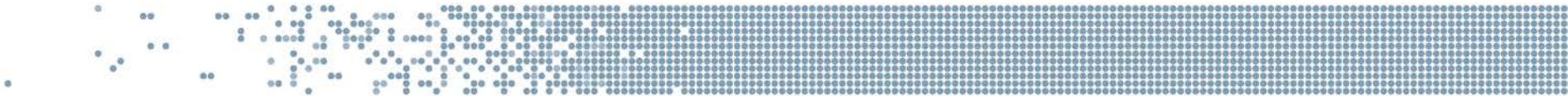


Standard Eight

The RTO cooperates with the VET Regulator and is legally compliant at all times

Similar in coverage to:

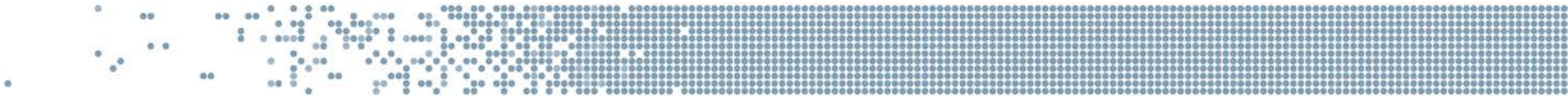
- SNR 8 & 19 - Interactions with the National VET Regulator
- SNR 9 & 20 - Compliance with legislation



Standard Eight

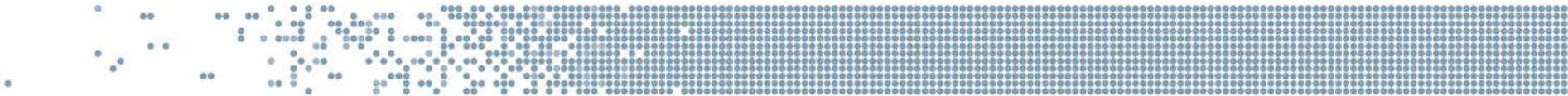
Compliance

- requirement that third parties co-operate with ASQA
- annual declaration on compliance
- clients and learners only need to be notified of **changes** to legislation



Key areas for further discussion

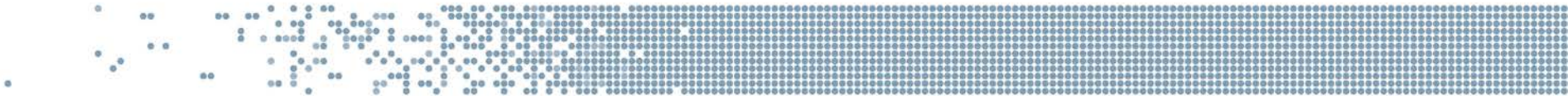
- Assessment
- Validation
- Third-party arrangements, and
- Marketing and advertisement



Assessment

Relevant standards

- 1.1 The RTO's training and **assessment** strategies and **practices** ... are consistent with the requirements of training packages and VET accredited courses ...
- 1.4 The RTO meets all requirements specified in the relevant training package or VET accredited course.
- 1.5 The RTO's training and **assessment practices** are relevant to the needs of industry and informed by industry engagement.
- 1.8 The RTO implements an **assessment system** that ensures that assessment complies with the assessment requirements of the relevant training package or VET accredited course and is conducted in accordance with the Principles of Assessment and the Rules of Evidence.

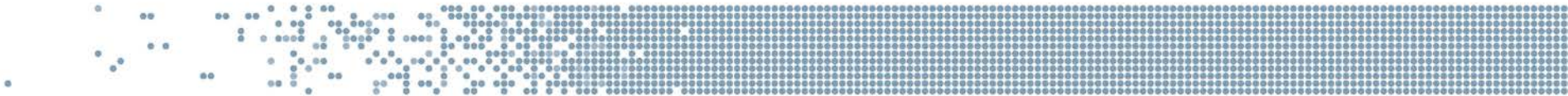


Assessment

Assessment practices are consistent with the requirements of training packages and VET accredited courses

Assessment requirements:

- performance evidence
- knowledge evidence
- assessment conditions

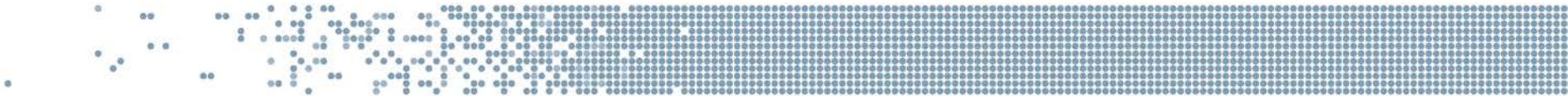


Assessment

Assessment practices are relevant to the needs of industry and informed by industry engagement

This may include, but is not limited to, strategies such as:

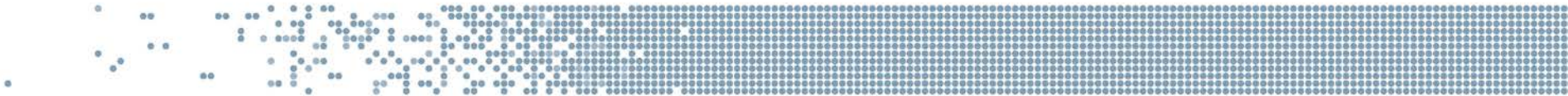
- partnering with local employers, regional/national businesses, relevant industry bodies and/or enterprise RTOs
- involving employer nominees in industry advisory committees and/or reference groups
- embedding staff within enterprises
- networking in an ongoing way with industry networks, peak bodies and/or employers,
- developing networks of relevant employers and industry representatives to participate in assessment validation, and
- exchanging knowledge, staff, and/or resources with employers, networks and industry bodies.



Assessment

What is an assessment system?

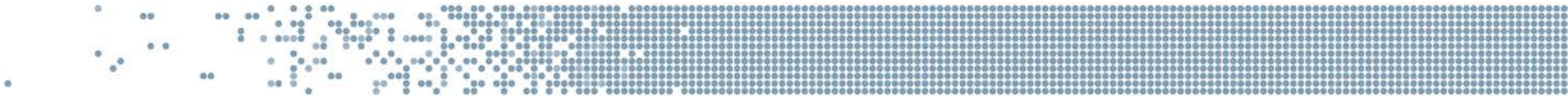
A coordinated set of documented policies and procedures (including assessment materials and tools) that ensure assessments are consistent and are based on the Principles of Assessment and the Rules of Evidence.



Assessment

Principles of assessment - fairness

- The individual learner's needs are considered in the assessment process.
Where appropriate, reasonable adjustments are applied by the RTO to take into account the individual learner's needs.
- The RTO informs the learner about the assessment process, and provides the learner with the opportunity to challenge the result of the assessment and be reassessed if necessary.

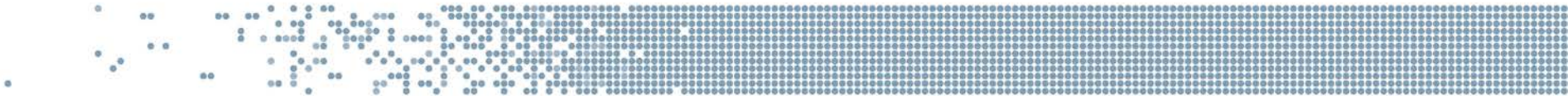


Assessment

Principles of assessment - flexibility

Assessment is flexible to the individual learner by:

- reflecting the learner's needs
- assessing competencies held by the learner no matter how or where they have been acquired, and
- drawing from a range of assessment methods and using those that are appropriate to the context, the unit of competency and associated assessment requirements, and the individual.



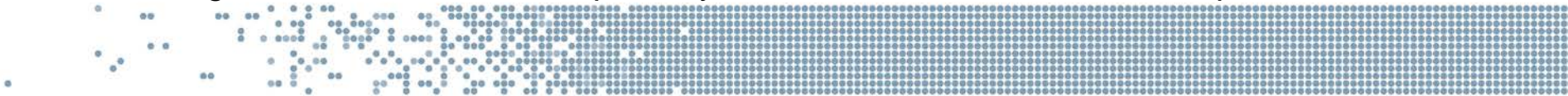
Assessment

Principles of assessment - validity

Any assessment decision of the RTO is justified, based on the evidence of the individual learner's performance.

Validity requires

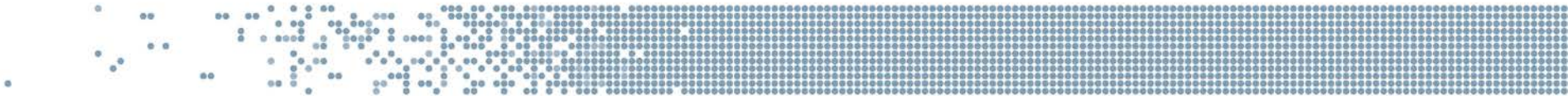
- assessment against the unit/s of competency and the associated assessment requirements covers the broad range of skills and knowledge that are essential to competent performance
- assessment of knowledge and skills is integrated with their practical application
- assessment is based on evidence that demonstrates that a learner could demonstrate these skills and knowledge in other similar situations, and
- judgement of competence is based on evidence of learner performance that is aligned to the unit/s of competency and associated assessment requirements.



Assessment

Principles of assessment - reliability

Evidence presented for assessment is consistently interpreted and assessment results are comparable, irrespective of the assessor conducting the assessment.



Assessment

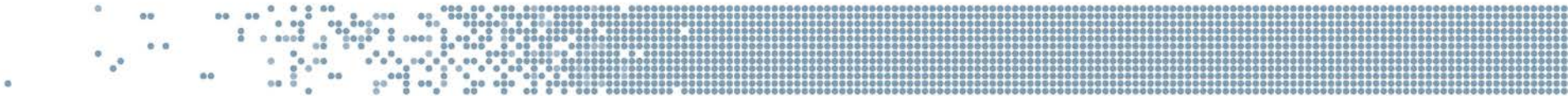
Rules of evidence

Validity

The assessor is assured that the learner has the skills, knowledge and attributes described in the module or unit of competency and associated assessment requirements.

Sufficiency

The assessor is assured that the quality, quantity and relevance of the assessment evidence enables a judgement to be made of a learner's competency.



Assessment

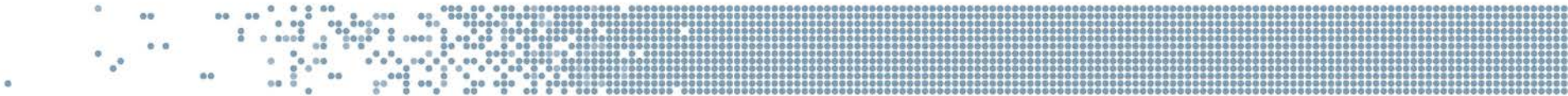
Rules of evidence

Authenticity

The assessor is assured that the evidence presented for assessment is the learner's own work.

Currency

The assessor is assured that the assessment evidence demonstrates current competency. This requires the assessment evidence to be from the present or the very recent past.



Validation

Relevant standards

- 1.9 The RTO implements a plan for ongoing systematic validation of assessment practices and judgements that includes for each training product on the RTO's scope of registration:
- a) when assessment validation will occur;
 - b) which training products will be the focus of the validation;
 - c) who will lead and participate in validation activities; and
 - d) how the outcomes of these activities will be documented and acted upon.
- 1.10 For the purposes of Clause 1.9, each training product is validated at least once every five years, with at least 50% of products validated within the first three years of each five year cycle, taking into account the relative risks of all of the training products on the RTO's scope of registration, including those risks identified by the VET Regulator.

Validation

Relevant standards

- 1.11 For the purposes of Clause 1.9, systematic validation of an RTO's assessment practices and judgements is undertaken by one or more persons who are not directly involved in the particular instance of delivery and assessment of the training product being validated, and who collectively have:
- a) vocational competencies and current industry skills relevant to the assessment being validated;
 - b) current knowledge and skills in vocational teaching and learning; and
 - c) the training and assessment qualification or assessor skill set referred to in Item 1 or 3 of Schedule 1.

Industry experts may be involved in validation to ensure there is the combination of expertise set out in (a) to (c) above.

Validation

Relevant standards

- 1.25 From 1 January 2016, to deliver any AQF qualification or assessor skill set from the Training and Education Training Package (or its successor), the RTO must have undergone an independent validation of its assessment system, tools, processes and outcomes in accordance with the requirements contained in Schedule 2 (and the definitions of independent validation and validation).

Validation

Validation of all training products

- RTOs are required to conduct validation activities for all training products on scope over a five-year period, with at least 50% being completed in the first three years of that cycle
- Validation may be done by an individual or by a team that collectively meet the competency requirements
- Trainers and assessors may participate in the validation activities, but must not make decisions on validation where they were involved in the delivery or assessment

Validation

Validation of TAE training products (from January 2016)

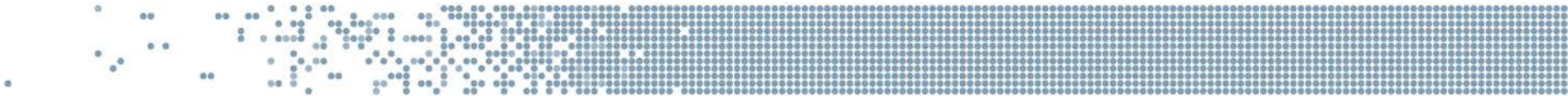
- An RTO with any qualification or assessor skill set from the Training and Education Training Package on scope must have undergone an external and independent validation of assessment tools, processes and outcomes for those training products
- Where an RTO is applying to add these training products to its scope, an external and independent validation of the assessment system for that training product and of assessment tools, processes and outcomes for other training products must have been conducted

Marketing and advertising

Relevant standards

Standard Four:

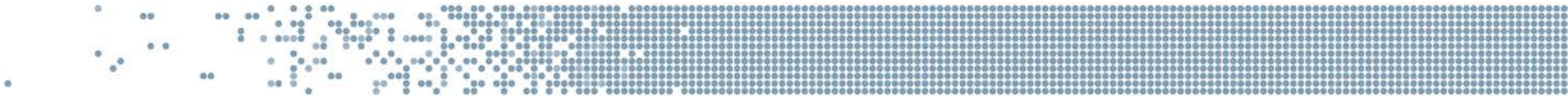
Accurate and accessible information about an RTO, its services and performance is available to inform prospective and current learners and clients.



Marketing and advertising

Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual

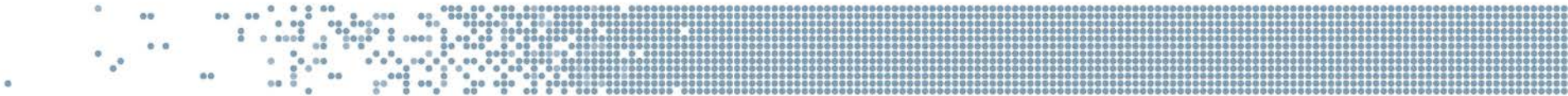
- accurately represents the services it provides and the training products on its scope of registration
- includes its RTO code
- distinguishes where it is delivering training and assessment on behalf of another RTO or where training and assessment is being delivered on its behalf by a third party.



Marketing and advertising

Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual

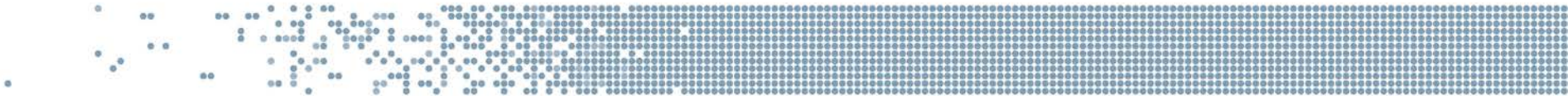
- refers to another person or organisation in its marketing material only if the consent of that person or organisation has been obtained
- uses the NRT logo only in accordance with the conditions of use specified in Schedule 4
- makes clear where a third party is recruiting prospective learners for the RTO on its behalf
- distinguishes between nationally recognised training and assessment leading to the issuance of AQF certification documentation and any other training or assessment delivered by the RTO.



Marketing and advertising

Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual

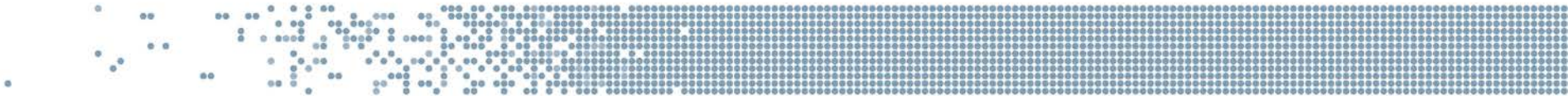
- includes the code and title of any training product, as published on the National Register, referred to in that information
- only advertises or markets a non-current training product while it remains on the RTO's scope of registration
- only advertises or markets that a training product it delivers will enable learners to obtain a licensed or regulated outcome if this has been confirmed by the industry regulator in the jurisdiction in which it is being advertised
- includes details about any VET FEE-HELP, government-funded subsidy or other financial support arrangements associated with the RTO's provision of training and assessment



Marketing and advertising

Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual

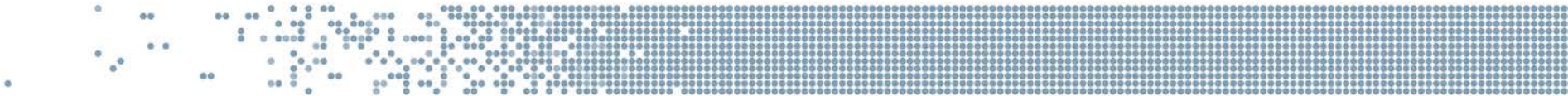
- does not guarantee that:
 - a learner will successfully complete a training product on its scope of registration
 - a training product can be completed in a manner which does not meet the requirements of Clause 1.1 and 1.2, or
 - a learner will obtain a particular employment outcome where this is outside the control of the RTO



Third-party arrangements

Relevant Standards

- 2.3. The RTO ensures that where **services are provided on its behalf by a third party** the provision of those services is the subject of a written agreement.
- 2.4. The RTO has sufficient strategies and resources to systematically **monitor any services delivered on its behalf**, and uses these to ensure that the services delivered comply with these Standards at all times.



Third-party arrangements

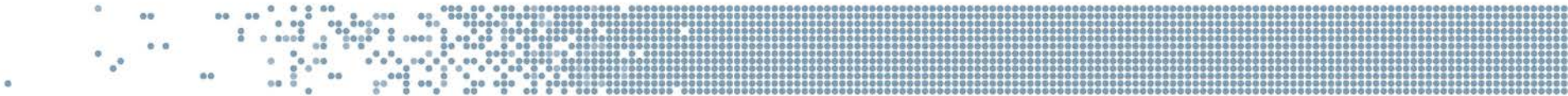
Relevant Standards

6.1. The RTO has a complaints policy to manage and respond to allegations involving the conduct of

....

b) a **third party providing services** on the RTO's behalf, its trainers, assessors or other staff.

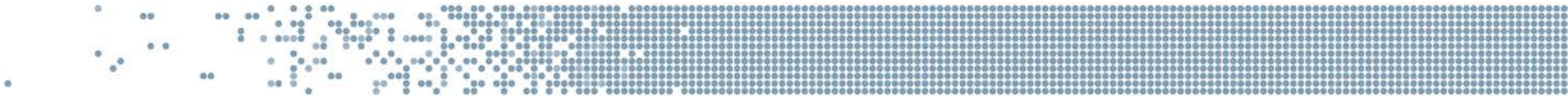
7.3. Where the RTO requires, either directly or **through a third party**, a prospective or current learner to prepay fees in excess of a total of \$1500 (being the threshold prepaid fee amount), the RTO must meet the requirements set out in the Requirements for Fee Protection in Schedule 6.



Third-party arrangements

Relevant Standards

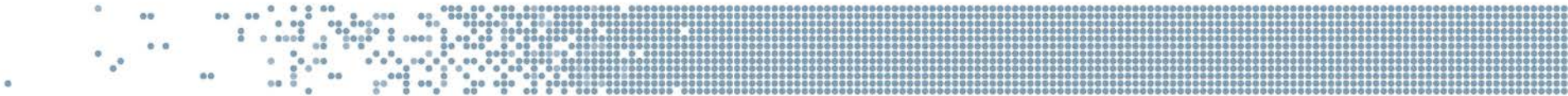
- 8.2. The RTO ensures that **any third party delivering services** on its behalf is required under written agreement to cooperate with the VET Regulator:
- a) by providing accurate and factual responses to information requests from the VET Regulator relevant to the delivery of services, and
 - b) in the conduct of audits and the monitoring of its operations.
- 8.3. The RTO notifies the Regulator:
- a) of any written agreement entered into under Clause 2.3 for the delivery of services on its behalf within 30 calendar days of that agreement being entered into or prior to the obligations under the agreement taking effect, whichever occurs first, and
 - b) within 30 calendar days of the agreement coming to an end.



Third-party arrangements

What **are** services?

‘Services’ means training, assessment, related educational and support services and/or any activities related to the recruitment of prospective learners. It does not include services such as student counselling, mediation or information and communication technology support.



Third-party arrangements

Managing risks of third-party arrangements

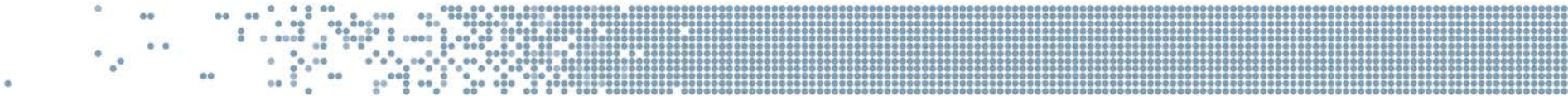
Reputational risk

- other parties representing the RTO in a negative way can affect the reputation of the RTO with the public, with funding agencies and with licensing bodies.

Regulatory risk

- RTOs are wholly responsible for compliance of services delivered on their behalf - non-compliant behaviour by a third party can lead to expensive and time-consuming regulatory action against the RTO

These risks are best managed by only entering into agreements with organisations and people you trust implicitly and by identifying and treating potential risks appropriately, which may be different for each arrangement.



Third-party arrangements

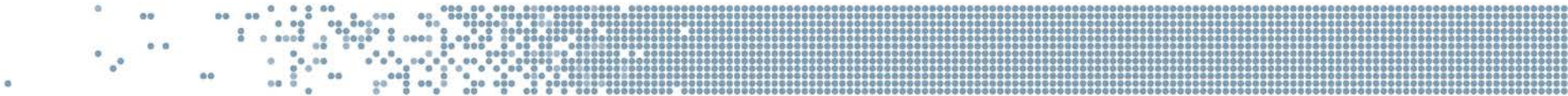
Monitoring third-party agreements

Ensure that you develop **and implement** a monitoring strategy that reflects the risk of each agreement.

Recruitment by third parties

Arrangements for the recruitment of prospective learners by third parties must be:

- in writing, and
- monitored by the RTO to ensure compliance with the standards



Questions and answers

