



Submission to the Productivity Commission's

**Annual Review of Regulatory Burdens on  
Business:**

***Social and Economic Infrastructure Services***

## Contents:

Contents:.....	2
Introduction .....	3
Background .....	5
Overview of national training system and regulation .....	7
Duplication and inconsistency of regulation.....	9
Duplication: AQTF Standards .....	9
Duplication: Regulatory requirements and audits for CRICOS, User Choice funding, Productivity Places Program, and VET FEE-HELP .....	11
CRICOS .....	11
User Choice .....	13
Productivity Places.....	14
VET FEE-HELP .....	14
Inconsistency.....	15
Costs of regulation .....	18
Opportunities for strengthening VET regulation: offshore quality assurance.....	20
Recommendations .....	21

## Introduction

On 5 March 2009, Deputy Prime Minister the Hon Julia Gillard MP addressed 1200 Australian and international representatives of the vocational education and training (VET) sector at the Big Skills Conference in Sydney. The Deputy Prime Minister spoke about the Federal Government's aspirations for reform of VET, with a quality system as one of its 'key pillars', where the sector embodies quality in all aspects of delivery and transparency in its governance, funding and performance.

The Deputy Prime Minister referred to the national nature of our VET system as another 'key pillar', and acknowledged that the Australian economy is now a 'globalised knowledge economy (where) skills are no longer state-specific'. In focusing on the strengthening of our quality system, the Deputy Prime Minister noted a 2008 discussion paper by Skills Australia<sup>1</sup> and its revelation of the extent of 'the administrative clutter strewn across the VET landscape.' The Deputy Prime Minister proceeded to make the following observations about VET:

"Regulation in the VET sector is currently fragmented between jurisdictions. The auditing and monitoring of provider performance varies from state to state. The benchmarks used to assess providers can lack transparency. To counter this, the Government will work with the States and Territories to develop strong and cohesive national regulatory arrangements for VET."

These comments echo the findings of the recent OECD Review of the Australian VET system<sup>2</sup>. While the Review found many strengths present in Australia's VET system, with

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<sup>1</sup> Skills Australia (2008) *Future Governance of the National Vocational Education and Training System* ([http://www.skillsaustralia.gov.au/NR/rdonlyres/C5AB3F78-D1DA-46C2-A267-78714DDCF8A2/24094/DiscussionPaper\\_Final25092008.pdf](http://www.skillsaustralia.gov.au/NR/rdonlyres/C5AB3F78-D1DA-46C2-A267-78714DDCF8A2/24094/DiscussionPaper_Final25092008.pdf))

<sup>2</sup> Hoeckel et al (2008) *Learning for Jobs: OECD Reviews of Vocational Education and Training – AUSTRALIA*. OECD, Paris. (<http://www.dest.gov.au/NR/rdonlyres/1E2A9C91-4B73-44E7-B68D-8ECB097B2DD1/25511/FINALAustraliaVETPolicyReview.pdf>)

respect to regulation the authors noted that “despite a common national qualifications system, there are wide variations in the assessment standards which are applied” (p. 14). Like Skills Australia, the OECD review team also identified the need to clarify responsibilities in the VET system and in relation to regulation noted that while “consensus-building is very important in sustaining the engagement of industry and other stakeholders in the VET system it is also a slow and somewhat cumbersome process, particularly in view of the considerable variation in regulatory regimes and provision in the states and territories. The results may reflect local needs and preferences, but may also result in wasteful duplication” (p.16).

In this submission the Board of TVET Australia explores the nature of VET regulation and its impact on RTO businesses. As an organisation owned by the State, Territory and Commonwealth Ministers for VET, TVET Australia recommends that the Productivity Commission provide advice on how ‘strong and cohesive national regulatory arrangements for VET’ can be given effect.

## Background

TVET Australia Ltd (TVET Australia) is a company owned by the members of the Ministerial Council for Vocational and Technical Education (MCVTE). It was incorporated in August 2006. TVET Australia provides secretariat and other services to the National Quality Council (NQC) and the National Industry Skills Committee, manages the National Audit and Registration Agency (NARA) and TVET Product Services. In 2009 TVET Australia will also assume responsibility for providing secretariat support to the National VET Equity Advisory Committee and the Flexible Learning Advisory Group. TVET Australia is governed by a Board of Directors (the TVET Board) comprising representatives from Commonwealth, State and Territory Governments, industry and unions. The Board is responsible for developing and delivering on strategic and business plans. Strategic plans are set for a period of three years and are reviewed and updated annually.

TVET Australia's place in the national training governance framework ensures that its services support the priorities of the Council of Australian Governments (COAG) in delivering on its human capital agenda. TVET Australia is also responsible for supporting the implementation of national training policies as determined by MCVTE and contributing to the continuous improvement of the national training system. TVET Australia's submission to the Productivity Commission reflects this aspect of its role.

At its November 2006 meeting, MCVTE agreed to establish a national registration and audit function within TVET Australia as part of a package of reform measures contained in a report to COAG. Specifically, State, Territory and Commonwealth Ministers agreed that Registered Training Organisations (RTOs) operating in more than one jurisdiction would have the option of national registration against the requirements of both the *Australian Quality Training Framework (AQTF) Standards*, including any offshore training, and the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007* (established under the *Education Services for Overseas*

*Students Act 2000*). To give effect to this agreement, Ministers agreed States and Territories would establish appropriate delegations to TVET Australia. Ministers also agreed that States and Territories could delegate additional registration functions to TVET Australia.

In December 2007, agreement was reached on a new charter for TVET Australia enabling it to offer registration and audit services under delegation from States and Territories in a nationally consistent manner. While the NQC and State and Territory VET regulators have primary responsibility for quality assurance in the sector, the establishment of a regulatory function in NARA recognised that RTOs operating in more than one State or Territory were experiencing a lack of consistency in the application of the AQTF Standards (AQTF) and the National Code by regulators from different jurisdictions.

To date full delegations have been received from four jurisdictions, with one jurisdiction having enacted a delegation covering only AQTF regulation. Delegations remain outstanding from three jurisdictions.

TVET Australia is strongly committed to exploring ways of enhancing the consistency of regulation within the existing regulatory framework of the national training system. In line with this commitment, this submission is concerned with how States, Territories, the Commonwealth and TVET Australia can work together effectively to ensure training delivery in Australia is of the highest quality, while the regulation supporting it is streamlined, consistent and low cost.

## Overview of national training system and regulation

The Australian Quality Training Framework (AQTF) is the national set of standards that assure nationally-consistent training and assessment services for clients of Australia's VET system. A national training framework was first established in Australia in the early 1990s, and AQTF 2007 is the current version of the framework. AQTF 2007 comprises *Essential Standards for Registration*, *Standards for State and Territory Registering Bodies* (including national guidelines) and *Excellence Criteria*. The registration and audit of RTOs under the AQTF 2007 in line with the *Essential Standards for Registration* is the responsibility of State and Territory Registering Bodies and their delegates (including NARA).

RTOs that deliver courses to overseas students in Australia are also governed by the *Education Services for Overseas Students* (ESOS) Act 2000 and associated legislation. Under the ESOS framework (which is administrated collaboratively by the Commonwealth and State/Territory Governments) providers intending to deliver courses to overseas students must obtain registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

National recognition is the cornerstone of the AQTF. It means that State and Territory Registering Bodies must recognise RTOs registered by other states and territories and that RTOs must recognise Australian Qualifications Framework (AQF) qualifications and statements of attainment issued by other RTOs. National recognition of RTOs and qualifications is designed to enhance mobility in the labour market and is based on the notion of national consistency. Registering bodies recognise decisions made by other registering bodies on the assumption that there is consistency in decision-making across jurisdictions and consistency of regulation is vital to ensuring that VET stakeholders can have confidence in decisions taken by regulators.

In Australia's current VET system, as the Deputy Prime Minister observed, regulation is far from consistent, and 'is currently fragmented between jurisdictions'.



## Duplication and inconsistency of regulation

### Duplication: AQTF Standards

National recognition is the key to the effectiveness of Australia's national training system. All State and Territory Registering Bodies are committed to its implementation through AQTF 2007.

State and Territory Registering Bodies register and audit RTOs against agreed national standards for registration. In addition to these standards, Registering Bodies have agreed to a number of national guidelines, namely:

- *AQTF2007 National Guideline for Conducting Audits of the Interstate Operations of an RTO:* Protocols to assist registering bodies to manage the quality of registered training organisations across all their delivery sites.
- *AQTF 2007 National Guideline for Responding to Complaints about VET Quality:* To provide a consistent and accessible complaint mechanism for all VET stakeholders, with documented response times.
- *AQTF 2007 National Guideline for Risk Management:* To streamline regulation and reduce the regulatory burden, the risk of the operations of registered training organisations will be assessed as a process of registration and audit. RTOs with a low risk rating and high-quality outcomes against the standards can expect less regulatory monitoring by registering bodies.
- *AQTF 2007 National Guideline for Industry Regulator Engagement:* To strengthen the confidence of industry regulators in the quality of skills outcomes in licensed occupations. The guideline establishes how industry regulators and registering bodies can work together in quality assurance arrangements.

- *AQTF 2007 National Guideline for Managing Non-Compliance*: To ensure nationally consistent management of RTOs which are not meeting the *AQTF 2007 Essential Standards for Registration* along a continuum of compliance. It describes processes to ensure that RTOs are treated fairly and given reasonable opportunities to demonstrate how they meet the *AQTF 2007 Essential Standards for Registration*. The basic principle of the approach is that any restriction placed on an RTO's registration is in proportion to the level of non-compliance and the potential and actual risks to clients and the national VET system.

National standards and guidelines would appear to create an ideal regulatory environment for an RTO delivering VET qualifications nationally, and indeed some of the guidelines state clearly that they aim to reduce the regulatory burden on RTOs (eg *AQTF National Guideline for Risk Management*). This regulatory environment is however impacted by the additional State-specific requirements on RTOs operating in different jurisdictions. Table 1 shows the extent of these additional requirements. For more details on State and Territory guidelines additional to the *AQTF Essential Standards*, see **Attachment A**.

The reasons for the existence of additional guidelines are largely historic and are driven by the desire of State and Territory regulators to improve consumer protection in their jurisdiction. The impact however is to create a different set of 'state-specific rules' additional to the AQTF Standards with which RTOs must comply. For example, guidelines issued by one Registering Body, must be complied with by all RTOs registered in that State irrespective of which other States they deliver training in, but not by RTOs registered in another State but delivering in the State in question. In such a situation, some RTOs may have a marked advantage over their competitors solely due to their home State of registration.

## **Duplication: Regulatory requirements and audits for CRICOS, User Choice<sup>3</sup> funding, Productivity Places Program, and VET FEE-HELP**

### **CRICOS**

In 2007, education was Australia's third largest export industry (after coal and iron ore) and ABS data show that in 2007 education-related spending by overseas students was valued at more than \$12.5 billion in export earnings. AEI data show that in 2008 there were more than 500,000 full-fee paying overseas student enrolments in Australia and 1310 providers of education to international students. Growth in enrolments in the VET sector in recent years by overseas students has been substantial, with a 45% increase in VET enrolments between 2006 and 2007, and a further 46% increase between 2007 and 2008<sup>4</sup>.

ESOS regulation, administered collaboratively by the Commonwealth, States and Territories, adds an additional multi-jurisdictional layer to VET regulation. RTOs delivering to overseas students must seek a separate CRICOS registration in each jurisdiction in which they wish to deliver training to overseas students. Some jurisdictions impose additional compliance requirements on RTOs, over and above those specified in the *ESOS Act (2000)* and the National Code.

Some jurisdictions undertake combined ATQF and CRICOS audits of RTOs to try and minimise the duplication and regulatory burden on RTOs. However, the shift to an outcomes-based focus in the AQTF Standards, at the same time that the new ESOS National Code was introduced, has created additional problems.

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<sup>3</sup> User Choice is a national policy governing the flow of public funds to registered training organisations (RTOs). The purpose of User Choice is to make vocational education and training (VET) more responsive to the needs of industry and employers. User Choice policy works in conjunction with the apprenticeship system enabling employers and apprentices/trainees to:

- choose an RTO to best provide them with training services
- negotiate key aspects of training, such as where, how, and when it is provided.

The choices made by employers and apprentices/trainees influence the flow of public funds to individual RTOs.

Source: <http://www.training.com.au/portal/site/public/menuitem.7944019ee7372980f9fa5a1017a62dbc/>

<sup>4</sup> <http://aei.gov.au/AEI/MIP/Statistics/StudentEnrolmentAndVisaStatistics/default.htm>

Table 1: State and Territory Guidelines for RTOs (January 2009)

State/Territory Guidelines	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
Records management			X	X	X	X		
Issuing qualifications	X			X				
Overseas delivery			X					X
Change of organisational status		X	X		X			
Transition req's/maintaining current scope			X				X	X
Procedural fairness/natural justice	X							
Advertising	X							
Unsuitable persons	X					X		
Training for the security industry	X							
Training for hospitality industry								
Financial management/fees				X	X			
Partnership agreements				X				
Risk management					X			
Dispute management								X
Assessment only RTOs								X

In a recent evaluation of the implementation of the AQTF 2007, KPMG<sup>5</sup> found that the new ESOS National Code adopts “a more prescriptive approach to regulation of education and training quality (than the AQTF Essential Standards). Registering Bodies and auditors that undertook integrated CRICOS and AQTF audits reported some challenges in applying a holistic, outcomes-focused AQTF 2007 audit approach in conjunction with auditing to the National Code... Concurrent implementation with the CRICOS National Code has, for some stakeholders, impacted on the extent to which the benefits of the AQTF 2007 audit and regulatory approach have been realised” (p.43).

“The outcomes-focused approach under AQTF is not consistent with the more prescriptive CRICOS requirements. We are finding that CRICOS requirements override AQTF. It undermines the outcomes focus that AQTF is able to achieve.”

“The outcomes focus of AQTF 2007 is a huge improvement, however, it is more difficult to apply to CRICOS requirements” (KPMG, 2008, p.44).

## **User Choice**

The *AQTF 2007 Audit Handbook* advocates the integration of AQTF 2007 audits with other VET-related audits to minimise their effect on an RTO's operations. The KPMG evaluation reported that integrated auditing of activities such as AQTF 2007 and User Choice audits was occurring in some jurisdictions. When interviewed, the majority of RTOs “advised that this integration related more to the timing of the auditing activities, rather than the integration of the audit approach. It was further reported that auditing activities under other quality training frameworks, such as the *Group Training National Standards*, needed to be reviewed to enable effective alignment with the revised AQTF 2007 auditing arrangements” (p.44). A review of the *Group Training National Standards* is currently underway.

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<sup>5</sup> KPMG (2008) Formative Evaluation of the Implementation of Australian Quality Training Framework 2007, <http://www.training.com.au/portal/site/public/menuitem.56b04feb9a0ec32b21d9571017a62dbc/>

## **Productivity Places**

The Commonwealth Government's Skilling Australia for the Future initiative includes the new *Productivity Places Program* which aims to deliver 711,000 training places over 5 years in areas of skills shortage. RTOs which apply to deliver these places enter a contractual arrangement with the Commonwealth. The Guidelines developed to support the Program's administration state that the Commonwealth Department of Education, Employment and Workplace Relations "may conduct audits and site visits, as well as request access to employees of approved organisations, participants and material associated with the program in accordance with clause 13 of the Services Contract" (p. 43). To TVET Australia's knowledge DEEWR has not yet conducted any audits for the *Productivity Places Program*.

## **VET FEE-HELP**

VET FEE-HELP is an income contingent loan scheme for the VET sector that is part of the Higher Education Loan Program (HELP), administered by the Commonwealth. It assists eligible full-fee paying students who are enrolled in certain VET courses with a VET Provider to pay for all or part of their tuition fees. VET FEE-HELP is administered by DEEWR under the *Higher Education Support Act 2003* (HESA), which was amended in 2008 to enable the extension of FEE-HELP to VET Providers. An RTO approved to offer VET FEE-HELP is referred to as a "VET Provider".

It is not clear at this stage when, or if, the Commonwealth will check the ongoing compliance of a VET Provider's policies, procedures and credit transfer arrangements with the requirements of HESA. There would be obvious benefits to VET Providers if the Commonwealth were to work with State and Territory Registering Bodies and TVET Australia to find appropriate ways in which existing AQTF auditors were also able to check ongoing compliance with VET FEE-HELP requirements.

## **Inconsistency**

The KPMG evaluation also highlighted issues related to inconsistency in the interpretation of the national AQTF standards by Registering Bodies and the different processes supporting them. The hallmarks of an effective national training system should include consistent interpretation of national standards as well as consistent legislation across jurisdictions.

Twelve months after the new AQTF Standards took effect, the KPMG evaluation found the implementation had been 'moderately smooth and effective'. However, the report noted the key objective of AQTF 2007 to promote and enable national consistency in training outcomes, and found the following areas require improvement in relation to national consistency:

- inconsistencies in requirements for registration and approaches across states/territories;
- variations in the understanding of 'consistency' across jurisdictions;
- opportunity for improved communication, networking, and information sharing between Registering Bodies;
- inconsistencies in the approaches of auditors within and across jurisdictions; and
- opportunities for further improving national consistency through collaborative mechanisms (p6).

The following extracts from the KPMG report's data appendix (which reflect interviews with a range of stakeholders) highlight the serious and ongoing problems which exist in relation to a lack of national consistency in regulation of the VET sector.

## Extracts from Data Appendices: Formative Evaluation of the Implementation of AQTF 2007

### **RTO consultations**

*The RTOs consulted did not consider the implementation of AQTF 2007 had been consistent within (name of jurisdiction), citing different audit approaches and differing treatment of small and large RTOs in the implementation process. RTOs considered this did not fare well for national consistency.*

*It was commented that the approach to audit under AQTF 2007 was a mix of both AQTF 2005 and AQTF 2007*

*It was commented that the shift by auditors towards the changed focus for auditing has been variable. i.e. only some auditors have moved to "professional discussions", others have not.*

*A key issue raised around the auditing arrangements was that it's very much subjective to auditors differing interpretations of the new standards. RTOs would like a more standardised approach to auditors' interpretation.*

*'AQTF 2007 does assist with national consistency, but how the states regulate it will impact its effectiveness.'*

*RTOs have observed inconsistencies in understanding/interpretation between (name of state) auditors.*

*The Registering Body delayed the re-registration process to facilitate the implementation and also put off processing new applications. This impacted on the business of new RTOs seeking registration as it delayed the start date by some months.*

*Large organisations delivering numerous training packages reported inconsistencies in audits between auditors. Different auditing processes are providing different audit opinions. One interviewee commented that one audit process found the training arrangements had complied, whereas another found that it did not.*

*RTOs are referring to the Audit Handbook to understand the audit approach, however it is not clear to what extent auditors are following any of the audit approaches detailed in this guideline.*

*RTOs did not consider that AQTF 2007 will enable national consistency.*

*RTOs did not consider there to be consistency in the application of AQTF 2007 by auditors within (name of State), both in terms of the audit approach and the interpretation of AQTF 2007.*

*RTOs perceive differences in the way that states have implemented and interpreted AQTF 2007.*



**Auditor consultations**

*One auditor commented that the Audit Handbook was not considered very useful and may be more relevant to RTOs, and it was questioned whether any auditor had actually read the whole Handbook.*

*It was considered by the majority of the auditors interviewed that AQTF 2007 was not supporting a nationally consistent approach to auditing. However it was commented that it is still 'early days' in implementation of the new arrangements.*

*A number of auditors reported that they are still struggling with defining an 'outcome focus'.*

**Consultations with Registering Body Managers**

*Whilst the importance of national consistency was noted, it was advised that each state/territory has very different operating environments and that national consistency should apply to outcomes only, not the processes and procedures.*

*The Registering Body has recently engaged a new cohort of external auditors. Whilst the previous auditor cohort were considered to follow a fairly standard 'check box' audit style, the audit approaches of the current auditors are varied, and it is not clear whether a shift to an outcome-focussed approach has been made.*

*Key challenges include the change in culture and attitude required, building auditor capacity to make professional judgements based on evidence other than documentation. Other challenges include corroboration of evidence, consistency of audit practice, interpretation, and decisions about non-compliance.*

*The Registering Body recognised the importance of national consistency, however acknowledged that there were varied views and interpretations of national consistency within and across jurisdictions. For example, there were variations in their implementation of the national audit reporting tool.*

**Other stakeholder consultations**

*(Respondents) indicated that they are aware of inconsistencies in audit approaches within (name of State) through feedback they receive from RTOs about their audit experiences. There is also a lack of consistency in application of AQTF 2007 across jurisdictions.*

*Feedback from RTOs indicated that experiences of audit did not follow the audit approach detailed in the Audit Handbook. RTOs consider that there are inconsistencies between guidelines and their application.*

*The national audit tool has been customised by all the states and there is much variation on what is required and reported based on how much evidence is collected. Standards and guidelines are still generic because of the differences between states.*

*AQTF 2007 has not yet resulted in improvements in consistency across jurisdictions. Feedback from RTOs indicates that there is inconsistent application of AQTF 2007 across jurisdictions and mutual recognition is not effectively applied in practice.*

## Costs of regulation

There are significant cost differentials in terms of fees and charges which apply to RTOs depending on their home State of registration, see Table Two. Differences in the fee schedules of State and Territory Registering Bodies are partly dictated by the amount of government funding provided to each Registering Body, with some States and Territories providing significant levels of funding to support registration and audit activity while other jurisdictions operate at near cost-recovery levels. NARA, for example was set-up by Ministers to operate on a cost-recovery basis.

Other drivers of differences, in the fees paid by RTOs, result from differing audit and registration processes in jurisdictions. For example, in one State, an RTO transitioning from a superseded qualification to an equivalent qualification in a new Training Package pays a small fee, while in many jurisdictions this change incurs no cost. In another State however, the same change does not attract a direct fee, but instead the RTO is required to attend a mandatory half-day workshop costing approximately \$200; while in other jurisdictions an RTO is required to submit a full amendment to scope application with the requisite fee and supporting documentation.

Aside from these differences in the costs of regulation to RTOs, there is a potential intangible cost to the national system as a result of the decision to implement a national set of regulatory standards (the AQTF) on top of different legislation, regulatory arrangements and practices across the States and Territories. Greater national consistency would give confidence to the VET system that all RTOs are being treated in the same way, irrespective of their home State of registration. This is particularly important in relation to the identification and management of non-compliances with the *AQTF Essential Standards* by an RTO.

**Table 2: State and Territory Registering Body Fees**

	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	NARA
RTO Initial Registration:	\$2,855 - \$6,275	\$125ph up to max \$1,600	\$1331.6 for up to 2 Training Packages, plus \$443.90 for each extra Training Package	\$1,625 (for up to 2 industry areas & \$495 for each additional industry area)	\$1,555 plus \$390 for each additional delivery site & each additional industry area, plus \$780 for each additional site audit required	\$187.5	\$1,000	\$127	\$2,092
RTO Annual Fee	\$1,445 - \$5,125	\$532 - \$1,064	\$554.80 - \$1,109.65	\$465	\$390 plus \$215 for each additional industry area on scope	\$187.5		\$1,476	\$1,464-\$3,975
RTO Re-registration fee		\$400 + \$125ph up to max \$1,600	\$1331.6 for up to 2 Training Packages, plus \$443.90 for each extra Training Package	\$1,625 (for up to 2 industry areas & \$495 for each additional industry area)	\$1,555 plus \$390 for each additional delivery site & each additional industry area, plus \$780 for each additional site audit required	\$187.5	\$1,000		
RTO Amendment to scope of registration: RTO transition from a superseded qualification to the equivalent qualification from the revised training	\$340 - \$565	\$600 - \$850, plus \$500 per site visit	\$111 per qual	\$995 & \$495 for each additional industry area	\$390 - \$1165			\$196 with a 20% discount for all subsequent qualifications from the same Training Package	\$209 - \$418
Audit of RTO's off-shore operations			\$16.65 per qual						
Substantiated complaint	\$145 ph	\$125ph							\$157 ph plus reasonable travel
Monitoring audit	\$145 ph	\$125ph							\$157 ph plus reasonable travel
Industry audit costs (where applicable)								RTO must meet costs if applicable	
<b>Administration Fees:</b>									
Streamlined-processing of RTO registration	\$1,560								
RTO Reinstatement after suspension	\$6,090								
Certificate of registration replacement			\$73.25						
Application processing fee - for all initial registration, re-registration and amendment to scope applications		\$400 initial & re-registration & \$100 amendment to scope		\$465 initial & re-registration only	\$390	\$125 initial registration only			

## **Opportunities for strengthening VET regulation: offshore quality assurance**

In 2007, Australian Education International released a 'Strategic framework for international engagement by the Australian vocational education and training (VET) sector 2007-2011'. The framework acknowledges that in relation to off-shore delivery there is a "lack of clarity of regulator roles and/or transparency in the regulatory environment" and notes that these can be "impediments to sustainable international VET activity (p.14).

The *AQTF National Guideline for Risk Management*, which Registering Bodies must follow when scoping audits, states that for RTOs operating off-shore "the registering body ensures that evidence of compliance from these operations is assessed at least once during the registration period". The costs of auditing offshore, and the consequent resource implications for Registering Bodies, mean that most do not currently undertake site audits of the offshore operations of RTOs. Registering Bodies instead monitor the quality of offshore training by either using a risk-based approach (ie they check on compliance in the RTO's offshore operations following a complaint) or by undertaking a desk audit of the RTO's offshore operations when auditing for re-registration or other purposes.

When agreeing to the establishment of NARA, Ministers explicitly stated that NARA "would also be responsible for auditing the quality of any training delivered offshore by RTOs registered with it". With this challenge in mind, the TVET Australia Board has set a fee structure for NARA to enable it to meet the costs of auditing offshore delivery by all RTOs registered with it. NARA is currently liaising with relevant officials within Australia and overseas to design and implement a robust audit model for off-shore VET delivery.

## Recommendations

In its submission to the Productivity Commission, the Board of TVET Australia has explored the nature of regulation within the VET system. In doing so the TVET Board recommends to the Commission that its *Review of Regulatory Burdens on Business: Social and Economic Infrastructure* provides the ideal opportunity to determine the impact on RTOs of the current regulatory arrangements in the VET system, and to provide advice to the sector on how ‘strong and cohesive national regulatory arrangements for VET’ may be given effect.

Specifically the TVET Board recommends that the Productivity Commission:

- encourage States and Territories to expedite the full implementation of the AQTF2007 as decided by Ministers, where this is not yet complete;
- identify ways in which regulations supporting the *ESOS Act 2000* can be improved to provide a better fit with the AQTF Standards, and in doing so enable Commonwealth, State and Territory regulators to reduce the current regulatory burden on RTOs delivering in Australia to overseas students;
- identify ways in which the Commonwealth can monitor RTO compliance with its programs and funding schemes (eg Productivity Places and VET FEE-HELP), without adding to their current audit and regulatory burden;
- provide advice on how areas of inconsistency in VET regulation might best be addressed; and
- provide advice on how the VET system can most effectively quality assure offshore delivery by Australian RTOs.

## **Guidelines and policies for audit and registration issued by State and Territory Registering Bodies**

### **New South Wales (VETAB)**

Advertising

AQF Certification

Procedural fairness/natural justice

Security Industry Training

Unsuitable persons

[http://www.vetab.nsw.gov.au/overview\\_guidelines\\_under\\_vet\\_act\\_2005.php](http://www.vetab.nsw.gov.au/overview_guidelines_under_vet_act_2005.php)

Plus – Hospitality Guidelines for Delivery & Assessment of Holistic Units

[http://www.vetab.nsw.gov.au/docs/hospitality\\_guidelines.pdf](http://www.vetab.nsw.gov.au/docs/hospitality_guidelines.pdf)

Pink Slip (for RTOs seeking CRICOS approval)

[http://www.vetab.nsw.gov.au/docs/pink\\_slip.pdf](http://www.vetab.nsw.gov.au/docs/pink_slip.pdf)

### **Victoria (VRQA)**

Change of RTO Organisational Status Guidelines

<http://www.eduweb.vic.gov.au/edulibrary/public/voced/Accreditation/vrqa/vetregRTOstatChgeGdl.pdf>

### **Queensland (TERC)**

Change of organisational status

Policy for RTOs operating overseas

Retention of student results and assessment framework records

Transition requirements and maintaining current scope of registration

[http://www.trainandemploy.qld.gov.au/partners/registration\\_and\\_audit/legislation/index.html](http://www.trainandemploy.qld.gov.au/partners/registration_and_audit/legislation/index.html)

### **Western Australia (TAC)**

Change of Legal Entity of an RTO

Changes within an RTO

Protection of Fees Paid in Advance

Records Management Policy

Risk Management Policy for At-Risk RTOs

[http://www.tac.wa.gov.au/About\\_TAC\\_Policies\\_and\\_Guidelines.html](http://www.tac.wa.gov.au/About_TAC_Policies_and_Guidelines.html)

### **South Australia (DFEEST)**

Financial Management & Refund Policies

Information & Data to be provided by RTOs to the Department

Partnership Agreements

Records Management

[http://www.training.sa.gov.au/OVETorgs/files/links/Guidelines\\_for\\_RTOs\\_regist.pdf](http://www.training.sa.gov.au/OVETorgs/files/links/Guidelines_for_RTOs_regist.pdf)

### **Tasmania (TQA)**

Suitability of Applicant for Registration Guideline

[http://www.tqa.tas.gov.au/4DCGI/WWW\\_doc/008158/RND01/](http://www.tqa.tas.gov.au/4DCGI/WWW_doc/008158/RND01/)

### **Australian Capital Territory (ARC)**

Assessment Only RTOs

Dispute Management

RTO Issuing Qualifications policy document – (currently under review)

Teach Out

Offshore Delivery of VET

[http://www.det.act.gov.au/vhe/accreditation\\_and\\_registration/arc](http://www.det.act.gov.au/vhe/accreditation_and_registration/arc)

### **Northern Territory (DET)**

Teach Out Policy

[http://www.det.nt.gov.au/training/policies/docs/nt\\_vet\\_teach\\_out\\_policy.pdf](http://www.det.nt.gov.au/training/policies/docs/nt_vet_teach_out_policy.pdf)