

Joint Risk Management Policy

At Risk RTOs in Receipt of Public Funding

Background

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The Training Accreditation Council (the Council) and The Department of Education and Training (the Department) are committed to assuring the quality of the Vocational Education and Training Sector and maximising publicly funded training outcomes.

The majority of Western Australian Registered Training Organisations (RTOs) have made a significant commitment to establishing and maintaining their obligations against the Australian Quality Training Framework 2007 and meeting the Department's contractual requirements when in receipt of public funding. However, from time to time RTOs are identified, through the Council's established auditing processes, as presenting a significant risk due to their high level of non-compliance with the Essential Standards for Registration.

When RTOs are identified as having a high level of non compliance, students, clients and often employers may be at significant risk of receiving poor quality training and/or being disadvantaged in the event that the RTO is de-registered or their registration is not renewed.

This policy outlines the process for identification of "At Risk RTOs" and the risk management responses (risk responses) that will collaboratively be implemented by the Council and the Department to:

- Minimise risks to students and VET clients; and,
- Protect publicly funded training outcomes.

This policy also serves to inform RTOs of the range of risk responses that may be implemented by the Council or the Department in the event that non compliance with the AQTF 2007 Essential Standards for Registration is identified.

To facilitate this policy information is shared between the Training Accreditation Council and the Department of Education and Training in line with Training Accreditation Council Sharing of Information Policy available at www.tac.wa.gov.au.

Scope of Policy

This policy is applicable to all Registered Training Organisations registered by the Training Accreditation Council who are in receipt of public funds through Competitively Allocated Training Funding or User Choice Funding.

This policy is not applicable to RTOs administered by a State, Territory or Commonwealth Government Agency.

Key Stakeholders

This policy statement has been developed to outline the rights and responsibilities of the following key stakeholders:

- Registered Training Organisations in receipt of public funding;
- The Department of Education and Training; and
- The Training Accreditation Council



Definition of an At Risk RTO

For the purpose of this policy, an “**At Risk RTO**” is defined as:

A Registered Training Organisation that is registered by the Training Accreditation Council in Western Australia, that:

- is in receipt of public funding through a *Funding Agreement for the Provision of Training Services* entered into by the RTO and the Minister for Training;

And

Following audit, through the established Council process, has been assessed in line with the *AQTF 2007 National Guidelines for Managing Non-Compliance*, to have an overall level of compliance within one of the following categories:

- *Significant non-compliance* – The requirements of the AQTF 2007 Essential Standards for Registration have not been met based on the evidence reviewed and there are indications of a significant adverse impact on learners and /or other consumers of goods and services produced in the training environment or the current (or future) workplace; or,
- *Critical non-compliance* – The requirements of the AQTF 2007 Essential Standards for Registration have not been met based on the evidence reviewed and a critical adverse impact on learners and/or consumers of goods and services produced in the training environment or the current (or future) workplace is occurring or has occurred.

Policy Statement

The Council and the Department will work collaboratively to identify At Risk RTOs, as defined in this policy. Following identification, a risk assessment process will be undertaken to determine the appropriate risk responses that may be implemented by the Council and the Department to ensure that risks to students and clients are minimised and that publicly funded training outcomes are maximised.

RTOs will be required to implement risk responses as directed by the Council and/or the Department. Failure by an RTO to implement the risk responses may impact on the RTO’s registration with the Council as well as arrangements for the receipt of public funding from the Department.

In line with the principles of natural justice, RTOs will be provided with the opportunity to respond to audit findings and provide further evidence of compliance for consideration, prior to any risk responses being implemented by the Council.

RTOs should be aware that under the terms of the Department’s funding agreement, the agreement may be suspended at any time following receipt of information from the Council advising that non compliances have been identified. Suspension of funding agreements by the Department prior to the RTO responding to the audit findings will only be considered necessary in extreme cases where critical non-compliance levels have been identified.

RTOs will receive notification of the risk responses to be implemented, and the duration that they must be implemented as determined by the Council and/or the Department.

Risk responses

Risk Responses are the actions that may be taken by either the Council or the Department against an RTO in response to audit findings of a AQTF or integrated AQTF/Contracts audit in order to minimise the risk to students and maximise publicly funded training outcomes.

RTOs should be aware that the risk responses may be implemented prior to the final Council determination on their registration status.

The following table outlines the range of Risk Responses that may be implemented by the Council or the Department following an established Risk Assessment Process:

Risk Response	Authority	Authorising Body
Direction by the Council to take immediate rectification action where evidence indicates there may be risk of injury or death to people in the training environment or the current (or future) workplace	VET Act 1996	Training Accreditation Council
Withhold payment that would otherwise be payable if the obligations under the terms of the Funding Agreement for the Provision of Training Service are not met.	Department of Education and Training <i>Funding Agreement for the Provision of Training Services.</i>	Department of Education and Training
Suspension or cancellation of the Funding Agreement for the Provision of Training Service with the Department.	Department of Education and Training <i>Funding Agreement for the Provision of Training Services.</i>	Department of Education and Training
Consideration by the Council that the RTO cease further enrolments, including the registration of Apprentices and Trainees until such time as the identified non-compliances are addressed to the satisfaction of the Council.	<i>Ministerial Guidelines for Registered Training Organisations issued under Section 13 of the VET Act 1996</i>	Training Accreditation Council
RTO to provide a progress report to the ApprentiCentre outlining current achievements of all Apprentices and Trainees against the TPO.	<i>Apprenticeships & Traineeships Policy & Delivery Guidelines.</i>	Department of Education and Training
The RTO must provide a Statement of Attainment for all currently enrolled students to the Training Accreditation Council. The Statement of Attainment must include all units of competence achieved by the student with the RTO.	<i>Ministerial Guidelines for Registered Training Organisations issued under Section 13 of the VET Act 1996</i>	Training Accreditation Council
The RTO must provide current contact details for enrolled students to the Training Accreditation Council.	<i>Ministerial Guidelines for Registered Training Organisations issued under Section 13 of the VET Act 1996</i>	Training Accreditation Council
The RTO must provide a student record transfer plan outlining arrangement to transfer student records to the Training Accreditation Council in the event that the RTO is de-registered or registration expires.	<i>Ministerial Guidelines for Registered Training Organisations issued under Section 13 of the VET Act 1996</i>	Training Accreditation Council

Risk Responses implemented by the Council must be adhered to by the RTO until such time that identified non-compliances against the *AQTF 2007 Essential Standards for Registration* are addressed to the satisfaction of the Council.

The duration of Risk Responses implemented by the Department, will be determined at the discretion of the Department.

RTOs should be aware that actions may be taken against an RTO by the Department of Education and Training for failure to comply with contractual arrangements outlined in the *Funding Agreement for the Provision of Training Services*, which are not related to the RTOs compliance with the *AQTF 2007 Essential Standards for Registration* or maintaining registration with the Council. These actions are outside of the scope of this policy and will be managed by the Training Resource Allocation Directorate of the Department. RTOs should also be aware that information that becomes available to the Department relating to the RTO's financial viability may also be shared with the Council if it is considered that it may represent a risk to students

Risk Assessment Process

In determining the risk responses to be implemented, the Council and the Department will be informed by a risk assessment process undertaken by the interdepartmental Operational Working Group in line with its terms of reference to share information and identify risks to the Western Australian VET sector. The Operational Working Group is made up of representatives from the Training Accreditation Council Secretariat and Department representatives from the Training Resource Allocation Directorate, Apprenticeship and Traineeship Policy Unit, Curriculum Research and Development Group and the ApprentiCentre.

The risk assessment process will determine the level of risk responses to be recommended to the Council and the Department and is primarily based on the identified non-compliance category and the funding contract type. A Standard Risk Response Schedule (Attachment 1) will form part of the risk assessment process.

The risk assessment process will include:

- Determination that the RTO is classified as an “At Risk RTO” as defined in the policy;
- Consideration of the risk responses applicable to the RTO as outlined in the Standard Risk Response Schedule; and
- Consideration of supplementary factors specific to the RTO including: the history of the RTO; Scope of Registration; the number of students enrolled; delivery of apprenticeships and/or traineeships; contract values and whether the training leads to a regulatory or licensing authority outcome.

Following the risk assessment process, the recommendation of the Operational Working Group will be forwarded to the Training Accreditation Council and the Deputy Director General Training DET for consideration and decision.

Where the recommended risk responses vary from those outlined in the Standard Risk Response Schedule an explanation of the information considered and reason for the decision must be provided to the RTO.

Implementation and Notification of Risk Responses

Implementation

- In the event that an RTO is identified as having a Critical level of non-compliance, the Department may suspend the Funding Agreement for the Provision of Training Services at any time following receipt of information from the Council advising that non-compliances have been identified.
- All other Risk Responses outlined in this policy may only be implemented if, following the Review of Evidence, the RTO remains non-compliant with the AQTF 2007 Essential Standards for Registration.
- All other Risk Responses may be implemented by the Council or Department at any time following receipt of the Council Evidence Review Report by the RTO.
- RTOs should be aware that the risk responses may be implemented prior to the final Council determination on their registration status

Notification

Notification of the requirement for an RTO to implement Risk Responses will be undertaken by the agency authorising the Risk Responses. This may result in the RTO receiving notification to implement risk responses from both the Council and/or the Department.

Supporting Documents

For a comprehensive understanding of the arrangements for the risk management of At Risk RTOs, the *Joint Risk Management Policy* should be read in conjunction with:

- *The Vocational Education & Training Act 1996 (VET Act 1996);*
- *Ministerial Guidelines for the Registration and de-registration of training providers, accreditation of courses and recognition of skills and qualifications in Western Australia -issued under section 13 of the VET Act 1996 (Ministerial Guidelines for RTOs);*
- *Department of Education and Training Funding Agreement for the Provision of Training Services;*
- *Apprenticeships & Traineeships Policy & Delivery Guidelines.*
- *AQTF 2007 National Guidelines for Risk Management;*
- *AQTF 2007 National Guidelines for Managing Non-Compliance; and,*
- *AQTF 2007 Essential Standards for Registration*

STANDARD RISK RESPONSE SCHEDULE

The following schedule outlines the Standard Risk responses applicable to RTOs by non compliance category and funding contract type:

Risk Response	Significant non compliance/ CAT Funding	Critical non compliance/ CAT funding	Significant non compliance/ User Choice	Critical non compliance/ User Choice
Direction by the Council to take immediate rectification action where evidence indicates there may be risk of injury or death to people in the training environment or the current (or future) workplace		◆		◆
Withhold payment that would otherwise be payable if the obligations under the terms of the Funding Agreement for the Provision of Training Service are not met.	◆	◆	◆	◆
Suspension of the Funding Agreement for the Provision of Training Service 2007		◆		◆
Consideration by the Council that the RTO cease further enrolments, including the registration of Apprentices and Trainees until such time as the identified non-compliances are addressed to the satisfaction of the Council.	◆	◆	◆	◆
The RTO must provide a Statement of Attainment for all currently enrolled students to the Training Accreditation Council. The Statement of Attainment must include all units of competence achieved by the student with the RTO.	◆	◆	◆	◆
RTO to provide a progress report to the ATSN outlining current achievements of all Apprentices and Trainees against the TPO.			◆	◆
The RTO must provide current contact details for enrolled students to the Training Accreditation Council.	◆	◆	◆	◆
The RTO must provide a student record transfer plan outlining arrangement to transfer student records to the Training Accreditation Council in the event that the RTO is de-registered or registration expires.		◆		◆