

Training Accreditation Council Annual Regulatory Strategy 2016-2017

Introduction and Purpose

The Training Accreditation Council's (TAC's) [2014-2015 Annual Report](#) foreshadowed the introduction of reforms that set the tone for an improved, more targeted approach to the quality assurance of providers within the VET sector. Key changes include greater clarity of regulatory requirements through the introduction of the [Standards for Registered Training Organisations \(RTOs\) 2015](#). Strategies were introduced to reduce regulatory burden on providers that consistently demonstrate compliance (e.g., Compliance Recognition Program) and better target regulatory effort across areas of highest risk (e.g., Compliance Monitoring Audits).

In response to industry and stakeholder concerns, initiatives such as strategic industry audits (SIAs) continue to be a key regulatory strategy of TAC with the [SIA of VET in Schools](#) and units of competency linked to [High Risk Work Licences](#) recently undertaken and completed.

The purpose of the Annual Regulatory Strategy is to inform stakeholders about the priorities the Council has agreed to focus its regulatory efforts on during 2016-2017. The focus includes increased transparency to motivate RTOs to improve compliance levels and foster a culture of good practice whereby students, employers, industry and the wider community will have confidence in VET outcomes.

Risk Management

The introduction of the [Standards for VET Regulators 2015](#) has been the catalyst for further refinement of TAC's regulatory activities and strategies that build on and improve existing mechanisms to identify, analyse and apply appropriate and proportionate risk strategies and regulatory responses.

Emphasis on the collection of data from a range of sources will focus resources on those organisations or sectors which are deemed to pose the highest risk to quality outcomes. TAC's focus areas includes the management of risk at two levels - provider risk and systemic risk.

Provider Risk

RTOs will continue to be monitored through TAC's audit program and when patterns of poor compliance occur, RTOs can expect a high level of scrutiny. Data informing provider risk is collected from a number of sources, specifically audit outcomes, complaints, information sharing and collaboration with key stakeholders such as the State Training Authority, other VET Regulators and Industry Regulators.

Regulatory strategies in response to provider risk

- As is required under *Clause 1.2* of the *Standards for VET Regulators 2015*, TAC will conduct an audit of the RTO within two years of the RTO first being registered.
- Providers demonstrating patterns of poor compliance will be considered for monitoring audits and [Compliance Monitoring Audits](#) to ensure ongoing compliance with the *Standards for RTOs*.
- RTOs involved in [Strategic Industry Audits](#) (SIA) may be required to undergo further regulatory scrutiny as a direct outcome of recommendations arising from the SIA. For those providers with significant or critical audit outcomes during the SIA into units of competency that lead to High Risk Work Licences in WA, a monitoring audit will be conducted to review ongoing compliance during the period 2016-2017.
- TAC has a strong commitment to reducing the regulatory burden for providers that consistently demonstrate compliance with the requirements for RTOs in WA, and in 2015 the Council introduced the [Compliance Recognition Program](#) (CR Program). The CR Program is designed to provide RTOs that consistently demonstrate compliance, a degree of flexibility by removing the requirement for RTOs to submit applications or fees to TAC for amendment activity to their scope of registration. For eligibility details, visit the [TAC website](#).

Systemic risk

Systemic risks are those risks that impact the sector as a whole, or trends in data highlight an issue impacting on a group of providers, or particular training products, or specific industry areas. Outcomes from complaints, industry engagement activities, collaboration and information sharing with a range of stakeholders provides data to inform TAC's response to identified systemic risk.

Analysis of data has shown that the main areas of concern are in relation to poor quality training and assessment, amount of training and marketing practices.

Regulatory strategies in response to systemic risk

- TAC will have a specific focus on amount of training, and training and assessment practices in all audits undertaken.
- As an outcome of TAC's strategic industry audit initiatives, the following areas will continue to be monitored during 2016-2017:
 - Certificate III in Individual Support***
 - Amendment applications to add this training product to an RTO's scope of registration will require site audit.
 - Units of competency leading to the issuance of High Risk Work Licences (HRWL) in Western Australia***
 - Amendment applications to add these training products to an RTO's scope of registration will require site audit.
 - For those providers with significant or critical audit outcomes during the HRWL SIA, an audit will be conducted to review ongoing compliance.
- The core qualifications for VET professionals will see a high level of regulatory scrutiny by all VET Regulators:
 - Qualifications from the Training and Education Training Package***

As set out in the *Standards for VET Regulators 2015 (Clause 1.2)*, TAC will only grant an application to add any AQF qualification or assessor skill set from the Training and Education Training Package (or its successor) to the RTO's scope of registration, if an RTO has:

- held registration for at least two years continuously at the time of adding the qualification and/or skill set to scope; and
- from 1 January 2016, undergone an independent validation of its assessment system, tools, processes and outcomes in accordance with the requirements contained in the *Standards for RTOs (Clause 1.25)*. The Council has published evidence requirements in relation to this requirement.

For RTOs wishing to add the TAE40116 Certificate IV in Training and Assessment to its scope of registration, the qualification will be subject to audit in line with the specific requirements endorsed by TAC for review of this qualification.

- RTOs outsourcing services to third parties is a significant risk to the sector. Audit outcomes have shown when services are outsourced to another party, the quality assurance and consistency of those services becomes inherently more challenging to manage. TAC will have a specific focus on third party arrangements ensuring RTOs meet their obligations as set out in the *Standards for RTOs* in terms of the written agreement, information provided to learners and advising TAC of third party arrangements in place.
- Complaints data and internal monitoring of RTO websites has highlighted a trend in poor marketing practices by RTOs. Marketing practices of RTOs will continue to be reviewed by TAC during 2016-2017 and in particular will focus on website content, correct use of logos, newspaper advertisements and information about third party arrangements where applicable.
- The Council will undertake targeted audits of areas of specific risk if identified through the regulatory program.

Educative strategies

The Training Accreditation Council is committed to an education program that builds capability and understanding of RTOs and their staff to meet their obligations in regard to the *Standards for RTOs*.

- TAC will develop and implement a program that provides specialised professional development opportunities aimed at RTOs. The programs will deliver practical information to support business improvement and compliance practices.

Further, TAC will continue to publish up to date and relevant information on the TAC website to support RTOs in their understanding of the Council's regulatory approach and the provision of guidance material in regard to the *Standards for RTOs*. In particular, this will focus on:

- extending the suite of TAC Fact Sheets
- updating and publishing a version 2 of the TAC Users' Guide
- extending information sessions to prospective RTOs in introducing a new medium to provide these sessions via webinar
- presentations at State and National VET conferences and other relevant events as and when opportunities arise
- targeting specific topics linked to the *Standards for RTOs* at professional development events, with a range of topics offered to include, but not limited to, amount of training, validation, vocational competence and currency of trainers and assessors, and marketing practices.

In conclusion, the Council will continue to engage and collaborate with VET Regulators and State and Australian Government agencies to progress the national policy agenda for VET. Issues currently being discussed and progressed include:

- improving regulatory tools to deal with poor performing providers; and
- the national review of the Standards for Accredited Courses.