



## National Guidelines for a Registering Body



## Registering Bodies

### Australian Skills Quality Authority

Tel: 1300 701 801

[www.asqa.gov.au](http://www.asqa.gov.au)

### Queensland

#### Department of Education and Training

Tel: (07) 3247 5102

[www.training.qld.gov.au](http://www.training.qld.gov.au)

### South Australia

#### Department of Further Education, Employment, Science and Technology

Tel: (08) 8226 3065

[www.training.sa.gov.au](http://www.training.sa.gov.au)

### Tasmania

#### Tasmanian Qualifications Authority

Tel: (03) 6233 6364

[www.tqa.tas.gov.au](http://www.tqa.tas.gov.au)

### Victoria

#### Victorian Registration and Qualifications Authority

Tel: (03) 9637 2806

[www.vrqa.vic.gov.au](http://www.vrqa.vic.gov.au)

### Western Australia

#### Training Accreditation Council WA

Tel: (08) 9441 1910

[www.tac.wa.gov.au](http://www.tac.wa.gov.au)

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# SECTION 1

## INTRODUCTION TO AQTF

The Australian Quality Training Framework (AQTF) is the national set of standards which assures nationally consistent, high-quality training and assessment services for the clients of Australia's vocational education and training (VET) system. The AQTF was initially established in 2001 for implementation in 2002 and this version is effective from 1 July 2010.

The Ministerial Council for Tertiary Education and Employment (MCTEE), which includes all Ministers for VET in Australia, has approved these quality arrangements.

### Components of the AQTF

The components of AQTF are:

**AQTF Essential Conditions and Standards for Initial Registration** – Applicants seeking to become a registered training organisation (RTO) must meet these standards in order to be registered to deliver and assess nationally recognised training and issue nationally recognised qualifications. The *AQTF Essential Conditions and Standards for Initial Registration* includes nine Conditions of Registration and three Standards. The focus of these Standards is the demonstration of preparedness to deliver quality training and assessment services.

**AQTF Essential Conditions and Standards for Continuing Registration** – RTOs must meet these standards in order to deliver and assess nationally recognised training and issue nationally recognised qualifications. The *AQTF Essential Conditions and Standards for Continuing Registration* includes nine Conditions of Registration and three Standards, with a strong focus on continuous improvement, as well as a requirement for RTOs to gather information on their performance against three Quality Indicators.

**The Quality Indicators** – The Quality Indicators have been designed to help RTOs conduct evidence based and outcomes-focused continuous quality improvement, and assist a registering body to assess the risk of an RTO's operations. Under the AQTF, RTOs are required to collect and use data on three Quality Indicators which have been endorsed by the National Quality Council (NQC) or its successors: Learner Engagement, Employer Satisfaction and Competency Completion.

**AQTF Standards for State and Territory Registering Bodies** – The Registering Body is responsible for registering training organisations and for quality assuring the training and assessment services they provide, in accordance with the AQTF and relevant legislation within each jurisdiction. The Standards and a set of supporting National Guidelines provide a national quality assurance framework.

**AQTF Excellence Criteria** – These are criteria that RTOs may use voluntarily to continue improving the quality of their training and assessment.

**AQTF Standards for Accredited Courses** – These standards apply to the course design for vocational education and training (VET) accredited courses.

**AQTF Standards for State and Territory Course Accrediting Bodies** – These standards apply to course accrediting bodies that manage course accreditation under state and territory legislation. These standards focus on national consistency, client service and responsive management systems as well as specifying quality indicators and operating protocols for course accreditation functions.

## Key features of the AQTF

### Outcomes focused

The AQTF focuses on the quality of services and outcomes being achieved for clients rather than the inputs used to get there. This means that RTOs have more flexibility in demonstrating how their individual approaches provide quality training outcomes for their clients.

### Nationally consistent

Individuals expect that they can use the skills from nationally endorsed qualifications across Australia and employers expect that the staff they hire have the same skills no matter where they were trained. For this reason the AQTF includes national guidelines for a registering body to ensure consistent interpretation and implementation of AQTF.

### Streamlined

The Standards for RTOs have been simplified and streamlined to focus on outcomes. The AQTF places the focus of quality assurance on training and assessment, client services and management systems.

### Transparent

National guidelines, handbooks and guides are readily accessible through the national training website at [www.training.com.au](http://www.training.com.au).

## The beneficiaries of the AQTF

**Learners** have equitable access to quality training and assessment services tailored to their needs and the learning outcomes they seek.

**Industry, unions, enterprises and regulators** have confidence that RTOs are delivering training and assessment services to achieve the skill requirements of nationally recognised qualifications developed by industry.

**Registered Training Organisations (RTOs)** can focus on providing quality training and assessment in the way that best suits their business. No matter what the size or scope of the organisation, an RTO can also seek recognition of excellence.

**Registering Body** (the body which registers training organisations) is part of the national system of registration and audit that is outcomes-focused and risk-managed to streamline quality assurance processes. The registering body has clear Conditions and Standards by which to monitor and confirm that RTOs are providing quality training and assessment services.

## SECTION 2

# ABOUT THE NATIONAL GUIDELINES

The *AQTF National Guidelines for a Registering Body* provides guidance on how a registering body or delegate may undertake various operations related to registration and audit.

The *AQTF National Guidelines for a Registering Body* includes six guidelines:

- AQTF National Guideline for Audit Consistency
- AQTF National Guideline for Conducting Audits of the Inter-jurisdiction Operations of an RTO
- AQTF National Guideline for Managing Non-compliance
- AQTF National Guideline for Responding to Complaints about Vocational Education and Training Quality
- AQTF National Guideline for Risk Management
- AQTF National Guideline for Industry Body Engagement.

AQTF National Guideline for Audit Consistency	This guideline provides a framework for capacity building and for the development and continuous improvement of auditor performance. It describes the processes used to ensure that auditors have a consistent approach to audit.
AQTF National Guideline for Conducting Audits of the Inter-jurisdiction Operations of an RTO	This guideline describes the national agreed processes related to conducting audits of the inter-jurisdiction operations of RTOs. It includes principles and protocols for conducting audits in other jurisdictions.
AQTF National Guideline for Managing Non-compliance	This guideline describes the nationally consistent approach each registering body uses to respond to the outcomes of audit that highlight any non-compliance with the <i>AQTF Essential Conditions and Standards for Initial Registration</i> and the <i>AQTF Essential Conditions and Standards for Continuing Registration</i> .
AQTF National Guideline for Responding to Complaints about Vocational Education and Training Quality	This guideline describes the nationally agreed complaint handling process available to resolve concerns about vocational education and training quality. It sets out principles, protocols and the complaints handling process.
AQTF National Guideline for Risk Management	This guideline describes the nationally consistent risk management approach to be used by a registering body in decisions about scheduling and scope of audits.
AQTF National Guideline for Industry Body Engagement	This guideline describes how industry bodies can be engaged in the quality assurance arrangements. It sets out the roles and responsibilities of the registering body and regulators and includes a set of principles, protocols and options for industry engagement.

*The AQTF National Guidelines for a Registering Body* has been approved by the Ministerial Council for Tertiary Education and Employment (MCTEE) National Senior Officials Committee (NSOC) and the National Quality Council (NQC), to support the operation of a national VET system. Other handbooks and guides include:

- *AQTF Audit Handbook*
- *AQTF Users' Guide to the Essential Conditions and Standards for Initial Registration*
- *AQTF Users' Guide to the Essential Conditions and Standards for Continuing Registration.*

Each document is available at [www.training.com.au](http://www.training.com.au)

# SECTION 3 GUIDELINES

# AQTF NATIONAL GUIDELINE FOR AUDIT CONSISTENCY

The AQTF National Guideline for Audit Consistency outlines how each registering body or delegate ensures national consistency and continuous improvement in the registration and audit of RTOs.

Each jurisdiction must adhere to legal requirements under which the regulatory body is established.

National consistency in the vocational education and training sector is achieved through:

- Jurisdiction legislation that incorporates nationally agreed model clauses
- National standards approved by Ministers under the AQTF and the Australian Qualifications Framework (AQF)
- National guidelines and other publications approved by NSOC and the National Quality Council or its successors
- National activities as described within this Guideline to promote the consistent implementation of the standards and guidelines
- Collaboration by registering bodies and/or delegates in benchmarking processes and outcomes.

Quality assurance and quality review processes are designed to:

- Promote a common understanding and interpretation of the AQTF Essential Conditions and Standards and national guidelines across registering bodies and/or delegates and auditors
- Ensure that consistent judgements are made about the scheduling and scope of audits, the nature and extent of evidence for compliance, determination of level of non-compliance, and the management of non-compliance when this is identified
- Support continuous improvement and good audit practice.

## Operating principles

The following principles underpin quality assurance and quality review processes used individually and collectively by each registering body.

### Principle 1 – Consistency

The registering body will ensure that quality assurance and quality review processes are designed to promote nationally consistent outcomes from registration and audit activities.

### Principle 2 – Effectiveness

The registering body will ensure that quality assurance and quality review processes support continuous improvement of audit decisions and audit processes.

### Principle 3 – Proportionality

The registering body will ensure that quality assurance and quality review processes activities are directed to where there is the greatest risk to quality outcomes.

## Principle 4 – Responsiveness

The registering body will ensure that quality assurance and quality review activities are conducted in a timely way to meet both identified national and local auditor needs and to contribute to national benchmarking.

## Principle 5 – Transparency

The registering body will ensure that results of quality assurance and quality review activities are reported annually.

## Protocols

The registering body observes the following protocols in managing quality assurance and quality review activities:

1. Commitment to participating in national forums to achieve national consistency in interpretation of the *AQTF Essential Conditions and Standards for Initial Registration* and the *AQTF Essential Conditions and Standards for Continuing Registration* across jurisdictions
2. Monitoring the implementation of the AQTF Essential Conditions and Standards and national guidelines to ensure consistency of interpretation and outcomes
3. Maintaining communication between registering bodies and auditors within and across jurisdictions to ensure auditors are informed of current practices and guidance in relation to the AQTF Essential Conditions and Standards
4. Providing induction, training and ongoing professional development activities for auditors and registering body staff
5. Providing intra-jurisdiction and inter-jurisdiction validation activities for auditors and registering body staff
6. Supporting opportunities for audit teams comprising auditors from more than one jurisdiction to participate and report on audits conducted in another jurisdiction
7. Contributing to national benchmarking activities.

## Processes

The registering body observes the following processes in managing and supporting quality assurance and quality review activities:

1. Quality assurance activities conducted in each jurisdiction and at a national level include:
  - Scheduling and scoping audits (in accordance with the AQTF National Guideline for Risk Management)
  - Planning, conducting and reporting audits (in accordance with the AQTF Audit Handbook)
  - Responding to non-compliance identified at audit (in accordance with the AQTF National Guideline for Managing Non-Compliance)
  - The induction, training and ongoing professional development of auditors.

2. Quality review activities conducted in each jurisdiction and at a national level include:
  - Intra-jurisdictional validation activities and inter-jurisdiction validation activities for auditors and registering body staff
  - Audit teams comprising auditors from more than one jurisdiction to participate and report on audits conducted in a jurisdiction
  - Feedback from key stakeholders including RTOs, provider associations, industry regulators and industry.
3. Quality assurance and quality review activities are focussed on AQTF Essential Conditions and Standards and operations that pose the greatest risk to nationally consistent registration and audit outcomes. These areas of risk are identified through:
  - The AQTF National Guideline for Risk Management
  - Those aspects of the *AQTF Essential Conditions and Standards for Initial Registration* and the *AQTF Essential Conditions and Standards for Continuing Registration* where higher levels of non-compliance are recorded
  - Feedback from industry regulators, industry and provider associations
  - Advice from auditors and registering bodies
  - Outcomes from validation activities.
4. The effectiveness of national quality assurance and quality review activities in ensuring national consistency is evaluated annually and provided to the NQC as part of the annual report. Evidence is considered from a range of sources, including:
  - Reports from auditors participating in audits in other jurisdictions and reporting on the level of consistency in judgement across auditors
  - Outcomes from national validation workshops on the consistency of interpretation of Standards and the utility of national resources
  - Evidence from clients and stakeholders about the performance and judgements of auditors
  - The nature and extent of issues raised by auditors on interpretation of Standards
  - Findings from national benchmarking activities
  - Information derived from the Quality Indicators for the *AQTF Standards for State and Territory Registering Bodies*.

# AQTF NATIONAL GUIDELINE FOR CONDUCTING AUDITS OF THE INTER -JURISDICTION OPERATIONS OF AN RTO

A Registered Training Organisation (RTO) must operate in accordance with the *AQTF Essential Conditions and Standards for Continuing Registration* throughout its registration period.

The registering body that registers an RTO is responsible under its legislation for verifying that each RTO continues to meet the requirements of the *AQTF Essential Conditions and Standards for Continuing Registration*. The extent to which each RTO is monitored and audited by the registering body throughout its registration period is based on an assessment of risk using information about the RTO's performance and its operating context. This process is described in the AQTF National Risk Management Guideline.

Audits of RTOs that operate in more than one jurisdiction are managed by the RTO's registering body.

This guideline describes the arrangements a registering body will use for auditing RTOs it has registered that operate in more than one jurisdiction.

An audit of an RTO's inter-jurisdiction operations may occur:

- When the registering body that registered the RTO schedules an audit of the RTO
- To investigate a complaint about the RTO
- On request from an inter-jurisdiction registering body.

An audit of an RTO's inter-jurisdiction operations may be conducted:

- By another registering body at the request of the RTO's registering body
- By the RTO's registering body
- Jointly by both registering bodies.

Each registering body operates in accordance with the *AQTF Standards for State and Territory Registering Bodies* and within each jurisdiction's legislation under which it is established.

The legislation requires that each RTO be treated in accordance with principles of natural justice and procedural fairness.

## Operating principles

Audits of the inter-jurisdiction operations of an RTO will be conducted in accordance with the AQTF audit principles, which are explained in the *AQTF Audit Handbook*. The Handbook is available from [www.training.com.au](http://www.training.com.au)

In addition, the following principles underpin the regulatory function in regards to inter-jurisdiction audits.

## Principle 1 – Consistency

The RTO's registering body is responsible for assuring quality of the RTO's operations.

The RTO's registering body will ensure that the audit process is consistent with legal requirements of the jurisdiction in which the RTO was registered, including those relating to procedural fairness, and appeal mechanisms as well as other legislation impacting vocational education and training.

## Principle 2 – Effectiveness

The registering body ensures that implementation of this Guideline provides for RTO's operating inter-jurisdictionally to continue to operate in accordance with the *AQTF Essential Conditions and Standards for Continuing Registration*.

## Principle 3 – Proportionality

The registering body will actively consult prior to any inter-jurisdictional audit activity in order to optimise audit responses recognising that responsibility for monitoring RTOs operating in another jurisdiction may be a statutory requirement of that jurisdiction's registering body.

## Principle 4 – Responsiveness

The registering body manages the relationship with its RTO to ensure the timeliness of arrangements, processes and outcomes.

## Principle 5 – Transparency

The registering body will act to ensure that the RTO is informed in a timely manner of an impending inter-jurisdiction audit, and of the arrangements and processes that will apply.

## Protocols

### 1. Arranging an inter-jurisdiction audit

When an inter-jurisdiction audit of an RTO is required by its registering body, the audit may be arranged in the following ways:

- Requesting that the registering body in another jurisdiction undertake an audit of the RTO's operations in that jurisdiction. In such cases, the inter-jurisdiction registering body will negotiate a timeframe for the audit with the RTO. If the RTO has multiple inter-jurisdiction operations, the interjurisdiction registering body may negotiate multi-site sampling of the RTO's operations in accordance with the AQTF National Guideline for Risk Management.
- Advising another registering body that it intends to conduct an audit of that RTO's operations in their jurisdiction
- Negotiating a joint audit by an audit team consisting of auditors from both registering bodies
- Requesting an audit of an RTO operating in its jurisdiction by the RTO's registering body
- Seeking permission from the RTO's registering body to conduct an audit. The registering bodies concerned will negotiate arrangements for the conduct of such an audit.

## 2. Communication with RTO and management of the conduct of the audit

The RTO's registering body has primary responsibility for communicating with the RTO.

Where an inter-jurisdiction audit is to occur the RTO's registering body will:

- Notify the RTO of the audit
- Notify the RTO of the name of the registering body conducting the audit
- Prior to audit provide the RTO with information relating to the audit.

If the inter-jurisdiction audit is to be conducted by another registering body, that other registering body will provide the RTO with all necessary information prior to audit. A copy of this information will be forwarded to the RTO's registering body.

Where the audit is to be conducted jointly, the RTO's registering body and the other registering body will negotiate which one will provide the RTO with the information prior to audit.

## 3. Timing of audit and payment of costs

The timing of an audit will be negotiated by the registering bodies on the basis of an assessment of the risks. The registering bodies will agree on the composition of the audit team and responsibilities for meeting the costs of inter-jurisdiction audits.

However, as a general rule:

- The RTO's registering body will meet the cost of an inter-jurisdiction audit conducted as part of its audit program
- The other registering body will meet the costs of any audits that it requests for other reasons.

An RTO may be required to pay for the cost of a follow-up audit if non-compliances are identified during the inter-jurisdiction audit.

## 4. Audit process

The nationally agreed audit tools and audit processes will apply to all audits.

If the RTO fails to meet the requirements of the *AQTF Essential Conditions and Standards for Continuing Registration*, the process for initial follow-up of rectifications will be agreed between the registering bodies to ensure that the rectification process is completed by the RTO.

If the RTO's registering body finds that rectification has not been achieved within the agreed timeframe or if the RTO's registering body is advised by the other registering body that compliance has not been achieved, the RTO's registering body will consider what action to take in accordance with the AQTF Guideline for Managing Non-Compliance.

## 5. Reporting outcomes of the audit

Where an audit has been conducted by another registering body, that registering body will provide the audit report to the RTO's registering body, in the nationally agreed format, within the agreed timeframe. It will not provide the audit report directly to the RTO.

The RTO's registering body is responsible for providing the audit report to the RTO and will advise the RTO and the other registering body of the decision arising from its consideration of the audit report.

## **6. Complaints and appeals**

The RTO's registering body will manage complaints and appeals by RTOs about audit processes and outcomes.

## **7. Arrangements for audits where additional legislative requirements apply**

Where an inter-jurisdiction registering body must exercise its particular statutory obligations to conduct an audit, it will give reasonable notice (at least 10 working days) to the RTO's registering body about the audit and invite the RTO's registering body to participate in the conduct of the audit.

Irrespective of whether the RTO's registering body participates in the audit, the inter-jurisdiction registering body will provide a copy of the audit report to the RTO's registering body and if any non-compliance is identified, it may recommend actions that could be taken by the RTO's registering body.

# AQTF NATIONAL GUIDELINE FOR MANAGING NON-COMPLIANCE

The registering body is responsible under its legislation for verifying that each applicant complies with the *AQTF Essential Conditions and Standards for Initial Registration* and that each RTO continues to operate in compliance with the *AQTF Essential Conditions and Standards for Continuing Registration*. RTOs are responsible for operating in compliance with the *AQTF Essential Conditions and Standards for Continuing Registration* and ensure that their systems and organisational arrangements are established in a way that makes non-compliance an unlikely event.

This Guideline outlines how the registering body will:

- Identify if an applicant/RTO is not compliant with the *AQTF Essential Conditions and Standards for Initial Registration/AQTF Essential Conditions and Standards for Continuing Registration*,
- Assess the level of non-compliance, and
- Manage non-compliance, including through the application of sanctions.

This Guideline is complemented by the *AQTF National Guideline for Risk Management* which sets out a suggested risk assessment process for a registering body in making decisions about:

- Assessing and responding to the risk of non-compliance by applicants against the *AQTF Essential Conditions and Standards for Initial Registration*,
- Assessing and responding to the risk of non-compliance by RTOs against the *AQTF Essential Conditions and Standards for Continuing Registration*, and
- Monitoring the compliance of RTOs against the *AQTF Essential Conditions and Standards for Continuing Registration*.

The registering body operates in accordance with the *AQTF Standards for State and Territory Registering Bodies* and the legislation under which it is established.

## Operating principles

### Principle 1 – Consistency

Registering bodies work together to facilitate consistent interpretation and implementation of the guideline both within and across jurisdictions.

### Principle 2 – Effectiveness

The registering body will ensure that only those applicants that demonstrate compliance with the *AQTF Essential Conditions and Standards for Initial Registration* will be registered.

The registering body will ensure that only those RTOs that demonstrate compliance with and continue to operate in accordance with the *AQTF Essential Conditions and Standards for Continuing Registration* will maintain registration.

### Principle 3 – Proportionality

Action taken by a registering body in response to identified non-compliance will be in proportion to the likely impact of the non-compliance on quality training and assessment services and outcomes.

## Principle 4 – Responsiveness

The registering body will act to ensure non-compliance is rectified within timeframes directed by the registering body. Risks are managed through timely decision making processes.

## Principle 5 – Transparency

The registering body provides applicants and RTOs with sufficient information about the requirements for registration and their obligations as RTOs. The registering body will inform an applicant/RTO of any action it proposes to take before it takes the action.

## Protocols

### 1. Information and assistance is provided for applicants/RTOs to meet their requirements

The registering body will provide information to applicants/RTOs about compliance requirements through:

- Providing information about the processes and requirements of the registering body
- Facilitating access to relevant national documents concerning registration (for example, the *AQTF Users' Guide to Essential Conditions and Standards for Initial Registration*).

### 2. Non-compliance may be identified through assessment of applications, audit and other monitoring activities

The assessment of applications, audits and monitoring of RTOs' performance are primary sources of information regarding compliance. The registering body will also consider any other secondary sources of information that may indicate non-compliance.

### 3. Applicants/RTOs are informed about findings of non-compliance

If an applicant is found to be non-compliant with any of the relevant conditions of registration or standards, the registering body will provide written advice which outlines the nature and level of non-compliance. An applicant may include an existing RTO seeking an extension to scope.

If an RTO is found to be non-compliant with any of the relevant conditions of registration or standards, the registering body will provide written advice or an audit report which outlines:

- the nature and level of non-compliance; and
- what action the registering body requires the RTO to take to rectify the non-compliance and timelines for this action.

### 4. Non-compliance by an RTO must be rectified

If an RTO is found by the registering body to be non-compliant with relevant conditions of registration or standards, the registering body must ensure that the RTO has rectified this non-compliance within the specified timeframe and takes steps to prevent its recurrence.

Non-compliance with the relevant conditions of registration or standards means that the RTO is not operating in accordance with the national standards that support quality training and assessment services and outcomes for clients of the VET system.

## 5. Risks from non-compliance must be managed

If an applicant does not comply with relevant conditions of registration or standards, the registering body will not register the applicant as an RTO. If an applicant is an RTO seeking an extension to scope, and the application does not comply with relevant conditions of registration or standards, approval for extension to scope will not be granted.

If an RTO is found by the registering body to be non-compliant with relevant conditions of registration or standards and does not satisfactorily rectify the non-compliance within the specified timeframe, the registering body may apply a sanction in accordance with the requirements of its legislation. The type of sanction will be determined by the nature and level of non-compliance and the risk it presents to consumers and the VET system.

## 6. Natural justice and procedural fairness is upheld

Each applicant/RTO must be treated in accordance with principles of natural justice and procedural fairness.

Where an applicant is not granted registration as an RTO, or an extension to scope is not granted to an existing RTO, the registering body will provide written advice which outlines the nature and level of non-compliance.

Where an RTO is found to be non-compliant, the registering body will give the RTO the opportunity within a specified timeline to:

- respond to and dispute findings of non-compliance;
- rectify non-compliance, where it is identified;
- respond to the registering body about any proposed sanctions before they are applied; and
- appeal decisions made by the registering body.

## Determining compliance

The registering body will consider information from an assessment of an application, an audit or other monitoring activities, to determine the applicant's/RTO's compliance with the *AQTF Essential Conditions and Standards for Initial Registration / AQTF Essential Conditions and Standards for Continuing Registration*.

**Compliance:** Based on the evidence reviewed, all relevant requirements of the *AQTF Essential Conditions and Standards for Initial Registration/AQTF Essential Conditions and Standards for Continuing Registration* have been met.

**Non-compliance:** Based on the evidence reviewed, not all relevant requirements of the *AQTF Essential Conditions and Standards for Initial Registration/AQTF Essential Conditions and Standards for Continuing Registration* have been met.

## Level of non-compliance

When an RTO has not demonstrated compliance with all relevant requirements of the *AQTF Essential Conditions and Standards for Continuing Registration*, the registering body will determine the level of non-compliance. The level of non-compliance will guide the actions that the registering body will take to manage the non-compliance, including the types of sanctions that will be applied. For RTOs, the level of non-compliance will also inform the registering body's future monitoring activities of the RTO.

In determining the level of non-compliance, the registering body should consider the potential **impact** that the non-compliance may have on the delivery of quality training and assessment services and outcomes.

The following table may be used to determine the potential impact of non-compliance:

<b>Severe</b>	Extreme disruption/inconvenience for a large proportion of students or damage to the reputation of the VET sector
<b>Major</b>	Significant disruption/inconvenience for large proportion of students or damage to the reputation of the VET sector
<b>Moderate</b>	Some disruption/inconvenience for students or damage to reputation of the VET sector
<b>Minor</b>	Minor or negligible disruption/inconvenience for students or damage to reputation of the VET sector.

Once the potential impact of the non-compliance has been determined, the registering body should also consider the **likelihood** that the non-compliance will not be rectified, or the likelihood that the non-compliance could re-occur. The main factor for consideration in determining this likelihood is the RTO's history of non-compliance:

The following table may be used to rate potential likelihood:

<b>Almost Certain</b>	Based on the RTO's compliance history (i.e. recurring, serious non-compliance), failure to rectify the identified non-compliance is expected
<b>Likely</b>	Based on the RTO's compliance history (i.e. recurring non-compliance), failure to rectify the identified non-compliance will probably occur
<b>Possible</b>	Based on the RTO's compliance history (i.e. some history of rectified non-compliance), failure to rectify the identified non-compliance within timeframes might occur.
<b>Unlikely</b>	Based on the RTO's compliance history (i.e. some history of rectified minor non-compliance), failure to rectify the identified non-compliance within required timeframes is unlikely.
<b>Rare</b>	Based on the RTO's compliance history (i.e. no history of non-compliance), the identified non-compliance will be rectified within required timeframes.

Considering the potential impact of the non-compliance and the likelihood of the non-compliance not being rectified within required timeframes provides an assessment of the level of non-compliance.

The table below can be used to determine the level of non-compliance:

		Impact			
		Minor	Moderate	Major	Severe
Likelihood	Almost Certain	High	High	Extreme	Extreme
	Likely	Medium	High	High	Extreme
	Possible	Low	Medium	High	High
	Unlikely	Low	Low	Medium	Medium
	Rare	Low	Low	Low	Medium

## Managing non-compliance

It is the responsibility of the registering body to confirm that each applicant/RTO will operate or is operating in accordance with the requirements of the AQTF. Where the registering body finds that this is not the case, then it:

- will refuse to grant registration to an applicant if the applicant is not compliant with the *AQTF Essential Conditions and Standards for Initial Registration*; and
- may apply a sanction on an RTO's registration if the RTO is not compliant with the *AQTF Essential Conditions and Standards for Continuing Registration*, and has not rectified the non-compliance as required within the timeframe specified.

A decision to refuse an application or to impose a sanction is taken, where necessary, to manage risks to consumers and to safeguard the integrity of the national VET system.

When an RTO is non-compliant, the registering body will:

- provide written advice or an audit report which outlines:
  - the nature and level of the non-compliance(s);
  - what action the registering body requires the RTO to take to rectify the non-compliance(s) and timelines for this action.
- require the RTO to provide evidence that it has rectified the non-compliance within the specified period
- determine how the rectifications made by the RTO will be checked.

If a registering body has concerns that an applicant/RTO may be in breach of Commonwealth, state or territory legislation the registering body will refer the matter to the agency responsible.

## Action taken by a registering body to manage non-compliance

The level of non-compliance guides the possible responses by the registering body in managing the non-compliance including the type of sanction to be applied.

The table below sets out possible actions by the registering body to managing different levels of non-compliance:

Level	Possible actions
<b>Extreme</b>	Immediate action required by the registering body of a type determined appropriate by the registering body (i.e. cancellation)
<b>High</b>	Urgent action required by the registering body of a type determined appropriate by the registering body (i.e. suspension of registration, requiring RTO to show cause not to cancel registration, amendment to registration including conditional re-registration.)
<b>Medium</b>	Action required by the registering body of a type determined appropriate by the registering body (i.e. amendment to registration including conditional re-registration).
<b>Low</b>	Action required by the registering body of a type determined appropriate by the registering body (i.e. monitoring to ensure rectification of non-compliance)

## Type of sanction

The type of sanction to be imposed on an RTO if it is not compliant with the *AQTF Essential Conditions and Standards for Continuing Registration*, and has not rectified the non-compliance as required within the timeframe specified, will be determined by the nature and level of non-compliance and the level of risk that non-compliance presents to consumers and the VET system.

The types of sanctions a registering body can place on an RTO's current registration are prescribed in VET legislation under which the registering body is established and can include:

- imposition of additional conditions on registration;
- amendments to scope of registration;
- suspension of registration; and
- cancellation of registration.

## Imposition of additional conditions on RTO registration

The registering body may impose additional conditions on the registration of an RTO. Additional conditions may place restrictions on the nature and scope of an RTO's operations and will be applied in accordance with legislative requirements and registering body procedures.

## Amendment of registration

An amendment imposed on an RTO by its registering body may take the form of:

- A reduction in the scope of registration; or
- The addition of specific conditions required to continue registration.

## Suspension of registration

A registering body may suspend an RTO's registration for a period of time for all or part of its scope of registration (including prohibitions on recruiting or enrolling students, advertising, and starting training).

## Cancellation of registration

A registering body may cancel an RTO's registration.

## Other sanctions

The registering body may also apply any other sanction available to it under legislation (such as infringement notices and other penalties).

# AQTF NATIONAL GUIDELINE FOR RESPONDING TO COMPLAINTS ABOUT VOCATIONAL EDUCATION AND TRAINING QUALITY

Consumers and stakeholders of Vocational Education and Training (VET) must be confident that any complaints they have about the provision of training and assessment products and services will be dealt with efficiently, effectively, transparently and fairly and that any quality issues identified are addressed.

The registering body is accountable for its operations and decisions under legislation. It operates in accordance with the *AQTF Standards for State and Territory Registering Bodies*.

This AQTF National Guideline for Responding to Complaints about Vocational Education and Training Quality sets out the approach the registering body will take in responding to complaints made about training and assessment products, outcomes and services.

This Guideline explains how the registering body will respond to complaints about:

- The training, assessment and other services provided by an RTO
- Registering body service and actions.

These complaints may be from learners and other clients, industry regulators and licensing bodies or other stakeholders.

The registering body must seek to:

- Listen to the views of VET consumers and stakeholders, including those acting on behalf of consumers
- Address any concerns that consumers and stakeholders may have
- Continuously improve the quality of VET products, services, outcomes and policies.

Operational procedures developed by the registering body are consistent with this Guideline.

## Operating principles

The following principles underpin the process for responding to complaints about VET quality.

### Principle 1 – Consistency

The registering body ensures that complaint handling processes and outcomes will be applied consistently.

### Principle 2 – Effectiveness

The registering body ensures that complaints investigations align with the relevant Standards in determining compliance.

### Principle 3 – Proportionality

The registering body ensures that relevant circumstances and information surrounding a complaint are investigated to the level warranted by the severity of the complaint.

## **Principle 4 – Responsiveness**

The registering body ensures that timeframes for investigating and resolving complaints will be set, monitored and followed.

## **Principle 5 – Transparency**

The registering body ensures that information about the complaints-handling process and the means to lodge a complaint is readily accessible and available on the national website [www.training.com.au](http://www.training.com.au) and on the registering body's website.

There is appropriate national monitoring of complaints through regular reporting of complaints received and actions taken.

## **Protocols**

The registering body observes the following protocols in managing complaints.

### **1. Complaints may be lodged by any reasonable means**

A complaint may be lodged in person or by telephone, by fax, electronically (for example email) or by letter. A verbal complaint will subsequently need to be made in writing to enable full investigation. A complaint may be lodged anonymously.

### **2. Complaints lodgement is free of charge**

The complaints process is free of charge.

Those with special needs, such as people with limited English language or literacy skills and those with a disability will not be disadvantaged in the complaints process.

### **3. The administration of the complaints process will be sufficiently resourced to provide an efficient service**

The complaints-handling process is sufficiently resourced and underpinned by internal procedures to ensure that services are provided in accordance with this guideline.

Complaints are considered in a fair, objective and unbiased manner. The complaints-handling process incorporates the principles of natural justice and procedural fairness. Confidentiality is maintained and anonymity preserved, where requested. Complainants will be informed where this may limit the extent to which a complaint can be investigated.

### **4. Complaints outside the authority of the registering body will be referred**

Where a complaint is lodged with a registering body, and the complaint is not within that body's authority, the complainant will be referred to the most appropriate authority for handling the complaint. Linkages are maintained between organisations (including other relevant government agencies) to facilitate the referral process and to aid consideration of complaints that raise inter-jurisdictional issues.

In the case of suspected fraud and corruption related to assessment and issuance of qualifications, referral to the appropriate agency should be given a high priority.

Complaints about VET providers that operate inter-jurisdictionally will be dealt with as described in the section below and be informed by the AQTF National Guideline for Conducting Audits of the Inter-jurisdiction Operations of an RTO.

## **5. Parties to the complaint will be offered the right to review**

Complainants or respondents (including RTOs and other organisations that are the subject of investigation) who are not satisfied with the handling of a complaint or the outcome of a complaint investigation, have the right to request a review of the investigation process or outcomes. This may include a review by the relevant ombudsman, commissioner, council or review tribunal, depending on the jurisdiction in which the registering body operates. Further information is available on the national website at [www.training.com.au](http://www.training.com.au).

## **6. Registering bodies share information to aid an investigation**

To aid the investigation of a complaint, a registering body is authorised to share with other registering bodies, information about an RTO they have registered.

# **Complaints handling processes**

## **1. Complaints about the services of an RTO**

Learners and other clients (including, for example, employers or industry bodies) who have a complaint about an RTO should lodge their complaint directly with the RTO. All RTOs have a complaints process in place. Prior to investigating a complaint, the complainant should seek a resolution of the complaint through the RTO's own complaint handling procedures.

If the complainant is not satisfied with the handling of their complaint by the RTO, or there are extenuating circumstances that preclude the complainant from lodging their complaint directly with the RTO, they may lodge their complaint with the registering body or the National Training Hotline, telephone: 13 38 73.

Complaints to the National Training Hotline are referred to the registering body.

### **Acknowledgement**

The registering body will acknowledge receipt of a complaint within five (5) working days.

## Referrals

If the registering body receives a complaint about an RTO operating outside its jurisdiction, it will forward the complaint to the relevant registering body for investigation and inform the complainant of this action. The investigating registering body will keep the complainant informed about the progress of investigation of their complaint and advise both the complainant and the referring registering body of the outcomes of the investigation.

For overseas students studying VET in Australia, the provisions of the Education Services for Overseas Students (ESOS) Act and related state or territory legislation apply. Depending on the nature of the complaint in line with the Shared Responsibility Agreement in place for monitoring compliance with the ESOS Act, complaints should be referred to the relevant state or territory designated authority or to relevant Australian Government departmental officers who will ensure that the provisions of Australian Government legislation are met.

## Investigation

The registering body investigating a complaint will inform the complainant of the investigation process and will keep them informed of progress.

The complaint will be investigated by the registering body in accordance with its documented procedures. The RTO that is the subject of the complaint will be informed of the nature of the complaint and given an opportunity to respond. Based on the response from the RTO, the registering body will decide whether to investigate the complaint further, and also the manner and scope of any further investigation.

Legislative requirements, the amount of time that has elapsed before a complaint is lodged and the level of detail provided in complaints lodged anonymously or by third parties may influence the extent to which a complaint can be investigated.

## Reporting

Once the registering body has made a decision in relation to a complaint – within five (5) working days and in accordance with established procedures for disclosure of information – the registering body will inform the parties of the outcomes of its investigation and any actions to be taken. The registering body will also inform the parties of any further avenues they may follow to resolve any outstanding issues arising from the complaint.

If the complaint investigation identifies that an RTO is not operating in compliance with the *AQTF Essential Conditions and Standards for Continuing Registration*, the registering body will take action in accordance with the AQTF National Guideline for Managing Non-compliance. This outcome may be taken into account in reviewing the risk rating for the RTO as described in the AQTF National Guideline for Risk Management.

## Review

If the complainant is not satisfied with the handling of their complaint or outcome of the complaint investigation, they may raise their concerns with the manager of the registering body. If the complainant remains dissatisfied with the outcome or actions of the registering body they may raise their concerns through those further avenues of complaint or review published by the registering body. Further avenues may include lodging the complaint with the Chair of the registering body, or using the processes available for complaints relating to government services, such as an Ombudsman.

## 2. Complaints about the services of an RTO from industry regulators and licensing bodies

Because of the risk associated with the delivery of training for licensed or regulated occupations, particular arrangements have been made to deal with complaints lodged by licensing or regulating bodies.

### Acknowledgement

The registering body will acknowledge the complaint within five (5) working days of receipt and nominate a senior officer to be the contact person for the regulatory or licensing body.

### Investigation

The registering body will invite the licensing or regulatory body to participate in the complaint investigation. The licensing or regulatory body may participate by:

- Providing information and advice to the registering body
- Nominating technical advisers to join an audit team
- Other means agreed between the registering body and the licensing or regulatory body.

The complaint will be investigated by the registering body in accordance with documented procedures and timeframes agreed for reporting progress to the licensing or regulatory body.

If an audit is conducted to investigate the complaint, this will be done in accordance with the AQTF National Guideline for Risk Management and (if relevant) the AQTF National Guideline for Conducting Audits of the Inter-jurisdiction Operations of an RTO.

### Reporting

The registering body will inform the licensing or regulatory body of the outcome of the investigation within five (5) working days of the investigation being finalised.

### Review

If the licensing or regulatory body is not satisfied with the outcome of the complaint investigation, it may raise its concerns with the manager of the registering body. If the licensing or regulatory body remains dissatisfied with the outcome or actions of the registering body, it may raise its concerns with the Chair of the registering body. Links to registering bodies are available at website [www.training.com.au](http://www.training.com.au)

## 3. Complaints about the services and actions of the registering body

If a vocational education and training stakeholder wishes to make a complaint about the registering body, they should lodge their complaint directly with the registering body. The registering body has a complaints process in place.

### Acknowledgement

A complaint will be acknowledged within five (5) working days.

### Investigation

The complaint will be investigated by a senior manager of the registering body in accordance with its published procedures.

## Reporting

Once the registering body has made a decision in relation to the complaint, it will, within five (5) working days, inform the complainant of the outcome and any actions to be taken.

## Review

If the stakeholder is not satisfied with the outcome of the complaint investigation, the registering body will indicate further avenues of complaint or review to follow. These further avenues may include lodging the complaint with the Chair of the registering body, or using the processes available for complaints relating to government services, such as an Ombudsman.

# AQTF NATIONAL GUIDELINE FOR RISK MANAGEMENT

This guideline sets out a suggested risk assessment process for a registering body in making decisions about:

- Assessing and responding to the risk of non-compliance by applicants against the *AQTF Essential Conditions and Standards for Initial Registration*, and
- Assessing and responding to the risk of non-compliance by RTOs against the *AQTF Essential Conditions and Standards for Continuing Registration*, and
- Monitoring the compliance of RTOs against the *AQTF Essential Conditions and Standards for Continuing Registration*.

This guideline outlines processes that can be used to determine arrangements for assessing registration applications, including applications for initial registration, applications for renewal of registration and applications for extensions to scope of registration.

- For initial registration, factors considered in determining the level of risk and appropriate responses include the scope of proposed operations and financial management and governance arrangements.
- For renewal of registration or change of scope, factors considered in determining the level of risk and appropriate responses include financial management and governance arrangements, the RTO's past performance and the scope of operations.

This guideline supports an approach that applicants assessed as having a lower risk of non-compliance and RTOs that are delivering high-quality training and assessment services, will receive less monitoring by a registering body. Applicants/RTOs assessed as higher risk in terms of the likelihood of negative impacts on quality outcomes for clients, and of potential impact on the vocational education and training (VET) system more broadly, will receive more regular monitoring and attention from their registering body, with the aim of ensuring ongoing compliance through improved performance outcomes.

Prescriptive instructions on how to calculate risk ratings or tools to assess compliance are not included in this guideline, although some suggestions are provided. Rather, this guideline provides a general framework for a registering body to apply in undertaking risk management in the context of the AQTF.

## Operating principles

The following principles underpin the risk management processes applied by registering bodies.

### Principle 1 – Consistency

Registering bodies work together to facilitate consistent interpretation and implementation of this guideline both within and across jurisdictions.

### Principle 2 – Effectiveness

The registering body implements the guideline and ensures that applicants/RTOs are appropriately risk managed.

## **Principle 3 – Proportionality**

Regulatory responses are in proportion to the risk assessment of the applicant/RTO's operations.

## **Principle 4 – Responsiveness**

The registering body will use relevant and current data to develop and review risk ratings and actions.

## **Principle 5 – Transparency**

The registering body will respond to requests from applicants/RTOs for information about the risk rating process and/or their risk rating.

## **Protocols**

### **1. Risk assessment will inform registering body monitoring of an RTO**

The registering body uses a risk assessment process to assess each RTO and all registration applications, including: applications for initial registration, applications for renewal of registration and applications for extensions to scope of registration. The risk assessment assists the registering body to determine how it will assess an application and inform the extent to which it will monitor an RTO to ensure its operations meet the requirements of the *AQTF Essential Conditions and Standards for Continuing Registration*.

A risk assessment is undertaken when an application is received, and is reviewed in the light of current evidence of performance or any other information about an RTO.

### **2. Conditions of Registration are audited**

Conditions of Registration are audited at: initial registration and renewal of registration in accordance with this guideline, and any other time that a registering body deems necessary, based on a risk assessment.

### **3. Risk management is incorporated into the registering body's decision-making**

Risk management processes are systematic, timely and structured.

Having assessed the risks and determined a risk rating, the registering body will determine the scheduling and scope of audits.

### **4. Current data will be maintained**

The registering body collects data regularly from RTOs, especially higher-risk RTOs, to ensure that information held is current.

The registering body updates data when an RTO applies for renewal of registration or change to / extension of scope, and at the time of audits.

At any time, a registering body may ask an RTO to provide additional information relevant to its risk assessment.

## 5. Risk management will be continuously improved

In line with the continuous improvement approach embedded in the AQTF, ongoing analysis of risk data and information on the quality of the training and assessment outcomes from RTOs is used to refine and improve risk-assessment and risk-management processes, and to identify risk issues associated with particular RTO types.

The National Quality Council or its successors will monitor and review the operation of the *AQTF National Guideline for Risk Management* and the effective use of risk indicators, and recommend any necessary amendments to the guidelines.

## 6. Audits will be integrated where possible

The registering body minimises the impact of audit activity on RTOs by integrating AQTF audits, wherever possible, with audits required by other authorities.

### Risk assessment process

The risk assessment process can be triggered by any of the following circumstances:

- Application for initial registration
- Application for renewal of registration
- Application for change/extension to scope of registration
- The receipt of information on an RTO's operations or performance that may change the outcome of a risk assessment and assist the registering body determine auditing and monitoring activities.

The risk assessment process outlined in this guideline is based on the Australian Standard for Risk Management (AS/NZS ISO 31000:2009), which defines risk as 'the effect of uncertainty on objectives'. For AQTF, risk relates to the potential impact on the delivery of quality training and assessment services and outcomes.

Effective management of risk in the AQTF context involves four key steps:

1. Identification of **indicators of risk** to be used in the risk assessment process
2. **Risk assessment**, which involves consideration of the potential impact if quality training and assessment services and outcomes are not delivered and the likelihood that this will occur, to determine a risk rating for the applicant or RTO
3. **Response** - The risk rating is used to determine the scheduling and scope of audits and other monitoring mechanisms
4. **Ongoing review** - The assessment of applications, audits and monitoring of RTOs performance are sources of risk information. The registering body will review any information that may change the outcome of a risk assessment.

For **initial registration**, factors considered in assessing risks include the applicant's financial and governance arrangements, and supplementary risk indicators associated with the proposed scope of operations. Where relevant, an applicant's past performance as an RTO will also be used to inform a risk rating.

For **renewal of registration** or change of scope, factors considered in assessing risks include the RTO's financial and governance arrangements, and past performance including quality indicators and complaints history. Supplementary risk indicators associated with specified operating contexts will also apply.

## Risk indicators

Based on the requirements of the *AQTF Essential Conditions and Standards for Initial Registration* and *AQTF Essential Conditions and Standards for Continuing Registration*, this guideline suggests four groups of risk indicators for consideration in the risk assessment process: performance, financial management, governance and supplementary risk indicators.

### Performance risk indicators

Performance risk indicators contribute to the risk rating for an RTO throughout its registration period. Performance risk indicators focus on the performance of each RTO in delivering quality training and assessment services and outcomes. The performance risk indicators are:

- History of audit compliance
- Data from quality indicators
- History of complaints.

Performance risk indicators are indicators of the likelihood that quality training and assessment services and outcomes will not be achieved.

Suggested considerations for assessing performance risks that meets the requirements of the *AQTF Essential Conditions and Standards for Continuing Registration* are at **Attachment A** to this guideline.

### Financial risk indicators

Financial risk indicators contribute to the risk rating for an applicant/RTO at initial registration and throughout the registration period.

Financial risk indicators focus on the financial viability of an applicant/RTO and the potential impact on the delivery of quality training and assessment services and outcomes. This requires an assessment of financial projections for start-up applicants (i.e. with no historical financial information), and an assessment of financial viability risk for applicants/RTOs with historical financial information.

Financial risk indicators are indicators of the likelihood that quality training and assessment services and outcomes will not be achieved.

Suggested considerations for assessing financial risks that meet the requirements of the *AQTF Essential Conditions and Standards for Initial Registration* and *AQTF Essential Conditions and Standards for Continuing Registration* are at Attachment B to this guideline.

### Governance risk indicators

Governance risk indicators contribute to the risk rating for an applicant/RTO at initial registration and throughout the registration period.

Governance risk indicators focus on ensuring that an applicant/RTO has sufficient governance arrangements in place to deliver quality training and assessment services and outcomes.

The governance risk indicators are:

- Quality of business planning
- Transparency of ownership and management structure
- Skills and experience of senior officers and directors.

Governance risk indicators are indicators of the likelihood that quality training and assessment services and outcomes will not be achieved.

Suggested considerations for assessing governance risks that meets the requirements of the *AQTF Essential Conditions and Standards for Initial Registration* and the *AQTF Essential Conditions and Standards for Continuing Registration* are at **Attachment C** to this guideline.

## Supplementary risk indicators

Supplementary risk indicators reflect the operating context of each RTO, and particular regulatory contexts.

Supplementary risk indicators contribute to the risk rating for an applicant/RTO at initial registration and throughout the registration period. Where relevant, they also influence the scope of an audit or monitoring activity.

The supplementary risk indicators may include:

- The scope of the registration application
- The delivery of training that leads to a licensed or regulated outcome
- The RTO delivering training to overseas students studying in Australia
- The RTO having multiple sites
- The delivery of training offshore
- Partnering or subcontracting arrangements
- The RTO accepting fees in advance from students
- The RTO delivering training to students under the age of 18
- The mode of delivery
- Compliance with and value of government training contracts.

Supplementary risk indicators are indicators of the potential impact if quality training and assessment services and outcomes are not delivered.

Indicator	Apply at		Contribute to Risk Rating
	Initial	Continuing	
<b>Performance</b>			
History of audit compliance	x	✓	Likelihood
Data from quality indicators	x	✓	Likelihood
History of Complaints	x	✓	Likelihood
<b>Financial</b>			
Financial projections	✓	x	Likelihood
Financial viability risk assessments	✓	✓	Likelihood
<b>Governance</b>			
Quality of business planning	✓	✓	Likelihood
Transparency of ownership /management structure	✓	✓	Likelihood
Skills and experience of senior officers and directors	✓	✓	Likelihood
<b>Supplementary</b>			
Scope of registration or proposed registration	✓	✓	Impact
Delivery of training leading to licensed or regulated outcome	✓	✓	Impact
RTO delivering training to overseas students in Australia	✓	✓	Impact
RTO having multiple sites	✓	✓	Impact
Delivery of training offshore	✓	✓	Impact
Partnering or subcontracting arrangements	✓	✓	Impact
Accepting fees in advance from students	✓	✓	Impact
Delivering training to students under 18	✓	✓	Impact
Mode of delivery (e.g. distance, on-line, work-based)	✓	✓	Impact

## Risk assessment

An applicant or RTO's risk rating is determined by evaluating information on risk indicators and:

- 1 Assessing the potential impact if quality training and assessment services and outcomes are not achieved
- 2 Assessing the likelihood that quality training and assessment services and outcomes will not be achieved
- 3 Determining the overall risk rating of the applicant or RTO.

## Impact

Information and data on the supplementary indicators are relevant to determine the potential impact of a failure to deliver quality training and assessment services and outcomes by the applicant or RTO.

The assessment of impact should consider the potential consequence to students, industry and the reputation of the VET sector.

<b>Severe</b>	Extreme disruption for a large number of students or industry or damage to the reputation of the VET sector. High risk of death or major injury.
<b>Major</b>	Significant disruption/inconvenience for large number of students or industry or damage to the reputation of the VET sector. High risk of injury
<b>Moderate</b>	Some disruption/inconvenience for students or industry or damage to reputation of the VET sector.
<b>Minor</b>	Minor or negligible disruption/inconvenience for students or damage to reputation of the VET sector.

## Likelihood

Information and data on the performance, financial and governance indicators are relevant to determining the potential likelihood of a failure of the applicant or RTO to deliver quality training and assessment services and outcomes. That is, likelihood considers the range of systems, controls and mitigating strategies that an applicant/RTO has or plans to implement, and that are apparent from the performance, financial and governance indicators.

Likelihood should be assessed as the highest probability that an applicant or RTO will not deliver quality training and assessment services and outcomes, arising from poor performance or financial or corporate collapse.

The following table may be used to rate potential likelihood:

<b>Almost certain</b>	Failure to deliver quality training and assessment services and outcomes is expected
<b>Likely</b>	Failure to deliver quality training and assessment services and outcomes will probably occur
<b>Possible</b>	Failure to deliver quality training and assessment services and outcomes might occur
<b>Unlikely</b>	Failure to deliver quality training and assessment services and outcomes is not expected to occur
<b>Very unlikely</b>	Failure to deliver quality training and assessment services and outcomes is expected to occur only in exceptional circumstances

## Overall risk rating

Consideration of the risk indicators and an assessment of potential impact and likelihood of the applicant or RTO failing to deliver quality training and assessment services and outcomes will inform an overall risk rating.

This guideline suggests four categories of risk rating: low, medium, high and extreme.

The table below can be used to determine an overall risk rating based on the impact and likelihood ratings of an applicant or RTO.

		Impact			
		Minor	Moderate	Major	Severe
Likelihood	Almost Certain	High	High	Extreme	Extreme
	Likely	Medium	High	High	Extreme
	Possible	Low	Medium	High	High
	Unlikely	Low	Low	Medium	Medium
	Rare	Low	Low	Low	Medium

The overall risk rating for the applicant/RTO will inform the scope and scheduling of audit activity, and other monitoring mechanisms.

The following table sets out possible responses by the registering body, based on the overall risk rating. Specific actions are discussed under 'Response' below.

Rating	Possible responses
<b>Extreme</b>	Immediate action required by the registering body of a type determined appropriate by the registering body.
<b>High</b>	Intolerable risk. Applicant/RTO to be audited and monitored. Other mitigation strategies may also be applied (conditions placed on the RTO's registration, etc.) as deemed appropriate by the registering body.
<b>Medium</b>	Risk mitigation through a program of audit and/or monitoring activity.
<b>Low</b>	Tolerable risk. No specific program of audit and/or monitoring activity required and may include a no audit option.

<sup>1</sup> Note that this guideline does not provide detailed instructions on how to calculate a risk rating (including weighting of risk factors), or assessment tools, although some suggestions are provided.

## Response: Assessment of applications and audits

The nature, frequency and scope of audits should be determined by the overall risk rating, derived from the assessment of performance, financial, governance and supplementary risks.

### Nature of audit

The response and approach to audits should vary depending on the overall risk rating and the category of risk indicator that has driven the overall risk rating. For example, if the likelihood of financial collapse is more probable than the likelihood of poor performance, then the focus of audits may be on financial results and financial position, rather than the operations of the RTO.

Audits by Registering Bodies may be:

- Site audits, conducted at the premises or proposed premises of an RTO or applicant and/or at locations where it delivers or proposes to deliver training and assessment
- Desk audits, where an RTO or applicant submits documents or information for assessment by the Registering Body as evidence of compliance with the *AQTF Essential Conditions and Standards for Continuing Registration* or the *AQTF Essential Conditions and Standards for Initial Registration*.

### Initial registration

At initial registration, the overall risk rating of an applicant cannot be determined until the information submitted to the Registering Body in support of the application is assessed. As such, on initial registration:

- A comprehensive desk based audit may be performed, focussing on:
  - Governance risk indicators
  - Financial risk indicators
- A site audit may be performed to examine an applicant’s preparedness to commence delivery.

### Renewal or change to scope of registration and ongoing monitoring

On renewal of registration or change to scope of registration, or for the purpose of monitoring RTO performance, the requirement for, and nature of the audit is based on the overall risk rating.

For example:

Extreme	High	Medium	Low
<i>Renewal</i> Extensive registering body intervention	<i>Renewal</i> Comprehensive site audit	<i>Renewal</i> Site or desk audit focussed on high risk indicators	<i>Renewal</i> Desk or site audit
<i>Change to scope</i> Extensive registering body intervention	<i>Change to scope</i> Desk or site audit focussing on significant changes	<i>Change to scope</i> Desk audit focussing on significant changes or self assessment	<i>Change to scope</i> Desk audit focussing on significant changes or self assessment
<i>Ongoing monitoring</i> Extensive registering body intervention	<i>Ongoing monitoring</i> Scheduled site or desk audits focussed on high risk indicators	<i>Ongoing monitoring</i> Site or desk audits focussed on high risk indicators	<i>Ongoing monitoring</i> Self assessment of compliance

## Frequency and scheduling of audits

The frequency and scope of audits should vary depending on the overall risk rating and the period since the RTO was last audited. At a minimum, an audit of some nature should be conducted:

- On initial registration
- Post registration – within one year of registration or commencement of training delivery
- On renewal of registration, based on the RTO's overall risk rating
- At intervals determined by the registering body and based on the RTO's risk rating.

RTOs rated extreme risk will receive immediate, extensive intervention of a nature deemed appropriate by the registering body.

RTOs rated high or medium risk may receive additional audits or monitoring:

- For high risk RTOs such additional audits should be scheduled and may focus on monitoring those indicators which present a higher risk
- For medium risk RTOs, additional audits may be scheduled to monitor higher risk indicators.

Other circumstances in which audits may be conducted include:

- National or jurisdictional strategic industry audits – The need for and scope of a national strategic industry audit is defined in consultation with all jurisdictions and representatives of the relevant industry. The need for and scope of a jurisdictional strategic industry audit is defined by the jurisdiction requiring the audit, in consultation with representatives of the industry
- Complaints against an RTO – The registering body decides how the complaint is to be investigated and this may include an audit
- Change to the management or operation of an RTO – Advice by an RTO in accordance with Condition 2 regarding a significant change in the ownership, management or operation of an RTO may trigger an audit. The registering body decides how the change is to be considered and this may include an audit
- Training that leads to a licensed or regulatory outcome - Where an agreement has been established with an industry regulator or licensing body, an application for registration must be managed in accordance with the agreement, and monitoring audits conducted in accordance with the agreement.

## Audit scope

The overall risk rating, the specific risk indicators identified as presenting a higher risk, and the supplementary risk indicators should determine the scope of audits.

## Initial registration

Applications for initial registration are generally the first source of risk information on applicants. On initial registration the audits should be comprehensive and focus on assessing compliance with all conditions and standards of the *AQTF Essential Conditions and Standards for Initial Registration*.

Information gathered during the initial registration audit will determine an RTO's initial risk rating.

## Renewal or change to scope of registration and ongoing monitoring

On renewal of registration, change to scope of registration or for the purpose of monitoring RTO performance, the scope of the audit, where required, should be based on:

- Elements of the registration that are changing
- Higher risk indicators – the assessment of performance, financial and governance risk indicators may impact the scope of any audit activity. Where such indicators are assessed at a likelihood level of 'likely' or above, they should be reflected in the scope of an audit
- Supplementary risk indicators.

The impact of supplementary risk indicators on the scope of an audit.

All audits should be scoped so that they focus on AQTF conditions and elements that are relevant to the applicant/RTO's risk rating. The sample of qualifications, courses and units must be chosen so that all industry areas are covered. An appropriate range of AQF levels is to be selected to ensure that the sample represents the range of qualifications, courses and units offered by the RTO or applied for by the applicant.

The supplementary risk indicators may influence the scope of an audit for RTOs with an overall risk rating of high, medium or low, as follows:

Risk indicator	High	Medium	Low
Scope of registration	The scope of an audit should directly reflect the scope of registration. An assessment of an applicant or RTO's suitability should consider the range of training and qualifications that it is or is proposing to deliver		
Training that leads to a licensed or regulated outcome	Where an arrangement has been established with an industry regulator or licensing body, an application for registration must be managed in accordance with the arrangement.		
Delivery to overseas students studying in Australia	A sample of AQF qualifications offered to overseas students will be included in the audit sample.		
RTOs with multiple training sites	At each audit a sample of training sites is audited in addition to the head office.	The registering body audits a sample of training sites at least once during the registration period.	
RTOs operating off-shore	Ensure evidence of compliance is assessed at least once during the registration period		
Partnering/ subcontracting arrangements	Audit a sample of partnering/ subcontracting arrangements at each audit	Audit a sample of partnering / subcontracting arrangements at least once during the registration period	
Fees taken in advance from students	Compliance with Condition of Registration 5 may be checked at audit against the <i>AQTF Essential Conditions and Standards for Continuing Registration</i> , particularly if the RTO accepts fees from individual students in advance of training delivery.		
Delivery of services to students under the age of 18 years	Compliance with relevant legislative requirements for the protection of children is checked at each audit.		
Mode of delivery	An audit takes into account the modes of delivery used and focuses on the risks of a learner not achieving competency to industry standards and the management of those risks		

RTOs rated extreme risk will receive extensive intervention of a nature deemed appropriate by the registering body.

## Attachment A: Considerations for assessing performance risks

Performance risk indicators focus on the performance of each RTO in delivering quality skills outcomes.

The performance risk indicators are:

- history of audit compliance
- data from quality indicators
- history of complaints.

Performance risk indicators are particularly relevant to the RTO's risk rating, as at initial registration there will commonly not be any performance information or data available to inform a risk assessment.

Performance risk indicators provide an indication of the adequacy of systems and controls that an RTO has implemented which mitigate the likelihood of a failure to deliver quality training and assessment services and outcomes.

Performance risks should be reviewed when new information on the performance of an RTO becomes available (e.g. through complaints or audits).

When assessing performance risk indicators to determine the likelihood of a failure to deliver quality training and assessment services and outcomes, a registering body may consider the following:

Almost certain	Likely	Possible	Unlikely	Very unlikely
Audit compliance: Recent history of <i>critical noncompliance</i> with AQTF <u>or</u>	Audit compliance: Recent history of <i>significant noncompliance</i> with AQTF <u>or</u>	Audit compliance: History of <i>significant noncompliance</i> with AQTF <u>or</u>	Audit compliance: Recent history of <i>compliance or minor noncompliance</i> with AQTF <u>or</u>	Audit compliance: History of <i>compliance</i> with AQTF <u>and</u>
Quality indicators data reflects <i>very poor performance</i> <u>or</u>	Quality indicators data reflects <i>poor performance</i> <u>or</u>	Quality indicators data reflects <i>marginal performance</i> <u>or</u>	Quality indicators data reflects <i>high standard of performance</i> <u>or</u>	Quality indicators data reflects <i>high standard of performance</i> <u>and</u>
History of verified complaints demonstrating <i>critical noncompliance</i>	History of verified complaints demonstrating <i>significant noncompliance</i>	History of verified complaints demonstrating <i>minor noncompliance</i>	No history of verified complaints	No history of verified complaints

## Attachment B: Considerations for assessing financial risk

Financial risk indicators focus on the financial performance and position of an applicant/RTO and the potential impact on the delivery of quality training and assessment services and outcomes.

This requires an assessment of the appropriateness of the assumptions underlying the financial projections of applicants that have no financial history (i.e. a new entity), and an assessment of financial viability risk for RTOs or applicants that have financial history (i.e. an existing entity).

An assessment of financial projections should include an assessment of the source and reliability of the evidence supporting the assumptions underlying the projections. Independent reviews of financial projections should have regard to the Australian Audit and Assurance Standards, *AUS 804 The Audit of Prospective Financial Information and ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

An assessment of financial risk can be undertaken by assessing common indicators of financial performance and position. These may include but are not limited to the following indicators:

- Liquidity risk – including current ratio and cash flow assessments
- Financing risk – including debt to assets assessment, debt to equity assessment
- Revenue, profit and cash flow risk
- Audit opinion
- Contingencies
- Accounting policies – impact of the organisation’s accounting policies on its financial risk.

Information that could be used to assess these common indicators and make a determination about financial viability risk may include but not be limited to:

- Financial projections for applications for initial registration
- Independent reviews of financial projections including underlying assumptions
- Audited financial statements
- Financial records for the previous 12 months, including profit and loss, balance sheets, cash flow and bank accounts
- Short term budgets and forecasts, including assumptions
- Information on current and projected student enrolments, including assumptions
- Tax records
- Information about current debts and debtors, credits and creditors, loans and repayment plans, and information on any legal disputes.

## Attachment C: Considerations for assessing governance risks

Governance risk indicators focus on ensuring that an applicant/RTO has sufficient governance arrangements in place to deliver quality training and assessment services and outcomes.

The governance risk indicators are:

- Quality of business planning
- Transparency of ownership and management structure
- Skills and experience of senior officers and directors.

### Quality of business planning

In assessing the quality of business planning undertaken, the registered body may consider information including but not limited to:

- Evidence of market research and budget projections, including details of assumptions underlying projections (revenue, student enrolments etc.)
- Clarity and realism of objectives and strategies for achieving the objectives
- Demonstrated understanding of the *AQTF Essential Conditions and Standards for Continuing Registration*
- Appropriate consideration of financial resources, staffing and assets required to deliver the plan
- A comprehensive risk plan and appropriate mitigation strategies
- Appropriate governance structure with clear and transparent roles and accountabilities.

### Transparency of ownership and management structures

In assessing the quality of transparency of ownership and management structures, the registering body may consider information including but not limited to:

- Complexity of ownership structures – i.e. can the ultimate business owners be easily identified and held accountable (this may include whether or not they are based in Australia)
- Transparency of management responsibilities/reporting lines
- Adequacy of management controls in place
- Whether the organisation has any existing domestic operations

### Skills and experience of senior officers and directors

In assessing the skills and experience of senior officers and directors who are in a position to influence the management of the organisation, the registering body may consider information including but not limited to:

- Level of educational expertise and background of senior officers
- The extent of prior experience of senior officers in managing an RTO
- The extent of prior experience of directors in the business of an RTO
- The level and quality of independent educational expertise available to senior officers and directors
- Extent to which control of the RTO/applicant is based in the jurisdiction of registration
- Evidence of involvement of senior officers and directors in business planning

## Attachment D: Principles and guidelines for protecting student fees paid in advance

The five Options available under AQTF Condition 5 for an RTO to collect student fees in advance are designed to protect individual students in the event that the RTO is unable to deliver the training, assessment and support services agreed with the student.

This Attachment describes the principles that a Registering Body is to apply in considering applications for an alternative fee protection measure of equal rigour (Option 5). The principles described have been approved by the National Quality Council (NQC).

### Principles underpinning the approval of an alternative fee protection measure of equal rigour (Option 5)

This option provides Registering Bodies with the power to approve alternative fee protection measures. This ensures the Registering Body has the flexibility under Condition 5 to consider and endorse alternative fee protection measures based on their individual merits. In the spirit of national consistency and transparency, the NQC requests that upon approving an alternate fee protection measure, the Registering Body informs all other Registering Bodies and the sector more broadly of alternative measures approved for use by their RTOs.

An alternative fee protection measure:

- Must have a primary purpose of protecting student fees paid in advance;
- Must apply when the agreed training and assessment for which the student has paid for in advance is not provided<sup>1</sup> and the RTO is unable to refund the student the fees paid in advance for the agreed training and assessment that the RTO is unable to provide, no matter the reason;
- Is of equal rigour with at least one of Option 3 or Option 4 (i.e. the two Options specific to fee protection), such that students are no worse off than if they received training and assessment from an RTO covered under either Option 3 or Option 4;
- Is unable to be changed without the prior approval of the Registering Body;
- Is accompanied by appropriate communication to students that are undertaking courses / qualifications covered by the alternative fee protection measure;
- Is independent from RTO policies that dilute, or that can be changed to dilute, the level of fee protection offered to students;
- Must apply in the case of external administration or similar arrangements of either the RTO or the body to which the risk applies (i.e. parent companies);
- Must be willing to provide information and data to the Registering Body upon request;
- Ensures funds are available / held in such a way that they can refund individual students the fees paid in advance for agreed training and assessment services not provided, at short notice and when required; and
- Is underpinned by appropriate legal arrangements, which are expressed formally and have the force of a contract.

The approval of an alternative fee protection measure can be revoked by the Registering Body at any time. In doing so the Registering Body is to have regard to any transitional arrangements that may be required for RTOs to transition to an alternative measure to protect student fees paid in advance.

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<sup>1</sup>The definition of 'not provided' is to be based on pre-determined benchmarks described in the alternative fee protection measure application to the Registering Body, and agreed to by RTOs that are covered under the protection measure.

# AQTF NATIONAL GUIDELINE FOR INDUSTRY BODY ENGAGEMENT

Australia has a national training system comprising three key elements which promote quality and national consistency in terms of qualifications and training outcomes. These elements are Training Packages, the Australian Qualifications Framework (AQF) and the Australian Quality Training Framework (AQTF). Collectively they are referred to as the National Skills Framework.

The Council of Australian Governments (COAG) Regulation Reform Agenda aims to remove differences in regulation across government jurisdictions in Australia. The intention is to develop a more seamless national economy and to minimise red tape across the nine jurisdictions.

This COAG intention is reflected in the AQTF principle of national recognition which requires all states and territories to recognise AQF qualifications and statements of attainment issued by training organisations registered in any jurisdiction.

COAG's Regulation Reform Agenda is evident in measures to enable people with trade qualifications and licences to move more freely around Australia. From February 2007, arrangements were put in place to make it easier for licensed tradespeople and authorities that issue licences to know what licence a worker is entitled to when applying for a licence in another jurisdiction. The requirements cover licences issued to a number of occupations. The list of specified occupations for which a joint licence will be issued is available at [www.licencerecognition.gov.au](http://www.licencerecognition.gov.au). This website enables industry regulators, registering bodies and people in licensed occupations to look up a licence entitlement in another state or territory, based upon the currently held licence. Some licence-holders will find that 'no equivalent licence' is stated. In these cases, workers can still apply for individual assessment as they have always been able to. As work continues through COAG, to improve arrangements that would enhance labour mobility across Australia, additional vocationally trained, licensed occupations will be included on the website.

In July 2008 COAG agreed to the development of a national licensing system in the context of its broader agenda for regulatory reform. The National Occupational Licensing Law is scheduled for introduction to and passage through the Victorian Parliament in mid 2010, with other jurisdictions being scheduled to adopt that legislation by the end of 2010 and initial implementation from 1 July 2012.

Industry regulators and Industry Skills Councils, hereafter called industry bodies, are significant stakeholders whose roles impact upon the implementation of the AQTF and, consequently, the quality of training and assessment in vocational education and training (VET). Industry regulators specify requirements for licences in occupations that they regulate. Industry Skills Councils develop Training Packages which incorporate licensing requirements and which are reflected in qualifications and/or statements of attainment.

The AQTF National Guideline for Industry Body Engagement is for the use of registering bodies, industry regulators, and Industry Skills Councils. It forms part of a range of measures to build regulator confidence that the training and assessment practices of Registered Training Organisations (RTOs) meet industry regulatory requirements.

This Guideline establishes how registering bodies, industry regulators, and industry skills councils engage in the quality assurance arrangements for training and assessment in the vocational education and training (VET) sector. The roles and responsibilities of these industry bodies relevant to this Guideline are described below.

## Industry Regulators

- Identify the Australian Qualification Framework qualifications and/or units of competency that are required for licences in the occupations they regulate
- Negotiate with the registering body to agree on any additional measures required to strengthen existing quality assurance arrangements so that appropriate standards of training and assessment services are maintained by RTOs
- Support these additional measures through the provision of advice, the nomination of technical advisers and other resources, and through participation in audits
- Since December 2008, recognise VET qualifications or statements of attainment issued by RTOs listed on the National Training Information Service as meeting all of the skill-related eligibility requirements for gaining a licence in relevant regulated occupations.

## Industry Skills Councils

- Develop Training Packages to meet the current and future needs of industry. Training Packages incorporate licensing, legislative and regulatory requirements and are used to recognise and assess people's skills in a specific industry, industry sector or enterprise which are reflected in qualifications and statements of attainment
- Support the development, implementation and continuous improvement of high quality training and workforce development products and services, including Training Packages which incorporate licensing, legislative and regulatory requirements and cover a range of specified occupational outcomes
- Support quality assurance arrangements so that appropriate standards of training and assessment are maintained by RTOs through the provision of advice, the nomination of technical advisers and other resources, and if appropriate, participation in audit teams established by registering bodies.

## Registering Bodies

- Identify the quality assurance measures for training and assessment required by each Training Package
- Inform each industry regulator within its jurisdiction of current quality assurance arrangements for applicants/RTOs delivering and assessing qualifications and/or units of competency required for occupational licences
- Negotiate with the industry regulators within its jurisdiction to identify and agree on additional quality assurance measures that may be required
- Implement these quality assurance measures for applicants/RTOs that have been approved to deliver qualifications and/or units of competency required for occupational licences.

This Guideline and any arrangements made in accordance with it formalise the commitment of each registering body to engage with industry regulators and industry skills councils in the quality assurance arrangements for the VET sector.

The registering body that registered a training organisation is responsible under legislation for verifying that an applicant/RTO can operate in compliance with the *AQTF Essential Conditions and Standards for Initial Registration/AQTF Essential Conditions and Standards for Continuing Registration*. The registering body operates in accordance with the legislation under which it is established and consistent with the *AQTF Standards for State and Territory Registering Bodies*. This ensures that each applicant/RTO is treated in accordance with principles of natural justice and procedural fairness.

To support the operation of a national VET system, national guidelines have been approved by the Ministerial Council for Tertiary Education and Employment (MCTEE) National Senior Officials Committee (NSOC) and the National Quality Council (NQC). Registering bodies work to ensure that these guidelines are interpreted and implemented consistently.

These guidelines are available at [www.training.com.au](http://www.training.com.au).

## Operating principles

The following principles underpin national industry body engagement in the application of quality assurance against the AQTF:

### Principle 1 – Consistency

The registering body will ensure that the quality assurance arrangements agreed between it and an industry body to apply in a given jurisdiction do not restrict the national recognition of VET certification issued by RTOs from other jurisdictions.

### Principle 2 – Effectiveness

The registering body will manage industry body engagement to ensure the focus of quality assurance is on the *AQTF Essential Conditions and Standards for Initial Registration/AQTF Essential Conditions and Standards for Continuing Registration* and on the enhancement of the quality of training and assessment outcomes.

### Principle 3 – Proportionality

The registering body will ensure that the quality assurance arrangements agreed with an industry body require assessment of an applicant/RTO to be in proportion to the level of risk associated with the training and assessment to be/being undertaken by the applicant/RTO.

### Principle 4 – Responsiveness

The registering body will ensure that arrangements in place with an industry body to participate in quality assurance do not unfairly or unreasonably delay, inhibit or disadvantage the provision of training and assessment services by an applicant/RTO.

### Principle 5 – Transparency

The registering body will clearly inform applicants/RTOs of the roles and responsibilities of the industry bodies that apply in any quality assurance process.

## Protocols

Registering bodies observe the following protocols in the management of industry body engagement in AQTF quality assurance.

### 1. Arrangements are formalised

Arrangements for industry engagement in quality assurance between an industry body and the registering body are documented, formally agreed and may be reviewed at the request of any of the parties at any time.

### 2. Competence of technical advisers is specified in arrangements

Arrangements between the registering body and an industry body that include identifying or nominating technical advisers to join an audit team or to advise on specific aspects of regulatory arrangements, will identify the technical and other attributes specifically required by advisers. The role and personal attributes for technical advisers is outlined in the *AQTF Audit Handbook* (Section 7).

### 3. Confidentiality

Each party ensures that information exchanged between them is treated confidentially.

### 4. Conflict of interest

An industry body must declare a real or potential conflict of interest, such as in circumstances where they are also an RTO, or provide consultancy services to an RTO that is being audited.

### 5. Sharing of information

Registering bodies and the relevant industry body communicate with each other (where appropriate) on issues arising from, and action taken in relation to, the quality of outcomes from VET.

### 6. National guidelines are followed

Industry body engagement is in accordance with relevant national guidelines.

### 7. Complaints

Complaints received from industry bodies about RTOs and the decisions or performance of a registering body are managed in accordance with the AQTF National Guideline for Responding to Complaints about vocational education and training quality.

### 8. Professional development is provided

Registering bodies ensure that professional development is provided (as required) to auditors and registering body staff for the purposes of fulfilling the registering bodies' obligations under arrangements with industry bodies.

Registering bodies contribute to the professional development of technical advisers in relation to VET and the AQTF.

## Options for industry body engagement

The following is a list of options that may be agreed in collaborative arrangements between registering bodies and industry bodies. In finalising any documented arrangements the parties would agree on which, if any, of these options are included:

### 1. Pre-assessment of a training organisation's resources

When the industry body receives notification from the registering body that it has received an application for registration, the industry body may conduct a review of the applicant organisation's resources prior to the registering body conducting an audit.

### 2. Industry body participating in the audit process

The industry body participates in a site audit to check the training resources and assessment tools.

### 3. Regulatory processes of the industry regulator

An audit is initiated on one or more RTOs as a result of issues detected through a regulatory process undertaken by the industry regulator.

### 4. Strategic audit

Where a specific area of risk has been identified, the industry body may be engaged to participate in a strategic audit by the registering body.

### 5. Preferred learning and assessment resources

Industry body and registering bodies may agree on preferred learning and assessment resources for use by RTOs as a guide for auditors in contributing to the continuous improvement of RTO training and assessment services.

### 6. Trainer and assessor requirements

The agreement between industry regulators and registering bodies may include additional requirements for trainers and assessors if these are legislated requirements for licensing purposes.

Where applicable, these additional requirements for trainers and assessors may be included in the Assessment Guidelines of the relevant Training Package.

### 7. Industry database

The industry regulator maintains a database of approved trainers and assessors. Certification specifies the name of the trainer and assessor so that industry regulators may issue a licence with the knowledge that it has been delivered by an approved trainer and assessor.

### 8. Application to industry body for 'in principle' approval

An organisation applies to the industry body for 'in principle' approval to deliver training and assessment services before applying for registration with the registering body.

## 9. Sampling students nearing completion of their training

The industry body visits a sample of RTOs or workplaces with the registering body to evaluate their assessment processes and the skill outcomes of apprentices/students nearing completion of their training.

## 10. Industry assessor networks

The Industry Skills Council provide opportunities for trainers and assessors to network and participate in validation activities and maintain current industry knowledge and understanding of skills by establishing industry-specific assessor networks. purposes of fulfilling the registering bodies' obligations under arrangements with industry bodies.

Registering bodies contribute to the professional development of technical advisers in relation to VET and the AQTF.

## Additional resources

There are several resources which may be read in conjunction with these guidelines.

These resources are accessible via dedicated websites.

For further information regarding the AQTF users can access national AQTF documentation which is published on [www.training.com.au](http://www.training.com.au).

For current information regarding the occupational areas for which a joint licence will be issued users should go to [www.licencerecognition.gov.au](http://www.licencerecognition.gov.au).

# TERMINOLOGY

The following terms are common to the VET sector and are used in the AQTF documents. Each term is followed by a definition and, where appropriate, further explanation. If the definition of a word or phrase listed below is inconsistent with the definition of the same word or phrase used in specific legislation, the definition provided in that legislation takes precedence.

Anonymous Complaint	An anonymous complaint is one which is lodged by a person or entity who has not identified themselves
Appeal	Refer to Review
<i>AQTF Essential Conditions and Standards for Initial Registration</i>	The requirements an organisation must meet in order to become a registered training organisation (RTO). <i>The AQTF Essential Conditions and Standards for Initial Registration</i> comprise: a) Conditions of Registration b) Standards and underpinning elements
<i>AQTF Essential Conditions and Standards for Continuing Registration</i>	The requirements a registered training organisation (RTO) organisation must meet in order to maintain its registration. <i>The AQTF Essential Conditions and Standards for Continuing Registration</i> comprise: a) Conditions of Registration b) Standards and underpinning elements c) Quality Indicators.
Audit	A planned, systematic and documented process used to assess an applicant's or an RTO's compliance with the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or the <i>AQTF Essential Conditions and Standards for Continuing Registration</i> . Registering bodies conduct audits as a condition of registration. RTOs can conduct internal audits to assess their compliance with the Standards and their own policies and procedures as part of their continuous improvement process.
Australian Qualifications Framework (AQF)	The policy framework that defines all qualifications recognised nationally in post-compulsory education and training in Australia. The AQF comprises titles and guidelines that define each qualification, as well as the principles and protocols covering cross-sectoral qualification links and the issuing of qualifications and Statements of Attainment.

Australian Quality Training Framework (AQTF)	<p>The Australian Quality Training Framework (AQTF) is a set of nationally agreed quality assurance arrangements for training and assessment services delivered by training organisations. The first version of AQTF was implemented in 2001, and revised in 2002 and 2007. This version of the AQTF was implemented 1 July 2010.</p> <p>The AQTF comprises:</p> <ul style="list-style-type: none"> <li>a) <i>AQTF Essential Conditions and Standards for Initial Registration</i></li> <li>b) <i>AQTF Essential Conditions and Standards for Continuing Registration</i> (including the AQTF Quality Indicators)</li> <li>c) <i>AQTF Standards for State and Territory Registering Bodies</i></li> <li>d) <i>AQTF Excellence Criteria</i></li> <li>e) <i>AQTF Standards for Accredited Courses</i></li> <li>f) <i>AQTF Standards for State and Territory Course Accrediting Bodies.</i></li> </ul>
Benchmarking	<p>The continuous process of measuring and comparing products, services and practices with comparable systems or organisations both inside and outside the VET sector for the purpose of continuous improvement.</p>
Compliance	<p>The requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i> and the <i>AQTF Essential Conditions and Standards for Continuing Registration</i> have been met, based on the evidence reviewed</p>
Complaint	<p>A complaint is any expression of dissatisfaction with an action product or service of an education and training provider (or of the registering body) made to the registering body.</p>
Desk audit	<p>An audit where an applicant seeking registration or an RTO submits documents or information to the registering body to be assessed as evidence for compliance with the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or the <i>AQTF Essential Conditions and Standards for Continuing Registration</i></p>
Excellence criteria	<p>A set of criteria in the AQTF against which an RTO may self-evaluate for quality improvement.</p>
Fit and proper person requirements	<p>Individual characteristics or past behaviour standards that must be met by individuals who are in a position to influence the management of an RTO. Failure to meet the requirements may impact on the suitability of the individual to contribute to the delivery of education and training. A test of whether an individual satisfies fit and proper person requirements may consider past criminal convictions, any record of registration cancellations or conditions on registration, a history of personal bankruptcy or insolvency, disqualifications under the Corporations Act 2001 and other relevant matters.</p>
History of complaints	<p>History of complaints is the aggregation of substantiated complaints directly related to the quality of training and assessment.</p>
Industry regulator	<p>A body or organisation responsible for the registration and licensing arrangements within a specific industry.</p>

Industry Skills Councils (ISC)	National bodies recognised and funded by the Australian Government to develop and maintain Training Packages specific to the industry area(s) for which they have coverage.
Licences	Has the same meaning as 'registration' under the Mutual Recognition Act 1992, and also covers negative licensing, and in addition includes any equivalent registration going to a business entity, however constituted, required by or under legislation to work within a specified occupational area. (National Licensing System for Specified Occupations April, 2009.)
Multi-site delivery	An arrangement in which an RTO manages delivery and assessment from a site or sites other than its head office. This definition includes inter-jurisdiction delivery as well as transnational/offshore delivery.
National Skills Framework (NSF)	The system of VET that sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training. The NSF applies nationally, and has been endorsed by the Ministerial Council for Tertiary Education and Employment (MCTEE).
National Training Information Service (NTIS)	The national register for recording information about RTOs, Training Packages and accredited courses. NTIS is part of the National Skills Framework.
Non-compliance	<b>Non-compliance</b> The requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or <i>AQTF Essential Conditions and Standards for Continuing Registration</i> have not been met, based on the evidence reviewed. There are three categories of non-compliance, each explained below.
	<b>Minor non-compliance</b> The requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or <i>AQTF Essential Conditions and Standards for Continuing Registration</i> have not been met based on the evidence reviewed, but there is no or minor adverse impact on learners and/ or other consumers of goods and services produced in the training environment or the current (or future) workplace.
	<b>Significant non-compliance</b> The requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or <i>AQTF Essential Conditions and Standards for Continuing Registration</i> 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.
	<b>Critical non-compliance</b> The requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i> or <i>AQTF Essential Conditions and Standards for Continuing Registration</i> have not been met based on the evidence reviewed and there is a critical adverse impact on learners and/or consumers of goods and services produced in the training environment or the current (or future) workplace.

Occupational area	An occupation, trade or profession specified by COAG or Ministerial Council for inclusion in the national licensing system.
Outcomes-focussed auditing	An audit approach in which the primary role for the audit team is to confirm that outcomes from RTO processes meet the requirements of the standards. This decision will be informed by data collected in relation to Quality Indicators and other evidence provided by the RTO.
Qualification	Qualification is defined as follows: formal certification, issued by a relevant approved body, in recognition that a person has achieved learning outcomes or competencies relevant to identified individual, professional, industry or community needs.
Quality assurance processes (audit)	Quality assurance processes are concerned with establishing appropriate processes for audit. It is an input approach to audit quality management.
<b>Quality Indicators</b>	<p>Quality Indicators are a set of three indicators which are part of the <i>AQTF Essential Conditions and Standards for Continuing Registration</i>.</p> <p>When considered in the context of the RTO's business, data against the Quality Indicators provides a measure of the RTO's performance and the quality of outcomes it is achieving for clients.</p> <p>Three Quality Indicators have been identified as being useful for the purpose of continuous improvement within RTOs and to inform the risk profile of RTOs as established by registering bodies. The Quality Indicators are:</p> <ul style="list-style-type: none"> <li>• Employer satisfaction (including satisfaction with competency development and the quality of training and assessment). This indicator focuses on employers' evaluations of learners' competency development, its relevance to work and further training, and the overall quality of training and assessment.</li> <li>• Learner satisfaction (learner engagement and competency development). This indicator focuses on the extent to which learners are engaging in the types of activity that are likely to promote high-quality skills, as well as on learners' perceptions of the quality of their competency development and the support they receive from RTO.</li> <li>• Competency completion rate. This will be calculated for qualifications and units of competency or modules delivered, based on data provided by RTOs about: <ul style="list-style-type: none"> <li>— the number of enrolments in the previous calendar year, and</li> <li>— the number of qualifications completed and/or units of competency or modules awarded in the previous calendar year.</li> </ul> </li> </ul>
Quality review processes (audit)	Quality review processes are concerned with the review of the audit tools, processes and judgements to make improvements for future implementation. It is a retrospective approach to audit quality management.
Registered Training Organisation (RTO)	A training organisation registered by a jurisdiction registering body in accordance with the <i>AQTF Essential Conditions and Standards for Continuing Registration</i> within a defined scope of registration. See also Scope of registration.

Registering body	The authority responsible, under the VET legislation and decision-making framework, and in accordance with the <i>AQTF Standards for State and Territory Registering Bodies</i> , for registering training organisations, including all the processes relating to registration and the imposition of sanctions on RTOs.
Registration	<p>Formal recognition by a registering body, in accordance with the <i>AQTF Standards for State and Territory Registering Bodies</i>.</p> <p>A training organisation must be registered in order to deliver and assess nationally recognised training and issue nationally recognised qualifications.</p> <p><b>Initial registration</b> is when a training organisation meets the requirements of the <i>AQTF Essential Conditions and Standards for Initial Registration</i>.</p> <p><b>Continuing registration</b> is when a registered training organisation continues to meet the requirements of the <i>AQTF Essential Conditions and Standards for Continuing Registration</i>.</p> <p><b>Re-registration</b> refers to the process of seeking another registration period as a registered training organisation.</p>
Regulated occupation	Characterised by restrictions on entry which are based upon training or education or experience and which is subject to a registration requirements.
Review	A review process is whereby a person or an organisation (including an RTO) disputes a decision made by the registering body, and this could be inclusive of appeals and formal review processes.
Risk indicators	<p><b>Performance risk indicators</b> Performance risk indicators are indicators that reflect the performance outcomes from audit compliance, data from quality indicators and complaints history. They are indicators of the likelihood that quality skills outcomes will not be achieved.</p> <p><b>Financial risk indicators</b> Financial risk indicators are indicators that reflect the financial health of an applicant/RTO and the potential impact on the delivery of quality skills outcomes. They are indicators of the likelihood that quality skills outcomes will not be achieved.</p> <p><b>Governance risk indicators</b> Governance risk indicators are indicators that reflect the adequacy of governance structures in place to deliver quality skills outcomes. Indicators of Governance risk include quality of business planning and transparency of ownership and management structure. They are indicators of the likelihood that quality skills outcomes will not be achieved.</p> <p><b>Supplementary risk indicators</b> Supplementary risk indicators are indicators that reflect aspects of the applicants/RTO operations. They are indicators of the potential impact if quality skills outcomes are not delivered and may also influence the scope of an audit or monitoring activity.</p>

Sanction	<p>An action that a registering body imposes on an RTO for non-compliance with the <i>AQTF Essential Conditions and Standards for Continuing Registration</i>. Sanctions may include:</p> <ul style="list-style-type: none"> <li>• The imposition of specific conditions on the RTO's registration (which can cover any aspect of its registration, including its scope of registration, the locations where it may provide training or the type of delivery and assessment activities it may provide)</li> <li>• Amendment of registration (including a reduction in the RTO's scope of registration)</li> <li>• Suspension of registration</li> <li>• Cancellation of registration.</li> </ul>
Scope of registration	<p>The particular services and products that an RTO is registered to provide. The RTO's scope defines the specific AQF qualifications, units of competency and accredited courses it is registered to provide, and whether it is registered to provide:</p> <ul style="list-style-type: none"> <li>• Both training delivery and assessment services, and to issue the relevant AQF qualifications and Statements of Attainment, or</li> <li>• Only assessment services, and to issue AQF qualifications and Statements of Attainment.</li> </ul>
Senior officer	<p>A senior officer includes directors, secretaries and other people who manage an RTO. A senior officer of an RTO that is neither an individual nor a corporation means a partner in the partnership if the entity is a partnership or an office holder of the unincorporated association if the entity is an unincorporated association. It can also include a person who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the entity or who has the capacity to affect significantly the entity's operations or financial standing.</p>
Site audit	<p>An audit conducted by a registering body at the premises of an applicant seeking registration or an RTO and/or at locations where it delivers training and assessment</p>
Specified occupation	<p>See Occupational Area</p>
Statement of Attainment	<p>A Statement of Attainment is issued by a registered training organisation when an individual has completed one or more units of competency/modules from nationally recognised qualification(s)/course(s).</p>
Strategic audit	<p>Where a specific area of risk has been identified, a strategic industry audit is conducted to confirm that a RTO's training and assessment services are meeting the requirements of a particular industry or licensing authority.</p>

Substantial shareholder	Substantial shareholders in a listed company are those who hold an interest in 5% or more of the total number of votes attached to the voting shares in a company. Substantial shareholders in an unlisted company are those who hold an interest in 25% or more of the total number of votes attached to the voting shares in a company.
Validation (audit)	In relation to audit, validation involves reviewing and making recommendations for future improvement to the audit tools and processes. This may include checking the validity, reliability, transparency and cost effectiveness of the audit tools and reporting processes. It may involve reviewing audit evidence and checking the appropriateness of judgements made against the specified condition or standard.

# AQTF NATIONAL PUBLICATIONS

## Registered Training Organisations will use these documents

<p><i>AQTF Essential Conditions and Standards for Initial Registration</i></p>	<p>The <i>AQTF Essential Conditions and Standards for Initial Registration</i> applies to applicants seeking registration as an RTO. This publication lists AQTF requirements including:</p> <ul style="list-style-type: none"> <li>• Conditions of Registration</li> <li>• Three Standards relating to training and assessment, client services and management systems</li> </ul>
<p><i>AQTF Essential Conditions and Standards for Continuing Registration</i></p>	<p>The <i>AQTF Essential Conditions and Standards for Continuing Registration</i> applies to all RTOs. This publication lists AQTF requirements for RTOs including:</p> <ul style="list-style-type: none"> <li>• Conditions of Registration</li> <li>• Three Standards relating to training and assessment, client services and management systems</li> <li>• A set of RTO Quality Indicators.</li> </ul>
<p><i>AQTF Users' Guide to the Essential Conditions and Standards for Initial Registration</i></p>	<p>This guide assists applicants seeking registration, registering bodies and auditors to interpret and apply the Standards</p>
<p><i>AQTF Users' Guide to the Essential Conditions and Standards for Continuing Registration</i></p>	<p>This guide assists RTOs, registering bodies and auditors to interpret and apply the Standards</p>

## Registering Body will use these documents

<p><i>AQTF Standards for State and Territory Registering Bodies</i></p>	<p>This document lists the standards that apply to a registering body. It includes:</p> <ul style="list-style-type: none"> <li>• Three Standards</li> <li>• Quality Indicators for assessing registering body performance</li> <li>• A set of operational protocols to ensure national recognition of registration decisions.</li> </ul>
<p><i>AQTF National Guidelines for a Registering Body</i></p>	<p>The <i>AQTF National Guidelines for a Registering Body</i> includes six guidelines that relate to various operations of a registering body:</p> <ul style="list-style-type: none"> <li>• AQTF National Guideline for Audit Consistency</li> <li>• AQTF National Guideline for Conducting Audits of the Interjurisdiction Operations of an RTO</li> <li>• AQTF National Guideline for Managing Non-compliance</li> <li>• AQTF National Guideline for Responding to Complaints about Vocational Education and Training Quality</li> <li>• AQTF National Guideline for Risk Management</li> <li>• AQTF National Guideline for Industry Body Engagement</li> </ul>

<i>AQTF National Guideline for Audit Consistency</i>	This guideline provides a framework for capacity building and for the development and continuous improvement of auditor performance. It describes the processes used to ensure that auditors have a consistent approach to audit.
<i>AQTF National Guideline for Conducting Audits of the Interjurisdiction Operations of an RTO</i>	This guideline describes the national agreed processes related to conducting audits of the inter jurisdiction operations of RTOs. It includes principles and protocols for conducting audits in other jurisdictions.
<i>AQTF National Guideline for Managing Non-compliance</i>	This guideline describes the nationally consistent approach each registering body uses to respond to the outcomes of audit that highlight any non-compliance with the <i>AQTF Essential Conditions and Standards for Initial Registration and AQTF Essential Conditions and Standards for Continuing Registration</i> .
<i>AQTF National Guideline for Responding to Complaints about Vocational Education and Training Quality</i>	This guideline describes the nationally agreed complaint handling process available to resolve concerns about Vocational Education and Training Quality. It sets out principles, protocols and the complaints handling process.
<i>AQTF National Guideline for Risk Management</i>	This guideline describes the nationally consistent risk management approach to be used by a registering body in decisions about scheduling and scope of audits.
<i>AQTF National Guideline for Industry Body Engagement</i>	This guideline describes how industry bodies can be engaged in the quality assurance arrangements. It sets out the roles and responsibilities of the registering body and regulators and includes a set of principles, protocols and options for industry engagement.
<b>Auditors will use this document</b>	
<i>AQTF Audit Handbook</i>	This Handbook is a key tool for auditors in applying the outcomes-focused audit model. It describes the principles that underpin a nationally consistent, risk-managed approach to AQTF audits. Auditors will also use the <i>AQTF Essential Conditions and Standards for Initial Registration and the AQTF Users' Guide to the Essential Conditions and Standards for Initial Registration</i> . Auditors will also use the <i>AQTF Essential Conditions and Standards for Continuing Registration and the AQTF Users' Guide to the Essential Conditions and Standards for Continuing Registration</i> .

The AQTF is underpinned by the principle of transparency. All stakeholders in the VET system should have access to documents detailing the different components of AQTF. All national documents are available for download from the national website: [www.training.com.au](http://www.training.com.au).

The Excellence Criteria focus on encouraging overall high performance in training providers.

The full suite of AQTF Excellence Criteria documents is also available from [www.training.com.au](http://www.training.com.au).