



NATIONAL
QUALITY
COUNCIL

NATIONAL VET QUALITY MANAGEMENT ARRANGEMENTS

This paper outlines the key elements of Australia's quality assurance arrangements for vocational education and training (VET). These elements are:

1. Australian Quality Training Framework (AQTF);
2. Development and endorsement processes for Training Packages, including quality assurance arrangements;
3. Australian Qualifications Framework (AQF);
4. National quality governance arrangements.

Together these elements comprise the current quality management arrangements.

1. The Australian Quality Training Framework (AQTF)

A key element of the Australian VET system is the Australian Quality Training Framework, a national set of standards which assures nationally consistent, high-quality training and assessment services for clients of Australia's VET system. The standards are developed collaboratively with the Australian Government, state and territory governments, industry and training organisations under the auspices of the National Quality Council (NQC).

The current version was introduced in July 2007.

The AQTF standardises quality training with national guidelines and procedures, national audit arrangements, a national guide to deal with non-compliance, and national complaints guideline.

1.1 National Recognition

National recognition is the cornerstone of the AQTF and ensures the operation of a nationally consistent VET system. National recognition has two elements:

1.1.1 Recognition of Registered Training Organisations (RTOs)

Each state and territory recognises the decisions of all other states and territories in registering training organisations under AQTF. This enables an RTO to operate in any state or territory without a further registration process.

1.1.2 Accreditation of courses

To be eligible for accreditation, a course must be based on industry needs, must not duplicate qualification outcomes of Training Packages, must specify course assessment strategies, and identify course monitoring and evaluation processes. The final qualification must adhere to Australian Qualification Framework (AQF) descriptors. State accredited courses are nationally recognised.

1.2 National standards provide a national operating framework

The AQTF framework has been developed with three components: the Essential Standards for Registration for RTOs, Standards for Registering Bodies and the Excellence Criteria. A description of these elements follows.

1.2.1 The Essential Standards for Registration for RTOs

These essential standards contain the requirements an RTO must meet to be registered by their state and territory registering body to deliver and assess nationally recognised training, and issue nationally recognised qualifications. The requirements are:

- Three standards relating to training and assessment, client services and management systems (detailed at Attachment A);
- A set of quality indicators, or data to be collected, to help RTOs identify areas for improvement in its training and assessment services and to gauge how well they are meeting their clients' needs. The quality indicators are also used by the registering body to monitor the quality of an RTO's operations;
- A set of conditions of registration to be met while operating as a training provider. Chief Executive Officers of RTOs sign an agreement as part of the registration process undertaking to meet a set of conditions of registration. This agreement is lodged with the registering body. The conditions of registration address areas such as complying with legislation and financial management requirements, as well as the RTO's responsibilities with respect to participation in the national training system, issuing qualifications, and ethical marketing.

Continuing registration depends on an RTO's ongoing compliance with the AQTF Essential Standards for Registration. This is determined by the registering body through ongoing monitoring and auditing.

Information gathered by registering bodies on initial registration of an RTO

In addition to applicant details and scope of registration, information is collected on the applicant's previous history including:

- previous registrations;
- refused registrations;
- suspended registrations;
- convictions;
- bankruptcies; and
- disqualifications from managing corporations.

1.2.2 Standards for Registering Bodies

Each state and territory has its own registering body responsible for registering, auditing and monitoring 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 National Accreditation and Registration Authority (NARA) was established to provide audit and registration services for RTOs that operate in more than one Australian state or territory. These are known as multi-

jurisdictional RTOs. NARA is subject to the same requirements under AQTF as any state or territory registering body.

The standards for registering bodies specify:

- three standards and associated elements;
- quality indicators; and
- operating protocols for undertaking registration and auditing functions.

Each registering body is required to report annually to the NQC on its performance against the quality indicators, using qualitative and quantitative data agreed to by the NQC. Each registering body will be subject to ongoing monitoring and periodic auditing against the standards as determined by the NQC.

1.2.3. Excellence Criteria

A key objective of AQTF is to provide a performance continuum for RTOs. The Excellence Criteria component of AQTF is designed to do this. This component is a voluntary business framework that RTOs may use internally to continue improving the quality of their training and assessment, or to gain formal recognition of their performance through external evaluation.

The benefits of undergoing evaluation against the Excellence Criteria include formal recognition of consistent high-quality performance, significant marketing opportunities, and identification as an organisation progressing to world-class standards. Additional benefits are professional development and team building opportunities:

- identification of strengths and areas requiring further development;
- establishment of a framework to build a new business plan; and
- information exchange and benchmark opportunities through a network of participating organisations.

A live trial of the Excellence Criteria involving 16 RTOs was conducted during early 2008, with full implementation expected in 2009.

1.3 Other features of AQTF

1.3.1 The Risk Management Approach

AQTF includes a risk-based approach to managing the quality of training and assessment.

RTOs collect data on their performance and registering bodies monitor this data to track the quality of outcomes. Based on this monitoring, registering bodies then make decisions on frequency, and the scope and depth of audits of their RTOs. This forms part of the risk management model.

The extent to which each RTO is monitored and audited throughout its registration period is based on an assessment of risk using information about the RTO's performance and its operating context.

Risk assessment

When assessing the risk of an RTO at a given point of time, registering bodies take into account all relevant information about the RTO's current performance and its operating environment. Decisions on frequency, scope and depth of audits of RTOs are based on a range of agreed risks outlined in the AQTF National Guideline for Risk Management including:

- delivery of qualifications in areas subject to licenses;
- multi-site delivery including across jurisdictions; and
- offshore delivery.

The risk assessment process also involves each RTO being assessed by the registering body against performance and supplementary risk indicators. Performance risk indicators are:

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

The supplementary risk indicators that primarily influence the scheduling of audits include:

- the scope of the registration application;
- delivery of training that leads to a licensed or regulated outcome;
- the period since the RTO was last audited;
- compliance with and value of government training contracts;
- the RTO delivering training to overseas students studying in Australia;
- the RTO having multiple sites;
- the delivery of training offshore;
- partnership or subcontracting arrangements;
- the RTO accepting fees in advance from students;
- the RTO delivering training to students under the age of 18; and
- the mode of delivery.

The RTO's risk assessment is reviewed in the light of current evidence of performance. The risk information does not limit a registering body in acting on other information it may have about an RTO for the scheduling and conduct of audits. An annual analysis of risk data and information from RTOs is used to identify risk issues associated with particular RTO types.

Annual data and information collected, to help the registering body to monitor the quality of the RTO's operations

The registering body that registers RTOs is responsible under its legislation for verifying that each RTO continues to operate in compliance with the AQTF *Essential Standards for Registration*. The extent to which each RTO is monitored and audited throughout its registration period is based on the assessment of risk outlined above.

Registering bodies also make risk assessments of RTOs based on data on their performance against quality indicators. RTOs must collect and provide to their registering bodies data on:

- **Learner engagement** – the extent to which learners are engaging in activities likely to promote high-quality skill outcomes. This includes learner perceptions of the quality of their competency development and the support they receive or have received from RTOs.
- **Employer satisfaction** – employer evaluation of learner competency development and the relevance of learner competency to work and further train. Employer evaluation of the overall quality of the training and assessment.
- **Competency completion** – the number of enrolments and qualifications completed and units of competency awarded in the previous calendar year by each RTO.

The full implementation of the Quality Indicators component of the AQTF is expected in 2009.

Audits of RTOs

Under AQTF audits are conducted for registration, within 12 months of initial registration, on re-registration, variation to scope, following a complaint, and on a risk assessment basis during the five-year registration period.

The types of audits are:

- application for initial registration, extension to scope of registration or renewal of registration;
- post-initial audit, conducted within the first year of registration, to confirm that an RTO has deployed its planned approach to delivering training and assessment;
- monitoring audit to confirm that an RTO is continuing to comply with the AQTF *Essential Standards for Registration*;
- national strategic industry audit, conducted to confirm that an RTO's training and assessment services are meeting the requirements of a particular industry or licensing authority; and
- investigating a complaint made against an RTO.

Information gathered on RTOs in an audit.

The audit report covers a description of the evidence reviewed against the standards and elements under the AQTF *Essential Standards for Registration*, which cover:

- | | |
|-------------|--|
| Standard 1. | Collection and analysis of data relevant to standards relating to training and assessment; |
| Standard 2. | Client services; and |
| Standard 3. | Management systems. |

Details of the elements contained in the AQTF Essential Standards for RTOs are outlined in Attachment A.

Categories of compliance and sanction

The categories of compliance are:

- compliance;

- non-compliance;
- minor non-compliance;
- significant non-compliance; and
- critical non-compliance.

The categories of sanction are:

- amendment of registration;
- suspension of registration; and
- cancellation of registration.

Confidentiality

An RTO's risk rating will remain confidential to the registering body and the RTO (although the registering body is authorised under legislation to provide information about the RTO to another state or territory's registering body). Data supplied by RTOs may be published in aggregate form but will not be used to identify an individual RTO without its permission.

1.4 Quality assurance for international students

Several additional measures are available to assure the quality of Australian vocational education and training for overseas students studying in Australia or at Australian institutions based in an overseas country. These include the *Education Services for Overseas Students Act 2000* (ESOS Act 2000) and the Commonwealth [Australian] Register of Institutions and Courses for Overseas Students (CRICOS).

2. Training Packages

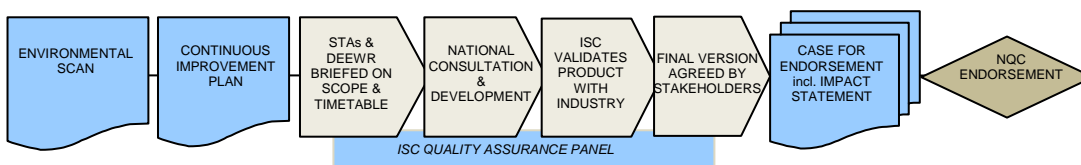
Training Packages are sets of nationally endorsed units of competency, skills sets and qualifications for recognising and assessing people's skills. Industry Skills Councils (ISCs) are responsible for developing and supporting the implementation of Training Packages and related activities.

Training Packages specify the skills and knowledge required to perform effectively in the workplace. They do not prescribe how an individual should be trained. Trainers and supervisors develop learning strategies – the “how” – depending on learners' needs, abilities and circumstances. The development and endorsement process for Training Packages ensure the units of competency, qualifications and skills sets are developed to an agreed quality standard and are highly responsive to industry's existing and future demand for new skills.

Key features of Training Packages are outlined at [Attachment B](#).

2.1 The Development and Endorsement Process

In July 2007 the NQC endorsed a new Training Package development and endorsement process, which has been progressively implemented from 1 January 2008. The following diagram shows the key steps involved in the process; the new steps/elements are highlighted in blue:



The following key principles underpin the model:

- open and inclusive industry-driven maintenance, validation and endorsement of Training Packages;
- strong and clear key stakeholder roles with critical points of intervention and consultation;
- continuous improvement with full Training Package reviews where required;
- highly responsive process capable of meeting industry's needs and priorities for new skills; and
- ISCs' responsibility and accountability for the quality and relevance of Training Packages.

This model is designed to create high quality Training Packages and greater 'speed to market' of new qualifications, skill sets and units of competency. An evaluation of the model will be carried out during the first year of operation.

2.2 Continuous Improvement of Training Packages

The Training Package development and endorsement model features the requirement for all ISCs to develop a *Continuous Improvement Plan*. The *Plan* sets out the changes that need to be made to the endorsed components of Training Packages to enable them to meet existing and emerging skills needs of industry. The *Plan* is developed as a rolling three-year plan and updated annually by the ISC.

Training Packages are endorsed for a three year period. Where continuous improvement has been undertaken to maintain the currency and relevance of the Training Package during that period, the ISC will make a case for renewal of endorsement to the NQC. Where, for example, there are major structural flaws or fundamental issues with the quality of a Training Package, a formal review of the whole Training Package may be instigated by stakeholders and the relevant ISC.

The most commonly used Training Packages are:

- Business Services;
- Hospitality;
- Community Services;
- Information Technology;
- Metals and Engineering;
- Retail;
- Automotive;
- General Construction;
- Transport and Distribution; and
- Financial Services.

2.3 Stakeholder Roles

The Training Package model involves key stakeholders with roles and accountabilities reflective of their broader role within industry and the VET system. These stakeholders are:

- **Industry** – Drives continuous improvement through setting the scope and timing of work. Provides Australia-wide expert advice throughout the development, validation and final sign off stages;
- **National Quality Council** – Endorses Training Packages, oversees quality assurance under the National Skills Framework and provides national policy leadership to the system.
- **Department of Education, Employment and Workplace Relations (DEEWR)** - Policy management and implementation; ISC funding agreements;
- **State and Territory Training Authorities (STAs)** – provide structured input from the outset of activity through to sign off as a key stakeholder;
- **State and Territory Registering and Accrediting Bodies** – Register and audit RTOs to deliver qualifications from Training Packages and State accredited courses. They also accredit courses.
- **National Quality Council Secretariat** – Distributes *ISC Case for Endorsement* to NQC members and collates responses. Notifies Ministers of NQC decision. Notifies NQC and Ministers' decision to ISCs, the Department, STAs and National Training Information System;
- **Industry Skills Councils (ISCs)** – Responsible and accountable for quality of product including industry relevance, technical and editorial quality to publication standard. Distributes one copy of the newly endorsed Training Package to STAs, ISCs and the Department.

- **Registered Training Organisations (RTOs)** – Deliver and assess nationally recognised training and issue certification for nationally recognised qualifications.

2.4 Industry Skills Council Quality Assurance Panel

An Industry Skills Council Quality Assurance Panel (the Panel) plays a key role in ensuring the quality of Training Packages by:

- undertaking mandatory quality assurance of Training Packages (or part thereof) being submitted to NQC for endorsement against the Training Package Quality Principles;
- undertaking equity and/or editorial quality assurance of Training Packages against the relevant Training Package Quality Principles and the requirements of the Training Package Development Handbook; and
- assisting ISCs build their own internal quality assurance capacity.

The Panel is managed by the DEEWR on behalf of the national vocational education and training sector.

The Panel has expertise to provide the following services to ISCs:

- **Holistic Training Package quality assurance** – Holistic quality assurance Panel members may undertake mandatory quality assurance of a draft Training Package (or part thereof) against the Training Package Quality Principles. They may also provide general quality assurance assistance and capacity building to ISCs.
- **Equity Expertise** – Equity Panel members may provide equity advice to confirm that a draft Training Package (or part thereof) meets the equity requirements of the Training Package Quality Principles. They may also provide general quality assurance assistance and capacity building in respect of equity to ISCs.
- **Editorial expertise** – Editorial Panel members may provide editorial advice to confirm that a draft Training Package (or part thereof) meets the editorial requirements of the new online Training Package Development Handbook. They may also provide general quality assurance assistance and capacity building in respect of editing to ISCs.

A list of panel members is available at:

http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/Holistic_Training_Package_quality_assurance.htm

3. Australian Qualifications Framework

The Australian Qualifications Framework (AQF) provides a comprehensive, nationally consistent yet flexible framework for all qualifications in post-compulsory education and training. The AQF was introduced Australia-wide on 1 January 1995.

The AQF recognises that the schools sector, vocational education and training sector, and higher education sector each have different industry and institutional linkages. It connects these in a coherent single framework incorporating qualification titles and guidelines.

The AQF was developed under instruction from State, Territory and Commonwealth Education and Training Ministers meeting as the [Ministerial Council on Education, Employment, Training and Youth Affairs \(MCEETYA\)](#). The AQF Advisory Council (AQFC) provides Ministers with strategic and authoritative advice on the AQF to ensure it is nationally and internationally robust and supports flexible cross-sectoral linkages and pathways.

3.1 AQF qualifications

The AQF comprises fifteen qualifications. These qualifications are grouped according to the sector with authority for setting the standards of each qualification.

AQF Qualification by Sector of Accreditation

<i>Schools Sector Accreditation</i>	<i>Vocational Education and Training Sector Accreditation</i>	<i>Higher Education Sector Accreditation</i>	
<u>Senior Secondary Certificate of Education</u>	<u>Vocational Graduate Diploma</u>	<u>Doctoral Degree</u>	
	<u>Vocational Graduate Certificate</u>	<u>Masters Degree</u>	
	<u>Advanced Diploma</u>	<u>Graduate Diploma</u>	
	<u>Diploma</u>	<u>Graduate Certificate</u>	
	<u>Certificate IV</u>	<u>Bachelor Degree</u>	
	<u>Certificate III</u>	<u>Associate Degree, Advanced Diploma</u>	
	<u>Certificate II</u>	<u>Diploma</u>	
	<u>Certificate I</u>		

Guidelines for each qualification are provided in the [AQF Implementation Handbook](#) (2007).

The AQF links together all these qualifications and is a highly visible, quality-assured national system of educational recognition which promotes lifelong learning and a seamless and diverse education and training system.

Qualifications certify the knowledge and skills a person has achieved through study, training, work and life experience.

3.1 Key objectives of the AQF

The AQF:

- provides nationally consistent recognition of outcomes achieved in post-compulsory education;
- helps with developing flexible pathways which assist people to move more easily between education and training sectors and between those sectors and the labour market by providing the basis for recognition of prior learning, including credit transfer and work and life experience;
- integrates and streamlines the requirements of participating providers, employers and employees, individuals and interested organisations;
- offers flexibility to suit the diversity of purposes of education and training;
- encourages individuals to progress through the levels of education and training by improving access to qualifications, clearly defining avenues for achievement, and generally contributing to lifelong learning;
- encourages the provision of more and higher quality vocational education and training through qualifications that normally meet workplace requirements and vocational needs, thus contributing to national economic performance; and
- promotes national and international recognition of qualifications offered in Australia.

To enable effective implementation, the AQF is supported by:

- guidelines for cross-sector qualification linkages and recognition of prior learning;
- principles for the issuance of qualifications and protection of titles, which include provision for the issuance of a Statement of Attainment which is issued by a RTO when an individual has completed one or more units of competencies from nationally recognised qualifications(s)/courses(s); and
- arrangements for monitoring the implementation of the AQF through the AQFAB.

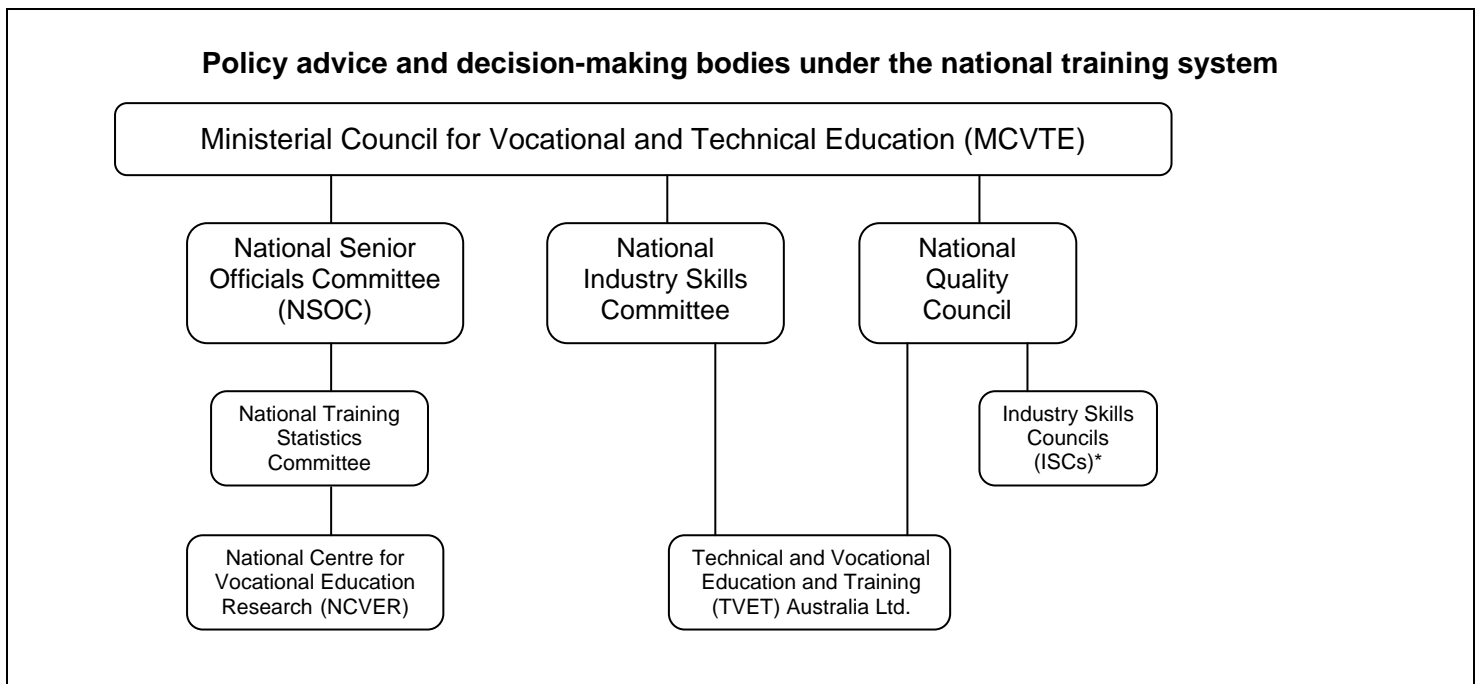
4. Quality Governance Arrangements

Australia's vocational education and training system is founded on a partnership between governments and industry. Employers and industry play a central and critical role in determining training policies and priorities, and in developing training qualifications that can deliver the skills employers need for the workforce.

Australia's national training system is industry-led, based on competencies, nationally consistent and quality-assured.

The national training system is built around:

- A **National Governance and Accountability Framework**, which establishes the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements to guide the operation and growth of the training system; and
- A **National Skills Framework**, which sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training.



* ISCs are funded by DEEWR.

The **Ministerial Council for Vocational and Technical Education (MCVTE)** comprises Ministers from each State and Territory and is chaired by the Australian Government Minister. The Ministerial Council provides direction on national policy and planning.

The **National Industry Skills Committee (NISC)** advises MCVTE on workforce planning, future training priorities and other critical issues facing Australian industry.



The **National Quality Council (NQC)** is a Committee of the MCVTE and oversees quality assurance, ensures national consistency in the application of the AQTF standards for the audit and registration of training providers, and endorses Training Packages.

The **National Senior Officials Committee (NSOC)** is the administrative arm of MCVTE and is responsible for implementing MCVTE decisions.

Technical and Vocational Education and Training (TVET) Australia Limited provides an integrated service to enable users of the national training system to identify and acquire training materials, identify copyright requirements and enter licenses for use of that material.

The **National Training Statistics Committee (NTSC)** is the key strategic and policy advisory forum for data collection and reporting.

Industry Skills Councils provide industry intelligence to the VET sector about current and future training requirements, including industry skills reports. A primary responsibility of the individual skills councils is to develop and maintain relevant Training Packages.

The **National Centre for Vocational Education Research** is a company owned by Ministers that manages a VET research programme and provides VET statistical services.

The **National Training Information Service** is the database and the official national register of information on courses, qualifications, training packages, units of competency and registered training organisations.

Elements contained in the AQTF Essential Standards for Registration

The audit provides a description of the evidence reviewed against the elements in the AQTF *Essential Standards for Registration*. The result is recorded as non-compliant, not audited or not applicable for each element. Findings are also provided in relation to the requirements of the element.

The elements are:

Standard 1. Collection and analysis of data relevant to standards relating to training and assessment.

- 1.1 The RTO collects, analyses and acts on relevant data for continuous improvement of training and assessment.
- 1.2 Strategies for training and assessment meet the requirements of the relevant Training Package or accredited course and are developed in consultation with industry stakeholders.
- 1.3 Staff, facilities, equipment and training and assessment materials used by the RTO are consistent with the requirements of the Training Package or accredited course and the RTO's training and assessment strategies.
- 1.4 Training and assessment is delivered by trainers and assessors who:
 - (a) have the training and assessment competencies determined by the National Quality Council or its successors;
 - (b) have the relevant vocational competencies at least to the level being delivered or assessed; and
 - (c) continue to develop their vocational and training and assessment competencies to support continuous improvements in the delivery of RTO services.
- 1.5 Assessment including Recognition of Prior Learning (RPL):
 - (a) meets the requirements of the relevant Training Package or accredited course;
 - (b) is conducted in accordance with the principles of assessment and the rules of evidence; and
 - (c) meets workplace and, where relevant, regulatory requirements.

Standard 2. Client Services

- 2.1 The RTO continuously improves client services by collecting, analyzing and acting on relevant data.
- 2.2 Before clients enroll or enter into a contact, the RTO informs them about the training, assessment and support services to be provided, and about their rights and obligations.
- 2.3 Employers and other parties who contribute to each learner's training and assessment are engaged in the development, delivery and monitoring of training and assessment.
- 2.4 Learners receive training, assessment and support services that meet their individual needs.
- 2.5 Learners have timely access to current and accurate records of their participation and progress.

2.6 Complaints and appeals are addressed efficiently and effectively.

Standard 3. Management systems

- 3.1 The RTO uses a systematic and continuous improvement approach to the management of operations.
- 3.2 The RTO monitors training and/or assessment services provided on its behalf to ensure that they comply with all aspects of the AQTF Essential Standards for Registration.
- 3.3 The RTO manages records to ensure their accuracy and integrity.

Training Packages – Key Features

- A Training Package is an integrated set of nationally endorsed units of competency, assessment guidelines and Australian Qualifications Framework (AQF) qualifications for a specific industry, industry sector or enterprise.
- Alignment to the AQF occurs when a group of units of competency are a viable AQF qualification or qualification(s) in line with the guidance provided in the current AQF Implementation Handbook.
- Training Package developers must ensure each AQF qualification has a distinct occupational outcome.
- Each Training Package:
 - provides a consistent, reliable and valid set of components for training, recognising and assessing people's skills, and may also have optional support materials;
 - enables nationally recognised qualifications to be awarded through direct assessment of workplace competencies;
 - encourages the development and delivery of flexible training which suits individual and industry requirements; and
 - encourages learning and assessment in a work-related environment, which leads to verifiable workplace outcomes.

