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Regulation in VET

Governments at both federal and state/territory level have been attempting to create a national VET market for almost two decades. The introduction of market mechanisms has required the development of ways to deal with accountability, quality assurance, and overall regulation of the sector.

This has resulted in a range of very complex and contradictory regulatory mechanisms in Australia.

In order to provide nationally recognised training and issue nationally recognised qualifications, a training provider in Australia must become a Registered Training Organisation (RTO). National or mutual recognition arrangements exist between all Australian jurisdictions and ensure that qualifications issued by an RTO are accepted throughout Australia. An RTO can only deliver courses, conduct assessments or issue qualifications for which it is registered under its scope of registration.

There are both public and private RTOs, and in the private area there are both 'for-profit' and 'not-for-profit' providers which operate. Many secondary schools, public and private, are RTOs, as are universities, trades unions and a host of community based organisations. Institutes of Technical and Further Education (TAFEs) are public RTOs.

There are about 1300 RTOs (both public and private providers) in Victoria, 1000 in NSW and 1400 in Qld listed on the national register of RTOs maintained by the National Training Information Service (NTIS).

The standards a training provider has to meet in order to both initially register and then to maintain registration as an RTO are established by the Australian Quality Training Framework (AQTF). This framework is regularly reviewed and the latest version is AQTF 2007. The AQTF is monitored by state and territory governments.

The AQTF establishes:

- standards for registration as an RTO;
- standards under which state and territory training authorities operate;
- standards for the development of accredited courses; and
- standards under which course accreditation authorities operate.

The qualifications which RTOs issue are recognised through the Australian Qualifications Framework (AQF). These can be undertaken at senior secondary school level, the VET sector and in higher education. In the VET sector, AQF qualifications are set within training packages which are described as sets of nationally endorsed standards and qualifications used to recognise and assess peoples' skills in a specific industry, industry sector or enterprise. Training packages comprise competency standards, assessment guidelines and qualifications.

Each state and territory jurisdiction has its own qualifications and registration authority.



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The system is oversighted by the Ministerial Council for Tertiary Education and Training (MCTEE) and by the Council of Australia Governments (CoAG) with a host of national and state/territory bodies involved in a series of regulatory functions.

Audit and Compliance

State training agencies assess applications by organisation for registration as an RTO. They do this through an audit process involving an initial meeting, a series of evidence gathering exercises and a final meeting. RTOs are obliged to report their compliance with AQTF standards to the state training agency. As the regulator, the state training agency monitors compliance largely through desk or 'paper' audits of the RTOs compliance reports but will conduct actual site audits or inspections in response to specific complaints about an RTO's performance.

Registration of an RTO must be renewed every 5 years. An RTO must alter its scope of registration if it decides it wants to deliver additional courses or qualifications. Renewal of registration and alterations to a scope of registration also attract the audit and compliance functions of the state training agency.

Teaching Qualification Standards (VET)

The AQTF requires that in addition to the requisite vocational competencies, trainers must possess the Cert IV in TAA (or be able to demonstrate equivalent competencies) and assessors must possess three specified assessment competencies from the Cert IV TAA.

It is up to the individual RTO as to how these qualifications are demonstrated. RTO personnel departments or records should (but often don't) hold certified copies of initial qualifications obtained through the selection and recruitment of staff process. Should an RTO be unable to demonstrate compliance, it risks, in theory, the cancellation of its registration. TAFE teaching qualification standards and requirements are in the control of the RTO which is, in many cases, the employer of teachers, subject to the requirements of the AQTF.

A National Tertiary Sector regulator?

The Rudd Government announced the establishment of a new national quality and standards agency in the 2009 budget, following the 2008 Review of Australian Higher Education by Professor Denise Bradley. The Bradley Review proposed a significant re-design of the regulatory environment for universities and private providers of higher education and the development of a new quality assurance framework. The Tertiary Education Quality and Standards Agency (TEQSA) was established by the Federal Government in July. It will be a national regulatory agency and will develop a new quality assurance framework. It is clear that the federal government's preference is to combine the regulatory arrangements for Higher Education and VET into a single agency over time.