



Issues Paper

RTO Quality: Strengthening RTO standards and fostering excellence

All states and territories have agreed to the Heads of Agreement for Skills Reform. Through this they have agreed to immediately progress reforms to:

- strengthen quality standards
- build registered training organisation (RTO) capacity and capability for continuous improvement, and
- develop a VET workforce quality strategy.

This paper focuses on quality standards and building RTO capacity and capability. It aims to identify issues with the current *Standards for Registered Training Organisations 2015* which may impact on RTO quality, alongside how to support RTO excellence.

Issues around the VET workforce are covered in a separate paper (and can be found at <https://www.dese.gov.au/quality-reform>).

Introduction

Recent reviews of, and feedback from, the vocational education and training (VET) sector have identified a need to improve the quality of training and assessment across the sector. While the quality of training delivery is impacted by many variables outside of the control of RTOs, such as the design of training products, RTOs have a critical role in ensuring the training and assessment delivered on the ground is of high quality and delivered in a way that best meets the needs of learners and employers. While RTOs operating in the sector are required to meet relevant standards (such as the *Standards for Registered Training Organisations 2015*), there is no clearly articulated understanding across the sector of what ‘high-quality’ training delivery entails. Identifying this will not only support RTOs, it will help all VET stakeholders to use a common language when promoting the benefits of the substantial amount of high-quality training which is already being delivered across Australia.

Work is already underway in the sector to lift quality and build the capacity of training providers. Reforms are underway to enhance the Australian Skills Quality Authority’s (ASQA’s) engagement with the VET sector and educative approach, as well as repositioning ASQA’s regulatory approach to

promote provider self-assurance and continuous improvement. The rapid review of ASQA's governance and regulatory practices released in April 2020 identified that alongside improvements to ASQA, there was a need to improve the understanding of quality across the sector and to continue to build the capacity and capability of the sector to support delivery of high-quality training. The review also recognised that as ASQA regulates against the *Standards for Registered Training Organisations 2015* (the Standards), for ASQA to fully adjust its regulatory approach, the Standards need to be revised to ensure they are effective in meeting the needs of the sector. It is important that requirements are clear to both the sector and the regulator, thereby enabling the Standards to be more effectively regulated against.

What are we seeking?

Through this consultation process we are interested in identifying whether the requirements in the current Standards are appropriate to ensure quality within the sector, as well as identifying what high-quality, or excellent, training delivery looks like in Australia. While all RTOs must comply with the Standards, many RTOs deliver a service above and beyond the requirements of the Standards. What differentiates these providers that deliver above and beyond? What are the similarities across training provider types, and what are the experiences of the VET sector, of trainers and assessors, of learners, employers, and of RTOs themselves, in delivering training that far exceeds the minimum standard of quality? What are the elements of high-quality training provision? What differentiates high-quality engagement with employers, or high-quality assessment processes, or curriculum development, or what governance structures do RTOs need to enable them to best facilitate high-quality training? And what supports do RTOs need to better facilitate high-quality training provision?

Given the importance of the Standards in maintaining quality within the sector, we also want to identify where the Standards are effective, or ineffective, in enabling RTOs to deliver high-quality training. Are there standards or clauses that limit the delivery of high-quality training, or place a disproportionate regulatory burden on RTOs, or could be improved to lift the baseline of quality across the sector? Previous sector feedback has identified that some clauses lack prescription – leading to inconsistent interpretation and confusion, and some have too much prescription – limiting the ability to deliver high quality innovative training. Some clauses are too heavily focussed on process and inputs rather than on the learner outcomes, while duplication across Standards can lead to RTOs being found non-compliant against several standards for the one issue. In addition, many RTOs have to comply with the Standards alongside other requirements from jurisdictions or industry. Are there areas where the Standards create undue burden in achieving this? We are interested in seeking feedback from those with in-depth knowledge of the Standards, as well as those who have varying levels of engagement with the VET sector, including employers, learners, parents and carers, and VET experts, who have views on whether the minimum level of quality should be raised, either overall or in particular areas of training delivery.

Revising the Standards for RTOs

The current Standards have been in operation since 2015. The Standards have a central role in ensuring nationally consistent, and high-quality, training and assessment. Compliance with the Standards helps to ensure RTOs provide services which enable learners to make informed decisions

and receive training which is responsive to both their needs and that of their employer, that RTOs maintain strong linkages with industry to ensure their services are relevant, and learners are job ready. The Standards also provide RTOs with a framework which aims to provide flexibility to enable innovation while ensuring quality. For the broader community, the Standards underpin the quality of the sector which helps to ensure everyone can have confidence in the ability of the sector to deliver the skills that are required.

While wholesale changes to the Standards are unlikely to be required to make them fit-for-purpose, changes are likely to be required to ensure that:

- where gaps or duplication are identified, this is acknowledged and addressed as appropriate
- the Standards and requirements are clear and support consistent interpretation by both the sector and the regulator
- the Standards give providers a clear understanding of what a quality outcome is, rather than being driven by inputs and processes
- the minimum level of quality for RTOs to operate in the sector, as specified in the Standards, is appropriate.

Many RTOs also have to comply with a variety of other requirements in addition to meeting the Standards. This may include requirements under state and territory guidelines, VET Student Loans (VSL), or Education Standards for Overseas Students (ESOS). It is important that where the Standards can ease regulatory burden or can better align with other requirements without having an impact on quality, that this is also explored.

Gaps in the Standards

A comparison of the Standards against comparable international and domestic sectors show there are some gaps which the Standards do not cover. The following table identifies these gaps.

Possible Gap	Current Arrangements	Comparator Approaches
Completion and employment outcomes	There are no standards or clauses which focus specifically on learning outcomes beyond the requirements of the unit of competency and training package and the Australian Qualifications Framework.	<p>The Australian higher education sector and VET sectors in comparable jurisdictions including New Zealand, England and Korea evaluate educational attainment outcomes including:</p> <ul style="list-style-type: none"> ▪ the attainment of useful skills and knowledge ▪ readiness for or engagement with further study or employment ▪ application of new skills and knowledge ▪ learner satisfaction ▪ positive community contribution ▪ salary levels.

Diversity and inclusion	The Standards stipulate RTOs must identify individual learners' support needs and provide access to necessary educational and support services, however there are no specific requirements related to diversity, access and inclusion, and student support.	Comparator standards and frameworks provide more specific learner support requirements with respect to learners of diverse cultures and abilities, and more explicitly address diversity and equity, including a promoting a broader positive culture of respect and inclusion.
Leadership	The Standards include clauses related to governance, including processes and systems. However, they have minimal focus on leadership beyond requiring executive officers be vested with sufficient authority to ensure compliance with the Standards and meet the Fit and Proper Person Requirements.	Comparable standards and sectors include a focus on: <ul style="list-style-type: none"> ▪ organisational leadership ▪ fostering a positive organisational culture ▪ building a professional learning community ▪ managerial support for educational achievement.
Learner wellbeing	The Standards refer to educational and support services and RTO obligations to learners and require RTOs to determine the support needs of individual learners. However, there are no explicit clauses or standards relating to learner wellbeing.	The Higher Education Standards Framework (Threshold Standards) 2015 explicitly addresses student safety and wellbeing. The Braithwaite review recommended that the VET legislative framework be amended to align with the higher education approach to student wellbeing (Recommendation 21).

Improved Clarity

There is some inherent tension in the Standards in terms of the level of prescription they should provide. Where clauses are too prescriptive, this can provide less flexibility for RTOs to demonstrate compliance in a way that is logical in the local and operational context, however clauses which are overly broad or ambiguous can cause confusion about what is required, leading to inconsistent understanding and application of the Standards.

Examples of broad and narrow clauses in the Standards

Clause 1.12 -The RTO offers recognition of prior learning to individual learners (often cited as too broad)

Clause 4.1 - Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual, and [...meets a list of 14 prescriptive requirements, including specifying

where the RTOs can display the Nationally Recognised Training logo] (often cited as too prescriptive)

It is important that the level of prescription is proportionate and where clauses are broad, that the intent is clear, and that duplication is removed wherever possible.

Outcome-focussed

It is proposed that the revised Standards will be structured around a series of high-level quality outcome statements (similar to the structure used for the standards in the early childhood education and care, and aged care sectors). While an amount of prescription and process may still be required in the clauses to ensure clarity and quality, the overarching Standards and underlying clauses will have a robust link to learner outcomes. This is in line with previous sector feedback that ASQA's student-centred audit approach and phases of the student experience helped to clarify the Standards and facilitated understanding by more clearly linking them to student outcomes.

This will contribute to fostering the shared sector understanding of what constitutes a high-quality RTO and will help support RTOs to better understand how the requirements relate to the delivery of quality training.

Raising the minimum level of quality

The revisions will consider specific areas where the minimum level of quality prescribed by the Standards could be lifted to enhance the substantive quality of training delivery and organisational practices, and how this could be achieved. A balance will need to be achieved to raise the benchmark of quality in a tangible and effective way without imposing inappropriate compliance burdens on training providers.

Supporting RTO excellence

Delivery of high-quality training goes beyond compliance with the requirements of the Standards. While the Standards establish a minimum level of quality that an RTO must meet to operate within the national training system, it is important to recognise there are many aspects of quality and many areas where it is possible to go above and beyond minimum requirements.

The ASQA rapid review found there is little consensus within the sector in relation to how quality, outcomes and excellence should be identified and measured. As part of lifting quality and supporting providers to strive for excellence, it is critical to ensure there is a clear understanding within the sector as to what high quality is, how it can be identified, and how it can be measured.

The revised Standards will go some way toward achieving this by improving the linkages to outcomes and supporting consistent understanding, and application, by training providers and regulators. However, there is an opportunity to support training providers to go above and beyond by developing a framework to clearly identify what constitutes better practice in training delivery and to support providers to achieve this.

To support providers, tools and resources will be developed to help build the capacity and capability of RTOs to meet these higher levels of quality. To do this it is important to understand what other

useful supports can be developed to support providers to monitor their performance, identify gaps where they may wish to deliver at a higher standard, and then provide tailored and relevant support.

Other issues

Interaction with regulatory practices

The work being undertaken on the Standards and RTO quality is complementary to, and will build on, the reform work currently underway at ASQA. Following the release of the rapid review in April 2020, ASQA has committed to reforming its regulatory approach and improving engagement with the sector. While the Standards are one part of the VET Quality Framework through which RTOs are regulated, how they are regulated is an issue for VET regulators. Where possible, through this consultation process, issues that stem from how ASQA regulates should be separated from issues that are related to the Standards.

ASQA is also currently working with the sector to build capacity through a greater focus on self-assurance. Self-assurance includes providers having systems and processes in place to ensure quality outcomes for learners and compliance with the Standards. Learners, industry, the community, governments, and ASQA expect providers to comply with their obligations and to have mechanisms to self-assure the quality of their training delivery. This is a core part of a provider's good business practice and is central to maintaining and improving the quality of VET.

Any supports developed for providers to support the delivery of RTO excellence will be developed to be compatible with any tools and resources developed by ASQA. While ASQA is currently focused on ensuring providers use self-assurance to enable them to better meet the Standards and deliver quality training, it is ASQA's regulatory intent that these same systems promote organisational learning and continuous improvement of VET outcomes. This paper is seeking feedback on what other supports training providers need to go above and beyond and deliver excellence in training.

Interaction with training products

The quality of training delivery cannot be fully separated from the quality of training products. Previous feedback from the sector has often raised the issue of the design of training products as an area which can impact the flexibility and quality of training delivery. While the purpose of a national training system does require some standardisation of training outcomes, which aspects of the training products should be standardised, and where there is opportunity for greater flexibility, is being considered through a concurrent process looking at the reform of qualifications. This work will consider qualification design elements based on:

- appropriately grouped occupation and skills clusters to deliver broader vocational outcomes for students (including stronger recognition of cross-sectoral and transferrable skills),
- simplifying and removing complexity across qualifications and units of competency and making better use of industry and educational expertise, and

- greater training product flexibility and enhanced responsiveness to changing industry needs through shorter courses with improved pathways advice to employment and further education opportunities.

Further information on this process can be found at www.skillreform.gov.au including opportunities to have your say on issues that affect you regarding the design and development of training products.

Your feedback

We value the feedback of all those who are activate participants in, or engage with, the VET sector on the issues outlined in this paper as well as broader issues around ensuring quality in training delivery. A number of surveys have been designed to capture your feedback to a series of questions. A list of currently open surveys can be found at www.skillsreform.gov.au/quality. These will be updated as additional surveys are added.

Questions for consideration

The following discussion questions are provided as prompts to assist your thinking prior to survey completion.

- What is your experience of high-quality training – what made it high quality?
- What is your experience of poor-quality training – what made it poor quality?
- What limitations do you face as an RTO that is trying to deliver high quality training?
- How effective are the Standards for RTOs 2015?
 - What are the strengths of the Standards?
 - What are the weaknesses and gaps?
 - Are they effective in promoting quality? In which areas?
 - Should the minimum standard be higher? If so, in which areas and how could this be achieved?
 - In what ways could specific clauses in the Standards be improved? Can you provide examples?