

## 2016 Variations to the 2014-16 VET Funding Contracts

### Overview

This document provides a summary of key variations to 2014-16 VET Funding Contracts (including the non-TAFE, TAFE and Dual Sector versions of the contract) made via Contract Notification 2015-14.

Some of the variations being made are the result of the Government Response to the Review of Quality Assurance in Victoria's VET System ('the Quality Review').

### Strengthening Quality Assurance

#### *Introducing the 'VTG Quality Charter'*

The Quality Review found that while there are many excellent RTOs, students and employers still report a range of problems that go to quality in the VET system. From 2016, Contracts will bring an increased focus to an RTO's obligation to provide students with quality training services.

The Department has prepared a 'VTG Quality Charter' (now published in the Documents section of SVTS) which amongst other things describes the RTO's responsibilities to students, including to:

- assist them in valuing and understanding their training entitlement;
- help them make an active and informed choice about their course of study and whether they are with the right RTOs;
- make sure their training program is suitable for their individual needs;
- ensure that their training and assessment meets regulatory standards and is delivered by experts in a manner appropriate for their individual needs; and
- provide them with the right avenues to give RTOs feedback on their training experience.

In conjunction with the VTG Quality Charter, the Department will have the necessary powers in the Contract to test (primarily through audit and review) the extent to which RTOs have delivered training of a high quality. The Department will also be able to take reasonable action in accordance with the terms of the Contract should poor quality training be identified.

#### *Training and assessor qualifications*

High quality training and assessment are further critical elements of the Government's commitment to deliver quality in VET.

In 2016 RTOs will be required to establish and maintain an up to date and auditable register of trainers and assessors for each course delivered, including their qualifications..

2014-16 Contracts will also lift the quality and integrity of delivery of trainer and assessor qualifications by creating a Trainer and Assessment Approved Provider List. Only RTOs on this list will be eligible to provide certain trainer and assessor qualifications under the Victorian Training Guarantee.

It is anticipated that an application process for inclusion on the list will be run in early 2016. Further information on the Approved Provider list will be provided in the coming weeks via SVTS.

### *Limiting substitution*

The Department will not pay for Training Services where an RTO has enrolled students in a particular course of training that is inconsistent with the packaging rules or vocational intent of the course. In the event that the Department determines this has taken place, it may, among other actions, re-calculate payments according to a more appropriate subsidy rate.

### *New data standards to monitor course duration for students*

RTOs are expected to meet the Volume of Learning guidance in the Australian Qualifications Framework, Training Packages, and/or Curriculum Guidelines, as appropriate.

Following consultation across the sector, new data elements ('Program Unique Supervised Hours' and the 'Program Supervised Teaching Activity Completion Date') have been included in the 2016 Victorian VET Student Statistical Guidelines. These measure, from the students' perspective, the total number of hours of supervised training and assessment activity for all course/qualification enrolments and the period of time in which they are delivered.

Contracts require RTOs to justify and document their decisions to deviate from national guidance on Volume of Learning and make them available for external review.

### *Restricting the use of Third Party Arrangements in the marketplace*

RTOs seeking to subcontract training or assessment services for students commencing in 2016 will need to seek the Department's approval. There will be no roll-over process as occurred in 2014 for 2015.

Instead, as outlined in the Government Response to the Quality Review, all RTOs seeking approval for subcontracting of training and assessment will be required to demonstrate that the circumstances are genuine, specialised and limited.

The only exception to this requirement is where an RTO with a 2014-16 VET Funding Contract is seeking to subcontract to another RTO with a 2014-16 VET Funding Contract, where both RTOs have the relevant course on their Funded Scope. In these instances, RTOs are not required to seek the Department's approval. RTOs will however be required to inform the Department within 30 days when they enter into any such arrangement.

The Department also requires RTOs to lodge and update information with the Department about any brokering activities within 30 days of entering into any arrangements.

Sub-contracting of pre-training reviews will not be permitted.

RTOs will be informed of the application process for seeking approval of proposed subcontracting arrangements relating to training and assessment via a Contract Notification to be published in November 2015.

## A Focus on Removing Unwanted Behaviour

### *Strengthening definition of Material Breach*

The definition of Material Breach now includes the use of incentives, unauthorised sub-contracting, or incorrect reporting of key data elements. As Material Breaches, the Department is able to take substantive and immediate action, including termination of Contracts.

### **Other features**

#### *Improving complaints handling processes*

In accordance with the outcomes of the Quality Review, the Department will be reviewing its complaints handling processes to ensure issues raised with the Department in relation to the delivery of training services are managed to best effect. Contracts require that RTOs co-operate with processes relating to resolving complaints.

#### *Supporting Student Choice*

An effective training system is only possible when consumers (that is students and employers) are empowered to choose courses and providers based on useful and accurate information. While previously discretionary, RTOs will now be required to register for and maintain an up to date profile on the Department's Skills Gateway.

### **Who can I contact if I require further information?**

If you have a question regarding the VET Funding Contract please submit it to the Department using the Enquiry function of SVTS under the '2014-16 Contract' category.