Smart and Skilled: NSW Quality Framework
Smart and Skilled

The Smart and Skilled reform of the NSW vocational education and training system is designed to give people the chance to gain the skills they need to get a job and advance their careers. It will expand the skills of our workforce to help expand the NSW economy.

There will be a staged implementation of Smart and Skilled starting in 2014. From 1 January 2015, Smart and Skilled will include:

- An entitlement for eligible individuals to government subsidised training up to and including Certificate III qualifications, and
- Government subsidies for eligible individuals for higher level training and skill sets in priority areas.

Under Smart and Skilled, people may be eligible for government subsidised training if they are aged 15 years or older, live or work in New South Wales and are an Australian citizen, permanent resident or humanitarian visa holder.

Funds for entitlement training will follow the student to their chosen approved training provider.

Stand alone Foundation Skills courses will be delivered by TAFE NSW and approved ACE providers.

Qualifications for Certificate IV and above and for part qualifications will be purchased as per current arrangements.

Quality training

Quality training is central to Smart and Skilled. Over 450,000 students take up government subsidised training in NSW each year. NSW students have every right to expect that their training:

- meets national standards
- is tailored to their learning needs
- assists participation in society
- is relevant to jobs and workplaces
- is well regarded by employers.

Students should expect the highest quality training under Smart and Skilled.

The Quality Framework will only accept the providers that are best able to meet student and industry needs.

The Smart and Skilled Quality Framework will promote a shared vision for quality. It will:

- set stricter criteria for approval of training organisations seeking to deliver subsidised training
- ensure closer monitoring of training provider performance and outcomes
- give students better information and clear avenues for complaint
- encourage industry involvement in training and assessment
- encourage training providers to build the capability of their staff and systems
- seek feedback from students and employers on training outcomes.

The Quality Framework has been developed in consultation with training providers and industry. It is based on nine principles to promote excellence, transparency and innovation in vocational education and training.
Quality Framework – the nine principles

- Identify skill needs
- Choice in training
- Driving quality
- Online consumer portal
- Tailored information and advice
- Measure outcomes
- Consumer feedback
- Clear avenue for consumer protection
- Professional development
- Continuous improvement
- Coordinated regulation
- Sharing of information between jurisdictions
- Application eligibility
- Fair and effective application assessment
- Clear contracts
- Transparent accountability
- Industry involvement in assessment
- Pilot models of assessment
- Risk based approach
- Coordinated monitoring
- Performance reviews
- Informed Consumers
- Industry Engagement
- Selecting the Right Providers
- Effective Contracting
- Performance Monitoring
- Validation of Assessment
- Teaching and Leadership
- Consumer Protection
- Evaluation
- Strong Regulation
Strong regulation

Working with the national regulator

NSW shares an interest with the national regulator, the Australian Skills Quality Authority (ASQA) in:
- maintaining quality
- promoting national standards
- managing risk
- protecting students

The Department of Education and Communities has established a Memorandum of Understanding (MOU) with ASQA to foster cooperation and information sharing in relation to audit and monitoring arrangements. We are interested in provider performance including financial viability.

We meet with ASQA on a regular basis.

ASQA is focused on regulatory compliance under the National Standards. NSW will focus on training provider compliance and performance under the Smart and Skilled contract.

Our MOU will ensure appropriate, timely action by ASQA and NSW to ensure that student needs are met.

Government-to-government information sharing

NSW will work with other jurisdictions to share information on the performance of training providers that deliver government subsidised training.

A reform priority under the National Partnership Agreement on Skills Reform is better government-to-government sharing of data and information. Under the Partnership, protocols will be developed for these arrangements.

Selecting the right providers

Provider eligibility and application assessment

To become approved to deliver Smart and Skilled, training providers will have to meet stringent quality and performance criteria.

Eligible training providers are assessed on their capacity, capability and performance as a registered training organisation and in delivering training required for Smart and Skilled.

The process for selecting the right providers

Online application

NSW has a dedicated online platform to enable training providers to apply for approval for funding.

Providers will be able to view the Smart and Skilled contract terms and conditions.

Through the application platform training providers will be able to determine if they are eligible to apply to become a Smart and Skilled provider.
**Provider eligibility**

When a training provider accesses the application platform, an automatic assessment will occur.

The application platform will assess the provider’s ASQA registration and compliance, the range of qualifications they are registered to deliver, their compliance with previous NSW training market contracts and their capacity to meet the needs of NSW employers and students. Assessment of the qualifications on their scope of registration will determine the programs the provider is eligible to seek funding for under *Smart and Skilled*.

Training providers that meet the initial eligibility criteria then progress to answering the remaining eligibility questions.

Training providers that do not meet the eligibility requirements including compliance with the Australian Skills Quality Authority and with previous NSW training market contracts will not be allowed to apply for a *Smart and Skilled* contract.

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**Eligibility Criteria**

A training provider may be eligible to apply for a *Smart and Skilled* contract if it demonstrates that it meets specified eligibility criteria. Eligibility criteria will include but may not be limited to the following:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>National VET Regulator (NVR) Registered Training Organisation (RTO).</td>
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<tr>
<td>Scope of registration includes qualifications on the NSW Skills List.</td>
<td>(Providers with only part qualifications on scope may also be eligible to participate.)</td>
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<tr>
<td>Record of Contractual Compliance - previous NSW Approved Providers List Contract has not been terminated within the last 3 years</td>
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<tr>
<td>NSW based (refer below for full definition of NSW based eligibility)</td>
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<tr>
<td>Record of Regulatory Compliance:</td>
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<tr>
<td>– registration has not been cancelled, refused or revoked within the last 3 years</td>
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<tr>
<td>– no sanction(s) and/or condition(s) and/or suspension(s) have been imposed relating to the general operations of the RTO (not training specific)</td>
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<tr>
<td>The RTO has not engaged or utilised the services of an organisation(s) or individual(s):</td>
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<tr>
<td>– that had any government VET related contracts terminated</td>
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<tr>
<td>– that had registration under the NVR Act or previous legislation cancelled, revoked, suspended or refused</td>
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<tr>
<td>– who has been responsible by their acts or omissions for the actions described in either of the above occurring to another RTO</td>
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<tr>
<td>The RTO has an RPL policy and process that is consistent with the NSW Recognition of Prior Learning Framework</td>
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<tr>
<td>The RTO:</td>
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<tr>
<td>– agrees to report total NSW VET activity to the AVETMIS Standard</td>
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<tr>
<td>– consents to the exchange of information on its current or past performance with other state and territory governments</td>
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<tr>
<td>– agrees to comply with <em>Smart and Skilled</em> Teaching and Leadership obligations</td>
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<tr>
<td>– agrees to purchase and maintain all appropriate insurances to address possible risk/liabilities incurred in its day to day operations and in activities associated with <em>Smart and Skilled</em></td>
<td></td>
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<tr>
<td>The RTO has documented procedures for activities under government funded vocational education and training (VET) contracts</td>
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<tr>
<td>The RTO has fee protection mechanisms</td>
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<tr>
<td>PLEASE NOTE</td>
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<tr>
<td>Eligible non-government Enterprise Based Registered Training Organisations will be restricted to applying to deliver Traineeship and Apprenticeship training</td>
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<tr>
<td>Foundation Skills delivery under an entitlement will be restricted to TAFE NSW Institutes and NSW Approved ACE providers</td>
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</tbody>
</table>
NSW based eligibility –

An RTO must have its principal business address in NSW (as defined by ASIC).

If an RTO does not meet this criterion then it must demonstrate:

- that it held a NSW Approved Providers List Contract at the time of making a Smart and Skilled application, and
- an existing agreement for training delivery covering the current calendar year, with at least one National Enterprise having at least 50 employees in NSW and at least 50 employees in at least one other jurisdiction, and
- evidence of capacity to deliver quality training in NSW.

Capacity to deliver quality training in NSW means the extent of the RTO’s operations within NSW through evidence of the following,

a. student engagement and employer satisfaction survey data for the most recent reporting period set by the Australian Skills Quality Authority,

b. the number of student commencements in NSW (for both government funded/subsidised and fee for service students),

c. demonstration of the following where relevant;
   – an office and/or staffing structure in NSW,
   – the number of Trainers and/or Assessors deployed in NSW,
   – details of the RTO’s administration support services available to students in NSW,
   – details of the modes of delivery offered by the RTO within NSW (for example classroom, work based, on-line),
   – the extent of the RTO’s arrangements to support work-based delivery in NSW,
   – availability of support for on-line delivery, via use of skills centres (RTO facilitated on site delivery) to provide classroom based components in NSW.

Eligibility of Enterprise Based Registered Training Organisations (ERTOs) –

Non-government ERTOs will be restricted to applying for Apprenticeship and Traineeship training delivery under the Entitlement.

Government ERTOs will continue to be eligible to apply to undertake a wider range of government funded training.

Specifically:

Entitlement
- Full Qualifications (Certificate II & III)
- Apprenticeships and Traineeships

Targeted Priorities
- Full Qualifications (Certificate IV & above)
- Part-Qualifications
- Pre-Vocational Training

Assessment of providers

We will assess capacity and capability, past performance and ability of a provider to deliver each qualification applied for.

The assessment will build on the national standards and regulatory requirements for training providers.

Training providers will submit information about organisational profile, training capacity, experience and capabilities in NSW.

The assessment will also consider performance under the Approved Providers List Contract and past regulatory compliance.

We want to work with training providers that have a proven track record in delivering high quality training in NSW.

Providers will need to give details of their delivery track record for each qualification included in their application.

The assessment will look at experience and performance in delivering the qualification(s). This covers capacity in NSW to train target groups, tailor to industry need, practitioner capability, learning resources and assessment practices.

Applicants will be assessed to determine which training providers become Smart and Skilled providers and also to identify which qualifications they can deliver.

Interstate TAFEs will not be eligible to apply for Smart and Skilled. Cross border arrangements with interstate TAFEs will be considered on a government-to-government basis.
## Assessment Criteria

NOTE: Assessment criteria will include but not be limited to the following:

<table>
<thead>
<tr>
<th>Organisational Capacity and Capability</th>
<th>Contractual Compliance and Performance</th>
<th>Qualification/Accredited Course Capability, Capacity and Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Organisational structure, staffing profile and VET experience (including management of an RTO and relationships with other RTOs)</td>
<td>■ Performance under previous NSW Approved Providers List Contract(s) including:</td>
<td>For each qualification/accredited course applied for:</td>
</tr>
<tr>
<td>■ Current training capacity</td>
<td>■ – Completion rates of students</td>
<td>■ Any regulatory conditions associated with the delivery of the qualification/accredited course</td>
</tr>
<tr>
<td>■ Experience of management and administrative staff and trainers and assessors in NSW</td>
<td>■ – Internal reviews and audit results</td>
<td>■ Regions in which qualification/accredited course is sought to be delivered</td>
</tr>
<tr>
<td>■ Experience in managing and administering government funded vocational education and training (VET) contracts</td>
<td>■ – History of non-compliance, sanctions or performance management</td>
<td>■ Training facilities, specialist teaching resources for learner support by region within NSW</td>
</tr>
<tr>
<td>■ Diversity of funding/income sources</td>
<td></td>
<td>■ Years and currency of experience in delivering the qualification/accredited course by region within NSW</td>
</tr>
<tr>
<td>■ Range and extent of learner support services in NSW</td>
<td></td>
<td>■ Performance and capacity in delivery to special needs groups and completion rates</td>
</tr>
<tr>
<td>■ Strength of partnerships with industry and specialist organisations and capacity to contextualise training and assessment for industry/employer and workplace requirements</td>
<td></td>
<td>■ Industry consultation</td>
</tr>
<tr>
<td>■ Record of participation in teaching and leadership, professional development and validation of assessment activities in NSW</td>
<td></td>
<td>■ Trainer and assessor resources</td>
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<tr>
<td></td>
<td></td>
<td>■ Learning and assessment strategies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Training and assessment resources: type, validation and experience customising resources for NSW students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Assessment practices: validation and currency of RPL arrangements in NSW</td>
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<tr>
<td></td>
<td></td>
<td>■ Training capacity per qualification/accredited course by region</td>
</tr>
</tbody>
</table>

### Effective contracting

The *Smart and Skilled* contract will state the NSW Government’s objectives and expectations for *Smart and Skilled*.

Through the contract we will work with *Smart and Skilled* providers to build capability and to pro-actively encourage good practice.

The contract will have:

■ clear requirements

■ performance standards

■ processes for performance management and dealing with quality issues.

There will be consequences for non-performance.

We will apply a risk based approach to monitoring performance and viability, including financial viability of training providers under the contract.

Compliance measures will include review, suspension and termination.

*Smart and Skilled* providers will have the opportunity to respond to any performance issues.
Performance monitoring

We will monitor and review the performance of Smart and Skilled providers to maintain and enhance quality training.

Performance monitoring will follow a structured framework with flexibility to respond to varying risks and provider performance issues.

The objectives of performance monitoring will be to:
- confirm delivery of the intended training subsidised by government
- confirm ongoing contractual compliance and ensure maintenance of standards
- establish benchmarks for continuous improvement and identify areas for professional development
- inform provider risk assessment.

Risk and performance indicators

Smart and Skilled will have measurable risk and performance indicators. These will guide the development of performance monitoring priorities.

The risk and performance indicators assigned to a Smart and Skilled provider will inform the nature and level of monitoring activities to be undertaken with the provider.

For example, risk indicators include:
- industry factors or qualifications where there are identified risks
- level of funded activity.

Performance indicators will be based on:
- obligations under the Smart and Skilled contract
- outcomes reported by students and employers
- timeliness of data lodgement
- training completion rates
- complaints lodged
- participation in teaching and leadership initiatives.

These indicators will support the objectives set out in the National Partnership Agreement on Skills Reform, including:
- transparency – data collections include total VET activity and data reporting timeframes
- quality – student and employer experiences captured through monitoring and evaluation activities
- efficiency and responsiveness – improved quality provision leading to greater qualification completions.

We will publish the risk and performance indicators to be used.

Performance monitoring framework

Accurate and up-to-date information will be critical for an effective performance monitoring framework.

Each provider will be tracked against the performance and risk indicators using:
- profile data submitted at application
- monthly training activity reports
- registration and scope data from www.training.gov.au
- information sharing with the Australian Skills Quality Authority (ASQA) and other jurisdictions
- complaints lodged and substantiated
- results from monitoring and audits
- student and employer survey results.

This information will allow us to pinpoint performance issues at all stages of the contract period for Smart and Skilled.

Performance monitoring activities

Performance monitoring activities will be targeted towards, but not limited to:
- areas of risk including high risk qualifications or industry sectors
- program-specific and regional priorities.

State Training Services will also rely on information provided from ASQA, Smart and Skilled consumers and other jurisdictions to alert the need for performance monitoring of a Smart and Skilled provider.

We will use a range of monitoring approaches. The method used will be determined by a range of factors including the type of risk and/or the performance issue and/or factors linked to the RTO’s operations. Performance monitoring includes but is not limited to desk audits, site visits, internal reviews, data analysis and National Centre for Vocational Education Research audits.

Performance monitoring will be governed by a State Training Services Quality Committee that will schedule and prioritise the performance monitoring activities.

A Memorandum of Understanding with the Australian Skills Quality Authority facilitates the sharing of information on performance monitoring activities.

We will monitor and review the performance of Smart and Skilled providers to maintain and enhance quality training.
State Training Services Quality Committee will:

Validation of assessment

It is well known that variation in assessment practices can impact on quality and confidence in training outcomes. Independent validation of assessment is a way to raise quality, rigour, fairness and consistency of assessment outcomes.

Validation is a process that ensures the assessment practices of an RTO are appropriate to the outcomes of training, are consistently applied, meet standards for assessment and are aligned with industry and training package requirements.

Independent validation will involve external parties such as experts in training and assessment and industry.

There are various ways to carry out independent validation of assessment. Effective validation takes account of the nature of the industry and the types of risks associated with assessment.

Under the National Partnership Agreement on Skills Reform, states and territories have agreed to conduct pilots of independent validation of assessment. The outcomes of these pilots will inform a national system for assessment.

In 2013, NSW conducted pilots in areas with opportunity to strengthen assessment and/or where assessment has a large impact.

We are working with TAFE NSW, community and private providers, their representative organisations and industry to complete the pilots.

Outcomes from the pilots will further inform the Smart and Skilled Quality Framework, especially in the area of teaching and leadership.

Outcomes from the pilots will also feed back into the training package development process.

The NSW pilots will promote greater consistency between providers and ensure students gain the skills to participate in the workforce.

Teaching and leadership

Fostering capability in teaching and leadership is critical to quality training under Smart and Skilled.

We will work with Smart and Skilled providers to strengthen their capacity to deliver quality and innovative training.

There will be a focus on building the capabilities of trainers, assessors and administrators to maintain and improve standards for training.

We will encourage Smart and Skilled providers to take part in professional development either voluntarily or as part of performance improvement.

We will develop a teaching and leadership policy to inform providers.

Areas of professional development to be targeted will be identified through:

■ outcomes of performance reviews and satisfaction surveys
■ national strategies on vocational training workforce development
■ feedback from providers on their professional development needs.
Consumer protection

All RTOs are required to have complaints handling procedures in place.

For government funded training we recognise that there is no clear avenue for consumers to seek advice, make a complaint or resolve a dispute.

There are many organisations that deal with enquiries and complaints and this can be confusing for consumers.

State Training Services will be a central point for students to seek assistance, advice and make a complaint.

We will provide students:
- information and advice on rights
- complaints and dispute handling, including:
  - an escalation pathway for unresolved complaints, including a Smart and Skilled consumer protection regulatory mechanism
  - referral to appropriate agencies
  - mediation.

Managing consumer protection

Consumer protection systems will be seamless and will complement existing arrangements for apprenticeships and traineeships.

The Smart and Skilled contract will also include requirements for providers to:
- have established, documented and accessible consumer feedback and complaints handling policies and procedures
- identify a dedicated consumer protection officer and their contact details
- provide learners with details of an organisation’s processes and pathways for resolving or escalating complaints
- obtain a signed declaration from each learner to confirm receipt of consumer protection information.

The contract will have enforceable sanctions for Smart and Skilled providers that are found to be non-compliant.

Informed consumers

The Quality Framework will give consumers information to help make informed decisions about training.

In the future we will publish information on provider performance to help students make an informed choice. This will be information related to the provider’s performance under Smart and Skilled.

Online consumer information

A Smart and Skilled information portal will provide people with the information they need to identify subsidised training opportunities and to find a Smart and Skilled provider that best meets their needs.

The portal will have a search engine with localised information to help identify:
- subsidised training opportunities
- types of skills to be gained from training
- possible career options and pathways to further education and training
- skills in demand and job prospects
- student entitlement, prices, subsidies, fees and student loans
- benefits and opportunities from having a vocational qualification.

Supplementary services

Students will have access to phone and face-to-face advice through State Training Services Regional Offices.

Evaluation

Evaluation framework

We will design an evaluation framework to promote systematic and consistent collection of data which can be used by providers to enhance their service delivery.

Students and employers will be surveyed to obtain feedback on their training experience and outcomes. This feedback will be used to enhance quality and inform monitoring.
Industry engagement

Identifying priority skill needs
The NSW Skills List will define what qualifications are subsidised by government.

Industry will play an important role in identifying priority skills so that we meet skills in demand and business needs.

We will develop better systems to collect information on labour market trends, priority skills and regional needs so that training can be tailored to areas that need it most.

The 2014 NSW Skills List can be found at www.training.nsw.gov.au/smartandskilled

Choice in training
Under the entitlement, students and employers will be able to choose TAFE NSW or an approved private or community provider to deliver training.

Industry and employers will exercise greater choice over the training they need for their workers, who provides it and when it is delivered.

Driving quality of training
Industry and employers will help drive the quality of training so that training continues to meet their needs. This will be achieved by:

■ industry involvement in the pilots of independent validation of assessment
■ getting feedback from employers on their training experience and outcomes.

Next steps
Detailed training provider quality criteria and requirements will be published when applications to become a Smart and Skilled provider are open.

For 2014 existing contracts for providers will be extended to December 2014. Applications for the Smart and Skilled contract will be called in mid 2014.

For more information about Smart and Skilled got to: