



NSW Quality Framework

Smart and Skilled • Version 2.0 • Effective from 30 October 2020

The NSW Quality Framework

What is the NSW Quality Framework?

The NSW Quality Framework promotes a shared vision for quality and quality assurance in NSW Government-subsidised vocational education and training (VET) delivered through Smart and Skilled.

The framework does the following:

- Sets out the standard of quality expected under Smart and Skilled
- Explains how the quality of Smart and Skilled Providers is measured
- Signals the intent of linking performance on quality measurements to funding and other Smart and Skilled market management activities
- Details Training Services NSW's approach to quality assurance activities.

Underpinning the framework is the expectation that quality under Smart and Skilled exceeds the minimum standards required to operate as a Registered Training Organisation (RTO). Instead there is a focus on best practice. What best practice looks like is detailed in the following areas that are key to training delivery and assessment:

- Striving for improvement through a student-centred approach to the training experience
- Expanding connection to industry so training is innovative and meets employer needs, and students have access to placements and exposure to the workplace
- Providing high level individualised support for students, particularly disadvantaged students
- Capability building of staff and systems
- Using external sources to validate assessment practices.

The framework sets out examples of best practice in these areas but this is not intended to be exhaustive or prescriptive. Providers should seek to explore their own innovative ways of improving in these areas. Providers are encouraged to also seek to develop best practice in other areas of the training experience.

The NSW Government is moving to measure the effectiveness of services through the outcomes achieved for NSW citizens. Consistent with this is an approach to measuring the quality of training under Smart and Skilled through the outcomes for students and employers. Completion of a qualification is a positive outcome but we are also looking to measure

satisfaction and post-training outcomes. These are referred to as 'student outcomes' in the framework.

There is an expectation that Providers engaged in best practice will see the highest results in the student outcome measurements. So instead of seeking to observe every Provider directly, student outcomes will be used to determine provider performance. This does not place an additional reporting burden on Providers.

The framework will support discussion with each Provider about how to reach best practice. The Department is also committed to prioritising funding towards training that gives students and employers the best outcomes.

At a minimum, Smart and Skilled Providers must ensure compliance with the Australian Skills Quality Authority (ASQA) *Standards for Registered Training Organisations 2015* (the ASQA Standards) and the Smart and Skilled contract.

The framework details how Training Services NSW will conduct close monitoring of Providers' compliance with the Smart and Skilled contract and give students better information and clear avenues for complaint.

What is Smart and Skilled?

Smart and Skilled is designed to give the people of NSW the skills they need to get a job or advance their career. It includes:

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

Foundation Skills courses are also delivered by TAFE NSW and approved Adult and Community Education (ACE) training providers.

For more information on Smart and Skilled go to: <https://smartandskilled.nsw.gov.au>.

Relationship Management

The Department will support Providers to understand the shift towards outcomes and high performance. Smart and Skilled Providers have a single person in the Department of Education to contact for advice, their allocated Strategic Relationship Manager (SRM).

An SRM has an ongoing relationship with a Provider that allows them to understand the Provider's circumstances and provide tailored advice. The NSW Quality Framework informs discussions between SRMs and their Providers, in supporting them to be compliant with the Smart and Skilled contract and policies, understanding their funding management and working towards achieving high performance and better student outcomes.

Measuring student outcomes and performance indicators

The Department has been gathering a variety of information on the outcomes that students achieve from undertaking training under Smart and Skilled.

Initiatives such as the annual Student Outcomes Survey provide the Department with data on the effects of vocational education and training. This includes information such as student satisfaction, employment benefit, personal benefit, training relevance and whether students achieved their main reason for training. This is in addition to training data including non-dropout rates. The Glossary to this document has further information on each outcome and indicator.

The Department understands that student outcomes can vary for different programs and student cohorts and will reflect this when comparing Providers.

The Department will continue to explore additional mechanisms and improve existing tools for measuring student outcomes to expand the measurement and application of indicators in Smart and Skilled decisions.

Provider High Performance

The Department will assess provider performance against the standard of quality highlighted in this document through student outcomes and other relevant indicators. The Department will be using student outcomes to measure performance. Providers' relative performance will be assessed against similar Providers.

Strong results will be taken as an indication that a Provider is adopting best practice. The Department will recognise high performing Smart and Skilled Providers through:

- The VET Student Outcomes Snapshots, measuring and sharing the level of Provider performance, which the Department began to share in late 2019
- Using measured student outcomes to more directly inform decisions regarding Providers' funding and contracts, and market management more broadly.

Setting out the Department's expectations as the funder of Smart and Skilled training is essential for the successful operation of the program. Through the framework, the Department is encouraging Providers to achieve above the minimum standards and improve the outcomes for students.

The Department acknowledges that many Providers are already exhibiting high quality behaviours and encourage them to share these best practices with the Department and one another.

The NSW Quality Framework

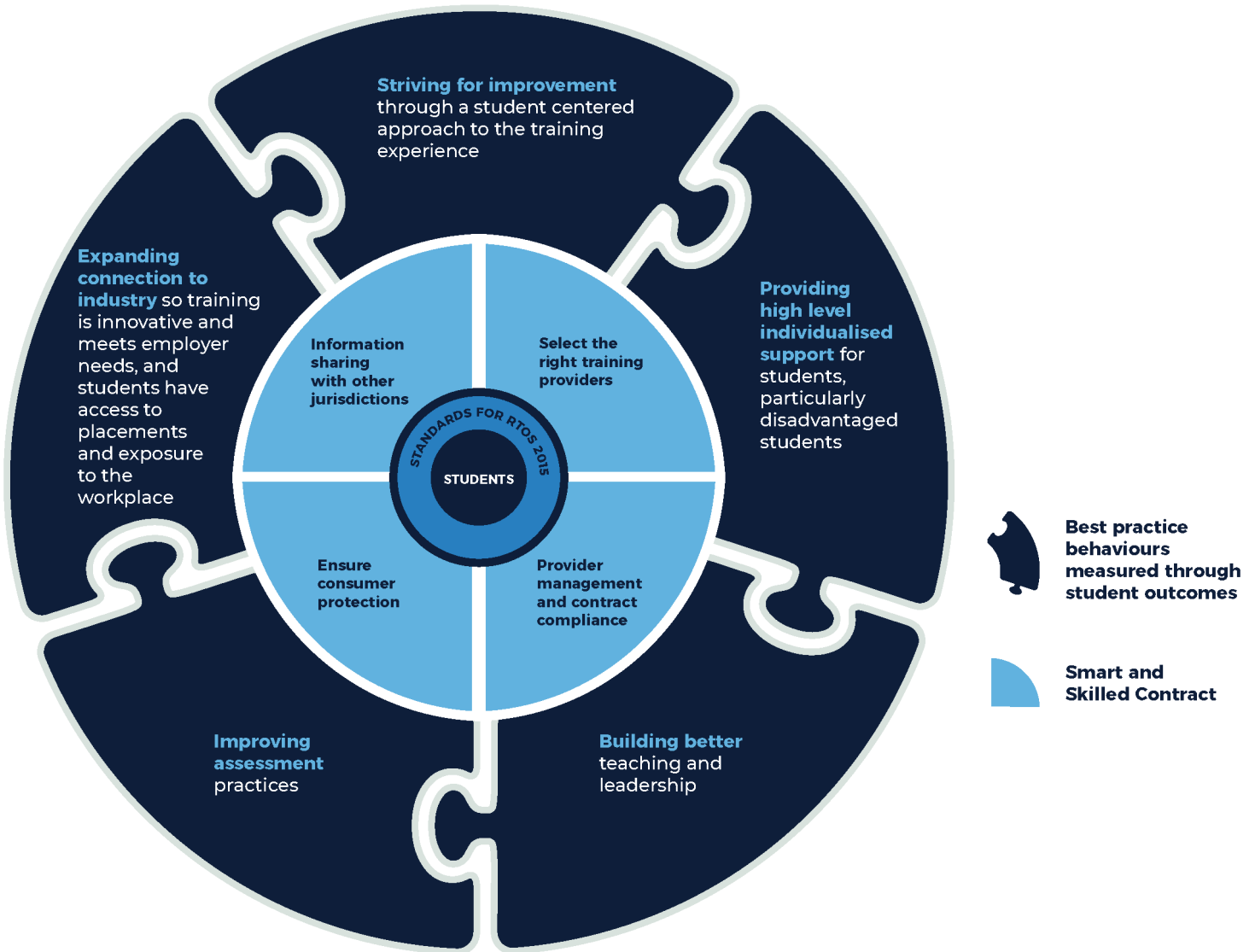
Moving from the centre to the first two rings in the graphic below, Smart and Skilled Providers must comply with the ASQA Standards and their obligations under the Smart and Skilled contract.

The Department also expects Providers to expand their focus from the centre rings of compliance toward achieving better student outcomes by actively seeking to become high performing in the market.

Areas of the training experience identified by the Department as linked to high performance are shown in the outer ring in the graphic below, and are detailed with examples of best practice behaviours from the next page of this document.

By focusing on best practice behaviours, Providers will be focusing on the student and working toward maximising their outcomes and overall experience in their vocational education and training journey.

Maximising the Student Experience



High quality under Smart and Skilled

Striving for improvement through a student centred approach to the training experience

Students and their interests should be at the heart of the training experience. Providers should be looking to understand and respond to the goals and needs of their students and employers. Student centred approaches inform all the best practice activities listed in sections below but there are overarching practices that Providers can put in place:

- Focus on the student journey so that training is designed to meet the training requirements and circumstances of each student from enrolment through to post-training outcomes
- Come to an understanding with each student their expected outcomes from training, to help them achieve their reason(s) for training
- Access to your trainers and support staff should be flexible, approachable and available for students
- Seek regular feedback from students and employers on the training experience through surveys or other tools
- Contextualise training delivery to the abilities of the student and their special needs in undertaking a standard qualification
- Contextualise training delivery to the needs of employers.

Expanding connection to industry so training is innovative and meets employer needs, and students have access to placements and exposure to the workplace

Industry plays an important and ongoing role in identifying the current and future skills needs of NSW through their input into the NSW Skills List and engagement with Providers.

Industry and employers, as end users of the training sector, help drive the quality of training. Where there is a strong alignment between the skills and standard of performance expected by an employer, and the training and assessment delivered by a provider, the stronger the expected student outcomes will be.

Employers are active participants in the engagement of students, particularly apprentices and trainees, and help to ensure that training meets their needs. This

also includes strong relationships with Providers to support students undertaking full qualifications.

The Department is encouraging Providers to actively engage with industry to demonstrate excellence in their training delivery that meets the needs of the student and employer.

The Department is encouraging Providers to be actively working with industry at a level that demonstrates excellence and high performance. Examples of best practice include:

- Incorporating the requirements of the given industry and workplace to contextualise training
- Providing employers with regular progress updates and feedback on their apprentices and trainees
- Delivering pre-vocational training that incorporates the skills expected by employers for people entering the workforce
- Following and supporting students into appropriate employment
- Consultation with employer advisory groups and networks to understand business needs and maintain currency with industry trends
- Use of industry case studies and speakers in the classroom to help students understand their chosen industries
- Providing training that reflects an understanding of market delivery gaps, such as identifying and working to address skills shortages in local industries
- Responding to the Department's directions on priority industries, qualifications and areas of focus, at the local, regional and state level
- Rewarding provider innovation in training delivery and business practice
- Supporting industry to innovate and contribute to the prosperity of NSW
- Promoting industry participation in student mentoring and coaching opportunities.

Providing high level individualised support for students, particularly disadvantaged students

The provision of support for students is key to high performance, especially in terms of student completion rates. NSW Student Outcomes Survey data show that students that receive additional support are more likely to successfully complete their qualification. For students who needed additional support but did not receive it, their completion rate is substantially below the overall average.

Support for students can take many forms, including (but not limited to):

- Counselling
- Mentoring
- Assistance with managing training schedules alongside other commitments (for example, childcare and work)
- Support with reading/writing and maths (LLN)
- Assistance with English (for those from a non-English speaking background)
- Reasonable adjustments and extra support for students with disability or special needs (for example, sign language interpreting, screen magnifiers for computers, modified assessment conditions)
- Accessibility to technology support.

The Department is encouraging Providers to adopt a person-centred approach to education that understands the strengths and interests of the individual. At its best this means taking steps to have a two-way conversation with each student, particularly young people and those in disadvantaged cohorts, to build rapport so they can feel empowered to ask questions and raise issues related to their training. Providers should also understand their students' training needs and aspirations and contextualise training and support accordingly.

Support for students is particularly important regarding:

- Appropriate course selection for the individual
- Reasonable adjustment to training and/or assessment practices, for example, to accommodate the needs of a student with disability
- Work placements and exposure to the workplace

- Assistance to enter employment, for example by connecting students to employers, and assistance with job search and interview preparation.

The Department is encouraging Providers to apply a principle of generalised access to support. Accessing support as needed should be normalised and encouraged for all students. Disclosure of a particular status should not be a barrier to accessing support (for example diagnosis of a specific disability or condition). Providers should also recognise that an individual may experience multiple forms of disadvantage that require support.

Nonetheless, Providers should pay particular attention to the needs of specific groups of students who tend to experience barriers and challenges that disadvantage them in training, including:

- Aboriginal and Torres Strait Islander people
- People with disability
- People who are/have been long-term unemployed
- People living outside of metropolitan areas, especially people in remote areas
- People eligible for a Smart and Skilled fee exemption, concession or fee-free scholarship
- People from culturally and linguistically diverse backgrounds
- Refugees and asylum seekers
- People experiencing poverty
- Disengaged youth.

Examples of best practices include:

- Collaboration with schools and employers to ensure students experience smooth transitions into further education and into employment. Collaboration with other service providers, for example National Disability Insurance Scheme (NDIS) providers or Jobactive employment services, to ensure integrated support of students throughout their training. Collaboration is especially important in regional and remote areas
- Use of individual education-to-employment plans, including accommodating reasonable adjustments to the training and/or assessment practices and any additional support available to the student (including support delivered collaboratively by external service providers).

Providers should be aware of requirements related to students with disability.

- Identification of any additional learning needs to complete the training, such as development of foundation skills, and assistance to access this.
- Personalised course selection support when requested by students.
- Clear communication (especially online) of the requirements and expectations of training including week-by-week learning outcomes and the scope for students to progress at their own pace. It is also helpful to identify the inherent requirements of training and opportunities to modify learning experiences to meet individual student needs.
- Foster a culture that normalises support and accommodation of student needs in training and actively counters stigma associated with disclosure of student characteristics, such as disability.
- Staff undertake regular professional development around delivering training and communicating effectively with specific groups, for example Aboriginal cultural competence and disability awareness.
- ‘Champions’ within Providers who increase the visibility and understanding of disadvantaged student groups, such as Aboriginal and Torres Strait Islander people and people with disability. This helps to break down the stigma and discrimination that these groups of students may experience.
- Sharing of learnings and expertise with other Providers and not ‘reinventing the wheel’ in developing good practices.

Improving assessment practices

The Department is encouraging Providers to consider the effectiveness of their assessment practices and systems to ensure they reach beyond the assessment requirements of the relevant training package.

Examples of best practice include:

- The development of assessment materials that are compliant with the relevant training package requirements
- Reasonable adjustment to assessment practices, taking each student’s individual circumstances into consideration when planning how they will be assessed and providing additional support where required

- Setting appropriate benchmarks that measure students using hands-on and practical ‘observable behaviours’, to show each individual student has actually undertaken the required tasks and this has been contextualised appropriately
- Use of external evidence to validate the assessment process (see next section).

Using external sources to validate assessment

The integrity of competency based training relies on students who have been assessed as competent being able to apply that knowledge and skill to the standard of performance expected in the workplace.

High performing Providers will look for ways to ensure their assessment practices align with the workplace outcomes expected by employers. The use of external evidence is a good way to gain confidence in the assessment process. This can be used to highlight the effectiveness of the training experience to students and employers

Examples of using external sources to validate include:

- External review of assessment processes
- Independent validation of assessment: The ASQA Standards require that RTOs must undergo independent validation of assessment practices in regard to the Training and Education (TAE) Training Package. Independent validation of assessment beyond TAE qualifications is one way to aim for best practice under Smart and Skilled.
- Independent assessment of students (either for all students or a sample) by a third party assessing body. This can be a voluntary exercise that gives the student an additional demonstration of fulfilling competency requirements
- Assessment can be designed to include a final independent assessment through a capstone exam
- Surveys of employers to ask if graduate students had the skills expected
- Monitoring post-training outcomes for students.

Building better teaching and leadership

Building capability in teaching and leadership is critical to quality training and improved student outcomes.

To build the capabilities of trainers, assessors and administrators, the *Smart and Skilled Training and Leadership Policy* (available on the Training Services NSW website) gives Providers direction on:

- Developing and implementing a Continuing Professional Development Policy
- Ensuring opportunities for improvement identified in performance reviews are implemented
- Providing feedback on professional development needs.

The Department is encouraging Providers to use their *Continuing Professional Development Policy* to demonstrate professional development and continuous improvement above and beyond the requirements of the *Smart and Skilled Training and Leadership Policy*. This will help to ensure high performance in the market and quality training for students.

The Department is encouraging the adoption of best practice in the areas listed in this section above to ensure that the student experience and outcomes are maximised, and they receive the best support and quality training from their selected Provider.

Through the NSW Quality Framework, the Department continues to ensure that Providers are complying with their obligations as an RTO and as a Smart and Skilled Provider.

Training Services NSW's approach to quality assurance

It is integral that Smart and Skilled Providers maintain compliance with the ASQA Standards and their obligations under the Smart and Skilled contract. The following sections highlight the areas of compliance that contribute to quality.

Information sharing with other jurisdictions

Working with ASQA

The Department shares an interest with the national regulator, ASQA, in:

- maintaining quality
- managing risk
- protecting students.

ASQA focuses on compliance with national standards for RTOs. The Department focuses on Provider compliance and performance under the Smart and Skilled contract.

The Department has an information sharing protocol with ASQA to foster cooperation and information sharing in relation to audit and monitoring arrangements. The Department is interested in the performance of Providers including their financial viability. This ensures appropriate, timely action by ASQA and the Department so student needs are met.

The Department meets with ASQA on a regular basis.

Working with other governments and agencies

The Department works with other governments and agencies to share information on the performance of Providers that deliver government-subsidised training.

We share an interest with other governments and agencies, including the Australian Department of Education, Skills and Employment and NSW Fair Trading in:

- safeguarding the rights of consumers
- creating a fair and equitable VET market
- protecting students.

Training Services NSW signed a memorandum of understanding with NSW Fair Trading to this effect in April 2016.

Selecting the right training providers

An RTO applying to deliver training and assessment under Smart and Skilled must meet stringent quality and performance criteria.

The Department assesses eligible RTOs on their capacity, capability and performance as an RTO and in delivering training required for Smart and Skilled. This includes consideration of the learning environment provided by the RTO.

The eligibility criteria and assessment criteria for RTOs wishing to apply for Smart and Skilled are included in the *Smart and Skilled Policy for Market Management 2020-21 (Application for a Smart and Skilled Contract)* available on the Training Services NSW website.

Provider management and contract compliance

Effective contracting

The Smart and Skilled contract states the Department's objectives and expectations for delivering training under Smart and Skilled.

Through the contract, the Department works with Smart and Skilled Providers to both ensure compliance with requirements, and build capability and proactively encourage good practice.

The Department applies a risk-based approach to monitoring performance and viability, including the financial viability of Providers under contract (see Performance Monitoring below).

Where it is not possible for issues to be resolved, the Department has a range of sanctions which can be imposed when unresolved issues are considered an Event of Default.

These measures include:

- suspending all or part of the Provider's rights under the contract
- withholding in whole or in part any subsidies payable to the Provider
- placing any further conditions in relation to government-subsidised training
- varying the contract
- exercising other rights under the contract or terminate the contract.

Performance monitoring

The Department monitors and reviews the performance of Smart and Skilled Providers to maintain and enhance quality training.

Our performance monitoring strategy is flexible so it can respond to varying risks and Provider performance issues.

The objectives of performance monitoring are to:

- Confirm delivery of the intended government-subsidised training
- Confirm ongoing contractual compliance
- Ensure maintenance of standards
- Inform Provider risk assessment.

Risk and Performance Indicators

Measurable risk and performance indicators guide the Department's performance monitoring priorities.

The risk and performance indicators assigned to a Smart and Skilled Provider will inform the nature and level of monitoring activities the Department will undertake with the Provider.

Risk indicators include:

- Industry factors or qualifications where there are identified risks
- Level of funded activity
- Reported subcontracting and brokering arrangements.

Performance indicators are based on:

- Obligations under the Smart and Skilled contract
- Timeliness and accuracy of data lodgement
- Training completion rates
- Complaints lodged.

Methods

Performance monitoring methods include:

- Self-assessment
- Surveys
- Interviews
- Desktop monitoring
- Site visits
- Investigations.

The Department also relies on information provided from ASQA, NSW Fair Trading, Smart and Skilled

consumers and other jurisdictions to alert the need for performance monitoring of a Smart and Skilled Provider.

Ensure consumer protection

Students must have a clear avenue of complaint.

A Smart and Skilled Provider must have complaints handling procedures in place to ensure students are aware of their consumer rights and know how to make a complaint.

The Department can assist a consumer – a student, employer or other interested party – if they need to seek assistance or advice about Provider, or give feedback about one. The Department can assist a consumer with a complaint about a Provider or refer them to the appropriate agency, as explained in the *Smart and Skilled Consumer Protection Strategy* (available on the Training Services NSW website).

The Department complements other help available to consumers of VET:

- National Training Complaints Hotline
- Fair Trading NSW
- ASQA
- Australian Competition and Consumer Commission (ACCC).

Measuring consumer protection

The Smart and Skilled contract protects the rights of consumers by requiring Providers to:

- Have established, documented and accessible consumer feedback and complaints handling policies and procedures
- Identify a dedicated consumer protection officer and make their contact details readily available
- Provide students with details of an organisation's processes and pathways for resolving or escalating complaints
- Obtain a signed declaration from each student to confirm receipt of consumer protection information.

Glossary of student outcomes and indicators

The Department has been collecting information on the outcomes that students achieve from training under Smart and Skilled. Below are some of the student outcomes and indicators that the Department may use in assessing high quality under Smart and Skilled.

Employment Benefit (Source: Student Outcomes Survey)

This is the percentage of students who have gained an employment benefit from undertaking training. Examples of employment benefits include a student getting a job or getting increased earnings. This indicator is related to questions 19, 29, 36 and 37 of the 2019 Student Outcomes Survey (SOS).

Personal Benefit (Source: Student Outcomes Survey)

This is the percentage of students who have gained a personal benefit from undertaking training. Examples of personal benefits include a student getting into further study or gaining confidence. This indicator is related to questions 15 and 35 in the 2019 SOS.

Achieving Main Reason (Source: Student Outcomes Survey)

This is the percentage of students who were able to achieve the main reason for undertaking training. This indicator is related to questions 4 and 5 in the 2019 SOS.

Satisfaction Score (Source: Student Outcomes Survey)

This is the percentage of students who stated that they were satisfied or very satisfied with their training overall. This indicator is related to question 14 in the 2019 SOS.

Training Relevance (Source: Student Outcomes Survey)

This is the percentage of students who were employed in a field relevant to their qualification. This indicator is related to question 30 in the 2019 SOS.

Overall Non-Dropout Rate (Source: Smart and Skilled enrolment data)

Students who had completed or were continuing in Smart and Skilled training in 2018 as a percentage of all students that commenced in 2018.

This is the percentage of disadvantaged students who commenced Smart and Skilled training in 2018, who had completed their training or were still in training in 2020.

Disadvantaged Non-Dropout Rate (Source: Smart and Skilled enrolment data)

Disadvantaged students who had completed or were continuing in Smart and Skilled training in 2018 as a percentage of all disadvantaged students that commenced in 2018.

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