



Training Accreditation Council

Risk Framework

Effective: 10/01/2025

Version 01-25

Document title	Version	Date Created	Document Number
TAC Risk Framework	V1.25	10/01/2025	

Contents

Contents	2
1. Introduction.....	3
1.1 Background.....	3
1.2 Legislative and Operating Framework.....	3
1.3 VET Context and Quality reforms	3
1.4 Shared responsibility	4
1.5 RTO Attitudes to Compliance	5
1.6 Risk Tolerance.....	5
2. TAC Risk Framework.....	5
2.1 Underpinning principles	6
3. Managing and responding to risk.....	6
3.1 Information sources and evidence	7
3.2 Provider risk identification	8
3.3 Response to provider risk.....	8
3.4 Systemic risk identification.....	9
3.5 Response to systemic risk.....	9
3.6 Treatment of risk	10
4. TAC education program and communication strategy	12
5. Communication	12
6. Monitoring and review	12

1. Introduction

This document sets out the risk management framework used by the Training Accreditation Council (TAC) in support of the regulation and quality assurance of the vocational education and training (VET) sector in Western Australia.

How the TAC manages risk and the strategies used to identify, quantify and treat risks are central to the overall quality and integrity of the VET sector. The TAC Risk Framework (the Framework) describes the approach the TAC takes on the management of risk.

1.1 Background

Quality VET outcomes are fundamental to the development of a skilled workforce to meet the needs of industry, productivity and the State Government's workforce development agenda.

As the Western Australian (WA) VET regulator, the TAC's primary role is to assure the quality of training services delivered in the WA VET sector through effective regulation of providers and accredited courses.

The TAC has the authority to register training providers and accredit courses. The TAC is able to audit and investigate training providers and their delivery and assessment of courses and review course accreditation.

The Council regulates those providers that deliver nationally recognised training to domestic students in WA, or that operate only in WA and Victoria. RTOs operating in multiple jurisdictions and/or deliver to international students are regulated by the national VET regulator, the Australian Skills Quality Authority (ASQA).

In addition to its regulatory functions, TAC maintains strong and effective stakeholder engagement, communication and educative processes that support high quality VET outcomes.

1.2 Legislative and Operating Framework

The functions of the TAC are contained within the:

- *WA Vocational Education and Training Act 1996*; and
- *WA Vocational Education and Training (General) Regulations 2009*.

The Council:

- operates in line with the *Standards for VET Regulators 2015*;
- regulates training organisations under the *Standards for Registered Training Organisations (RTOs) 2015* or its replacement; and
- accredits courses under the *AQTF 2021 Standards for Accredited Courses*.

1.3 VET Context and Quality reforms

The TAC's Risk Framework and regulatory approach have historically been developed in line with legislative requirements and the approach described in the *Standards for VET Regulators 2015* which aims to ensure "...the integrity of nationally recognised training by regulating RTOs...using a risk-based approach that is consistent, effective, proportional, responsive and transparent."

The Skills Reform agenda agreed by the Skills and Workforce Ministerial Council (SWMC) is to build and maintain a strong skills-based workforce. In September 2024, SWMC endorsed the revised national *Standards for Registered Training Organisations* (revised Standards) with planned implementation from July 2025.

The revised Standards expand the range of requirements RTOs must meet in order to obtain and maintain registration including:

- a focus on quality outcomes;
- greater emphasis on RTO governance, and continuous improvement;
- a focus on student diversity, inclusiveness and wellbeing; and
- recognition that meeting requirements will be in the context of an RTO's operating environment and dependent on their student cohort.

The introduction of the revised Standards provides an opportunity for the TAC to review, and as necessary, adjust its Risk Framework and regulatory approach to ensure it remains fit for purpose and in line with contemporary regulatory risk management frameworks.

1.4 Shared responsibility

A regulatory authority cannot work alone to manage the quality and integrity of a system. In the VET sector, the TAC communicates and engages with a range of stakeholders who share the responsibility for the quality assurance of VET outcomes.

The current reforms to the VET sector will place added responsibility on all VET stakeholders to work collaboratively to elevate quality and to meet the requirements of the revised Standards.

The TAC regularly seeks input from industry, government and community stakeholders to inform its risk processes, regulatory activities and priorities. Stakeholder engagement may range from formal Memoranda of Understanding and regular contact to less formal engagement and collaborative activity.

Key stakeholders include:

Skills and Workforce Ministerial Council – consists of federal and state portfolio Ministers with responsibility for skills and training in their jurisdiction. It provides a forum for national cooperation and stewardship across the VET system and collaboratively progresses items of national importance within the portfolio including those set out in the National Skills Agreement.

State Training Authority - Department of Training and Workforce Development - identifies current and emerging skills needed for WA; leads the development of training and workforce strategies; and manages the public investment in vocational education and training (VET) delivered by TAFE colleges, private training providers and other service providers.

State and National Government agencies – provide advice on VET issues that impact their sectors and the development of VET policy including agencies with responsibility for VET Delivered to Secondary Schools (VDSS).

Jobs and Skills Councils – amongst other functions, are responsible for the development of national training products that meet the needs and requirements of defined industries.

VET Regulators – are responsible for ensuring RTOs comply with the prescribed Standards and training product specifications. The VET Regulators collaborate to ensure consistency across jurisdictions.

Industry Regulators – provide advice on issues that may impact on the quality of VET outcomes. In some industries, regulators apply separate quality assurance mechanisms that operate in parallel to the TAC's responsibilities.

Western Australian Industry Training Councils – are responsible for providing advice on VET and workforce development issues in WA and undertake a central role in the development of quality VET training curriculum to ensure that the skills and knowledge gained through training is aligned with current industry competencies and requirements.

Industry Peaks, Associations, Unions and employer groups – provide advice on issues that may impact on the quality of VET outcomes.

TAFEs – are required to meet the prescribed Standards and training product requirements. The TAFEs are the largest providers of publicly funded training and are the centre of WA's training system.

Other Registered Training Organisations (RTOs) – required to meet the prescribed Standards and satisfy training product specifications.

Course Owners – required to meet the prescribed Standards for Accredited Courses.

1.5 RTO Attitudes to Compliance

The TAC Risk Framework recognises that most RTOs within its jurisdiction have historically demonstrated they are motivated to provide quality training and meet the Standards. This strategy recognises the TAC's role in providing support and education to assist RTOs in maintaining compliance, develop RTO capability and improve their business practices.

1.6 Risk Tolerance

The TAC's approach to risk management balances the requirement for well-informed and effective regulatory oversight of the WA VET sector with the need, where possible, to limit regulatory burden on RTOs.

Risk is always present and despite the best efforts of the TAC, many RTOs and other stakeholders, there may be circumstances that could result in an unidentified risk or a change in the level of risk. For example, a change in RTO behaviour or circumstances may affect the quality of an RTO's operations such as staff turnover, ability to attract or retain suitably qualified and experienced staff, changes to Government funding contracts or increases/decreases in student demand for training are all beyond the control of the TAC but may be used to identify RTO risk.

Active and meaningful continuous improvement will mitigate RTO risk.

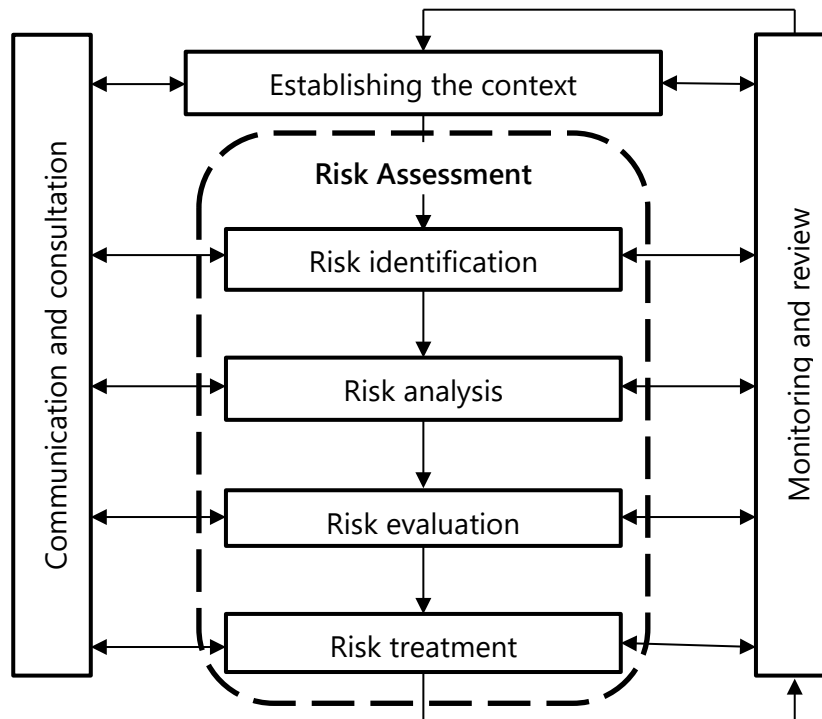
The risk management approach used by the TAC assures quality outcomes and protects the WA Government's investment in VET. The TAC believes its evidence-based, targeted and proportionate regulatory approach remains appropriate for managing risks associated with the implementation of the revised Standards.

2. TAC Risk Framework

The TAC Risk Framework deals with risks specific to the operation of the VET system in WA. The design of the framework aligns with the key aspects of the international standard on risk management, *AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines*.

Detailed data analysis and evaluation of evidence collected from a range of sources and stakeholders is used to determine areas and levels of risk. This allows the TAC to direct its focus and resources to industry sectors, training products and/or RTOs posing the greatest risk, while monitoring and managing overall risk across the VET sector.

The diagram below illustrates the elements of the Framework.



2.1 Underpinning principles

The TAC Risk Framework is underpinned by clearly defined principles including:

- **Evidence-based** – Risk analysis and regulation is informed by evidence obtained from a range of sources. Advice and information is gathered from VET stakeholders, the outcomes of complaints, the results of the TAC’s monitoring and audit processes, and data analysis.
- **Responsive** – The information collected is regularly reviewed to identify any changes in individual RTO or systemic risk. The TAC responses are adjusted as required. Timeliness of response is key when urgent issues impacting students and industry are identified.
- **Adaptable** – Emerging risks such as those associated with an industry sector or VET policy changes can be factored into the TAC risk assessment process and analysis, so that attention is focussed where required.
- **Targeted, proportionate and timely** – Individual RTO and/or systemic risk issues determine the focus, intensity and timing of the TAC’s regulatory response.

3. Managing and responding to risk

The TAC’s collection and analysis of evidence from the range of sources enables it to make an assessment about the level of risk and decisions about the allocation of resources.

Industry sectors, training products, components of the prescribed Standards or individual RTOs, that are assessed as posing risks to quality and safety outcomes are the focus of increased regulatory responses. The analysis of information considers risk factors at the systemic or individual RTO level and appropriate responses are applied.

Risk is assessed as:

- **Provider risk** – When individual RTOs make decisions, take or avoid action that may have a negative impact on training outcomes for students, industry or the community. Responses to individual provider risk are identified through risk assessments.
- **Systemic risk** – Issues pertaining to multiple RTOs, an industry sector, specific training products, components of the Standards or to the whole VET sector which may be significant and far-reaching. This type of risk may have a negative impact on training quality, student outcomes, employment opportunities and the integrity, quality and the broader reputation of the VET sector. Responses to systemic risk are identified in the TAC Regulatory Strategy or as new systemic risks are identified.

Responses to risk at the provider or systemic level are dependent on a range of factors as detailed in the following sections.

3.1 Information sources and evidence

The TAC ensures that its information gathering process is comprehensive and designed to collect the necessary evidence to fully inform risk assessments. The risk assessment process means that the regulatory responses applied by the TAC are targeted and proportionate.

Information sources used in determining levels of risk include:

- **Stakeholder engagement** – Intelligence and evidence received from Stakeholders, including other industry regulators, informs risk assessment and ensures the TAC's responsiveness. This is particularly relevant when considering systemic risk.
- **Complaints** – Complaints received about RTO performance within TACs jurisdiction, are subject to analysis and, where appropriate, investigated by the TAC.
- **Training products** – The implementation of new or revised national training products may pose risks. The TAC monitors training product changes, assesses the risk associated with implementation and applies appropriate regulatory responses.
- **VET Activity** – Information on RTO activity such as course enrolments, apprenticeship and traineeship numbers, and completions is submitted by RTOs regularly. Analysis of information related to VET activity is used to assess individual provider or systemic risk.
- **Audit outcomes/sampling providers** – Outcomes of audits identify RTOs that are not meeting the prescribed Standards and their capability to deliver quality training outcomes. Overall audit findings also identify systemic risks across industry areas, training products or trends related to prescribed Standards.
- **RTO annual declaration and continuous improvement** – Under the revised Standards, the Declaration will be revised and enable RTOs to report additional information on compliance and continuous improvement to assist with determinations of risk.
- **RTO self-assessment** – Information provided directly by RTOs is an important element in the overall evidence gathering process. Under the revised Standards, the TAC will provide an amended RTO self-assessment tool and resources that encourages RTOs to self-assess and to present evidence in support of applications.

- **Quality indicators** – RTOs must collect information from students and employers using standard survey tools. The learner satisfaction and employer engagement surveys collect information on how well an RTO is meeting client needs, the level and quality of client engagement and on areas that need to be improved in relation to training and assessment. A summary is provided to the TAC for its assessment. Under the revised Standards, the quality indicator summary will be reviewed.
- **Media reports, social media and training organisation websites** – Media reports and websites that advertise training courses are monitored to identify VET issues that may impact on the quality and integrity of the VET system or for individual RTO activity that may affect the quality of student outcomes.
- **Other** – The TAC can request or seek information from other avenues to be able to determine levels of risk. This is not just limited to these information sources listed above.

3.2 Provider risk identification

Information on the activity and performance of individual RTOs is collected from the TAC's monitoring and audit processes and from a broad range of external sources. The level of risk posed by an RTO to the quality of student outcomes and the likelihood that they may not meet the requirements of the Standards, is assessed on the available evidence which may include:

- structure and characteristics of an individual RTO;
- size, scope of registration and delivery sites of the RTO;
- experience of the RTO (length of registration);
- significant changes to the RTO structure, operations or staffing;
- compliance history and recurring issues of non-compliance;
- sanctions that may have been applied to the RTO by the TAC;
- nature and frequency of complaints about the RTO;
- delivery and assessment of training products identified as high risk;
- level of offshore training delivery;
- training and assessment methods and pathways including online, VET Delivered in Secondary Schools, apprenticeships and traineeships; and
- existence and scope of third-party arrangements.

When identifying and determining the level of risk, the TAC considers the likelihood and potential consequence to the quality of student outcomes, the impact on industry/employers, the impact on the community and the overall effect on the integrity, quality and reputation of the VET sector.

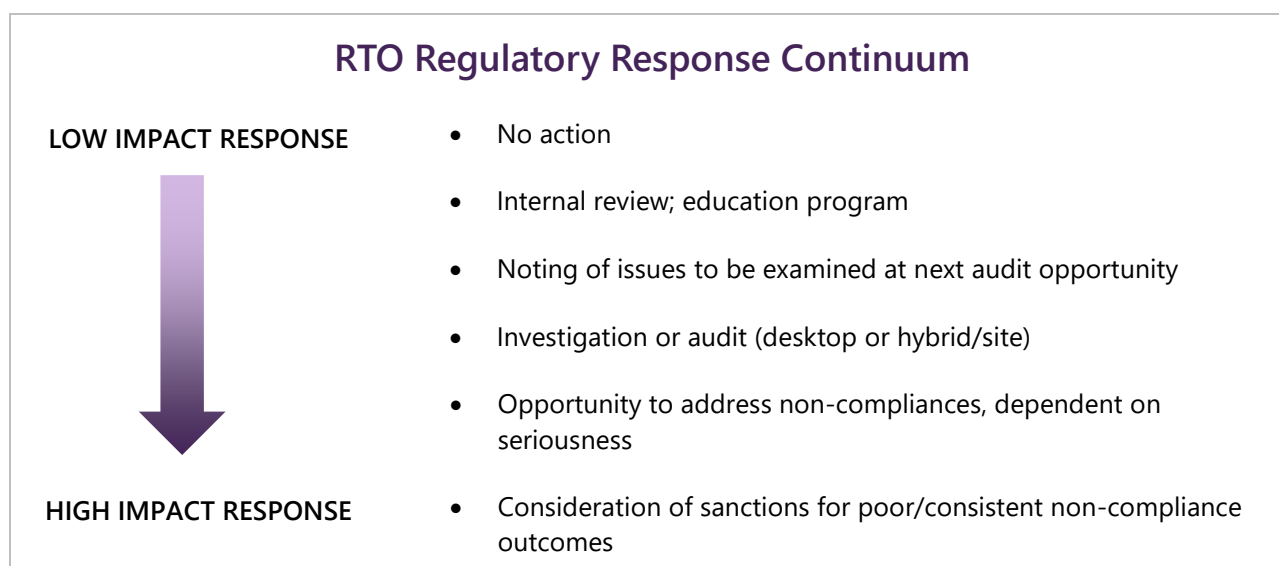
3.3 Response to provider risk

The response by the TAC to identified risk is proportionate to the level and likely consequence based on the risk assessment conducted in the above issues. Where the risk assessment identifies no issues, the risk level will be assessed as low, and the TAC's regulatory response will be low impact.

This approach is consistent with the TAC's objective of reducing regulatory burden on RTOs that deliver quality student outcomes and meet the requirements of the Standards.

Alternatively, where the risk assessment identifies significant issues, the risk level increases and the consequence for the quality of student outcomes are likely to be more serious.

The TAC applies a range of regulatory responses graduated from low to high impact as shown in the response continuum diagram below.



3.4 Systemic risk identification

Risks to the integrity, quality and reputation of the overall VET sector are more likely to emerge when there is significant whole of sector changes. These may include:

- changes to national VET or higher education standards, compliance requirements, policy or funding arrangements;
- changes to industry regulatory arrangements;
- labour market changes;
- emerging industry training needs or adjustments to specific industry training needs;
- implementation of new or revised training products; and
- changes to training product assessment requirements.

The TAC monitors systemic changes to inform risk identification and assessment.

The planned implementation of the revised Standards and the adoption of new or amended operational approaches by all RTOs may lead to increased systemic risks that will need to be managed. Changes to requirements for RTOs are supported by education and tools to support achieving compliance.

3.5 Response to systemic risk

As with provider risk, the response by the TAC to identified systemic risk is proportionate to the level and likely consequence.

For example, although a change in assessment requirements in training products delivered by a small number of RTOs may be classified as a systemic risk, the level of risk is likely to be lower, dependant on the nature of the product, than a whole of sector change impacting on all RTOs, such as the implementation of the revised Standards.

The TAC uses its information and evidence process to support the assessment of systemic risk and applies a range of regulatory responses graduated from low to high impact as shown in the response continuum diagram below.

Systemic Regulatory Response Continuum

LOW IMPACT RESPONSE



HIGH IMPACT RESPONSE

- No action
- Education program, engagement and collaboration with stakeholders
- Outcomes of engagement activities and data review and analysis establishes potential risk issues
- Internal monitoring strategies identify issues and trends showing risk areas
- Monitoring audit targeted on specific training products or RTOs
- *Strategic Industry Audit* on systemic issues pertaining to a specific industry areas or VET issues

3.6 Treatment of risk

The treatment of risk depends on the level and seriousness of the identified issue and the consequence of not prioritising or dealing appropriately with the risk.

The use of a regulatory response continuum by the TAC allows for an assessment of the risk level, consideration of the consequence if the risk is not dealt with and the application of an appropriate response. For example, low level risk may have negligible consequences and the assessment by the TAC may conclude that no further action is required.

The TAC evaluates and prioritises risks that require a formal regulatory response. Identified risk that is assessed as a priority because of the seriousness of the likely consequence will be given immediate attention. The overall management of risk is factored into the TAC's regulatory planning process.

The process for the treatment of provider risk and systemic risk applies the same principles. The regulatory response is always proportionate to the level of risk and the consequence when measured against factors such as the quality of student outcomes, the impact on industry and the community, and the effect on the integrity, quality and reputation of the VET sector. For example, the greater the risk and the likelihood of serious consequences, the more severe the regulatory response.

The following table provides an example scenario of RTO behaviours, and the approach the TAC may take in applying regulatory responses dependent on the level of risk and the likely consequence.

Impact of Risk	Examples of RTO Behaviour	Examples of Regulatory Response
Negligible	<ul style="list-style-type: none"> RTO consistently complies with regulatory obligations Identified risks are <i>unlikely to have any impact</i> on learners or industry 	<ul style="list-style-type: none"> In the event of a non-compliance, the TAC will provide the RTO with an opportunity to address non-compliance and ensure compliance
Minor	<ul style="list-style-type: none"> RTO demonstrates compliance most of the time, but occasionally fails to comply with regulatory requirements RTO can rectify non-compliances after an opportunity to address the non-compliances is provided within a specified period related to the context of the RTO and learner cohort Identified risks are likely to have a <i>minor impact</i> on learners or industry and RTO has strategies in place to address them 	<ul style="list-style-type: none"> The TAC will investigate the non-compliance, and ensure rectification occurs. This may include a further auditor review to confirm compliance achieved The TAC may note areas of non-compliance that have been rectified and follow-up to verify ongoing compliance at the next audit opportunity
Moderate	<ul style="list-style-type: none"> RTO consistently demonstrates non-compliance and has a history of poor performance RTO has difficulty in rectifying non-compliances after several opportunities are provided RTO does not provide information when requested and is uncooperative with the TAC Identified risks are likely to have a <i>moderate impact</i> on learners or industry and RTO is unable to put strategies in place to address them 	<ul style="list-style-type: none"> The TAC will investigate the non-compliance, provide opportunity for rectification, and ensure compliance Further actions are contextualised dependent on the level of risk and may include additional audits of the RTO Depending on the potential consequences of the risk, the TAC may suspend, vary the RTO's registration or place conditions on the RTO's registration Following compliance attainment, the TAC may note areas to verify ongoing compliance at the next audit opportunity including through the conduct of a <i>Compliance Monitoring Audit</i>¹
Significant	<ul style="list-style-type: none"> RTO consistently demonstrates non-compliance and has a history of poor performance RTO is unable to rectify non-compliances after several opportunities are provided RTO does not provide information when requested and is uncooperative with TAC Identified risks are likely to be systemic across the organisation and have a <i>significant impact</i> on learners or industry and RTO is unable to put strategies in place to address them 	<ul style="list-style-type: none"> The TAC will investigate the non-compliance presenting at initial audit and provide opportunity for rectification and ensure compliance. Further actions are contextualised dependent on the level of risk and may include additional audits of the RTO Depending on the potential consequences of the risk, the TAC may suspend or cancel the RTO's registration If the RTO is suspended, following compliance attainment, the TAC may note areas for verification of ongoing compliance at the next audit opportunity including the conduct of a CMA

¹ *Compliance Monitoring Audits (CMA)* allows for the monitoring of compliance with the Standards for RTOs as a result of non-compliances identified at previous audits or when seeking removal of a suspension. RTOs will be considered for a CMA if one or more of the CMA criteria is met.

4. TAC education program and communication strategy

A central element of the TAC's risk management is the provision of a comprehensive education program and communication strategy for RTOs and VET stakeholders. The primary aim of the program is to support RTOs to build organisational capability and understanding, improve business operations and support RTOs to meet the requirements of the Standards for RTOs.

The TAC provides wide ranging professional development opportunities that deliver practical information to support good governance and management, quality processes, continuous improvement and sound compliance practices.

Using data and intelligence to understand the health and quality of the WA VET sector, the Council tailors its education and communication strategies to ensure maximum impact, accessibility and relevance to RTOs.

The TAC education program and communication strategies include guidance materials such as the Online Guidance Hub, Fact Sheets and reflective questions as well as webinars and podcasts.

5. Communication

All of the TAC's regulatory decisions are informed by the processes described in this Risk Framework. The outcomes of the TAC's regulatory activity are made public using a range of published reports and other documents. These include:

- TAC Regulatory Strategy;
- TAC Annual Report;
- Snapshot of Compliance Trends;
- Strategic Review Reports; and
- TAC Newsletter and Updates.

Regulatory decisions based on the outcomes of a risk assessment may be shared with other government agencies such as other regulators and state and territory education and training departments under established protocols for sharing information regarding the quality of VET.

The TAC must comply with transparency requirements. This includes the publication of regulatory decisions about RTOs. Decisions will only be published on the TAC website and on the National VET Register after the appeals process has been completed.

6. Monitoring and review

The regulatory role and responsibilities of the TAC are underpinned by quality assurance and continuous improvement principles. The TAC regularly monitors and reviews the processes used to identify, analyse, quantify and treat risk.

Risk factors are regularly reviewed to confirm validity and reliability.

The TAC maintains regular communication with external stakeholders and seeks feedback on the appropriateness and effectiveness of its management of risk and its regulatory approach through a biennial perception survey of RTOs and Stakeholders to support continuous improvement.

An annual review of the application of the TAC Risk Framework is conducted to highlight good practice and identify areas for improvement.