



# **Group Training Organisation (GTO)**

## **Policy and Procedures**

**July 2016**

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## 1. INTRODUCTION

This document presents the Victorian Registration and Qualification Authority's (VRQA's) Group Training Organisation regulation policy.

This policy and associated procedures are subject to regular management review, with proposed changes to the policy to be endorsed by the Apprenticeship and Traineeship Subcommittee of the VRQA Board.

## 2. VRQA GTO POLICY

### 2.1 Key Components

The VRQA GTO policy is comprised of the following key components:

- VRQA's organisational and regulatory context in which the policy has been developed
- Regulatory enablers for GTO regulation
- Partnership with the Apprenticeship Employment Network

### 2.2 Policy context

The group training organisation policy has been developed out of, and is consistent with, the following major organisational and regulatory drivers:

- VRQA's 2014 - 2016 Strategic Plan, particularly its focus on risk-based and proportional regulation.
- The Minister for Education and Minister for Training and Skills' August 2015 Statement of Expectations, particularly that the VRQA promote greater cooperation and information sharing with key partners and further improve the transparency of VRQA regulatory requirements.
- The Victorian Government's continued funding support to group training organisations— in February 2016 the Minister for Training and Skills announced \$9.3 million in funding for Victorian GTOs for the next three years.
- The breakdown of Commonwealth-State arrangements for group training, which requires states and territories to make state-specific decisions about their GTO regulatory regimes.
- VRQA's A&T risk register.

### 2.3 General Regulatory Enablers

On 1 January 2015 the GTO regulatory function shifted from the Victorian Department of Education and Training (DET) to the VRQA, through an exchange of letters between the Director, VRQA and the Deputy Secretary, Higher Education and Skills Group, Department of Education and Training.

Group training regulation is not set out as a separate regulatory category in the *Education and Training Reform Act 2006* (the Act). However group training organisations are employers of apprentices, and therefore must comply with the obligations under the Act relating to employers.

The Act requires the VRQA to approve an employer who wishes to contract an apprentice or trainee, which includes consideration of the GTO's ability as an employer to comply with the national training contract.

Under section 5.5.6 of the Act an employer must have the VRQA's approval to enter into a training contract with an apprentice or trainee.

Section 5.5.7(2) of the Act specifies four key criteria that the VRQA must take into consideration prior to granting approval to an employer to enter into a training contract with apprentices and trainees.

#### 2.4 Specific Regulatory Enablers for GTO regulation

All states and territories regulate employers and apprentices/trainees in relation to their training contract obligations (i.e. employer obligations to provide skilled supervision and appropriate facilities).

Group training regulation places additional regulatory responsibilities on GTOs. It outlines standards, for example, for the induction and hosting arrangements that are inherent to the GTO model.

The original regulatory enabler for dispute resolution stems from a Ministerial Council decision. The original National Standards for group training organisations were endorsed by Ministers for Vocational Education and Training on 24 May 2002 at the Ministerial Council for Australian National Training Authority meeting.

Following a review, minor changes were made which were endorsed by the National Quality Council on 29 August 2005. These changes were implemented on 1 January 2006.

In June 2016 the VRQA Board endorsed the new co-regulatory system for GTO regulation as set out below.

#### 2.5 The requirement for a new approach

A new approach for GTO regulation in Victoria is required because of the breakdown in the Commonwealth-State joint approach to group training, due to decisions made by other jurisdictions.

The Commonwealth ceased its funding contribution to the Joint Group Training Program from 1 July 2015. New South Wales and Tasmania had previously withdrawn from the funding program.

In February 2016 a proposal to regulate the system at a national level was rejected by Commonwealth, State and Territory officials.

Additionally, many jurisdictions have expressed a desire to move to revised National Standards (the 2006 GTO National Standards were reviewed in 2009 and 2013).

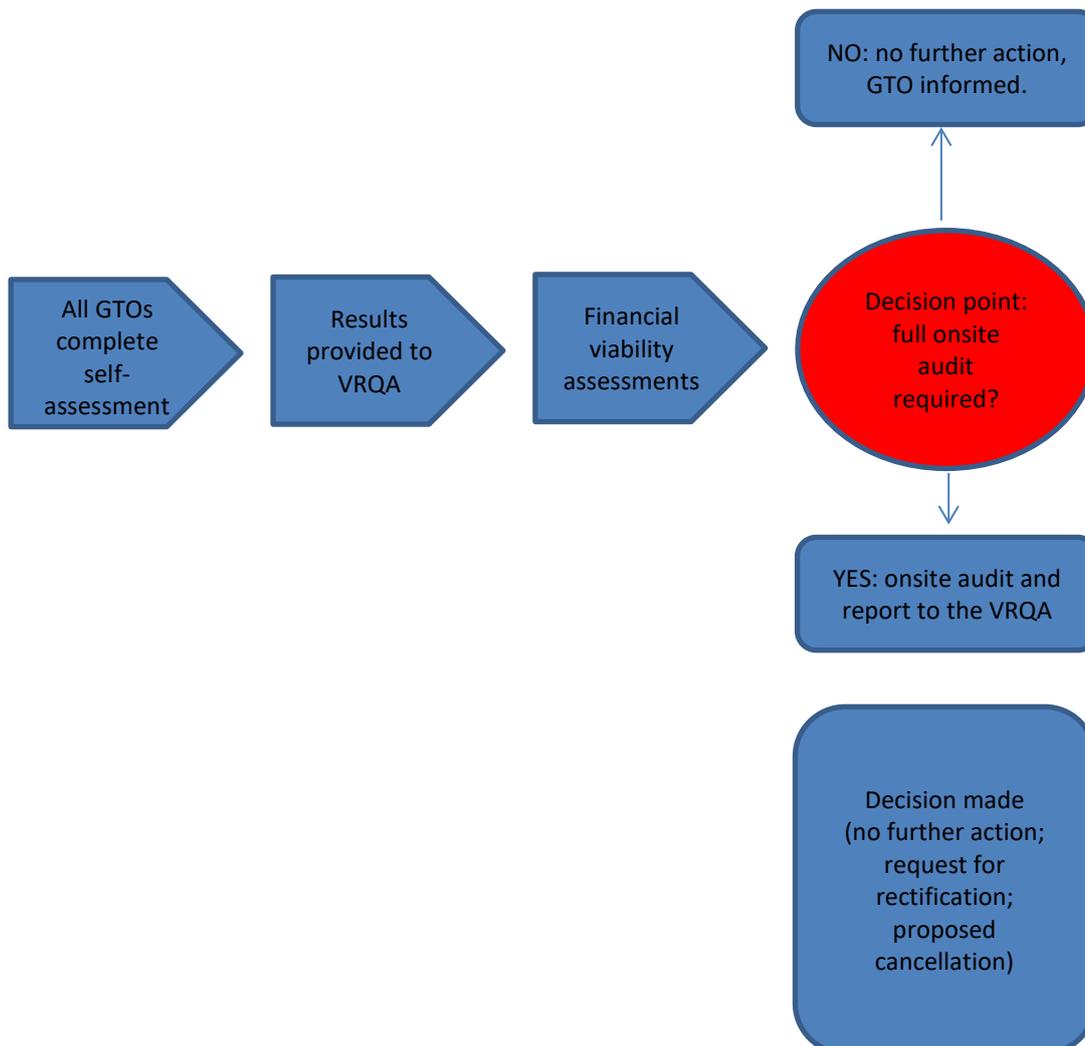
The VRQA has worked with the representative organisation for Victorian group training organisations, the Apprenticeship Employment Network (AEN) to construct a new co-regulatory regime.

### 3 VRQA GTO Regulatory Procedures

#### 3.1 The steps

1. GTOs undertake an annual online self-assessment of their compliance with the standards, which generates a score and risk rating. This is administered by the AEN.
2. This AEN provides the results to the VRQA.
3. The VRQA supplement the self-assessment results with financial viability assessment reports of GTOs under standard three of the revised National Standards (Governance and Administration).
4. Based on self-assessment results, financial viability assessment reports and other information (e.g. complaints and intelligence from the field), the VRQA will decide which GTOs require a full onsite audit by an independent auditor.
5. GTOs that do not require a full onsite audit will be advised that no further action is required until the following year, when the process resumes at step one.
6. For those GTOs that do require a full onsite audit, the VRQA will commission auditors, consider the audit report and advise the GTO of the proposed next steps (e.g. no further action; request for rectification; proposed cancellation).

The new procedures for existing Victorian GTOs are depicted below.



### 3.2 New applications

All new applications will have to go through the process outlined in section 3.1.

Registration as a GTO in another jurisdiction does not entitle the new applicant to automatic registration in Victoria.

### 3.3 Consultation between the co-regulatory parties

All existing Victorian GTOs and new applicants will be advised that the VRQA and the AEN are able to share information and discuss all matters related to the GTO regulation process as it pertains to their organisation.

The VRQA and AEN will sign a Memorandum of Understanding that sets out the roles and responsibilities of each party in the co-regulatory model.