

EDUCATION AND TRAINING — REGISTERED TRAINING ORGANISATIONS —
RISK-BASED CONTRACTUAL AUDIT AND COMPLIANCE MONITORING

750. Hon Alison Xamon to the Minister for Education and Training:

I refer to the risk-based contractual audit and compliance monitoring for contracted private training providers undertaken in the 2016–17 financial year that showed more than 50 percent of the audited registered training organisations (RTO) had moderate or significant contractual non-compliance issues, and I ask:

- (a) were any issues identified that might impact the quality of training received by students:
 - (i) if yes, what, if any, actions did the Department take;
- (b) what are the names of the nine RTO that had significant non-compliance issues:
 - (i) how much public funding did they each receive in 2016–17; and
 - (ii) what has now happened with each of those contracts;
- (c) how many private RTO are currently contracted by the department:
 - (i) how many of these have been assessed since their first contract with the department;
- (d) how many more have been identified in the risk assessment as:
 - (i) high risk;
 - (ii) moderate risk; and
 - (iii) low risk; and
- (e) is this audit and compliance monitoring program continuing in 2017–18:
 - (i) if no, why not; and
 - (ii) if yes, how many audits will likely be completed by the end of the 2017–18 financial year?

Hon Sue Ellery replied:

- (a) Yes.
 - (i) The following actions were taken by the Department of Training and Workforce Development:
 - Reduced funding to the RTO;
 - Recovered funding from the RTO;
 - Restricted the number of training places allocated to the RTO;
 - Suspended the contract of the RTO;
 - Terminated the contract of the RTO.
 - Referred matters to the RTO state and national regulators.
 - Where appropriate assisted students to transition to alternate RTO to complete their training.
 - Imposed remedial “Action Plans”
 - Undertook ongoing more intensive monitoring of some RTO’s
- (b) The 9% of RTOs that had significant non-compliances are list below:

(b)	(i)	(ii)
Albany Worklink Inc	\$ 115,101	The RTO was placed on an action plan. A follow up audit deemed the RTO had rectified their non- compliances against their action plan.
Correspondence Training Australia Pty Ltd	\$1,343,065	The RTO was placed on an action plan and student numbers restricted. A follow up audit was conducted and deemed the RTO had rectified their non-compliances and the restriction on student places was lifted.
Farm Information Services Pty Ltd	\$120,884	The RTO withdrew from their contract.
Livio Domenico Barilaro	\$346,697	A follow up audit was conducted and deemed the RTO had rectified their non- compliances.

Mazzuma Pty Ltd	\$135,249	The RTO was placed on an action plan. A follow up audit was conducted and deemed the RTO had rectified their non-compliances against the action plan.
RTO Solutions Pty Ltd	\$899,130	The RTO had their funding reduced and student numbers restricted. A follow up audit conducted deemed the RTO still had outstanding non-compliances. The RTO was placed and remains on an action plan.
Strategix Training Group Pty Ltd	\$4,401	The RTO was not offered a contract extension for 2018.
Training For Me	\$1,501,540	The RTO's contract was suspended and subsequently terminated.
Tubal Pty Ltd	\$607,074	A follow up audit conducted deemed the RTO still had non-compliances to rectify. The RTO was placed and remains on an action plan.
Work Savvy Pty Ltd	\$258,999	The RTO was not offered a contract extension for 2018.
XLT Industrial Pty Ltd	\$5,023	The RTO was not offered a contract extension for 2018.

- (c) 182 RTOs are currently contracted by the Department of Training and Workforce Development.
- (i) All.
- (d) The level of risk assigned to each RTO determines the type of audit that the RTO is likely to receive during the year. The level of risk assigned to the 182* RTOs contracted by the Department of Training and Workforce Development is as follows:
- (i) 26 – high risk
- (ii) 47 – moderate risk
- (iii) 108 – low risk
- *One provider is yet to be allocated a risk rating. Please note a risk rating does not imply that any provider is non-compliant with the contract as this can only be determined via audit. High risk ratings may be received for RTO's delivering training packages characterised by high volume and short term delivery with practical work placements.
- (e) Yes.
- (i) Not applicable.
- (ii) 80.