Traffic Control and Traffic Management Implementation

Registered Training Organisation (RTO) Risk Methodology

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Government

Contents

1   Introduction

The Technical Training and Development (TTD) team are responsible for the governance and oversight of the Traffic Management Training Program including:

- Traffic Control (TC) and Traffic Management Implementation (TMI) Training Program Content Management

- Registered Training Organisations (RTO) Licencing Program

- RTO Compliance Management.

The TTD team have developed a Governance Framework to ensure the program is managed in a fair and equitable manner.

To support the Governance Framework a Risk Methodology has been developed to enable the TTD team to make informed decisions on where their compliance efforts should be focused.

The objective is to ensure each RTO complies with the contractual obligations of their RTO License Agreement issued by the Department of Transport and Main Roads, so that the Traffic Management Training Program continues to meet the needs of the Traffic Management industry.

2   Purpose

The intent of the Risk Methodology is to apply a structured and systematic approach to determine the overall risk each RTO presents to the Transport and Main Roads' Traffic Management Training Program.

The outcome determines the range and type of compliance management employed by the team to ensure the RTO does not present an unacceptable risk to the Transport and Main Roads' Traffic Management Training program.

3   Scope

The Risk Methodology applies to all RTOs licenced to deliver the following approved traffic management training programs on behalf of the department:

- Traffic Controller (TC) Training Program, and

- Traffic Management Implementation (TMI) Program.

4   Methodology

The Risk Methodology is based on the Transport and Main Roads' Risk Management process and customised to ensure alignment with the context of the Traffic Management Training Program.

The methodology is applied to all licenced RTOs.

4.1   Step 1. Risk Identification

Risks can either be general risks related to the RTO Licencing Program and all licenced RTOs, or relevant to just one (or more) RTOs. Relevant factors include:

- **Performance** – data gathered about each RTO through review of previous audit outcomes, monthly report statistics, any previous issues, complaints and general feedback from various individuals who have had dealings with the RTO.

- **Licence Agreement Reviews** – including any relevant requirements relating to Schedule 2 of the signed, current agreement.

All identified risks are described in the context of *"[something happens] leading to [description of impact]"*.

Each identified risk indicates the source of the risk including, but not limited to:

- Advertising
- Traffic Control (TC) Placement
- Traffic Management Implementation (TMI) Practical
- Training Material
- Student Enrolment
- Assessment Records
- Assessment Method TC
- Assessment Method TMI
- 3rd Party Arrangement
- Monthly Reporting
- Training
- Trainer
- Administration.

4.2 Step 2. Risk Analysis

Individual Risk Analysis

Each identified risk is analysed using the RTO Risk Assessment and Rating Matrix. Determination is made regarding the likelihood of the risk eventuating and the associated consequence.

The analysis considers:

- the overall consequence if training and assessment services and related outcomes are not delivered according to specified requirements
- the overall likelihood that this will occur.

Trend analysis of performance over the previous 12 months is also considered.

RTO Risk Analysis

The collective risk information relevant to each RTO is analysed using the RTO Risk Assessment and Rating Matrix. This determines the overall risk rating for each RTO.

Analysis of the following elements of likelihood (rare, unlikely, possible, likely, almost certain) and consequence (insignificant, minor, moderate, major, severe) form the basis of allocating risk ratings for each RTO:

- **Likelihood**
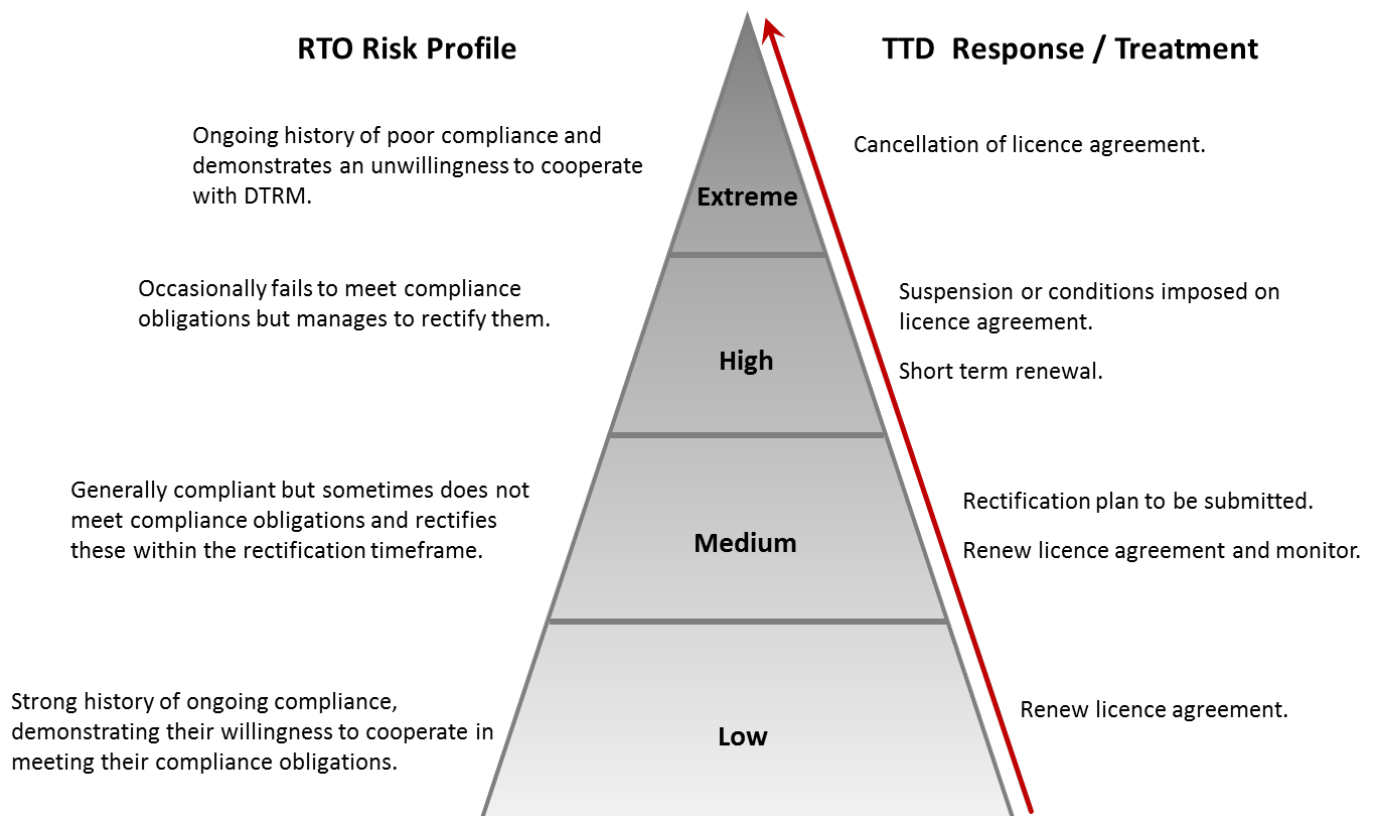 - o Total volume of students

- o Total volume of training programs provided by the RTO
- o Historical data regarding student issues including complaints received
- o Historical data regarding employer issues including feedback and complaints received
- o Historical data including feedback, complaints, warnings, or breach notices.

- **Consequence**
  - o Impact on quality of training including delivery and assessment methods
  - o Impact on the contractual compliance obligations to the Transport and Main Roads' RTO licence agreement
  - o Impact on the overall reputation of Transport and Main Roads' and the RTO program
  - o Impact on financial aspects of the program budget and/or funding
  - o Impact on program performance and capability including student completion rate.

4.3 Step 3. Risk Evaluation and Treatment

The assigned level of risk will determine the appropriate treatment strategies.

Treatment strategies are intended to reduce the overall level of risk the RTO presents to Transport and Main Roads and the Traffic Management Training program.

Treatment strategies will vary according to the nature and magnitude of the risk. The diagram below indicates the treatment escalation pathway employed in response to the RTO Risk Profile.

RTO Risk Profile

Ongoing history of poor compliance and demonstrates an unwillingness to cooperate with DTRM.

Occasionally fails to meet compliance obligations but manages to rectify them.

Generally compliant but sometimes does not meet compliance obligations and rectifies these within the rectification timeframe.

Strong history of ongoing compliance, demonstrating their willingness to cooperate in meeting their compliance obligations.

Extreme

High

Medium

Low

TTD Response / Treatment

Cancellation of licence agreement.

Suspension or conditions imposed on licence agreement.

Short term renewal.

Rectification plan to be submitted.

Renew licence agreement and monitor.

Renew licence agreement.

4.4 Step 4. Risk Monitoring and Review

The Technical Training and Development (TTD) team monitor and review the environment for new or changing circumstances that may have an impact on the RTO Traffic Management Training Program and related RTO Licencing Program.

The approaches outlined below address specific requirements of monitoring activities and review of the methodology and assigned RTO risk profiles.

Monitoring

All known risks are monitored on an ongoing basis to ensure the overall level of risk remains accurate in the context of the current operating environment.

The assigned overall risk profile of each RTO is monitored through:

- the review of monthly activity reports submitted by the RTO

- feedback received from students or other interested parties in the traffic management industry, and

- RTO compliance audit results.

Ongoing monitoring influences the level of governance and oversight needed to manage licenced RTO relationships.

Review

The Risk Methodology and related supporting documents are reviewed on an annual basis. This ensures the approach continues to remain relevant and reflect the context of the RTO Traffic Management Training Program and related RTO Licencing program.

The risk profiles assigned to each RTO are formally reviewed on an annual basis. This ensures:

- the current risk profile reflects the overall performance of the RTO during the previous 12 months, and

- considers any changes to the scope of their licence agreement.

Outcomes of the RTO Risk Profile review may influence the related compliance management program activities including the frequency of audits.