



8 July 2014

Response to the ASQA Process Review: Final Report

The Minister for Industry, the Hon Ian Macfarlane announced the release of the *ASQA Process Review: Final Report* on 25 June 2014 at his National Skills Summit Address. The report is published on the [Department of Industry website](#).

ASQA welcomes the release of the final report after providing full access to its staff and operational process information to PricewaterhouseCoopers (PwC) throughout the review. The final report provides a wide range of findings, many of which ASQA has become aware of throughout its three years of operations and is actively addressing through regulatory reforms and business improvement activities.

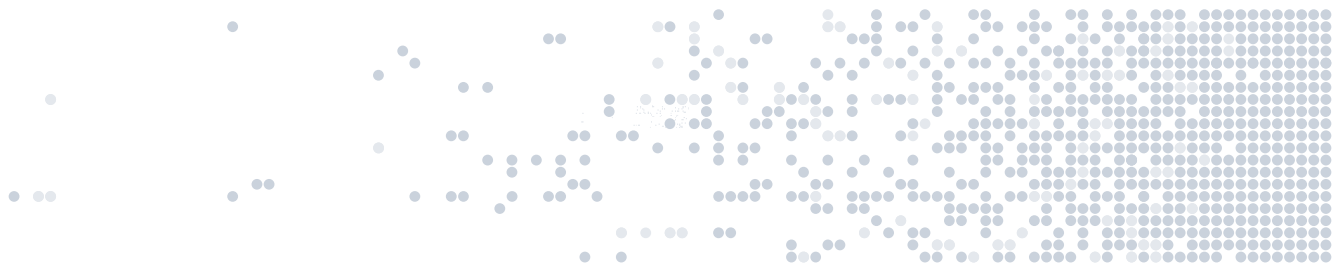
ASQA's response to the six main themes

The report identifies six main themes that, if addressed, will improve ASQA's efficiency and effectiveness and provide the greatest benefit to the vocational education and training sector.

1. ASQA's existing ICT systems do not facilitate the most efficient and effective business processes for the future of ASQA as a regulator.

The ASQA Process Review: Final Report notes that ASQA has commenced a major information communication technology (ICT) transformation to deliver an applications portfolio and ICT infrastructure that will address many of the improvement areas outlined in the report. This ICT program of works commenced after ASQA identified risks and limitations with the current ICT infrastructure and was allocated additional budget in 2012–13. The program of works currently encompasses:

- development of a Business Process Model which has mapped and redesigned business processes to increase operational efficiency, and this outlines the business requirements for planned ICT systems
- implementation of a comprehensive Electronic Document and Records Management System (EDRMS) which will provide a central repository for all documents relating to providers and applications
- development of a revised regulatory management system (ASQAnet) which will provide full workflow support, increase billing automation and improve data quality, resource



management and activity scheduling. The revised system will also improve functionality for providers including application tracking and incorporation of CRICOS applications

- development of improved business intelligence and reporting tools, and
- delivery of managed services arrangements from a single provider.

PwC identified capability gaps in ASQA's ICT support for risk management. ASQA has been continually refining its approach to risk assessment as additional data and information on the sector becomes available. In 2014, ASQA commenced a project to document the requirements for a data analytics tool to provide more automated data capture, analysis and management of regulatory intelligence and environmental risks. The costs and benefits of this project are currently being assessed by ASQA.

2. ASQA is constrained by a variety of factors in the regulatory architecture. These factors drive some process inefficiencies that impact its timeliness and transparency of operations.

ASQA regulates according to Australian Government legislation. Inconsistent requirements in the *National Vocational Education and Training Regulator Act 2011* and *Education Services for Overseas Students Act 2000* result in significant challenges for the regulation of providers. ASQA has raised these issues with the government and understands that harmonisation of the Acts is being considered.

In the development of the new standards for RTOs, ASQA has also argued for the standards to be clearer and less ambiguous to help RTOs understand what is required and to reduce possible variations in auditor interpretation.


3. ASQA has evolved its risk model, but requires additional data about the sector and ICT capability to deliver further improvements.

Implementation of the new requirement to collect data from private as well as public providers as per the *National VET Provider Collection Data Requirements Policy* from 2015 will result in ASQA gaining access to a more complete and wider set of risk data about VET sector activity. This will enable ASQA to further develop its risk-based approach to delivering proportionate and effective regulation.

ASQA is documenting the requirements for a data analytics tool to provide more automated data capture, analysis and management of regulatory intelligence and environmental risks to further support risk assessments.

ASQA is also implementing reforms to shift its regulatory focus away from provider registration applications towards a proactive performance monitoring program supported by improved risk information and tools.

Collectively, these initiatives will assist ASQA to identify providers who wilfully disregard regulatory obligations, and inform targeted corrective and preventive regulatory responses. Likewise, providers



who present a lower risk to producing sub-standard training outcomes will benefit from less regulatory intervention.

4. A lack of coordination in training package updates issued by ISCs creates unnecessary work for Providers and impacts ASQA's operations.

To date, training package changes have not been synchronised by Industry Skills Councils with the changes endorsed by the (now defunct) National Skills Standards Council (NSSC). The Minister for Industry announced in his address at the National Skills Summit that the government is considering limiting the number of training package updates by batching the releases perhaps once a year and looking to ensure that the downstream impacts of changes are fully considered at the development phase.

Since 1 July, ASQA has addressed this issue by automatically updating RTOs' scopes of registration with recently endorsed equivalent training package products. This applies to RTOs that are registered to deliver the equivalent superseded product, and does not require the RTO to submit an application or pay a fee to ASQA.

ASQA is working with the Departments of Industry and Education to extend this reform to the registration of VET courses on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

5. A lack of guidance and clarity about the rules for Standards and training packages is creating unnecessary work for ASQA and Providers.

The function of providing guidance about the *Standards for NVR Registered Training Organisations 2012* until recently rested with the NSSC as the national skills standards setting body. The COAG Industry and Skills Council agreed to streamline governance arrangements and committees at its inaugural meeting on 3 April 2014. This resulted in the dissolution of the NSSC with its ongoing functions delegated to industry representatives and selected senior officials through the Industry and Skills Council Advisory Committee.

ASQA is now assuming the function to provide more information and guidance about the standards.

As mentioned above, ASQA has argued for clearer, less ambiguous standards for RTOs during the standards development process because of feedback from providers about the difficulty of interpreting the requirements.

ASQA has observed over its three years of operations that many providers deliver quality training outcomes to their clients but struggle to demonstrate their compliance with standards and conditions of registration. ASQA is implementing a range of activities to support these providers, including:

- revised ASQA Info line procedures to provide more specific information and advice in response to enquiries, including providing a specific contact person



- providing more information on the current standards through FAQs in a new online Help Centre and information videos, which was launched in a new version of the website on 1 July
- development of comprehensive information to support the release of the new standards.

6. Communications with Providers are not fully effective

The ASQA Process Review: Final Report notes that following a survey of providers, the majority agreed or strongly agreed that ASQA's communication channels are clear, accessible, timely and effective while 43% did not. The provider survey noted two major concerns which are described below with ASQA's response.

Provider concern

ASQA's response

a) the inability to obtain specific advice pertaining to a provider's case and

As mentioned above, ASQA has revised its Info line procedures to provide more specific information and advice in response to enquiries, including providing a specific contact person.

The ASQA ICT transformation project has also scoped the replacement of ASQAnet to improve functionality and information access for providers, including more detailed application status tracking.

b) the current process whereby the Info line re-directs providers to generic information on the website

A new version of the ASQA website was launched on 1 July. This includes a provider Help Centre with additional FAQs, online information videos, more information about overseas student requirements and enhanced functionality and search capabilities.

As mentioned above, ASQA is also developing comprehensive information to support the release of the new standards.

Additional findings

The ASQA Process Review: Final Report provides a range of additional findings including those relating to people and governance. Of note, ASQA is currently undertaking an organisational structure review to ensure that ASQA's structure enables it to meet evolving priorities and deliver further efficiencies. ASQA is also developing more comprehensive Key Performance Indicators to measure key business activities and deliver enhanced performance.



Further information

Further background information to the ASQA Process Review is available on the [Department of Industry website](#).

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