

REPORT

Australian Skills Quality Authority Self- Assessment Report against the Regulator Performance Framework 2017



Australian Government

Australian Skills Quality Authority

Table of Contents

Introduction.....	4
KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities.....	5
ASQA performance metrics.....	5
Results against performance metrics	5
Self-assessment of results against performance metrics	10
KPI 2: Communication with regulated entities is clear, targeted and effective	11
ASQA performance metrics.....	11
Results against performance metrics	11
Self-assessment of results against performance metrics	14
KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed.....	15
ASQA performance metrics.....	15
Results against performance metrics	15
Self-assessment of results against performance metrics	17
KPI 4: Compliance and monitoring approaches are streamlined and coordinated.....	18
ASQA performance metrics.....	18
Results against performance metrics	18
Self-assessments of results against performance metrics	21
KPI 5: Regulators are open and transparent in their dealings with regulated entities.....	22
ASQA performance metrics.....	22
Results against performance metrics	22



Self-assessment of results against performance metrics	23
KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks.....	24
ASQA performance metrics.....	24
Results against performance metrics	24
Self-assessment of results against performance metrics	26

Introduction

As part of its commitment to reduce the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations, the Government released the Regulator Performance Framework (RPF) in October 2014.

The RPF comprises six outcomes-based key performance indicators (KPIs):

1. Regulators do not unnecessarily impede the efficient operation of regulated entities.
2. Communication with regulated entities is clear, targeted and effective.
3. Actions undertaken by regulators are proportionate to the regulatory risks being managed.
4. Compliance and monitoring approaches are streamlined and coordinated.
5. Regulators are open and transparent in their dealings with regulated entities.
6. Regulators actively contribute to the continuous improvement of regulatory frameworks.

All regulators covered by the RPF now have in place measures (metrics) to assess their performance against these six KPIs.

ASQA developed and submitted its measures against the six RPF KPIs in mid-2015 and these were approved by the Minister on 17 December 2015 and published on the Authority's website.

A key purpose of the RPF is to increase the transparency and accountability of Commonwealth regulators. As such, regulators must self-assess their performance against their measures once every 12 months and have these self-assessments externally validated by their key stakeholders.

This report is ASQA's second self-assessment against the RPF. It is for the period 1 July 2016 – 30 June 2017 and following the external validation process must be provided to the Minister by 31 December 2017.

I certify this report as ASQA's accountable authority under the *Public Governance, Performance and Accountability Act 2013*.



Mr Mark Paterson AO

**Chief Commissioner and Chief Executive Officer
Australian Skills Quality Authority**

KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities

ASQA performance metrics

1. Detail the mechanisms for regulated entities and stakeholders to provide feedback and input to ASQA on policies and practices to identify emerging issues
2. ASQA's work program to reduce compliance costs for regulated entities
3. Proportion of the regulated community reporting high satisfaction with their engagement with ASQA
4. Summarise ASQA's annual environmental scanning activities and the outcomes of Strategic Reviews

Results against performance metrics

Metric 1— Detail the mechanisms for regulated entities and stakeholders to provide feedback and input to ASQA on policies and practices to identify emerging issues

➤ Self-Assessment Measure — Mechanisms deployed

ASQA has established a number of mechanisms through which regulated entities and stakeholders can provide feedback. In 2016–17, these included:

- **Annual environmental scan** — ASQA undertook extensive and comprehensive consultation with 28 key stakeholders as part of the environmental scanning process. Through these consultations, ASQA sought to develop an understanding from key stakeholders about problems affecting the sector, and their views on the potential causes and drivers.
- **Provider Roundtable Meetings** — ASQA held three 'provider roundtable' meetings during 2016–17. These meetings provided opportunities for peak bodies to engage with ASQA and to discuss the Authority's regulatory approach, as well as high-priority emerging issues. The provider roundtables are a valuable forum that allows ASQA to participate in structured dialogue with provider organisations, and allows the provider organisations to bring the concerns of their members to ASQA's attention.
- **ELICOS Roundtable** — ASQA held 2 ELICOS roundtable meetings during 2016-17. These meetings include representatives from English Australia (the national peak body for the English language sector of international education in Australia), TAFE Directors Australia, the Australian Council for Private Education and Training, and the Tertiary Education Quality and Standards Agency (TEQSA) and focus on issues relating to the regulation of English Language Courses for Overseas Students (ELICOS).
- **Provider Reference Group** — The provider reference group was consulted on one occasion during 2016-17 on the refresh of the *Users' Guide to the Standards for*

Registered Training Organisation 2015 during 2016-17. The feedback received was incorporated into the second version of the guide, due to be published in November 2017. Members of the group were nominated by ASQA Commissioners and regulatory operations managers based on their size (large/medium/small RTOs), type (public provider/private provider/community college/enterprise), geographic location (all states and territories had at least one representative) and history of engagement with ASQA (fully compliant at audit, fully compliant following rectification).

- **Industry Engagement** — Members of ASQA's Industry & Risk Intelligence Team attend a range of industry and regulator forums/events each year to consult with representatives from other regulatory agencies. Information about providers or training products of concern or emerging sector issues provided through these events are entered into ASQA's intelligence register (or, if the information relates to a specific provider, the information may be entered as a complaint). Information received through complaints and intelligence reports is used to inform ASQA's regulatory activity.
- **Provider Briefing Sessions, Course Accreditation Briefing Sessions, Stakeholder Briefing Sessions** — In 2016-17 ASQA held a series of 27 face-to-face and online briefing sessions for registered training organisations. These sessions were focused on the implementation of the student centred audit approach as well as providing an update on important issues in the VET sector. The sessions included question and answer opportunities for attendees to ask questions of senior ASQA staff about regulatory matters.
- **Annual Provider and Stakeholder Surveys** — As with previous years, ASQA also undertook a major annual survey of training providers and VET sector stakeholders to assess its performance against the objectives stated in the Portfolio Budget Statements, the *Corporate plan 2016–17*, organisational values and other performance requirements under the *National Vocational Education and Training Regulator Act 2011*.

Participation in the survey was optional and responses were confidential, with a 60 per cent response rate. The survey asked both providers and key stakeholders to rate ASQA's performance in areas such as consultation and the quality of information made available through its various communication channels.

Metric 2 — ASQA's work program to reduce compliance costs for regulated entities

➤ Self-Assessment Measure — Work program delivered

In 2014, ASQA commenced a comprehensive vocational education and training (VET) regulatory reform strategy designed to support the Australian Government's policy to boost productivity and reduce regulation.

The reforms outlined seven key work programs, which have now been delivered.

These were:

- **Equivalent training package scope updates** — Training packages are regularly updated to ensure they reflect the needs of industry. This reform means that when a training package product is updated, and the new version is 'equivalent' to the previous product, ASQA automatically adds the new product to a provider's scope of registration without requiring an additional application or fee. This reform was implemented on 1 July 2014.
- **Removal of financial viability from renewal of registration** — ASQA no longer requires providers to undergo any financial viability risk assessment at the time of application submission. Rather, in keeping with the risk-based approach to regulation, in cases where ASQA receives credible information suggesting that a provider is not financially viable, ASQA may require the organisation to undergo a targeted risk assessment. This reform was implemented on 1 July 2014.
- **Delegations for amending scope of registration** — From October 2014, ASQA began offering certain high-performing RTOs with the ability to manage their own scope of registration. This means that these RTOs are able to add new training products to their registration without applying to ASQA and paying an application fee. This was a three stage program; the final stage was completed in May 2016.
- **Provision of enhanced guidance and information** — ASQA completed the development of enhanced guidance and information to support the implementation of the *Standards for Registered Training Organisations 2015* in late 2015. This work program included the development of a broad range of communication materials to support providers, a range of face-to-face events, and the implementation of updated Info Line procedures to allow Info Line employees to provide more in-depth advice to providers.
- **Implementation of the new standards** — The *Standards for Registered Training Organisations (RTOs) 2015* were released in October 2014 and came into effect on 1 January 2015 for organisations applying to become RTOs and on 1 April 2015 for existing RTOs. ASQA managed the successful transition to these Standards through an implementation strategy that included a comprehensive Communication and Education strategy.
- **Changes in risk model and regulatory approach** — ASQA undertook a comprehensive review of its risk model, commencing late 2014 and culminating with the publication of the *Regulatory Risk Framework* and *Regulatory Strategy* in April 2016. ASQA's risk approach continues to evolve and ASQA has identified further changes to support its risk-based regulatory approach, supported by the introduction of the revised audit model. The audit model has allowed ASQA to focus on evidence of RTO practices and behaviour at audit, and effectively identify greater levels of sustained or significant non-compliance.
- **Adjustments to ASQA's organisation structure** — ASQA's implemented a new organisational structure in support of this work program that came into effect on 30 June 2015.

Metric 3 — Proportion of the regulated community reporting high satisfaction with their engagement with ASQA

- Self-Assessment Measure — Percentage reporting high satisfaction with ASQA engagement

In responses to the 2016-17 ASQA *provider survey*, 68.0 per cent of respondents rated ASQA's engagement with the regulated community as either 'excellent' or 'good', as shown in Table 1. A further 18.1 per cent indicated that they felt ASQA's engagement with them was 'fair', while a total of 6.8 per cent indicated engagement was 'poor' or 'very poor'.

Table 1: Proportion of the regulated community reporting high satisfaction with their engagement with ASQA in responses

	Excellent	Good	Fair	Poor	Very poor	Don't know
Engagement with the regulated community	17.9	50.1	18.1	4.6	2.2	6.9

Metric 4 — Summarise ASQA's annual environmental scanning activities and the outcomes of strategic reviews

- Self-Assessment Measure — Summary and outcomes reported

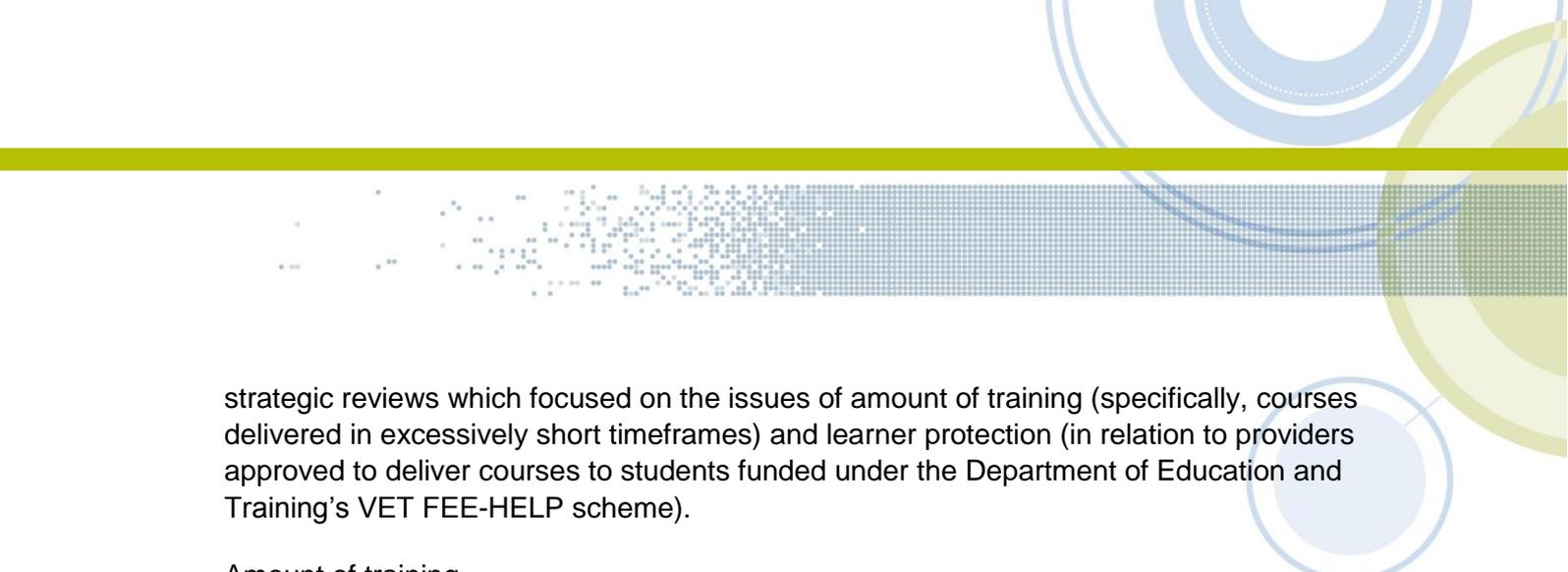
Annual environmental scanning activities

In managing systemic risk, ASQA undertakes an annual environmental scan drawing on the views of key stakeholders, internal regulatory data, and other external data to understand risks in the VET sector, supplemented by a mid-year review to identify any emerging risks. Information from the e-scan helps ASQA determine where and how to target its regulatory efforts and the most significant of these risks are prioritised for treatment and communicated to the sector in ASQA's annual Regulatory Strategy.

The 2016-17 e-scan identifies systemic concerns, problematic training products, and standards that providers may not be meeting. ASQA communicates with relevant bodies about applicable aspects of the e-scan and a full copy of the report is provided to agencies with legislative authority for aspects of the VET sector.

Strategic reviews

To regulate Australia's vocational education sector, ASQA continually assesses risks presented by providers, courses, qualifications and the VET system. Where systemic risks are identified, ASQA seeks to prevent damage to the VET sector by undertaking strategic reviews of these training areas or issues. In 2016–17 ASQA completed two



strategic reviews which focused on the issues of amount of training (specifically, courses delivered in excessively short timeframes) and learner protection (in relation to providers approved to deliver courses to students funded under the Department of Education and Training's VET FEE-HELP scheme).

Amount of training

During 2016–17, ASQA completed a review of VET course duration and published the report, *A review of issues related to unduly short training*.

This review was established in response to ASQA's increasing concerns of significant numbers of training courses being advertised and delivered in timeframes well below those required by the Australian Qualifications Framework (AQF).

ASQA undertook a comprehensive review of how course duration is advertised in the sector and how Australia's regulatory system for managing course duration compares with those of other countries.

The report made three broad recommendations to address the issues identified:

- The *Standards for Registered Training Organisations 2015* be amended to include a definition of the 'amount of training' that focuses on supervised learning.
- Training package developers set a mandatory amount of training where there is a persistent risk of unduly short training.
- RTOs are required to publish user-friendly and concise product disclosure statements for each training product on their scope of registration that includes the amount of training.

Learner protection

ASQA completed the *2016 VET FEE-HELP Regulatory Strategy*, which was developed in consultation with the Department of Education and Training (DET). The strategy sought to support a targeted response to VET FEE-HELP approved providers exhibiting behaviours of serious concern in relation to their obligations under the VET Quality Framework.

ASQA audited 26 RTOs to assess demonstrated practices and compliance with the VET Quality Framework, including compliance with DET's VET FEE-HELP scheme where relevant to the *Standards for RTOs 2015*.

This regulatory work has been extensive and involved significant data gathering focussed on the student experience across a typical student's 'training lifecycle' from recruitment and assessment and was informed by student surveys commissioned by DET.



Self-assessment of results against performance metrics

ASQA's results against each of the four metrics against this KPI were satisfactory, noting that there is room for improvement under metric three in particular, "Proportion of the regulated community reporting high satisfaction with their engagement with ASQA".

ASQA aims for 70 per cent of respondents to indicate that they believed ASQA performance was 'excellent' or 'good' with these metrics. To improve performance next year ASQA will continue its work to enhance and improve its on-line and face-to-face interactions with providers, particularly in relation to compliance related advice around issues including ASQA's student-centred approach to audit, its approach to implementing the new TAE Training Package and training for the early childhood education and care sector.

Additionally, ASQA will continue to update and enhance its website – particularly in response to feedback received, as well as work to ensure that the advice provided in response to calls and emails to the Authority's Info Line is personalised and targeted.

KPI 2: Communication with regulated entities is clear, targeted and effective

ASQA performance metrics

1. Proportion of providers reporting that ASQA's information systems and service channels are accurate, helpful and timely
2. Assessment of ASQA's response times against its targets (proportion of initial registration applications/renewals/registration applications completed within targeted timeframe)
3. Satisfaction with:
 - > knowledge of staff answering calls and emails
 - > completeness of answers provided
4. Detail the outcomes of the audit moderation process to demonstrate consistency in decision- making

Results against performance metrics

Metric 1 — Proportion of providers reporting that ASQA's information systems and service channels are accurate, helpful and timely

- Self-Assessment Measure — 70 per cent or more reported that ASQA's information systems and service channels are accurate, helpful and timely

Table 2 shows provider responses to the 2016–17 ASQA *Provider Survey* in relation to ASQA's information systems.

Table 2: Percentage of provider respondents to the 2016-17 ASQA Provider Survey who rated the accuracy, helpfulness and timeliness of ASQA's information systems as either 'good' or 'excellent'

	Accurate (%)	Helpful (%)	Timely (%)
Website (overall)	91.6%	83.2%	90.2%
Fact sheets	92.4%	91.7%	91.5%
Frequently-asked questions (FAQs)	88.1%	88.3%	88.8%

General directions	90.3%	90.0%	90.3%
ASQA Update newsletter	91.0%	90.3%	93.9%

Metric 2 — Assessment of ASQA’s response times against its targets

➤ Self-Assessment Measure — Percentage completed within timeframes described in ASQA’s Performance Standards

ASQA provides guidance to providers on the expected timeframes for completion of application processes through its published Performance Standards. ASQA undertakes a risk assessment of all applications for initial registration, to renew registration, and to add courses to a provider’s registration (‘change of scope’ applications).

In 2016-17 there was a significant drop in applications for initial registration finalised within six months from 91.3 per cent in 2015-16 to 65.0 per cent in the current reporting period (Table 3).

There was also a significant drop in change of scope applications – with audit, finalised within six months, from 83.5 per cent in 2016-16 to 42.7 per cent in the current reporting period.

A range of factors have affected timeframes for ASQA’s application and audit processes during 2016–17. Foremost among these factors is the maturing of ASQA’s risk intelligence as a trigger for audit activities, which has seen audit activities better targeted toward providers with potential non-compliance issues. As such, where audit activities result from an application to renew registration or change of scope of registration, these are now triggered by significant concerns about a provider (with the exception of applications for initial registration, where an audit is standard). Given this, the audit is likely to be more complex and take longer to finalise.

ASQA’s performance against the performance standard targets for the completion of applications is shown in Table 3.

Table 3: Percentage of applications finalised within the timeframes set in ASQA's Performance Standards

Application Type	Target	% Completed within Target
Applications for initial registration	Finalised* within 6 months	65.0%
Applications to renew registration	Finalised within 6 months	96.0%

Change of scope applications—with audit	Finalised within 6 months	42.7%
Change of scope applications—without audit	Finalised within 1 month	84.6%

* 'Finalised' means that ASQA has made a decision and advised the applicant (not that any review process has been completed).

Metric 3 — Satisfaction with the knowledge of staff answering calls and emails and the completeness of answers provided

- Self-Assessment Measure — 70 per cent or more report satisfaction levels as 'excellent' or 'good'

Table 5 shows provider responses to the 2016–17 ASQA *Provider Survey* in relation to the knowledge of employees operating ASQA's service channels.

Table 4: Satisfaction with the knowledge of Info Line employees and the completeness of answers provided, as indicated by 'good' or 'excellent' response by respondents to the 2016-17 ASQA *Provider Survey*

	Answer provided was complete—provider did not have to call back	Knowledge of staff answering call or email
Info Line (telephone service)	71.5%	74.4%
Info Line (email responses)	67.9%	75.1%

Metric 4 — Detail the outcomes of the audit moderation process to demonstrate consistency in decision-making

- Self-Assessment Measure — Outcomes reported

ASQA constantly seeks to ensure consistency among its auditors and employs several formal processes to minimise the potential for audit variation, including:

- Auditor moderation workshops: These are focused on moderating issues that may lead to inconsistency in audit outcomes, and on sharing approaches to overcome these issues.
- Auditor moderation log: A dynamic record of ASQA's agreed position on compliance issues. Auditors refer to this log when making compliance recommendations.
- Model Audit Report Content list: To ensure consistency in audit report content, auditors refer to the examples in this list, which focuses on reasons for non-compliance, rectification required, and analysis of rectification evidence.

- Other processes that contribute to consistent audit processes, including an online auditor discussion board and an auditor 'exchange program'.

ASQA also promotes transparency and accountability in its audit program through undertaking quarterly audit surveys each year.

The General Manager, Regulatory Operations and all managers from the Regulatory Operations branch of ASQA meet on a six weekly basis to ensure consistency of approach, operational effectiveness and business improvement across compliance operations.

Self-assessment of results against performance metrics

ASQA's results against metrics one, three & four were satisfactory; the Authority exceeded its target of 70 per cent for respondents rating its information systems as accurate, helpful and timely, and also performed solidly in relation to its Info Line (noting that the measure relating to completeness of Info Line email advice was below the 70 percent target). Further, ASQA has in place a number of formal processes to minimise the potential for audit variation.

ASQA is working to address the timeliness issues it has experienced relating to the completion of initial and change application (with audit) as detailed in metric two. A number of factors affected timeframes in relation to this metric, foremost among these is the maturing of ASQA's risk intelligence as a trigger for audit activities, which has seen audit activities better targeted toward providers with potential non-compliance issues. As such, where audit activities result from an application to renew registration or change of scope of registration, these are now triggered by significant concerns about a provider (with the exception of applications for initial registration, where an audit is standard). Given this, the audit is likely to be more complex and take longer to finalise.

Other operational factors that contributed to increased timeframes in 2016-17 included problems with the implementation of ASQA's core IT business systems, the completion of a significant number of highly resource-intensive audit activities, increased numbers of adverse regulatory decisions, higher numbers of audit activities completed overall, the transition to the student-centred audit approach and limited auditor resources. Indeed, ASQA has been carrying high numbers of vacancies across audit teams through 2016-17. These vacancies have resulted from challenges in recruiting appropriately skilled and knowledgeable staff to complete the required audit activity. Importantly, ASQA has been able to recruit a number of new staff in this area in the early part of 2017-18.

KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed

ASQA performance metrics

1. Demonstrate how the compliance record of regulated entities is considered as part of the risk assessment process, including description of ASQA's processes for reviewing its risk model
2. Total number of providers that take up an offer of a delegation
3. Discuss how the evolution of ASQA's risk model has led to a more comprehensive and nuanced understanding of provider risk.

Results against performance metrics

Metric 1 — The compliance record of regulated entities is considered as part of the risk assessment process, including a description of ASQA's processes for reviewing its risk model

➤ Self-Assessment Measure — Documented processes

Processes for considering the compliance record of regulated entities

ASQA fulfils its responsibility to manage risks to the quality of VET outcomes for students, employers and the community by managing risk on two levels: strategic (systemic risk) and operational (provider risk).

Provider Profiling

During the reporting period, ASQA began implementing a revised approach for managing provider risk, moving from a 'provider risk rating' to 'provider profiling'. The implementation of provider profiling enables ASQA to continuously review provider performance through a centralised report.

This system allows a detailed profile for each provider, which includes a set of risk indicators such as a provider's '*Compliance History*'. This indicator will summarise each provider's past compliance with five key historical inputs:

- audit history
- complaint history
- compliance with data provision requirements
- late payments to ASQA of fees and charges
- submission of an annual declaration on compliance.

Processes for reviewing ASQA's risk model

ASQA actively monitors the environment for new and emerging risks through ongoing scanning activities. When new systemic risks are identified, ASQA may review the annual *Regulatory strategy* and reprioritise regulatory effort to ensure the most significant risks are treated in order of priority and as the environment shifts.

In 2016–17, a number of ongoing projects have contributed to the growing effectiveness of ASQA's risk model.

At the systemic level, ASQA has taken action to address three key areas of concern:

- learner protection — through implementing a new student-centred audit approach as well as finalising the VET FEE-HELP Regulatory Strategy and contributing to the development of the new DET VET Student Loans program.
- excessively short training delivery — through the strategic review into unduly short training.
- capability of trainers and assessors — through the TAE Implementation Project.

ASQA has also continued to improve how it addresses risk at the provider level, including through:

- refining and enhancing the provider profiling mechanism, allowing more effective targeting of providers of concern (as reflected in the increased number of adverse regulatory decisions discussed under purpose 1)
- increasing the number and proportion of non-application-based audit activities.

Metric 2 — Total number of providers that take up the offer of a delegation

➤ Self-Assessment Measure — Number of delegates

ASQA provides high-performing RTOs with the ability to manage their own scope of registration. This means that these RTOs are able to add new training products to their scope of registration without applying to ASQA and paying an application fee.

As at 30 July 2017, 279 RTOs had accepted the invitation and become 'ASQA Delegates'. A delegation is issued for a period of 5 years.

Metric 3 — Discuss how the evolution of ASQA's risk model has led to a more comprehensive and nuanced understanding of provider risk

➤ Self-Assessment Measure — Documented understanding of provider risk

During 2016–17, ASQA continued to increase the number of mechanisms used to identify and assess provider risk and refine how these mechanisms are used. As mentioned in metric one, a primary activity ASQA has undertaken in this area during 2016-17 has been



refining and enhancing the ‘provider profiling’ mechanism. ASQA updated the system in early 2016, which replaced the ‘risk rating’. Under the system, each provider’s profile is nuanced and dynamic, reflecting a range of data sources. Information does not translate into a single score or rating; the system allows a detailed profile for each provider which includes a set of risk indicators.

Over 2016–17, ASQA:

- strengthened information-sharing arrangements with other agencies to increase ASQA’s visibility of each provider’s operations,
- combined all regulatory information about a provider in one central location,
- broadened the range of risk and information indicators used to identify providers of interest in various contexts,
- commenced using provider profiles to inform the scope of audit activities under the student-centred audit model.

The provider profile is used by ASQA to inform a range of regulatory activities and decisions and enables ASQA to respond proportionately to the risk a provider presents and the circumstances of each case.

Self-assessment of results against performance metrics

ASQA’s results against the three metrics in place to assess ASQA’s performance against this KPI were very good. Notably, the implementation of provider profiling has enabled ASQA to review provider performance through a centralised report, significantly contributing to the evolution of ASQA’s risk model.

KPI 4: Compliance and monitoring approaches are streamlined and coordinated

ASQA performance metrics

1. Description of ASQA's formal agreements with other regulators and how they are used to minimise the burden on regulated entities (for example, the Memoranda of Understanding with the Tertiary Education Quality and Standards Agency [TEQSA] and the Victorian Registration and Qualifications Authority [VRQA])
2. ASQA uses a range of appropriate enforcement tools, proportionate to the seriousness of breaches:
 - > Number of written directions made
 - > Number of written enforceable undertakings agreed with providers
 - > Number of suspensions
 - > Number of cancellations
3. The proportion of audits that are not part of an application assessment, and the proportion of these that are non-compliant
4. Demonstrate how ASQA seeks to minimise and tailor information requests of regulated entities.

Results against performance metrics

Metric 1 — Description of ASQA's formal agreements with other regulators and how they are used to minimise the burden on regulated entities

➤ Self-Assessment Measure — Executed Agreements

ASQA has executed a number of memoranda of understanding (MoUs) with Government departments, regulatory agencies and industry representative peak bodies. These include arrangements with:

- Australian Government departments and regulatory agencies
- state and territory government departments and regulatory agencies
- national industry representative peak bodies
- state industry regulators and representative peak body.

All such arrangements work to facilitate information exchange that allows ASQA to more effectively target its regulatory interventions toward the small number of poor quality non-compliant providers in the sector.

In addition, ASQA has specific agreements with other education regulators, including:

- The **Tertiary Education Quality and Standards Agency (TEQSA)** — this agreement aims to streamline regulatory processes for multi-sector providers (e.g. providers that deliver both vocational and higher education) and to reduce the potential for duplication for these providers.
- The **Victorian Registration and Qualifications Authority (VRQA)** and the **Western Australia Training and Accreditation Council (TAC)** — these agreements aim to ensure efficient and effective regulation across all jurisdictions, ASQA and the state regulators operate according to an agreement to exchange data and share information as well as to coordinate the transfer of providers between the regulators.

Metric 2 — ASQA uses a range of appropriate enforcement tools, proportionate to the seriousness of breaches

➤ **Self-Assessment Measure — Reported use of enforcement tools**

ASQA made the following regulatory decisions during the reporting year:

- Written directions – 98
- Written enforceable undertakings agreed – 0
- Suspensions – 56
- Cancellations, including rejection of renewal applications – 125

Metric 3 — the proportion of audits that were not part of application assessment and the proportion of those audits that are non-compliant

➤ **Self-Assessment Measure — the percentage of audits that were not part of application assessment and the percentage of those audits that are non-compliant**

For the period 1 July 2016 – 30 June 2017, 56.3 per cent of ASQA’s completed audits were not application-related (‘compliance audits’), as shown in Table 5.

Table 5: Number and proportion of application-based and non-application based audits finalised 2016 - 17

	2012-13	2013-14	2014-15	2015-16	2016-17
Number of application based-audit activities	1129	1104	867	759	713
Number of non-application based	235	411	532	415	919 * †

audit activities

Total number of audit activities	1364	1515	1399	1174	1632
Percentage of non-application based audit	17.2%	27.1%	38.0%	35.3%	56.3%

* Includes 274 'post-initial' audits, which do not determine the outcome of an application but must be completed within two years of a provider's initial registration.

† Includes 222 Complaint Evidence Analysis audits.

Table 6 below provides compliance at audit and following rectification for application and non-application based audits. The higher rate of non-compliance found in relation to non-application based audits reflects the fact that these audits are often undertaken in response to ASQA's data or intelligence indicating concerns about a provider.

Table 6: Percentage of non-compliant providers at the time of audit and following rectification, application-based and non-application-based audit activities, 2016-17

Audit activities finalised in 2016-17	At the time of audit	After rectification
Proportion of application-based audit activities where ASQA found at least one non-compliance	71.3%	42.6%
Proportion of non-application-based audit activities where ASQA found at least one non-compliance	83.5%	59.1%

Metric 4 — Demonstrate how ASQA seeks to minimise and tailor information requests of regulated entities

➤ Self-Assessment Measure — Demonstrated tailoring of requests

In order to reduce unnecessary time spent by providers on compliance and administration, ASQA seeks information from the regulated community as efficiently and effectively as possible:

- ASQA makes regular updates to asqanet to ensure that the system meets the needs of all external users and works to facilitate information requests.

- ASQA regularly reviews and amends the documentation it requires providers to complete (e.g. registration applications) in order to make these as user friendly.
- ASQA and TEQSA collaborate to ensure that regulatory processes are streamlined and efficient in relation to actions on dual / multi-sector providers.
- Where inefficiencies are identified (e.g. ASQA and another government body / agency are collecting similar data from providers), ASQA endeavours to find solutions to minimise the administrative burden.

Self-assessments of results against performance metrics

ASQA's results against the four metrics in place to assess its performance against this KPI were very good. ASQA has a number of formal agreements with other regulators which work to minimise the burden on regulated entities. ASQA successfully used a range of appropriate enforcement tools during the reporting period to ensure breaches were met with a proportionate regulatory response. Further, non-application based audits have continued to increase (in relation to application based audits), reflecting the Authority's focus on targeting providers where data and intelligence indicates cause for concern.

KPI 5: Regulators are open and transparent in their dealings with regulated entities

ASQA performance metrics

1. Proportion of requests for information from regulated entities that ASQA has responded to within the specified timeframe, including calls to the Info Line and emails.
2. The proportion of complaints about ASQA that are responded to within targeted timeframe
3. ASQA's implementation of the Regulatory Risk Framework is published and effectively communicated.

Results against performance metrics

Metric 1 — Proportion of requests for information from regulated entities that ASQA has responded to within the specified timeframe

➤ **Self-Assessment Measure — Percentage of responses on time**

ASQA's *Performance Standards* call for ASQA to provide a high level of customer service, including through responding to enquiries within specified timeframes (answering calls within 120 seconds and responding to simple email enquiries within two working days).

During the 2016-17 year:

- the Info Line answered 100 per cent of calls within 120 seconds (on average 25 seconds), and
- the Info Line responded to 100 per cent of simple email enquiries within two days.

Metric 2 — The proportion of complaints about ASQA that are responded to within targeted timeframe

➤ **Self-Assessment Measure — Percentage of complaints responded to within timeframe described in ASQA performance standards**

ASQA acts to investigate all complaints about the regulator as quickly as practicable.

During the 2016-17 year, 98.6 per cent of complaints received were closed in 90 days or less. Where ASQA considered that more than 90 calendar days was required to finalise a complaint, the Authority wrote to the complainant to explain the reasons.



Metric 3 — ASQA’s implementation of the Regulatory Risk Framework is published and effectively communicated

➤ **Self-Assessment Measure — published framework**

ASQA Regulatory Risk Framework was published in early 2016, and outlined how ASQA is addressing ‘systemic risk’ and ‘provider risk’ as a central component of ASQA’s regulatory approach. In 2016–17, ASQA has ensured providers and other relevant stakeholders are aware of how the framework is being implemented by communicating information about key risk projects.

Self-assessment of results against performance metrics

ASQA’s results against the three metrics in place to assess ASQA’s performance against this KPI were very good. ASQA responded to all enquiries within specified timeframes, investigated all complaints about the regulator as quickly as practicable and ensured the ASQA Regulatory Risk Framework was published within the financial year.

KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks

ASQA performance metrics

1. Description of ASQA's strategy to communicate with stakeholders such the use of webinars, information and feedback sessions provider forums. and so on.
2. Stakeholders express confidence in ASQA's regulatory work in contributing to the quality of Australia's VET and ELICOS providers
3. Summary of key interactions with the Minister, Council of Australian Governments and the Department in relation to improving ASQA's regulatory performance.

Results against performance metrics

Metric 1 — Description of ASQA's strategy to communicate with stakeholders

➤ Self-Assessment Measure — Communications strategy developed

ASQA has in place a detailed Stakeholder Engagement Plan that encompasses communications with current/prospective RTOs, Skills Service Organisations, training peak bodies, industry and employer peak bodies, students, other regulators, government agencies, industry associations and the media. The plan covers the following engagement activity and communication channels:

- **Seeking feedback through surveys and user groups** — ASQA also engages with providers and stakeholders through quarterly audit surveys, through which providers can provide ASQA with feedback on their audit experience; stakeholder/provider annual surveys, through which ASQA seeks a broad range of feedback on its services and performance; annual accreditation surveys and specialist surveys aimed at seeking feedback from particular sub-groups of providers, for example, to inform strategic reviews. ASQA also seeks direct feedback on its engagement through its provider reference group.
- **Face-to-face stakeholder engagement** — ASQA Commissioners and Senior Management engage with stakeholders through a range of formal mechanisms, including the English Language Intensive Courses for Overseas Students (ELICOS) Regulator-Provider Forum; Provider Roundtables; and Regulator Roundtables. ASQA's Commissioners and senior management speak at a range of VET sector and industry events, and ASQA held a series of Stakeholder Briefings, Provider Briefings and Course Accreditation Briefings this year.
- **Online engagement** — ASQA conducts a significant amount of its engagement with providers—and some of its student and stakeholder engagement — through online channels, including the ASQA website; *ASQA Update* newsletter and email alerts to the database; an online help centre, including a feedback form and a range of frequently

asked questions; live webinars; recorded videos; and the publication of a broad range of resources online. ASQA also engages with providers, stakeholders and students through the email enquiries service, which responded to nearly 14,000 queries by email during the reporting year.

Metric 2 — Stakeholders express confidence in ASQA's regulatory work in contributing to the quality of Australia's VET and ELICOS providers

- Self-Assessment Measure — 70 per cent or more report satisfaction levels as 'excellent' or 'good'

In the 2016-17 ASQA stakeholder survey, 67.2 per cent of respondents indicated that the contribution of ASQA's work to the quality of Australia's VET and ELICOS providers was 'excellent' or 'good'.

Metric 3 — Summary of key interactions with the Minister, Council of Australian Governments (COAG) and the Department in relation to improving ASQA's regulatory performance

- Self-Assessment Measure — reports prepared

Over the reporting period ASQA had a number of key interactions with its Minister, COAG and the Department of Education and Training in relation to improving ASQA regulatory performance. These included:

- providing quarterly reports to the Minister covering regulatory activity, complaints and progress with regulatory reform initiatives.
- providing a report to the COAG Industry and Skills Council that touches upon key developments in the approach ASQA takes in regulating the VET sector, including:
 - significant changes to the Authority's organisational structure
 - revisions to the way ASQA's undertakes its risk-based regulation
 - commencing offshore regulatory operations
 - developing information sharing protocols with other jurisdictions
 - progressing a range of reforms in conjunction with the Australian Government Department of Education and Training aimed at strengthening ASQA's regulation.
- developing a detailed submission to the review of the *National Vocational Education and Training Regulator Act 2011* being undertaken by Professor Valerie Braithwaite.

- providing regular briefings to the Minister on the development and implementation of ASQA's Student Centred Audit model.

Self-assessment of results against performance metrics

ASQA's results against the three metrics in place to assess ASQA's performance against this KPI were good. ASQA has adequately communicated with stakeholders through the Stakeholder Engagement Plan and has contributed to the quality of Australia's VET and ELICOS providers with 67.2 per cent of stakeholders indicating they thought ASQA's contribution was 'excellent' or 'good'. ASQA also had a number of key interactions with its Minister, COAG and the Department of Education and Training in relation to improving the Authority's regulatory performance.

ASQA would however like to see improvements in its stakeholder satisfaction, the Authority aims for 70 per cent satisfaction in relation to this metric. To achieve this ASQA will continue to boost the provision of information about its regulatory activity and the wider VET sector. ASQA will also implement a new stakeholder engagement plan which will work to better address the needs of industry and governmental stakeholders.