



Australian Government
Australian Skills Quality Authority

ASQA

ASQA Annual Report 2021–22

The Australian Skills Quality Authority acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, sea and community. We pay our respects to the people, the cultures and the elders past, present and emerging.

Contact

Enquiries and feedback about this report can be directed to:

Director, Governance Support and Parliamentary
Australian Skills Quality Authority (ASQA)
GPO Box 9928
Melbourne VIC 3001
Email: CEO@asqa.gov.au

More information about ASQA

www.asqa.gov.au

Online reports

This report can be downloaded from:

www.asqa.gov.au/about/reporting-and-accountability/annual-reports

ISSN 2201-2303 (Print) 2202-6789 (Online)

Creative Commons

creativecommons.org/licenses/by/4.0/

With the exception of the coat of arms, logos, emblems, images and other third-party material or devices protected by a trademark, this content is licensed under the Creative Commons Australia Attribution 4.0 International (CC BY 4.0).

We request attribution as: Commonwealth of Australia (Australian Skills Quality Authority) 2022.

All other rights reserved.

ASQA
Annual Report
2021–22

ASQA at a glance



WHAT WE DO	WHY WE DO IT	HOW WE DO IT	INTENDED RESULT	FOR STAKEHOLDERS
<p>Australia's national vocational education and training (VET) regulator</p>	<p>To ensure quality vocational education and training so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers</p>	<p>By ensuring our education, monitoring, compliance and enforcement activities make full use of intelligence and data so that the community can be confident that our activities are based on analysis of risk</p>	<p>Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers</p>	<p>Community trust and confidence in VET Improved outcomes for VET students and employers Education choices based on knowledge and information A strong VET sector, committed to quality with a culture of continuous improvement and accountability</p>
<p align="center">PRINCIPLES OF REGULATOR BEST PRACTICE Continuous improvement and building trust • Risk-based and data-driven • Collaboration and engagement</p>				



Letter of transmittal

11 October 2022
The Hon Brendan O'Connor MP
Minister for Skills and Training
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present you with this Annual Report for the Australian Skills Quality Authority (ASQA) which covers the period 1 July 2021 to 30 June 2022.

ASQA, as the national VET regulator, is required under section 215(1) of the *National Vocational Education and Training Regulator Act 2011* (NVR Act) to prepare and give to the Minister for presentation to parliament a report relating to the performance of the regulator's functions during the year.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), section 215(1) of the NVR Act and Resource Management Guide 135 – Annual reports for non-corporate Commonwealth entities, as published by the Department of Finance.

Finally, as required by the Commonwealth Fraud Control Framework, I certify that I am satisfied that ASQA has prepared fraud risk assessments and fraud control plans; has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes to meet ASQA's specific needs; and has taken all reasonable measures to minimise the incidence of fraud, and to investigate and recover any proceeds of fraud against the agency.

Yours sincerely

Saxon Rice
Chief Executive Officer
Australian Skills Quality Authority

Contents

ASQA at a glance	ii
Letter of transmittal	iii
ASQA snapshot 2021–22	vi



1. Agency overview 1

Chief Executive Officer's report	2
About us	4
Our operating environment	6
Our approach to regulation	7
Our strategic direction	11
Our outcome and program structure in 2021–22	12
How we measure our performance	13



2. Annual performance statement 17

Statement of preparation	18
Introduction	19
ASQA's performance framework	19
Summary of ASQA's performance in 2021–22	20
Results	22
Overall performance analysis	58



	3. Management and accountability	63
	Corporate governance	64
	External assurance and support for accountability and transparency in public administration	71
	Review of Regulatory decisions	72
	People	72
	Technology	84
	Ecologically sustainable development and environmental performance	85
	Purchasing and procurement	86
	4. Finances	91
	5. Appendices	135
	Appendix A: List of requirements	136
	Appendix B: Key legislation	144
	Appendix C: Compliance with <i>Standards for VET Regulators 2015</i> and <i>Standards for VET Accredited Courses 2021</i>	145
	Appendix D: Reporting against NVR Act requirements	146
	Appendix E: Supplementary report on implementation of the <i>Rapid Review of the Australian Skills Quality Authority's Regulatory Practices</i>	147
	Appendix F: Entity Resource Statement	151
	Appendix G: Entity Expense Statement	152
	Glossary	153
	Acronyms and abbreviations	158
	Alphabetical index	159

ASQA snapshot 2021–22

Continuous improvement and building trust

Implemented foundational changes to governance and organisational design to focus on **best practice regulation**

Established the **National Vocational Education and Training Regulator Advisory Council** to provide advice to the National Vocational Education and Training (VET) Regulator on our functions

Embedded key changes to our **performance assessment methodology** and **performance assessment reports** (more clearly describing where providers are falling short of the regulatory obligations so that providers are able to address the risks/issues to quality VET outcomes in a sustained way)

Implemented a **targeted program of internal assurance** across our operations

Regulatory outcomes achieved through compliance management by providing a **longer period for rectification** (where appropriate) that **strengthens provider focus on self-assurance** and systemic controls

Improved regulatory practice in relation to initial registration assessments which **strengthen the opportunity** for applicants to respond to findings

Engaged with the sector to **co-design a working model** for a shared understanding of self-assurance

Participated in the Department of Finance's **Best Practice Cost Recovery Project** along with 8 national regulators implementing cost recovery

Good performance in relation to majority of Service Standards, noting ongoing program of continual improvement

Risk-based and data-driven

Undertook **environmental scanning** and a range of risk surveillance activities

Adopted a **broader range of monitoring activities** to support a proportionate regulatory response to risk

Improved **data and intelligence reports**

Responsible for **3,829 providers**
– 92% of national total

Completed **569** assessments comprised of:



Performance Assessments



Review Monitoring activities



Evidence Review activities

Accredited **127** courses



Managed a 12% increase in provider registration applications:



84 Directions

7 conditions

0 infringement notices

1 civil penalty

7 sanctions to suspend a provider's registration

10 sanctions to cancel registration in full

3 in part scope suspensions

1 criminal prosecution

Our decisions were affirmed by the **Administrative Appeals Tribunal (AAT)** in 100% of matters that proceeded to a hearing and a decision

Appeal of AAT decision affirming **ASQA decision upheld** in Federal Court

Collaboration and engagement

Worked in partnership to ensure our regulation was responsive to the **impact of the COVID-19** pandemic and natural disasters on the east coast of Australia

Engaged widely with stakeholders on the cost recovery model aligned with our regulatory operations to support implementation of full cost recovery from July 2022

Program of monitoring activities undertaken with providers who deliver VET in Schools to **support providers to achieve better quality VET outcomes** in the delivery context of secondary schools

Embedded improved engagement with the sector including through **4 Provider Roundtable** and **6 Stakeholder Liaison Group** meetings

Completed Strategic Review of Online Learning

Provided support for flood-affected providers

Delivered **2 'Spotlight On'** series

Participated in **59** sector events

Received **45,032** Info Line calls and emails

Held **4** live webinars – **4,979** attendees and **6,463** total views of webinar recordings

Produced **6** new guidance videos and **4,412** views of all guidance videos (**10,875** views of every video)

Provided Electronic Direct Mail Service to **37,000** subscribers

Responded to **14,825** student enquiries

Used insights and outcomes from our regulatory operations to **contribute to reforms to strengthen quality standards**, and the Department of Skills, Education and Employment Skills led reform





1. Agency overview

We have undertaken the transitional reform work to position ASQA as an effective modern regulator that supports continuous improvement across the VET sector.

In this chapter...

Chief Executive Officer's report	2
About us	4
Our operating environment	6
Our approach to regulation	7
Our strategic direction	11
Our outcome and program structure in 2021-22	12
How we measure our performance	13

Chief Executive Officer's report

I am pleased to present ASQA's Annual Report for the period 1 July 2021 to 30 June 2022.

As the national regulator of vocational education and training (VET), ASQA continued to perform a significant role to ensure the quality and integrity of VET in the context of broader efforts to enable Australia's ongoing recovery from the pandemic and support the ambitious economic goals of government.

2021–22 also saw ASQA further refine our regulatory practices to strengthen assurance to government and the community of the quality and integrity of VET. ASQA's role has never been more important in supporting a VET system that delivers quality outcomes for students and employers and equips Australians with the skills needed for emerging jobs and industries.

Ongoing market and regulatory responses to the COVID pandemic and a series of natural disasters – coupled with other environmental factors such as the emergence of new business models for industry participants, changes in consumer preferences and behaviours and shifts in government priorities – were characteristic of a dynamic VET sector and our regulatory operating environment in 2021–22. ASQA sought to respond to the opportunities and anticipate risks in partnership with stakeholders, ensuring our regulatory approach remained fit-for-purpose and effective in the evolving environment.

In this context ASQA welcomed the establishment of the National VET Regulator Advisory Council in April 2022 which became operational quickly, developing a program of work to fulfill its role in providing strategic advice in relation to the performance of our functions. The inaugural Advisory Council will support ASQA's continued focus on best practice regulation of the VET sector and provide a valuable source of strategic advice to the agency. It also supports ASQA's commitment to learning from the expertise of others as we continue to build and maintain the confidence and trust of those we regulate and the broader community.

Throughout 2021–22, ASQA embedded key improvements to our regulatory practice, focusing particularly on broadening the range of regulatory tools used across the full suite of education, engagement, compliance monitoring and enforcement activities and supporting training providers' own efforts to self-assure quality and compliance. The shift in ASQA's regulatory approach has involved investment in the organisational and cultural change required to ensure sustained improvements over the longer-term, both internally and across the sector.

Efforts within the sector to actively promote and support an emerging provider culture for self-assurance and continuous improvement are encouraging and ASQA has continued to support this culture by providing focused guidance that supports providers in understanding risks. This helps providers to identify and address deficiencies early across their operations.

We strengthened our capability through a workforce strategy to attract, retain and further develop a skilled workforce, supported by strong leadership within a values-driven organisational culture. We are on this journey together as an organisation as we continue to invest in our people and our shared commitment to service. In line with expectations under the *Regulator Performance Guide*, we articulated our values and regulatory identity, providing clarity on the behaviours and ways of working we expect and require of our people to deliver on our purpose.



2021–22 also marked the beginning of a significant investment in ASQA’s digital capabilities to enable more efficient and effective work practices. This will enable a more integrated approach to risk management and decision-making and better support the sector’s interactions with ASQA. Ongoing investment during the coming years will ensure ASQA’s ICT architecture is contemporary, cost effective and seamless for providers, delivering more streamlined regulatory interactions and supporting efficient and effective regulatory outcomes.

ASQA continued to implement the government’s fee relief measures in this reporting period, which were introduced to lift financial pressures on providers impacted by the COVID-19 pandemic. This year also saw us make final preparations for fulfilling the government’s requirement to operate as a full cost recovery from 2022–23. ASQA participated in the Department of Finance’s Best Practice Cost Recovery Project along with 8 national regulators implementing cost recovery. The project will support us in continuing to use cost recovery to inform our decisions around resource allocation, regulatory performance, and organisational design.

ASQA’s annual survey seeks views on our application processes, engagement and education activities, performance assessments, work to support self-assurance, and response to the pandemic. Stakeholder input is integral to everything we do. We have used this input to make further enhancements to our performance framework, which was introduced in 2020–21. Stakeholder feedback plays an important role in helping us to understand the effectiveness of our regulation and interactions with providers and the broader sector.

As a regulatory steward within the VET system, ASQA also contributed our expertise and advice in relation to a number of key policy initiatives. These include the strengthening of quality standards, the planned changes to training product assurance and consultation in relation to the Education Services for Overseas Students (ESOS) legislative framework.

I want to thank my ASQA colleagues for their unwavering commitment to our purpose. They have demonstrated both innovation and resilience in adapting their work practices to meet the challenges of the last year and better position us as a risk-based responsive regulator. I also thank the sector and all key stakeholders for their engagement and contribution throughout the year in our shared purpose in ensuring quality VET so that students, employers, the community and government have confidence in the integrity of national qualifications issued by training providers.

Saxon Rice
Chief Executive Officer
Australian Skills Quality Authority

About us

Our purpose

To ensure quality vocational education and training so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers.

Our role and functions

ASQA is Australia's national VET regulator.

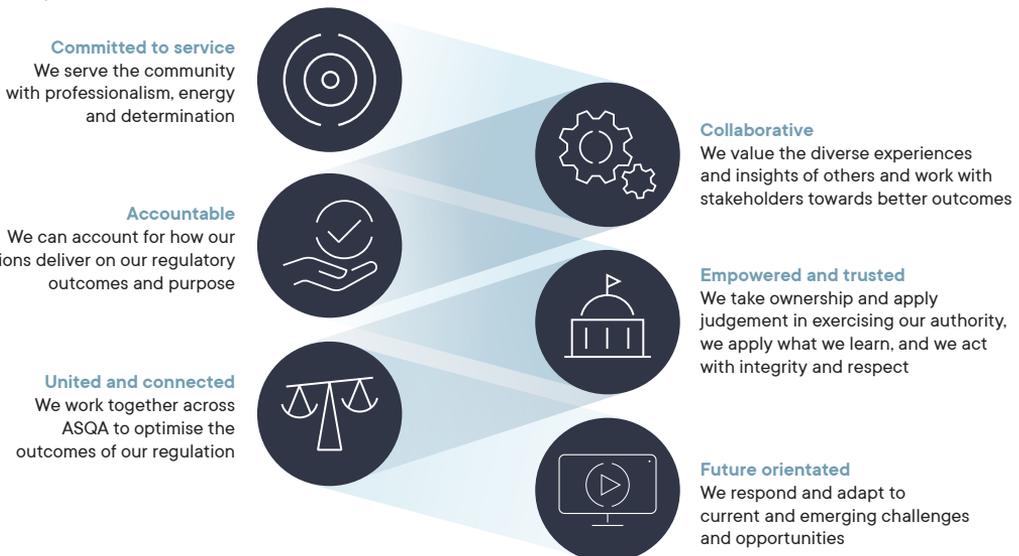
We regulate:

- providers that deliver VET qualifications and courses to students in Australia or offer Australian qualifications internationally
- providers that deliver VET courses to overseas students – training providers must be approved on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to teach overseas students on student visas in Australia
- certain providers that deliver English Language Intensive Courses for Overseas Students (ELICOS).

ASQA also accredits VET courses to ensure nationally approved standards are met, based on established industry, enterprise, education, legislative or community need.

Our values

As a regulator committed to continuous improvement and building trust in our regulatory settings, ASQA undertook a process throughout 2021–22 to articulate values that would describe who we are as a regulator and support our strategic objectives.





ASQA's values reflect the APS Values and Code of Conduct and, in practice, create a positive culture in which we can perform efficiently and effectively as the National VET Regulator for the benefit of all Australians. These values provide a foundation for best practice and support us to go beyond, to ensure we are well-positioned to serve the students, providers, employers and communities of the future.

Our structure

New governance arrangements to support ASQA's evolution as a best practice regulator, outlined in the *National Vocational Education and Training Regulator Amendment (Governance and Other Matters) Bill 2020*, were passed by the Australian Parliament on 24 August 2020 and came into effect on 1 January 2021.

This created a single statutory office of the National VET Regulator and introduced a clearly defined and accountable senior executive structure with one head of agency who is the Accountable Authority, with enhanced capacity to lead change and strengthen ASQA's internal systems and controls.

In 2021–22 ASQA implemented a range of structural enhancements and refinements to ensure our agency structure remains fit-for-purpose and capability-focused, building upon the changes we made in the previous year.

ASQA's organisational structure reflects the new governance arrangements, supports our capability to deliver best practice regulation and highlights our commitment to continuous improvement.



Note: This reflects ASQA's organisational structure as at 30 June 2022.

Our operating environment

Important role of VET

The Australian Government, state and territory governments, industry, public, community and private VET training providers and VET accredited course owners work together to provide nationally consistent training across Australia. VET qualifications provide the skills that students need, employers rely on and industries trust. More than 4 million students undertake VET each year with some 3,800 providers. It is by far the most utilised form of education and training for Australians post-secondary school. Each year there are around 3 times as many VET students as there are higher education students, who are looking to gain new skills or expand existing skills.

Government priorities for VET

The VET sector is undergoing considerable change. The Heads of Agreement for Skills Reform, signed by the Australian Government and state and territory governments in August 2020, sets out reforms to the VET sector aimed at ensuring the VET system is delivering for students and employers and equipping Australians with the skills they need for the changing job market. These reforms include a review of the Quality Framework, including the *Standards for Registered Training Organisations (RTOs) 2015 (Standards for RTOs 2015)*. This aligns with ASQA's change in regulatory posture, a shift in focus from compliance and prescriptive detail to quality and excellence in training outcomes for students and employers.

As part of these broader sector reforms, ASQA works with key stakeholders, VET providers, and those who are applying for or maintaining VET course accreditation, to move the system of regulation from its focus on compliance to a focus on excellence in training and quality outcomes.

Changes in the market

The VET sector is rapidly changing and ASQA plays a key role in proactively identifying and responding to emerging risks. These may arise from changes in environmental settings such as the COVID-19 pandemic and natural disasters, market responses to policy or regulatory settings and numerous other factors including technical change, new business models for industry participants, and changes in consumer preferences or behaviours.

ASQA continued to take a proactive approach to monitoring market settings and provider behaviour, as demonstrated when we swiftly responded to the flooding on the east coast of Australia in late 2021 and early 2022. Our risk-based and proportionate regulatory response reduced the burden on affected providers. Recognising the importance of these changes in the market, and the opportunities and risks they present, ensures our regulatory approaches and strategies remain fit-for-purpose, proportionate, and effective in managing and responding to risks in our ever-changing VET environment.

Government priorities recognise that reforms to Australia's VET system must meet the needs of the post-COVID environment. As the national regulator, ASQA recognised the impacts of the pandemic on providers, implemented new regulatory strategies and approaches in 2020–21, and continues to apply risk-based, proportionate responses, working with providers to monitor risks and responding using a range of fit-for-purpose tools.



Legislative framework

ASQA operates within a framework of wider VET legislation, including:

- legislation establishing ASQA as the national VET regulator
- the VET Quality Framework of standards and requirements of providers
- the *Standards for VET Accredited Courses 2021*
- legislation relating to education services for overseas students.

Key legislation is listed at Appendix B.

Our approach to regulation

Best practice

ASQA is committed to best practice regulation based on the principles of:

- continuous improvement and building trust
- risk-based and data-driven
- collaboration and engagement.

Consistent with these principles, we are committed to a regulatory approach that adopts a whole-of-system perspective, continuously improving performance, capability, and culture. We are committed to building trust and confidence in our regulatory settings, including the transparency of our operation as the national regulator of VET.

The *Standards for VET Regulators 2015* also require us to implement a risk-based approach to regulation to reduce regulatory burden for high-performing providers and focus regulatory attention on higher-risk providers.

ASQA's approach to regulation is set out in our Regulatory Risk Framework, which communicates our management of sector and provider risk. The framework describes our Regulatory Operating Model (ROM) and sets out our regulatory functions and how they are applied. We are committed to engaging with stakeholders and providing information to support their understanding of what to expect from ASQA, and how specific regulatory processes are applied.

Risk-based

ASQA applies risk-based and data-driven approaches to allocate regulatory effort, manage risks proportionately, and minimise regulatory burden. In doing so, we make the best use of a range of regulatory approaches to maintaining compliance and supporting providers to ensure they understand risks to quality outcomes.

Risk management is integral to ASQA's regulatory practice, including how we:

- focus on addressing greatest potential for harm
- innovate in key areas of regulatory practice
- engage and partner with stakeholders
- drive self-assurance and continuous improvement across the sector
- are accountable for effective allocation of regulatory resources.

ASQA's regulatory approach is underpinned by the effective use of data, information, gathered intelligence and integrating contemporary practices across all of our regulatory processes. This promotes quality outcomes and ensures that we are responding to the most significant risks in the sector.

We are committed to continuously improving and strengthening the way in which we monitor and report on regulatory impact so we can identify and reprioritise risks over time. This will ensure we understand, adapt and strengthen the evidence underpinning our regulatory initiatives.

Changing economic circumstances and employer expectations, as well as changes within the VET sector, mean the level of risk is not static. As such, we cannot afford to rely solely on performance assessments (audits) to treat risk. ASQA must be responsive to this shifting environment by detecting and acting to minimise specific risks or harms, looking at the whole regulatory landscape. The past year has demonstrated how new challenges, such as those presented by the COVID-19 pandemic and natural disasters, require new responses by the regulator. This ever-changing climate has highlighted the importance of being able to pivot quickly and effectively to address the challenges that come our way.

It also demonstrates the need for a transparent and committed approach to non-compliance, underpinned by an ability to look at each case independently of others. In cases where non-compliance is identified, we undertake risk assessments to help us determine the most effective and appropriate responses across our engagement, communication, and regulatory activities. ASQA's graduated approach applies a range of escalating regulatory tools to not only deter and address harmful conduct, but to also encourage, assist, or enforce compliance. The changes we made to our governance and structure in 2020–21 support risk-based organisational decision-making based on developing data, intelligence and analysis, regulatory design, and a higher level of engagement with stakeholders on risk.

In 2021–22, our risk regulatory program targeted both provider risk (provider behaviour that can present a risk to the quality of student outcomes and the reputation of the VET sector) and systemic risks (risks likely to affect a significant proportion of providers or relate to a particular cohort of providers across the VET sector or specific industry sector). We also routinely engaged with providers that had not been identified as high-risk, to ensure we have sufficient oversight over a range of providers to support public confidence in the performance of the sector as a whole.

Self-assurance

Students, industry, the community, governments and ASQA expect providers to comply with their obligations and to have mechanisms in place to ensure that they are meeting relevant standards at all times not just when they are interacting with the regulator. This is a core part of a provider's best business practice and is central to maintaining and improving quality VET.

ASQA's approach to self-assurance is to apply best practice regulation and partner with stakeholders to promote sector capability for systemic monitoring, evaluation and continuous improvement of outcomes under the Standards. We established the foundations for this approach in 2020–21. In 2021–22 we built on these foundations across the sector.



Self-assurance is not self-regulation. Self-assurance refers to how providers manage their operations to ensure a focus on quality, continuous improvement, and ongoing compliance with the Standards. It requires providers to have systems in place to critically examine their performance against the Standards and training outcomes, on an ongoing basis. It helps them proactively address risks and identify opportunities for continuous improvement. This approach does not reduce our use of the full range of regulatory tools available or our commitment to ensuring full compliance.

ASQA is committed to promoting, facilitating, and supporting sector capability to self-assure and, to support this shift, we have continued working with stakeholders and providers through all of our regulatory interactions to build a shared understanding of what self-assurance is; how the regulatory framework can promote self-assurance; how it benefits providers and supports quality outcomes for students; and how each provider can build their own self-assurance capability.

This includes:

- increasingly focusing on provider systems of self-assurance when assessing provider performance against the relevant Standards
- increased communication with providers when assessing provider performance against the relevant Standards
- developing guidance and support for providers to assist them in understanding regulatory requirements
- clarifying our expectations around systemic monitoring, evaluation and continuous improvement against the Standards
- engaging with providers about areas of risk and sharing our regulatory insights with the sector to support providers in critically reviewing their own performance
- clearly communicating with non-compliant providers, so they can understand where they have not met requirements and where they need to improve their performance
- when we identify non-compliance, responding with a range of regulatory tools that reflect consideration of both the nature and seriousness of the non-compliance and whether the provider demonstrates an understanding of the non-compliance and a willingness to rectify and has systems in place to monitor its own compliance.

In 2021–22, ASQA also commenced work with the Australian VET sector to co-design a working model of self-assurance, which will support providers to understand how their business can tailor a range of assurance activities proportionate to the risk of their operations, to monitor, evaluate, and proactively improve their own performance and training outcomes against the Standards.

Over time ASQA's support for self-assurance will build sector capacity for excellence in training outcomes, and reduce the regulatory burden for training providers who are able to demonstrate that they have effective mechanisms in place and can ensure that they are meeting relevant Standards and achieving quality VET outcomes.

We know that across the sector there are varying levels of capacity for self-assurance and are mindful of the cultural change required, including within ASQA, to successfully achieve the shift to self-assurance. We are committed to building the strong partnerships and relationships of mutual trust and respect necessary to achieve this shift.

Collaboration and engagement

Collaboration and engagement are important tools in our ROM, supporting our regulatory objectives and government priorities for VET quality outcomes and continuous improvement of the regulatory framework.

Our focus is on:

- partnerships that result in a national approach to the regulation of the VET sector – continuously improving our partnership and engagement on matters relevant to ASQA's role as the national VET regulator and building a common understanding and alignment of our role and regulatory approach to evolving government expectations of ASQA
- feedback loops that inform broader VET sector reforms and improve regulatory policy and regulatory outcomes such as providing ongoing input to the reforms to the VET Quality Framework and the review of the *Standards for RTOs 2015*
- building a common understanding of ASQA's role and regulatory approach, what stakeholders can and cannot expect of us and areas of shared stakeholder responsibility – this recognises that our regulatory operations intersect with other parts of the VET system with many influences on provider quality, and partnering with other entities helps address risks, enhance quality outcomes and reduce regulatory burden for providers
- partnerships and strategic engagements that improve regulatory outcomes – collaborating to identify regulatory risks and designing regulatory approaches and strategies that are well-informed and take account of the current and emerging environment in which we are operating.

Our stakeholders

ASQA has a large and diverse range of stakeholders that includes policymakers, VET providers, students, industry bodies and other regulators across the education sector.





Our strategic direction

During 2021–22 ASQA worked with our key stakeholders to develop and enhance our performance framework and identify the strategic objectives we need to pursue over the forward years to achieve our purpose.

We also focused on building a common understanding of ASQA's role and regulatory approach, what stakeholders can and cannot expect of ASQA, and areas of shared stakeholder responsibility.

This work has supported ASQA in transitioning to a new regulatory culture and practices, and it will continue as our regulatory posture, and culture in the sector, shifts from input and compliance controls to a focus on self-assurance and excellence in training outcomes.

PURPOSE 2021–22		
To ensure quality vocational education and training so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers.		
STRATEGIC DELIVERABLES 2021–22		
1.	Our regulatory approach promotes a culture of self-assurance and continuous quality improvement	
2.	Our regulatory approach is best practice, integrated, risk-based and proportionate	
3.	Our regulatory approach is transparent and accountable	
4.	We engage and partner with stakeholders constructively and with mutual respect	
5.	We add value and are efficient, effective, and continuously improve	
6.	Our understanding of sector performance and promotion of self-assurance contributes to quality VET and informed consumers	
PRINCIPLES OF REGULATOR BEST PRACTICE		
<p>Continuous improvement and building trust</p> <p>Regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.</p>	<p>Risk-based and data-driven</p> <p>Regulators manage risk proportionately and maintain essential safeguards while minimising regulatory burden and leveraging data and digital technology to support those they regulate to comply and grow.</p>	<p>Collaboration and engagement</p> <p>Regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.</p>

Our outcome and program structure in 2021–22

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Australian Commonwealth Government programs are the primary vehicle by which government entities achieve the intended results of their outcome statements.

ASQA's outcome and program structure for 2021–22 was set out in the 2021–22 Portfolio Budget Statements (PBS) for the Education, Skills and Employment portfolio.

OUTCOME 1

Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.

PROGRAM 1.1

Regulation

DELIVERY

The regulatory mechanisms through which Program 1.1 is delivered are:

- education, communication and engagement with provider entities to support continuous improvement of quality outcomes
- promoting provider culture and systems for self-assurance of quality outcomes and compliance to build the capacity of VET providers
- analysis of data, intelligence and information, to identify and respond to higher concentrations of risk
- monitoring provider performance against applicable standards and obligations
- proportionate management of non-compliance and enforcement activities
- accrediting national courses to meet statutory requirements
- partnering with stakeholders to improve the impact and effectiveness of our regulatory activities
- publication of information about our regulatory functions, and outputs
- engagement with stakeholders to support continuous improvement and broader reform of the VET sector.



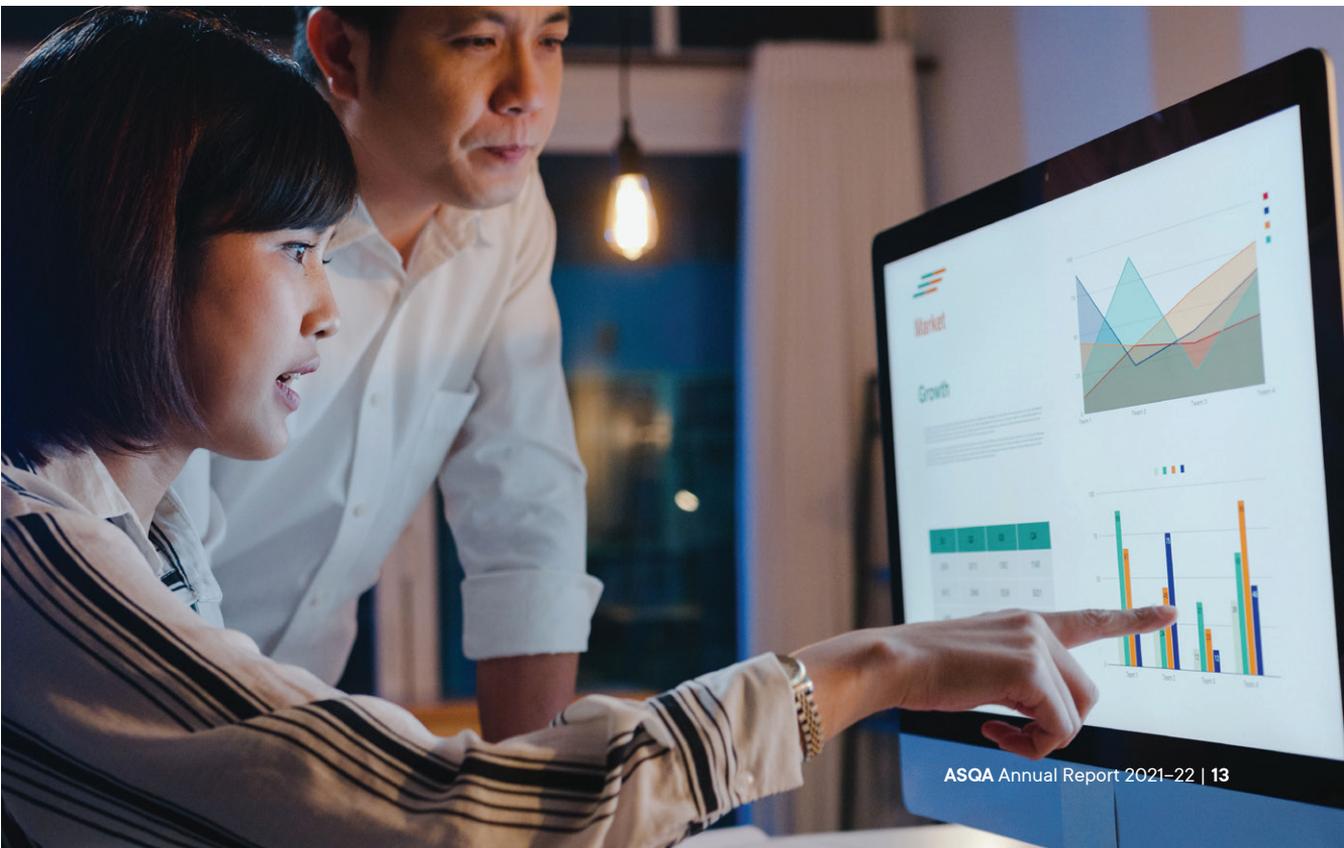
How we measure our performance

Performance criteria apply to all our activities and include several measures for efficiency and effectiveness of our regulatory operations. These include the NVR Act requirements for key performance indicators and Service Standards which are incorporated into our performance framework.

Regulatory datasets underpin quantitative measures of performance across key criteria. We also use quantitative measures to benchmark against our previous performance, with accompanying analysis to provide a basis for assessment.

Qualitative measures are also used to provide evidence demonstrating our effectiveness against the intended result. Stakeholder views, particularly providers, are vital to helping us understand our interactions with regulated entities and the VET sector more broadly. In May and June 2022, ASQA conducted its annual independent survey of regulated entities (training providers and course owners) and stakeholders. Both surveys were conducted by ORIMA Research. Feedback was sought in relation to ASQA's performance against our 6 strategic deliverables and key performance indicators, our regulatory processes and education and guidance activities. The surveys also captured information about provider understanding and practices in relation to self-assurance. A total of 1,544 provider and course owner surveys (a response rate of 40%) and 37 stakeholder surveys (a response rate of 49%) were completed.

Our full performance assessment for 2021–22 is in *Chapter 2: Annual performance statement*.



Continuous improvement and building trust

The *Regulator Performance Guide* sets out the Australian Government's expectations for regulator performance and reporting based on 3 best practice principles: continuous improvement and building trust; risk-based and data-driven; and collaboration and engagement.

The principle, continuous improvement and building trust, is about regulators adopting a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.

This case study is an example of how we are putting this principle into practice.

Co-design of the working model for self-assurance

ASQA is committed to promoting, facilitating, and supporting sector capability to self-assure and, to support this shift, in 2021–22 we have continued working with stakeholders and providers through all of our regulatory interactions to build a shared understanding of what self-assurance is; how the regulatory framework can promote self-assurance; how it benefits providers and supports quality outcomes for students; and how each provider can build their own self-assurance capability.

Recognising that this required a whole-of-system approach to support the maturing of the capability and capacity of the VET sector over the next 4 years, ASQA sought to actively engage with the sector and co-design a model for self-assurance. We commissioned ORIMA Research to help us lay the foundations for implementing a best-practice co-designed approach. Evidence from a literature review, was backed up by expert interviews, extensive focus groups with providers, stakeholder workshops, and consultations with ASQA staff.

This co-design approach provided a shared definition of self-assurance, a working model and principles to guide the implementation of self-assurance. Most importantly the approach we are taking has helped us feel like we are moving forward with the sector and building trust and confidence in our regulatory settings. This has supported our interactions with regulated entities this year as we implemented changes to include a focus on provider systems of self-assurance when assessing provider performance against the relevant Standards.

"ASQA has demonstrated a genuine commitment to raising the reputation of VET and consistency in quality delivered across the sector. It has shown its ability and commitment to working with a range of stakeholders to form a collaborative approach, for the benefit of the sector (and therefore the public) as a whole. It is to be commended on its work in this regard, by a unified and very strong ASQA team," a provider remarked in an ASQA survey in 2021–22.

Our work this year is laying the foundations for providers to build culture and capability to self-assure and developing regulatory approaches that promote self-assurance ongoing compliance with the Standards. Provider feedback gives ASQA confidence that we are on the right track with the self-assurance model.



"We all want a quality VET sector - we won't thrive without it. We can only achieve this by working together - it looks like you're on track with that, especially with the self-assurance and flexible performance assessment approaches," said one provider.

We continue to use stakeholder engagement and communication to clarify our expectations around a provider's own responsibilities for systemic monitoring, evaluation and continuous improvement. And we will focus our feedback to providers about areas of risk and sharing our regulatory insights with the sector to support providers in critically reviewing their own performance.







2. Annual performance statement

Overall, 2021–22 represents a strong level of performance by ASQA during a challenging period of substantial change.

In this chapter...

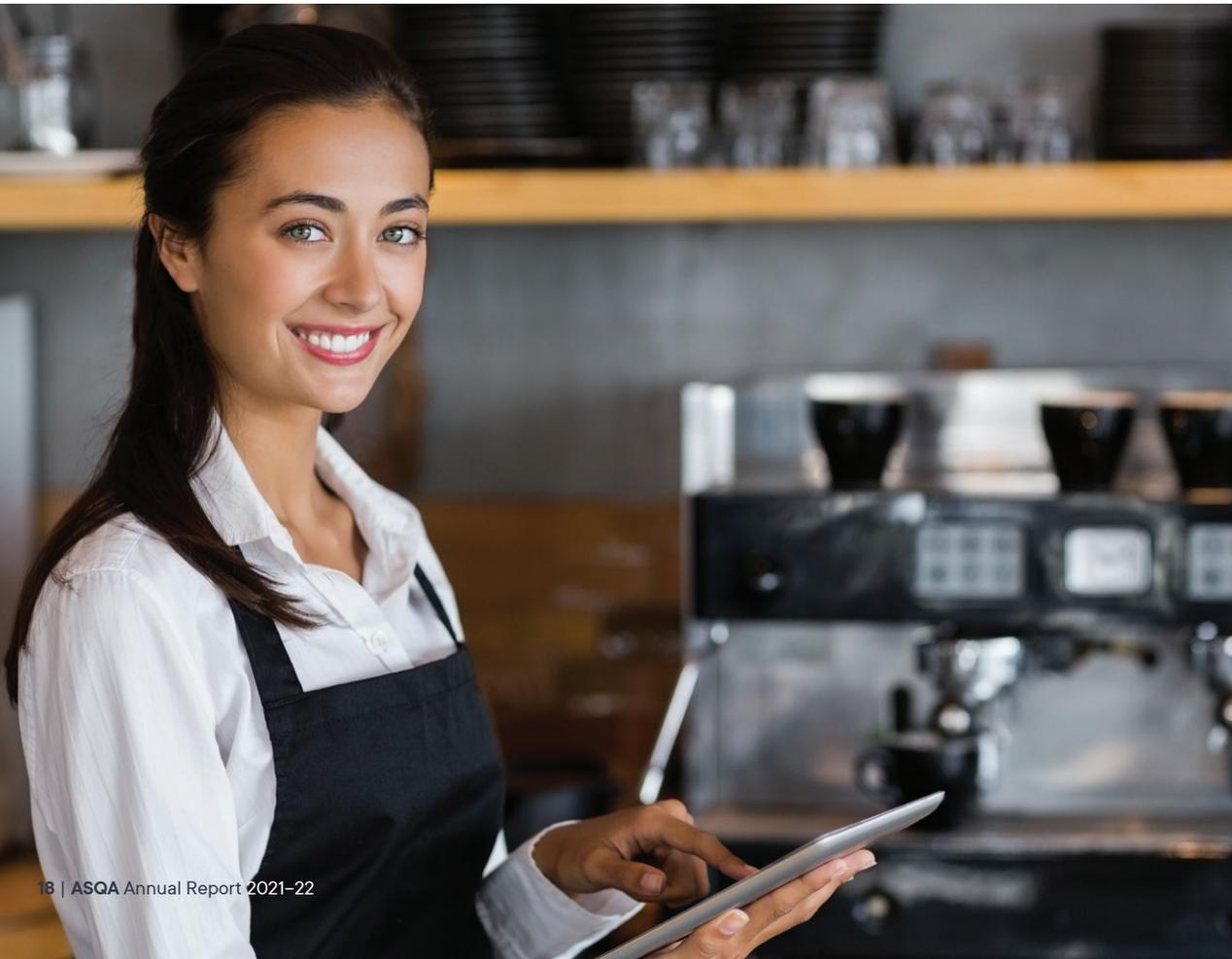
Statement of preparation	18
Introduction	19
ASQA's performance framework	19
Summary of ASQA's performance in 2021–22	20
Results	22
Overall performance analysis	58

Statement of preparation

I, Saxon Rice, as the Accountable Authority of the Australian Skills Quality Authority (ASQA), present the 2021–22 annual performance statements of ASQA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.



Saxon Rice
Chief Executive Officer
Australian Skills Quality Authority





Introduction

For this reporting period, ASQA's purpose was:

To ensure quality vocational education and training so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers.

This aligned with our 2021–22 Corporate Plan:

Underpinning government expectations of ASQA is a shift in our regulatory posture, away from input and compliance controls to a focus on self-assurance and excellence in training outcomes, enabled by improved engagement with all stakeholders and expanded use of education as a regulatory tool. This shift also supports ASQA's contribution to the broader VET reform, articulated in the Heads of Agreement for Skills Reform.

And

Our 6 strategic deliverables align with the performance criteria in our Portfolio Budget Statement (PBS) 2021–22. For each strategic deliverable, we have identified key activities, key performance indicators (KPIs), measures and targets to assess our performance.

ASQA's performance framework

ASQA's performance criteria align with our purpose and strategic approach and reflect our Portfolio Budget Statement (PBS). Each performance criterion has several measures for efficiency and effectiveness (incorporating, where appropriate, a mix of quantitative and qualitative information). Targets are included where quantitative information is appropriate to measure efficiency and effectiveness. However, specific targets are not included where qualitative information is more appropriate. Some criteria also use results from our provider and course owner survey as a measure. ASQA's performance framework, as detailed in our Corporate Plan 2021–22 is shown in the following table.

Summary of ASQA’s performance in 2021–22

To provide consistency across qualitative and quantitative results, we have used the following indicators to assess our performance against our strategic deliverables: Met, Partially met, Not met.

For those performance measures that are measured quantitatively, we have used ‘Met’ to show measures where results meet or exceed the stipulated target, ‘Partially met’ to show measures where results are within 10% of the stipulated target and ‘Not met’ to show measures where the results are below 10% of the stipulated target.

Table 1: Performance Framework

Strategic Deliverable	Key Performance Indicators	2021–22 Strategic Deliverable Assessment	2021–22 Performance Measure Summary
1. Our regulatory approach promotes a culture of self-assurance and continuous improvement	ASQA delivers improved provider self-assurance capability and continuous quality improvement* 1.1 The regulatory system enables provider self-assurance 1.2 There is systemic use of our self-assurance resources by providers to improve the quality of training delivered to students 1.3 Provider self-assurance capability improves	Met	5 performance measures, with: <ul style="list-style-type: none"> • 2 Met • 2 for benchmarking in 2021–22 • 1 not reported in 2021–22
2. Our regulatory approach is best practice, integrated, risk-based and proportionate	ASQA regulation is best practice, integrated, risk-based, data-driven and proportionate* 2.1 Stakeholders are confident that our regulation is best practice and reflects areas of shared responsibility 2.2 Stakeholders are confident that our regulatory processes promote quality outcomes and self-assurance 2.3 Our risk-based regulatory insights support and enable improved provider performance 2.4 Our regulation is proportionate 2.5 ASQA is an active member of the regulator community of practice	Partially met	14 performance measures, with: <ul style="list-style-type: none"> • 7 Met • 3 Partially met • 1 for benchmarking in 2021–22 • 3 Not met



Strategic Deliverable	Key Performance Indicators	2021–22 Strategic Deliverable Assessment	2021–22 Performance Measure Summary
<p>3. Our regulatory approach is transparent and accountable</p>	<p>ASQA is transparent in the performance of its regulatory functions and its responsibilities as a regulator, including compliance with the <i>Standards for VET Regulators 2015</i>*</p> <p>3.1 Key stakeholders, providers and the Australian community can access a broad range of information about our regulatory activity and performance</p> <p>3.2 We provide meaningful reports on provider performance</p>	<p>Partially met</p>	<p>8 performance measures, with:</p> <ul style="list-style-type: none"> • 6 Met • 1 Partially met • 1 Not met
<p>4. We engage and partner with stakeholders constructively and with mutual respect</p>	<p>ASQA's engagement and partnerships provide clarity of the role of the national regulator and improve regulatory impact*</p> <p>4.1 Our partnerships and strategic engagement improve regulatory outcomes</p> <p>4.2 There are feedback loops with key stakeholders to inform broader VET reforms and improve regulatory policy and regulatory outcomes</p> <p>4.3 There is common understanding of our role and regulatory approach, and areas of shared responsibility</p>	<p>Met</p>	<p>8 performance measures, with:</p> <ul style="list-style-type: none"> • 4 Met • 2 Partially met • 2 for benchmarking in 2021–22
<p>5. We add value and are efficient, effective, and continuously improve</p>	<p>ASQA is efficient, effective and continuously improves*</p> <p>5.1 We implement the Australian Government's decision regarding cost recovery</p> <p>5.2 ASQA is efficient and effective</p> <p>5.3 We achieve the organisational and cultural change necessary for a best practice regulator</p> <p>5.4 We share information about our assurance and quality control activities</p> <p>5.5 We share information about evaluation of our regulatory operations</p>	<p>Met</p>	<p>8 performance measures, with:</p> <ul style="list-style-type: none"> • 6 Met • 1 Partially met • 1 not reported in 2021–22
<p>6. Our understanding of sector performance and promotion of self-assurance contributes to quality VET and informed consumers</p>	<p>ASQA publishes information about the performance of the sector to support transparency and accountability*</p> <p>6.1 The Australian community can access information about our regulatory decisions</p> <p>6.2 The Australian community can access information about ASQA's insights into sector performance and quality VET</p>	<p>Met</p>	<p>7 performance measures, with:</p> <ul style="list-style-type: none"> • 4 Met • 3 not reported in 2021–22

* Wording in bold is a Portfolio Budget Statement 2021–22 Performance Criteria

Results

Strategic Deliverable 1

Our regulatory approach promotes a culture of self-assurance and continuous improvement

KPI	Performance measure	Target	2021–22 result
1.1 The regulatory system enables provider self-assurance	1.1a) Number of key stakeholders and providers that use our published research about self-assurance to enhance and promote systemic move to self-assurance	70% of key stakeholders Establish benchmark for providers	Met ¹ Benchmark: 60% of providers
	1.1b) Percentage of key stakeholders and providers confirming shared understanding of self-assurance	70% of key stakeholders Establish benchmark for providers	Met ² Benchmark: 60% of providers
	1.1c) Percentage of providers systematically monitoring and evaluating their own systems and processes and using the outcomes of their evaluations to continually improve their training and assessment strategies and practices	Establish benchmark	Benchmark: 60% of providers
1.2 There is systemic use of our self-assurance resources by providers to improve the quality of training delivered to students	1.2a) Percentage of providers using resources	Establish benchmark	Benchmark: 60% of providers
1.3 Provider self-assurance capability improves	1.3a) Number of Annual Declarations on Compliance showing increased capability compared with previous year results	N/A ³	N/A ⁴
Source	ASQA Corporate Plan 2021–22 page 4 and ASQA PBS 2021–22 page 180		

1 Key stakeholders include members of the Provider Roundtable and SLG, who were engaged in self-assurance research activities processes. Members expressed high levels of support for both the co-design process and the materials published as a result.
 2 Provider Roundtable and SLG members provided input into the co-designed definition of self-assurance and confirmed their support for the agreed definition.
 3 Not reported on in 2021–22
 4 Not reported on in 2021–22



Strategic Deliverable 1 – Performance Achievements

In 2021–22 we engaged with providers to co-design a model to support a shared understanding of self-assurance. The working model describes key elements of self-assurance of the quality of their training practices and outcomes. It will support providers to take a more systemic approach to understand risks, to be proactive in taking remedial action when things go wrong and to take opportunities to be innovative in meeting the training needs of students, industry, and the community.

Considering that the transition to a regulatory approach with a greater focus on self-assurance will take time, there is much to be done. Self-assurance capability is varied in the sector, and we are committed to developing our regulatory tools and processes to support those providers who need to develop their capability. ASQA has also remained committed to the upskilling of our staff to build organisational understanding of self-assurance and support the implementation of new regulatory tools and processes.

In Q1 2021–22 ASQA began work to support the journey to a regulatory approach underpinned by self-assurance. Utilising a range of methodologies, including literature review, co-design activities and surveys, this work will provide ASQA with access to best practice policy and regulatory approaches to self-assurance. It will also provide an evidence base to support providers in ensuring they are meeting and continuously improving their performance against the *Standards for RTOs 2015*.

Through Q2 to Q4 2021–22, ASQA worked closely with a range of providers and stakeholders to co-design a working model for self-assurance. We identified a range of principles to guide the development of the model to ensure it was informed by best practice and was meaningful across the scope of operational contexts. Initially a literature review was undertaken to identify potential elements and outcomes of a self-assurance model. Two separate rounds of testing and refinement with the sector led to the co-design of the working model. These included workshops, interviews and focus groups with providers, trainers and assessors and key stakeholders (including the Provider Roundtable, the Stakeholder Liaison Group [SLG], VET Regulators Forum, Department of Education, Skills and Employment [DESE] and the States and Territories). These have helped parties to understand the self-assurance context, to agree on a working definition and to co-design a working model for self-assurance.

The working model focusses on continuous improvement in 4 foundational elements of quality training, including:

1. Leadership and good governance
2. Staff capability and ongoing development
3. Student engagement and support
4. Ongoing industry and/or community engagement.

Working across these areas, we aim to build providers' capacity to measure and continuously improve their outcomes and to identify and address risks to the quality of VET. The working model has been designed to be flexible for providers to apply a range of approaches to self-assure that the expected Standards are being met, based on their own business operations and operating context and risks.

From July 2022 onwards, we will publish regular updates and share guidance and case studies to support providers to self-assure. The anticipated new Standards provide an opportunity for providers to build the governance and processes they have in place for quality assurance.

We have utilised the ASQA 2021–22 Provider and Course Owner Survey to set a baseline to measure improvement in provider self-assurance capability. Our performance measures reflect the way we are working together with providers, course owners and key stakeholders to make this change. An important aspect of this is the redesign of the Annual Declaration on Compliance, and in 2021–22 we engaged with the sector to begin this process, which is expected to be finalised in 2022–23. ASQA intends to develop a revised approach that supports provider compliance and encourages continuous improvement, which is in line with the shift towards greater self-assurance.

ASQA is also continuing to monitor Clause 2.2 of the *Standards for RTOs 2015* which requires providers to systematically monitor their training and assessment strategies and practices to ensure ongoing compliance with Standard 1, and to systematically evaluate and use outcomes of the evaluations to continuously improve the RTO's training and assessment strategies and practices. This clause plays a critical role in the requirement for providers to embed systems for monitoring and continuously improving their practice. It now forms part of the standard suite of clauses audited by ASQA under its revised performance assessment methodology. Performance assessments undertaken have provided some promising results in this area. In 2021–22, 79% of providers audited were compliant with Clause 2.2.

Regular and effective communication about risk and sector performance underpins providers self-assurance. ASQA shares information to support a better understanding of risks and raise awareness, providing feedback to support providers and course owners to critically review and assure their own performance and address risks.

In addition to the publication of our regulatory risk priorities and the provision of education and guidance materials to support provider compliance with the Standards, in 2021–22 we also began to publish and share materials with the sector specifically focusing on self-assurance, including:

- the Self-assurance phase 2 report: co-designing a model for self-assurance
- website materials to document the evolution of the model for self-assurance and provide opportunities for sector feedback
- conference presentations (ITECA Business Summit, Velg VET CEO Conference)
- sector webinars (TAFETalks).

In Q2, ASQA administered a survey to all ASQA regulated CRICOS providers to seek their feedback on agent management practices. Responses informed an insights paper which was disseminated to survey participants in Q3. The insights paper is being translated into resources to promote and support self-assurance.

ASQA also undertook research and consultation in several of our regulatory priorities, the outcomes of which will inform treatment design and information for the sector to support and encourage provider self-assurance.

Strategic Deliverable 1 – Performance Analysis

It is important to recognise that 2021–22 was the foundational year for ASQA as it transitions to a regulatory approach with a focus on provider self-assurance. Engaging with the sector and other key stakeholders has played a major role in the development of a working model for self-assurance. It has also served to build trust in ASQA as a regulator and has encouraged providers to consider how they currently self-assure and can continue to develop fit-for-purpose self-assurance systems and practices.

A model that is transparent is a key priority moving forward and has focussed on clear and user-friendly communication about the move to self-assurance. We are committed to a philosophy of co-design and effective consultation recognising the need to build a shared language around self-assurance and what it means in practice.



ASQA's practical focus is on developing the new working model. We expect to further build on the resources that were published in 2021–22. Those that were made available were well received, which was clearly demonstrated in the feedback through the engagement and consultation process. To see that 59% of providers and course owners have already accessed these materials is encouraging, and as we continue to develop more education and guidance materials in 2022–23, we expect to see this engagement increase.

It is also positive to note 60% of providers and course owners already believe they share a common understanding of self-assurance with ASQA. The same percentage of providers and course owners already consider they are systematically monitoring and evaluating their own systems and processes. In addition to this self-reporting, ASQA continues to focus on relevant clauses of the Standards during our performance assessments to understand if providers have effective self-assurance mechanisms in place. However, as with any transition period there have been some challenges that have emerged – an example of this was the Provider and Course Owner Survey which indicated awareness and use of self-assurance resources are below the target. This will allow us to prioritise further education and resourcing in 2022–23.

As sector awareness and knowledge of self-assurance grows over time, ASQA expects to see this figure improve in future years to reflect changes in understanding and expectations of the role of self-assurance in supporting quality outcomes. Our engagement and the outcomes of our monitoring activities will support the extent to which effective self-assurance practices are implemented in providers' operations.

From 2022–23 ASQA will be revising the Annual Declaration on Compliance to ensure it aligns with our focus on self-assurance against the standards. Once this has been completed, we will be able to establish a benchmark for this performance measure.

Overall results in relation to this strategic deliverable were strong, and we assess that we met this performance criterion.



I believe that the self-assurance approach which ASQA has adopted has merit and hopefully will in the long term improve the performances of organisations in the delivery of quality training.

Strategic Deliverable 2

Our regulatory approach is best practice, integrated, risk-based and proportionate

KPIs	Performance measure	Target	2021–22 result
2.1 Stakeholders are confident that our regulation is best practice and reflects areas of shared responsibility	2.1a) Percentage of key stakeholders and providers confident that our approach to assessment of standards consistently ensures quality VET	70% of key stakeholders Establish benchmark for providers	Not met ⁵ Benchmark: 70% of providers
	2.1b) Percentage of key stakeholders and providers confident our regulatory approach addresses risks to quality outcomes	70% of key stakeholders Establish benchmark for providers	Not met ⁶ Benchmark: 70% of providers
	2.1c) Percentage of key stakeholders who confirm that ASQA applies a fit-for-purpose framework to monitor our performance as a regulator	70% of key stakeholders	Not met ⁷
	2.1d) We report on the number of Rapid Review recommendations implemented by our published deadlines	Annual reporting on deadline achievement	Met
	2.1e) We report on our performance against the <i>Standards for VET Regulators 2015</i> , and have our performance externally reviewed including that we: <ul style="list-style-type: none"> effectively and efficiently regulate providers accredit courses in accordance with the <i>Standards for VET Accredited Courses 2021</i> evaluate and improve our regulatory performance and ensure our delegates comply with the <i>Standards for VET Regulators 2015</i> 	Annually	Met

5 45% of stakeholders who responded to ASQA's stakeholder survey

6 44% of stakeholders who responded to ASQA's stakeholder survey

7 54% of stakeholders who responded to ASQA's stakeholder survey



KPIs	Performance measure	Target	2021–22 result
2.2 Stakeholders are confident that our regulatory processes promote quality outcomes and self-assurance	2.2a) Percentage of key stakeholders who confirm that we collaborate and engage on our regulatory approaches including for self-assurance	70% of key stakeholders	Met ⁸
	2.2b) Percentage of key stakeholders and providers who confirm our regulatory resources focus on ensuring quality outcomes and building capability for self-assurance	70% of key stakeholders Establish benchmark for providers	Met ⁹ Benchmark: 80% of providers
	2.2c) Percentage of non-compliant providers that return to sustained compliance within agreed timeframes	Establish benchmark for providers	Benchmark: 50% of non-compliant providers
	2.2d) The data we use to inform our regulatory program is updated	At least quarterly	Met ¹⁰
2.3 Our risk-based regulatory insights support and enable improved provider performance	2.3a) We release risk-based regulatory insights to support and enable provider performance	Quarterly	Partially met ¹¹
	2.3b) We report on improved sector performance	Annually	Met ¹²
2.4 Our regulation is proportionate	2.4a) Number of regulatory processes reviewed in consultation with key stakeholders where the ASQA administrative burden on providers and/or course owners is reduced while essential safeguards are maintained	Two per year	Partially met ¹³
	2.4b) Percentage of key stakeholders and providers and course owners who agree that our regulatory decision-making is proportionate	70% of key stakeholders 70% of providers 70% of course owners	Not met ¹⁴ Partially met ¹⁵ Partially met ¹⁶
2.5 ASQA is an active member of the regulator community of practice	2.5a) We publish evidence of ASQA's active participation in the regulator community of practice	Annually	Met
Source	ASQA Corporate Plan 2021–22 page 4 and ASQA PBS 2021–22 page 180		

8 76% of key stakeholders

9 81% of key stakeholders

10 Completion of an annual environmental scan incorporating regulatory data and stakeholder intelligence. Risk priorities validated each quarter using the outcomes of regulatory processes

11 Three insights papers published in 2021–22

12 Sector performance in relation to identified non-compliance and return to compliance reported in the Annual Report 2021–22

13 Registration processes review in progress; Consultation to review of Annual Statement of Compliance processes

14 58% of key stakeholders

15 67% of providers who were subject to a regulatory decision in 2021–22

16 67% of course owners who were subject to a regulatory decision in 2021–22

Strategic Deliverable 2 – Performance Achievements

ASQA undertook engagement with key stakeholders through the Provider Roundtable and SLG to finalise our performance framework and used the publication of the 2021–22 Corporate Plan to help build a common understanding of ASQA’s role and regulatory approach, including clarifying expectations on areas of shared stakeholder responsibility. In 2021–22 ASQA was conscious of the impact of COVID-19 and its ongoing effects on the sector, particularly on methods of training delivery, access to work placements and delivery to international students.

Responsive risk-based regulation

ASQA has continued to focus on outcomes and the challenges of 2021–22 have strengthened our proportionate risk-based approach and stakeholder engagement, including to build and support systemic capability for provider self-assurance and continuous improvement of quality outcomes. Our approach to regulation is set out in our Regulatory Risk Framework, which communicates our management of sector and provider risk. The framework describes our Regulatory Operating Model (ROM) and sets out our regulatory functions and how they are applied. We are committed to engaging with stakeholders and providing information to support their understanding of what to expect from ASQA and how specific regulatory processes are applied.

ASQA continues to engage directly with the sector to build a common understanding of our role and regulatory approach, to manage stakeholders’ expectations and areas of shared stakeholder responsibility including through:

- Education programs that centre on regulatory risk priorities and provider self-assurance and offer opportunities to learn and engage with ASQA. This approach builds training providers’ awareness of risk and best practice methods to strengthen capability to respond to risks, while promoting a culture of self-assurance and continuous quality improvement, to foster excellence across the sector.
- Targeted communication programs to keep providers informed of obligations, sector risks, and relevant news.

ASQA also provided a proportionate regulatory approach for providers impacted by the flooding and severe weather events in Queensland and New South Wales in late 2021 and early 2022.

ASQA’s response included:

- an extension of the due date for the annual declaration on compliance from 31 March 2022 to 29 April 2022 for all providers in Queensland and New South Wales
- providing advice on how to use the material change notification to advise ASQA of a material change in circumstance such as temporary period of inactivity
- consideration of possible extensions for providers affected by flooding such as for an application or performance assessment underway
- consideration of flexibility, on a case by case basis, if a provider was currently undergoing a regulatory activity
- providing advice to providers regarding emergency response planning so that they are prepared and well positioned to respond to the crises and to minimise impact on students and their communities
- releasing guidance material that included advice on managing risks where training and assessment is ongoing.

Using data and intelligence including complaints about provider performance

The COVID-19 pandemic and subsequent economic uncertainty have accelerated many pre-existing economic, social and technological trends, which have influenced the demand for skills and training delivery, as well as the risks to the quality of Australian VET. ASQA finalised its annual environmental scan (e-scan) which sees it engage widely and draw on data and intelligence from many sources to identify and understand risks to the quality of VET. The e-scan



was used to identify and then assess sector-wide and provider risks and plan our regulatory priorities for 2021–22. ASQA communicated these priorities and statement of regulatory intent for each on our website and socialised them with key stakeholders in Q2, engaging with key sector stakeholders to better understand risks relating to regulatory priorities to inform proportionate and appropriate responses.

At the end of each quarter we used updated regulatory outcomes data to identify and respond to any emerging risks. The scan combines ASQA's regulatory data and complaints with intelligence collection from a combination of surveys; face to face interviews; and engagement with a range of stakeholder groups. We consulted with providers; industry and sector peak bodies, state and territory governments; and analysed data from other sources. The Quarterly Scan Report developed from these processes provides an intelligence update on the operational Regulatory Risk Priorities for the assigned quarterly reporting period.

Environmental scanning identified a number of emerging regulatory risks, including the resumption of service following a period of service cessation and delivery risks in the context of floods. Our risk-based regulatory program in 2021–22 targeted both provider risk (provider practices/behaviour that can present a risk to the quality of student outcomes and the reputation of the VET sector) and systemic risks (risks likely to affect a significant proportion of providers or relate to a particular cohort of providers across the VET sector or specific industry sector).

ASQA provided advice to the sector in response to some providers inappropriately marketing to employers in relation to the Boosting Apprenticeship Commencement wage subsidy. This information was developed in consultation with DESE and was published in the ASQA update and on our website. We also initiated a survey of CRICOS providers to share their insights about how they are effectively managing education agents to inform sector education in 2022. This survey is being used to develop education resources to be released on ASQA's media channels in Q2 2022–23.

Assessing complaints about provider performance is another core source of intelligence for ASQA. During 2021–22, we assessed 1,266 reports about possible provider non-compliance received through our online complaints portal or ongoing engagement. We use reports as feedback to monitor provider performance and respond proportionately to risks to quality VET outcomes. When we receive a complaint, we take into account a range of intelligence on the provider. We use this assessment to inform decisions on when and if further regulatory action is required. This ensures that we direct our regulatory resources towards providers that collective data and intelligence suggest are exhibiting a non-compliant behaviour or practice within ASQA's jurisdiction. We receive complaints from members of the public, including students, through the ASQA complaints portal. ASQA notifies providers whenever a complaint is received and uses this engagement to remind them of their obligations. We provide advice to complainants about alternative complaints handling bodies where relevant. Reports also contribute to quarterly e-scan activities that monitor our regulatory priorities and identify whether new risks are emerging.

Managing risks proportionately and maintaining essential safeguards

ASQA continues to ensure that our education, monitoring, compliance and enforcement activities are fit for purpose to respond to risk and provider non-compliance, proportionate to the level of harm.

ASQA's focus on provider and systemic risks resulted in the initiation of 356 performance assessments. ASQA assessed providers' performance against the standards as non-compliant in 244 cases at the time of undertaking the monitoring activity.

Where we found a provider to be non-compliant our response was proportionate to the level of risk and we used a range of regulatory tools, to ensure the provider addressed the non-compliance and had systems to monitor and ensure ongoing compliance. The range of regulatory tools applied in the reporting period reflects ASQA's commitment to appropriate and proportionate regulatory action where we identify non-compliance, and our implementation of a revised ROM in response to the findings of ASQA's Rapid Review.

In circumstances where providers, who we believe are committed and capable, do not comply with the legislation and/or standards, we may give them an opportunity to rectify the problems through an agreement to rectify. We make this opportunity available based on the nature and impact of the non-compliance, the conduct of the provider and their understanding of the problem, commitment to continuous improvement, and willingness to take action to ensure the solution is systemic and sustained.

Of the 244 cases of non-compliance, we assessed it was not necessary or proportionate to use more directive regulatory powers or exercise sanctions in 121 cases and we provided an opportunity for these providers to address identified areas of non-compliance. These providers understood where they were falling short in meeting their regulatory obligations and had the capacity and commitment to return to compliance. Of these 121 cases:

- 57 providers entered into an Agreement to Rectify. This measure encourages providers to address non-compliance in a systemic and sustained way by providing a longer period for rectification (up to 3 months) and strengthens provider focus on self-assurance and systemic controls.
- 64 providers responded to issues of non-compliance identified by ASQA by providing additional evidence within 20 days from receiving the performance assessment report. An average of 50% of providers who were found to be non-compliant, returned to compliance during the period.

In circumstances where a provider does not demonstrate a commitment or capability to delivering quality training or to making necessary changes in response to identified non-compliance, our response is to use an escalating range of regulatory tools to enforce compliance. In 2021–22 ASQA took the following actions to compel action by the provider:

- 84 written directions were issued to direct the actions of providers
- 7 conditions were imposed on a provider's registration (4 VET and 3 CRICOS)
- 3 in-part scope suspensions were imposed. A suspension can limit the provider's operations (to reduce the harm to students and others) until the non-compliance has been rectified (2 VET and one CRICOS)
- 7 full scope suspensions were imposed usually in circumstances where we are not confident in the provider's ability to address the non-compliance voluntarily or following a direction from us (6 VET and one CRICOS)
- 10 cancellations of registration where we do not have confidence in the commitment or capability of the provider to rectify non-compliance and there is high risk to future students and the reputation of the sector. The effect of cancellation is that the provider can no longer offer or deliver the training products to students, and is removed from the register (6 VET and 4 CRICOS).

ASQA also demonstrated proportionality in the regulatory approach to processing applications and at market entry. We implemented improvements to decisions relating to registration assessments undertaken to determine whether the requirements of initial registration were met by applicant organisations entering the market. We improved the consistency of our assessment practice by providing opportunities for applicant organisations to respond to issues and areas of concern during the assessment process. This extends to applicant organisations, which have the opportunity to respond to any adverse findings. This has led to an improvement in the quality of our decision making and the earlier resolution of disputes.

ASQA completed 7,425 applications in 2021–22, including applications that were received (but not finalised) in the previous financial year. ASQA approved 93% of these applications.

- 9 renewal applications were rejected (6 VET and 3 CRICOS)
- 22 change of scope applications were rejected (13 VET and 9 CRICOS).



Review of decisions

Internal Review

When making a decision that adversely affects a provider, ASQA decision-makers provide procedural fairness, which means ensuring a fair process, and providing robust reasons for decisions. Before making an adverse decision due to non-compliance, we issue a notice of intent indicating the relevant areas of non-compliance and providing an opportunity for the provider to submit additional evidence of compliance prior to a final decision being made.

When reviewing decisions, ASQA reviews the evidence that led to the original decision and any new evidence that is available to the decision-maker. This is to determine whether the decision remains correct and preferable.

We acknowledge that there are circumstances where the original decision may have been correct based on the evidence available at the time it was made, but no longer remains the correct decision on review. This may be due to the availability of evidence that was not available to the original decision-maker, and whether or not that evidence in fact existed at the time the decision was made.

Following review of the decision, ASQA can affirm the decision, vary the decision, or revoke or set aside the decision.

Our performance in relation to reconsideration applications continues to be strong. In 2021–22, we finalised 77 reconsideration applications and the majority of decisions were either revoked (69%) or affirmed (25%). The remainder were varied or withdrawn by the applicant.

The outcomes of these reconsideration applications are shown in the table below.

Table 2: Outcomes of reconsideration applications

Finalised reconsiderations	2019–20	%	2020–21	%	2021–22	%
Original decision revoked	47	38	64	53	53	69
Original decision affirmed	33	26	30	25	19	25
Original decision varied	41	33	21	17	3	4
ASQA did not make a decision	0	0	1	1	0	0
Withdrawn by applicant	4	3	5	4	2	3
Total finalised	125		121		77	

External Review

If a provider is dissatisfied with the outcome of a reviewable decision ASQA has made, they may apply for review by the Administrative Appeals Tribunal (AAT).

This review considers the evidence available to the AAT at the time, and the provider is able to produce further evidence that the non-compliance has been addressed. If there is sufficient evidence to demonstrate a return to compliance, the matter may be resolved between the applicant and ASQA.

In 2021–22, 58 AAT matters were finalised. Where matters proceeded to a hearing and a decision was made, ASQA's decision was affirmed by the AAT on all 3 occasions (100%). Where matters did not proceed to a hearing, these were resolved between ASQA and the applicant on 43 of 55 occasions (78% of all matters).

The details of AAT merits reviews are provided in the tables below.

Table 3: AAT outcomes finalised where the matter proceeded to a hearing and a decision was made

Outcome	2019–20	%	2020–21	%	2021–22	%
ASQA's decision affirmed	13	81	8	80	3	100
ASQA's decision set aside	3	19	2	20	0	
ASQA's decision varied	0		0		0	
Total	16		10		3	

Table 4: AAT outcomes finalised where the matter did not proceed to a hearing

Outcome	2019–20	%	2020–21	%	2021–22	%
Resolved between applicant and ASQA	156	70	75	77	43	78
Withdrawn by applicant	50	23	17	17	6	11
Application for review dismissed by Court or Tribunal	16	7	6	6	6	11
Total	222		98		55	

Implementing better practice improvements

In 2021–22 we continued the implementation of the Rapid Review Recommendations.¹⁷ We have a planned approach to implementation for recommendations in our Corporate Plan for 2022–23. ASQA has taken steps to shift its regulatory approach from input and compliance controls to a focus on self-assurance and excellence in training outcomes, this transition will continue into future years. This year saw us embed key improvements to our regulatory practices including:

- changes to performance assessment methodology with a stronger focus on outcomes and underpinned by self-assurance
- changes to the reports which are issued to providers so that they are easier to understand and make clearer links between the evidence collected and findings of non-compliance
- adopting a broader range of monitoring activities that can be selected based on risk and the purpose for monitoring, to better align regulatory effort to risk
- providing an opportunity (Agreement to Rectify) for a provider to address identified areas of non-compliance where it is not necessary or proportionate to use more directive regulatory powers or exercise sanctions which encourages providers to consider their response to non-compliance in a systemic and sustained way by providing a longer period for rectification
- implementing improvements to registration assessments (reported above).

¹⁷ Rapid Review of the Australian Skills Quality Authority's Regulatory Practices and Processes



A registration review project was established in Q1, in consultation with the Provider Roundtable and SLG, to identify and design improvements to registration processing and better manage high volume work through risk-based processes. In Q2, we continued to progress this project, commencing engagement with providers prior to the due date of their renewal registration applications, to support the timeliness of renewal of registration decisions and to minimise regulatory burden wherever appropriate.

Through our stakeholder engagement, ASQA has received feedback on the effectiveness of the improvements we have made with respect to our regulatory approach and practices, particularly in relation to conducting monitoring activities. This is evidenced by the results we have achieved through our compliance case management process, whereby a significant percentage of providers have achieved a return to sustained compliance because they have understood where they were falling short in meeting their regulatory obligations and they have the systems, controls and governance in place to self-identify and address risks to quality VET outcomes as they arise. Furthermore, by strengthening our evidence-based decision making, we have been able to draw from a range of escalating regulatory actions in a responsive and proportionate way based on risk and the nature of the non-compliances. A structured evaluation framework will support evaluation of ASQA's performance in target areas over a 4-year period. Work is underway and we will take a consultative approach with key stakeholders, including through the use of independent surveys.

ASQA was active in understanding and sharing best practice across the regulator community through the CEO's membership of the Regulator Leadership Cohort, and through a number of other activities including researching a Community of Practice (CoP) framework and active participation in the ANZSOG National Regulators Community of Practice.

Assuring our operations

ASQA has implemented a program of internal quality assurance, with a particular focus on our provider performance assessment reports and compliance outcomes. Further to the assurance activities undertaken to support the quality and timeliness of reports, we have identified measures to gain efficiencies and for peer review and moderation to be undertaken earlier in the performance assessment process.

In Q4 2021–22, ASQA's internal auditors undertook an assessment of our performance against the VET Regulator Standards, (VETR Standards). The audit found ASQA demonstrated compliance with 57 of 63 Standards. Four standards were not considered relevant because they relate to activities not undertaken by ASQA this financial year. The assessment found ASQA was unable to fully demonstrate compliance with 2 Standards, including:

- VETR Standard 1.2 – ASQA met the requirement to undertake a review of a new RTO within 2 years of registration in 84% of cases
- VETR Standard 1.3(c) – ASQA was found to substantially comply with the requirement to be responsive and proportionate in addressing non-compliance, however it was recommended that ASQA more fully define 'responsiveness' in order that compliance can be fully demonstrated.

The results of this review were reported and discussed at the Provider Roundtable meeting on 26 May 2022 and the report was well received. The Provider Roundtable is ASQA's primary forum for strategic engagement and consultation with the peak VET, dual sector and English language provider associations on regulatory design, reform and benefits realisation.

Strategic Deliverable 2 – Performance Analysis

This year we have worked with key stakeholders and providers to continuously improve our risk-based and proportionate regulatory practice.

ASQA has made strong progress with ensuring our stakeholders are confident that our regulation is best practice and reflects areas of shared responsibility. In 2021–22 70% of providers and 45% of stakeholders were confident that our approach to assessment of standards consistently ensures quality VET. Furthermore, 67% of providers and 44% of stakeholders agreed our regulatory approach addresses risks to quality outcomes; and 54% of stakeholders confirmed that ASQA applies a fit-for-purpose framework to monitor our performance as a regulator.

We are seeing increasing confidence that our regulatory processes promote quality outcomes and self-assurance. 80% of providers responding to an independent survey confirm our regulatory resources focus on ensuring quality outcomes and building capability for self-assurance. This is encouraging as we start to see the benefits of our reforms to regulatory practices realised.

We have done much to provide information and feedback to support improved provider performance. Our regulatory resources (including ‘Spotlight On’ webinars and other web-based written materials) are consistently received positively by the sector, with 75% of stakeholders and 81% of providers endorsing our regulatory resources’ quality outcomes and capability building for self-assurance. This exceeded our target of 70%. In 2022–23 will further focus on strengthening our reporting on outcomes from our regulatory activities including sharing the insights from these activities with the sector.

We have taken a proportionate and risk-based approach to many challenges during the COVID-19 pandemic, working with stakeholders to ensure pragmatic approaches whilst maintaining essential safeguards. In 2021–22 we asked key stakeholders, providers and course owners whether our regulatory decision-making was proportionate and 67% of providers and course owners who were subject to a regulatory decision in 2021–22 agreed that it was, as did 58% of key stakeholders. There has been improvement in 2021–22 compared with results for the previous financial years. We will continue to communicate our expectations and seek feedback to review and continuously improve the proportionality of our approach.

Overall results in relation to this strategic deliverable were strong and reflect a significant work program and focus, and we assess that we met this performance criterion. There remains room for further improvement in identified areas as we enter the second year of our embedding phase.



BEST PRACTICE CASE STUDY

Risk-based and data-driven

The *Regulator Performance Guide* sets out the Australian Government's expectations for regulator performance and reporting based on 3 best practice principles: continuous improvement and building trust; risk-based and data-driven; and collaboration and engagement.

The principle, risk-based and data-driven, is about regulators managing risks proportionately and maintaining essential safeguards while minimising regulatory burden. It is also about leveraging data and digital technology to support those they regulate to comply and grow.

This case study is an example of how we are putting this principle into practice.

The Victorian TAFE renewal of registration project

ASQA currently regulates around 3,800 providers. As such, ASQA seeks to apply risk-based and data-driven approaches to allocate regulatory effort, manage risks proportionately and minimise regulatory burden. In doing so, we make the best use of a range of regulatory approaches to ensure compliance and support providers to understand risks to quality outcomes.

This year ASQA introduced new practices to implement the Rapid Review recommendation: *Adopt a range of monitoring activities that can be selected based on risk and the purpose for monitoring, to better align regulatory effort to risk.*

ASQA tested a new approach to renewal of registration and engaged with providers prior to their applications falling due through a review monitoring activity. Historically, ASQA's approach was to engage with providers once their applications had been lodged, receipt of which would then trigger an audit activity to determine whether the provider is continuing to meet the requirements of registration. This tended to emphasise "point-in-time" compliance rather than embedded practices of self-assurance and continuous quality improvement. The new approach would support self-assurance and sustained compliance and in doing so would also support the timeliness of registration decisions and minimise regulatory burden.

ASQA had an opportunity to apply a more planned engagement with regulated entities through the renewal of Victorian TAFE college registrations which were falling due around the same time. ASQA engaged with TAFE CEOs in Victoria to support and test concepts for the pilot.

Characteristics of the revised approach included:

- early engagement with ASQA supported a focus on provider actions to assure compliance
- Victorian TAFEs reviewed evidence in self-assessment against the Standards which enabled them to identify areas of risk and critically review their own performance
- ASQA sought information about the provider's assurance practices and commitment to quality student outcomes and continuous improvement
- ASQA applied a risk assessment, using a consistently applied risk matrix, which also took into account any intelligence and complaints data and compliance history in assessing risk.

The information gathered informed ASQA's assessment of risk to determine whether:

- ASQA was satisfied with the provider's performance and had confidence in the provider's capability to continue to meet the requirements of registration or
- further follow up review monitoring activity or escalated regulatory activity (such as a performance assessment) was required.

Through proactive engagement, ASQA was able to conduct an effective risk assessment of each of the 16 Victorian TAFE providers, ultimately renewing each of their registrations.

Jenny Dodd, Chief Executive Officer of TAFE Directors Australia (TDA), who had previously conceded to being sceptical about ASQA's move towards self-assurance, offered her comments on the process.

"Self-assurance for RTOs is how they 'manage their operations to ensure a focus on quality, continuous improvement, and ongoing compliance with the Standards' (ASQA)," she said.

"At the start of this process, I was sceptical, and ASQA was aware of my position. My concern was that self-assurance might just be another business process. I am delighted to say I was wrong."

"The ASQA model was still under development when the Victorians began their re-registration processes. They were all asked to provide their self-assurance models which demonstrated commitment to continuous improvement, to students, to industry, to professional development, and to having governance structures and leadership that evidenced continuous improvement. These were not new practices for the Victorians. However, for many it was about collating all the evidence of what they currently do as large and complex organisations. And they have done that!"

ASQA is undertaking an evaluation of the activity to build on lessons learnt and continue to implement this renewed process.



Strategic Deliverable 3 Our regulatory approach is transparent and accountable

KPIs	Performance measure	Target	2021–22 result
3.1 Key stakeholders, providers and the Australian community can access a broad range of information about our regulatory activity and performance	3.1a) Percentage of key stakeholders and providers and course owners/ developers satisfied they can access a broad range of information about our regulatory activity	70% of key stakeholders Establish benchmark for providers	Met ¹⁸ Benchmark: 80% of providers
	3.1b) Percentage of key stakeholders and providers satisfied with the quality of our information	70% of key stakeholders Establish benchmark for providers	Met ¹⁹ Benchmark: 80% of providers
	3.1c) Percentage of providers who agree we provide relevant and timely information about sector risks and areas of regulatory focus	70% of providers	Partially met ²⁰
	3.1d) Percentage of ASQA Service Standards that we meet	100%	Not met ²¹
	3.1e) We analyse and report on trends in relation to complaints about the sector	Annually	Met
	3.1f) We report on our performance against the <i>Standards for VET Regulators 2015</i> and have our performance externally reviewed including that we communicate effectively and implement a transparent complaints process responding to stakeholder/provider complaints about ASQA's regulatory practices to enhance regulatory practices and outcomes	Annually	Met

18 70% of key stakeholders

19 70% of key stakeholders

20 68% of providers

21 18% of Service Standards were met 100% of the time; 82% of the standards were met at least 60% of the time

KPIs	Performance measure	Target	2021–22 result
3.2 We provide meaningful reports on provider performance	3.2a) Percentage of times we notify government agencies when ASQA has made a notifiable decision relating to a provider	100%	Met ²²
	3.2b) Percentage of providers who confirm that our performance assessments comprehensively describe any non-compliance as identified issues against the student-centred journey	70% of providers	Met ²³
Source	ASQA Corporate Plan 2021–22 page 4 and ASQA PBS 2021–22 page 180		

Strategic Deliverable 3 – Performance Achievements

ASQA published and provided information about our regulatory approach in ASQA’s Corporate Plan 2021–22, which outlined our strategic priorities for the next 4 years. This foundational document sets out how we will work in partnership with providers and stakeholders to achieve our purpose, including the ongoing implementation of reforms to our regulatory culture and practice to focus on excellence in training outcomes. As noted above, it also includes an enhanced performance framework that enables us to work with stakeholders to understand where we have been effective, where we may need to adjust our approach and, through both, promote our own continuous improvement.

We have undertaken scoping work to systematically improve the quality, relevance and timeliness of the information we release publicly, including about complaints received about providers. ASQA has undertaken a review of how complaints are used including consideration of a range of ways in which trend information can be published to enhance transparency and support self-assurance by providers. ASQA will develop reporting options against this measure before designing a report characterising trends for external stakeholders.

ASQA also sought to improve the quality, relevance and timeliness of the information we share with other government entities to improve the broader efficacy of our regulatory practice and impact. We liaised with State and Territory funding entities in planning our regulatory activities and provided clearer information about shared risks, findings of non-compliance and our management of non-compliance. We reviewed the engagement arrangements in place between ASQA and the Tertiary Education Quality and Standards Agency (TEQSA) under the ASQA and TEQSA Memorandum of Understanding. This includes improvements to the way our agencies exchange information to support our respective regulatory roles, as well as to our approaches to co-regulating dual-sector entities as Education Services for Overseas Services (ESOS) agencies.

The results from ASQA’s 2021–22 Provider and Course Survey revealed 74% of providers who underwent a performance assessment in 2021–22 agreed that our performance assessments clearly described any non-compliance as identified issues against the student-centred journey.

²² 100% of notifiable decisions

²³ 74% of providers who underwent a performance assessment in 2021–22



ASQA continued to embed practice changes relating to the implementation of ASQA's Rapid Review – improving the quality of our reports, separating out the functions of our Quality Assessment and Compliance teams to support proportionate regulatory outcomes, applying a performance assessment methodology that focuses on self-assurance, and broadening the range of monitoring activities we use to treat risk.

During this transformational year where we made some significant changes to our regulatory practice and processes, some of our timeliness measures have been adversely impacted.

We closely monitor performance against all Service Standards and remain particularly focused on improving our timeliness in finalising our performance assessment reports and, where we have accepted additional evidence from a provider after a performance assessment, the time it takes for ASQA to provide the decision. ASQA continues to implement an ongoing program of internal quality assurance activities, which includes regular opportunities for moderation of performance assessment outcomes and supported decision-making, case conferences to undertake peer review of performance assessment reports and compliance outcomes.

Figure 1: Assessment report - results against Service Standard (20 days) 2019/20 – 2021/22

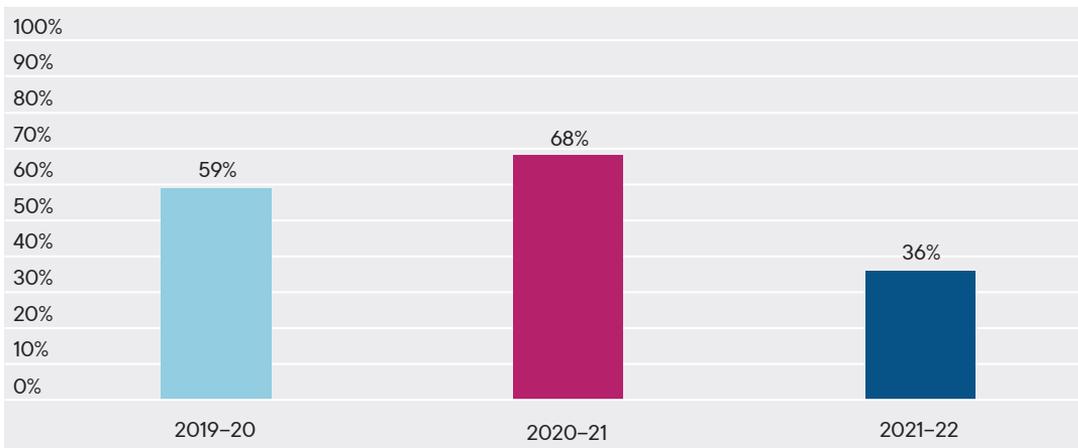
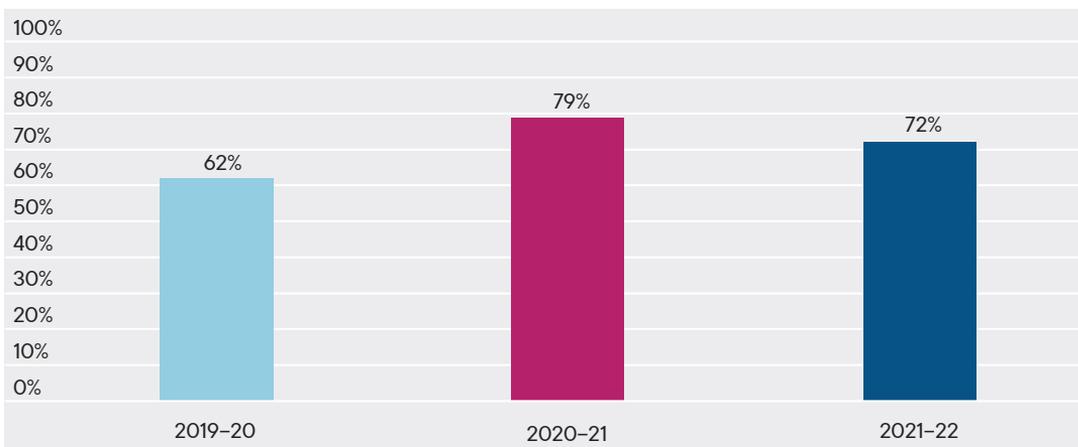


Figure 2: Additional evidence provided after Performance Assessment – Decision within Service Standard from acceptance (30 days) 2019/20 – 2021/22



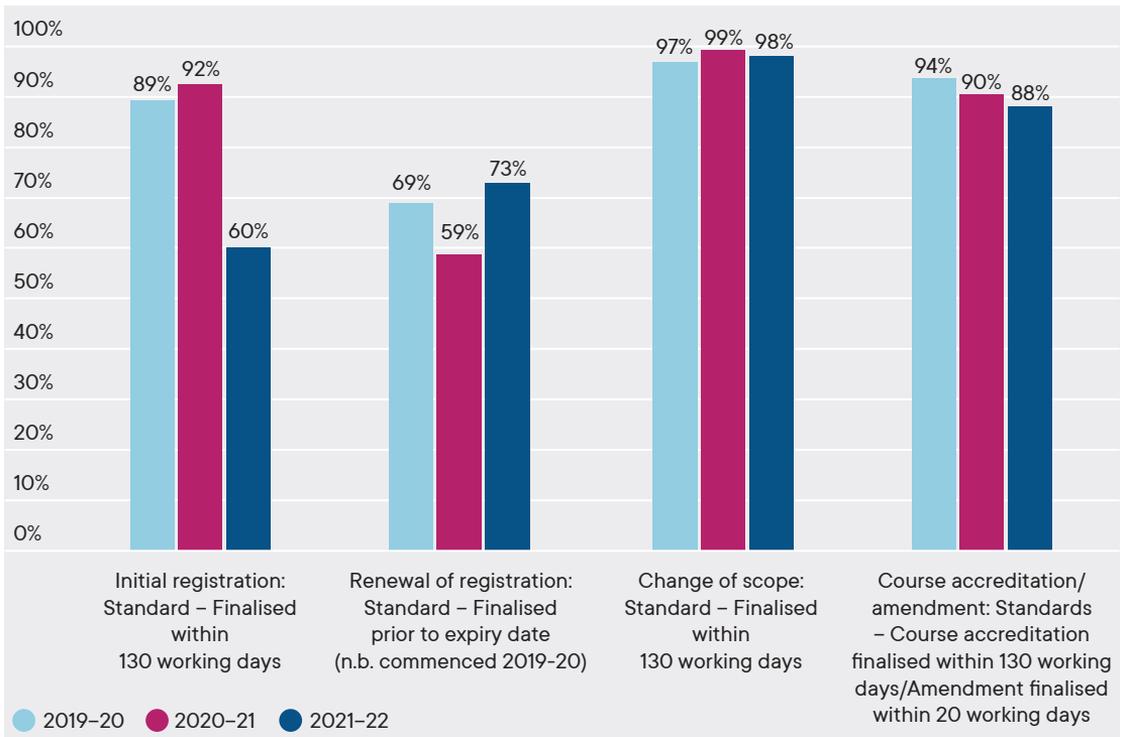
ASQA completed 7,425 applications in 2021–22, including applications that were received (but not finalised) in the previous financial year. ASQA approved 93% of these applications.

- 9 renewal applications were rejected (6 VET and 3 CRICOS)
- 22 change of scope applications were rejected (13 VET and 9 CRICOS).

We closely monitored our Service Standard performance against the high level of applications received.

In the reporting period, 98% of change of scope applications and 88% of course accreditation applications were finalised within the timeframe stipulated in the Service Standard. Our performance against Service Standards that relate to initial registration and renewal of registration timeframes, with 60% and 73% of applications being finalised within the timeframe set out in the Service Standards, respectively, signals there are further improvements for us to make.

Figure 3: Registration and Course Accreditation applications - results against Service Standards 2019/20 – 2021/22



A significant amount of regulatory activity and effort, specifically performance assessments, undertaken by our Quality Assessment and Compliance teams was triggered by registrations and approvals in 2021–22. We are now focusing more intensely on the application of our risk-based approach so that the appropriate regulatory activity which may flow from registrations and approvals is appropriate and proportionate according to the risk, that is, a performance assessment may not be the most appropriate regulatory activity to be undertaken.



Under ASQA's existing Regulatory Risk Framework, we are maturing our approach to identifying the appropriate monitoring activity to address the risk. To support this, we are using a broader range of monitoring activities so that we can apply our regulatory effort and resources in a risk-based and proportionate way.

Work continues to progress, in partnership with key stakeholders, on the review of our Service Standards across the Regulatory Operating Model (ROM) to align with changes to our regulatory practices and processes which have been implemented as part of the reform. Revised Service Standards are expected to be implemented during 2022–23.

Communication between other government agencies remained a high priority and in 2021–22 ASQA notified government agencies of notifiable decisions relating to a provider 100% of the time. We continue to streamline information-sharing with relevant stakeholders.

ASQA continues to engage directly with the sector to build a common understanding of our role and regulatory approach, to manage stakeholders' expectations and areas of shared stakeholder responsibility including through:

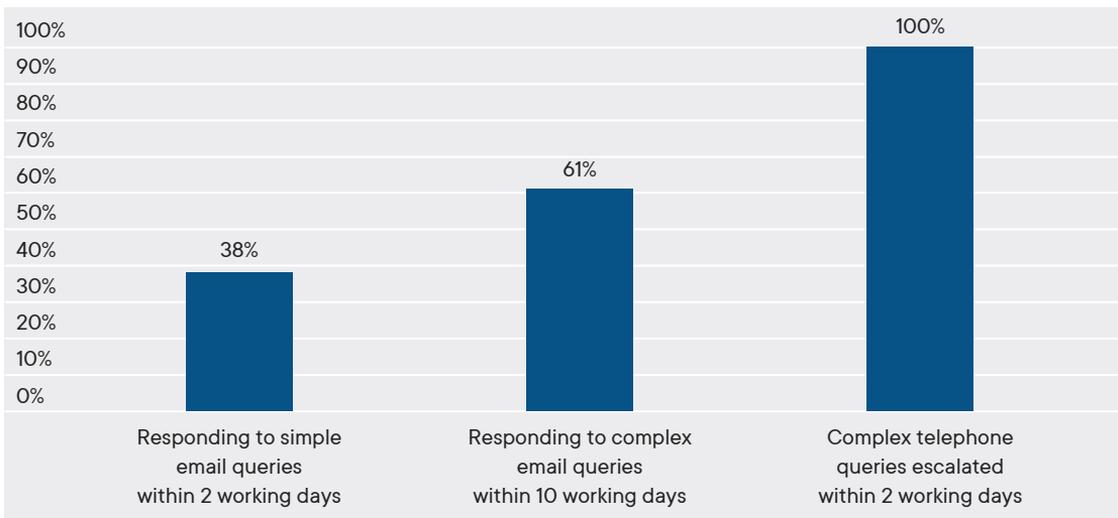
- presentations at key sector forums, contributions to sector publications and webinars for providers
- an Info Line service offering direct guidance to providers.

The 2022 Spotlight On series focussed on ASQA's 2021–22 Regulatory Risk Priorities to support issues providers are facing and develop educational guidance material so that they are well-placed to ensure delivery of quality VET training. The Spotlight On series aimed to align, amplify and complement other regulatory efforts in the treatment of regulatory risk. Feedback about the program was overwhelmingly positive, with approximately 5,000 attendees at webinars held in 2021 and 2022.

Benchmarking against this measure was included in the 2021–22 Provider and Course Owner Survey. In this survey 81% of providers reported that they could access a broad range of information about ASQA's regulatory activity.

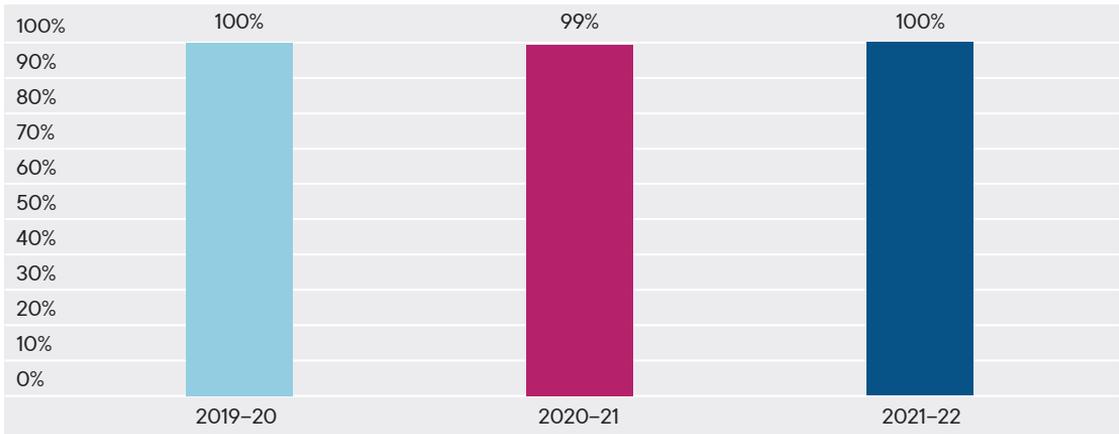
In 2021–22, the Info Line received 28,960 phone calls and 16,072 emails. Performance in relation to complex telephone queries was excellent with 100% being escalated within 2 working days. While our performance against the Service Standards relating to email queries was below expectations, we are continuing to evaluate and improve the efficiency and engagement of our Info Line Service.

Figure 4: Enquiries - results against Service Standards 2021/22



ASQA's performance in relation to reconsideration applications continues to be strong. In 2021–22, we finalised 77 reconsideration applications and met the Service Standard of reconsideration applications finalised within 65 working days (3 months) in 100% of cases.

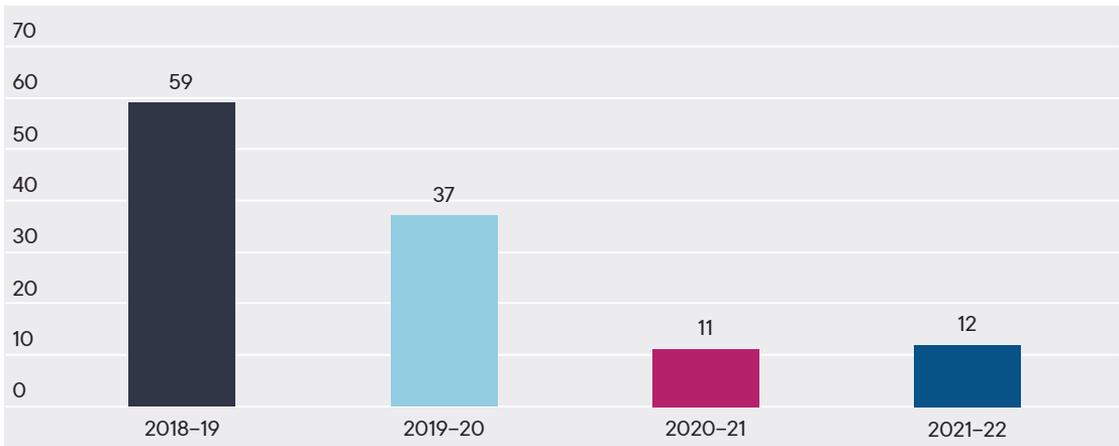
Figure 5: Reconsideration applications - results against Service Standard 2019/20 – 2021/22



ASQA's Complaints about ASQA Policy outlines our approach to managing and responding to stakeholder complaints about our regulatory and business practices. We follow a procedure based on key administrative principles, including procedural fairness. ASQA uses complaints received to continuously improve our regulatory and business practices and outcomes.

In 2021–22 ASQA received 12 complaints, with an additional 2 complaints carried over from the previous financial year. In total, ASQA has finalised reviews of 14 complaints and made 14 business improvement recommendations as a result of these reviews. The business improvement recommendations have either been implemented or are currently being considered by the relevant business areas. 2021–22 continues to reflect a significant downward trend in the number of complaints received compared to the previous financial years, as illustrated in the graph below.

Figure 6: Complaints received 2018/19 – 2021/22





Strategic Deliverable 3 – Performance Analysis

The results from ASQA's 2021–22 Provider and Course Survey confirmed that 74% of providers who underwent a performance assessment in 2021–22 agreed that our performance assessments comprehensively described any non-compliance and identified issues against the student-centred journey. This confirms that the ongoing commitment to improve the capability of quality assessors and compliance officers through moderation activities and senior officer community of practice as well as embedding the quality assurance framework and practices has led to the improvement in performance assessment reports clearly describing non-compliance and identified issues more clearly.

Providers and course owners returned an 81% satisfaction rate when it came to the quality of our information – this was a strong performance against this KPI measured through the 2021–22 Provider and Course Owner Survey – and was well above our target of 70%.

User satisfaction was particularly high for our 'Users Guide to the Standards' 'ASQA Updates (email newsletter)' and our web-based content on ASQA's regulatory activities.

The satisfaction fell slightly when providers were asked whether we provided relevant and timely information about sector risks and areas of regulatory focus. With a satisfaction rate of 68% this fell slightly short of our target of 70%. Within our new organisational structure, improving the timeliness and transparency of our publication of information about sector risks and areas of regulatory focus will be a key priority in 2022–23.

ASQA also improved management tools to ensure the management, allocation and outcome of regulatory activities are transparent, measurable and consistently recorded. Further work is being done in relation to developing consistent and transparent reporting of complaints with a view to developing a dedicated report for publication in the next financial year.

We have demonstrated that we continue to minimise regulatory burden, by supporting the sector with guidance, systems improvement, and how we manage extraordinary circumstances. For example, ASQA released a new guide to assist course owners to understand what is needed when applying for course accreditation. The new guide aims to help course owners to interpret and apply the *Standards for VET Accredited Courses 2021* and the Australian Qualifications Framework in the course documentation, and better understand the requirements for accreditation by providing detailed explanations and example content.

An internal audit of ASQA's complaints management process was undertaken in 2021–22. Similarly, ASQA's complaints process was reviewed by the Commonwealth Ombudsman following ASQA's participation in a voluntary survey about how it handles complaints. Having our complaints handling system reviewed, internally and externally, has allowed ASQA to not only assess the current maturity level of our complaints process but also identify opportunities for improvement to ensure we have implemented the most effective, transparent, fair and timely process possible.

Overall results in relation to this strategic deliverable were strong, however, performance in relation to our Service Standards was below expectations. ASQA only met 2 of our 11 (18%) Service Standards 100% of the time, as such we assess that we did not meet this performance criterion. However, we met 7 (64%) of our Service Standards more than 70% of the time and met 9 (82%) of our Service Standards more than 60% of the time. ASQA has identified a number of barriers to our performance with the current Service Standards, including that they are only defined to consider timeliness and remain silent on the quality of regulatory outcomes, and a number of the significant shifts made to our regulatory approach have resulted in misalignment between the Service Standards and our improved

regulatory practices and processes. In 2021–22 ASQA commenced a review of our Service Standards across the Regulatory Operating Model to align with changes to our regulatory practices and processes which have been implemented as part of the reform.

We report on our performance against the *Standards for VET Regulators 2015* and have our performance externally reviewed. We seek to ensure that we communicate effectively and implement a transparent complaints process, responding to stakeholder/provider complaints about ASQA to enhance regulatory practices and outcomes. An independent audit of the management of complaints against ASQA in March 2022 found that ASQA has a comprehensive approach to the management of complaints that is generally aligned to the Ombudsman’s guidelines and is consistent with ASQA’s policy and procedures. However, we continue to address opportunities to further improve the management of complaints that would enhance efficiency and support continuous improvement.

We assess that we have met this annual target. We set a 100% target to measure the percentage of times we notify government agencies when ASQA has made a notifiable decision relating to a provider – this was fully achieved.



ASQA’s openness and transparency is positive. Communication about moving to self-assurance has been clear and well presented.





Strategic Deliverable 4

We engage and partner with stakeholders constructively and with mutual respect

KPIs	Performance measure	Target	2021–22 result
4.1 Our partnerships and strategic engagement improve regulatory outcomes	4.1a) Percentage of key stakeholders who confirm that collaboration with ASQA improves effective regulation of the VET sector, in particular: <ul style="list-style-type: none"> • state-based regulators • TEQSA • student-focused stakeholders including ombudsmen, complaints handling bodies, consumer advocates and skills commissions 	80% of key stakeholders	Partially met ²⁴
	4.1b) Number of employer representatives in targeted industries who are satisfied with their engagement with ASQA to help shape the regulatory system to meet future employer needs	Establish benchmark	Benchmark: 70% of employer representatives
	4.1c) We publish joint assessments with our partners on the efficacy of our partnerships	Annually	Met
	4.1d) We use student feedback to target risks and improve quality outcomes	Annually	Met
	4.1e) We engage with key consumer representatives to share information about risk	Annually	Met
4.2 There are feedback loops with key stakeholders to inform broader VET reforms and improve regulatory policy and regulatory outcomes	4.2a) Intergovernmental forums and partner agencies confirm that feedback loops with ASQA are facilitating broader VET reforms, regulatory policy, and regulatory outcomes, including in relation to training packages, their broader intent, and their implementation by providers and course owners	Annually	Met

24 78% of key stakeholders

KPIs	Performance measure	Target	2021–22 result
4.3 There is common understanding of our role and regulatory approach, and areas of shared responsibility	4.3a) ASQA's Statement of Intent is developed in consultation with key stakeholders and remains contemporary	Publish annually, updated in line with changes to Statement of Expectations	Partially met ²⁵
	4.3b) Percentage of key stakeholders and providers who share our understanding of our role and regulatory approach including areas of shared responsibility	Establish benchmark for key stakeholders Establish benchmark for providers	Benchmark: 60% of key stakeholders Benchmark: 60% of providers
Source	<i>ASQA Corporate Plan 2021–22</i> page 4 and <i>ASQA PBS 2021–22</i> page 180		

Strategic Deliverable 4 – Performance Achievements

ASQA continued to build on the work we commenced in 2020–21, continuously improving our partnership and engagement on matters relevant to our role and regulatory approach and aligning these to evolving government and stakeholder expectations of ASQA.

Over the past financial year, we focused on partnerships to strengthen the national approach to the regulation of the VET sector. This included working with the Provider Roundtable and SLG on the implementation of a model of full cost recovery, regulatory risk priorities and treatment plans, self-assurance, strategic reviews (online learning and VET delivered in secondary schools), and our Spotlight On education series where we worked with these groups to review our regulatory priorities as part of our quarterly scanning.

The SLG plays an important role in this process as its membership reflects the diversity of ASQA's regulated community. Individual SLG members are selected on the basis of their expertise in and commitment to the VET sector. Stakeholder engagement supports ASQA's strategic objective and government priorities for quality VET outcomes and continuous improvement of the regulatory framework. The objective of the SLG is to inform and improve how ASQA interacts with providers in its pursuit of regulatory outcomes. SLG members contribute input and feedback about ASQA's interactions with regulated entities, specifically implementation of activities under the ROM within ASQA's Regulatory Risk Framework.

²⁵ ASQA received an updated Statement of Expectations late in the reporting period, following the change of Minister under the former Government. While work had commenced on a Statement of Intent, this was not published due to the change of Government which also occurred late in the reporting period.



ASQA's partnerships also work towards improving regulatory outcomes. This included meeting with the Skills Organisations Pilots (Digital, Mining and Human Services) and other Skills Service Organisations on matters of shared interest to improve outcomes for students and industry; as well as with state-based VET regulators (Victorian Registration and Qualifications Authority [VRQA] and Training and Accreditation Council Western Australia [TAC WA]), TEQSA and State and Territory training authorities on matters of shared risk, risk treatment identification, to share data and intelligence, and provider self-assurance.

Building a strong understanding of our role and regulatory approach is important for stakeholders, so they know what they can and cannot expect of us and in order to engage where responsibility is shared. To achieve this, we regularly presented at key sector forums, contributed articles to sector publications and hosted webinars for providers.

Feedback supports ASQA's structured and consistent focus on monitoring regulatory impact to:

- identify and reprioritise risks over time, understand, adapt and strengthen evidence underpinning regulatory initiatives, and continuously improve our approaches
- use feedback along with broader corporate knowledge and experience, to continually strengthen the approach to regulatory risk
- monitor costs of the regulatory program and optimise cost effectiveness, reducing the burden on complying regulated entities and promoting better compliance outcomes through a more targeted and effective regulatory approach
- ensure our regulatory expectations, policies and initiatives are well understood
- support a whole of system approach to our regulatory stewardship and ensure the regulation we administer remains fit for purpose.

We sought feedback at monthly meetings with DESE, through our membership of the Regulator Leadership Cohort, and continued participation in the ANZSOG Regulator CoP. ASQA has also been actively involved in intergovernmental forums and the development of broader VET reforms, regulatory policy, and regulatory outcomes, including in relation to training packages, their broader intent, and their implementation by providers and course owners.

ASQA has completed a Strategic Review of Online Learning and it is expected a final report will be published early in 2022–23. In addition, 3 insights papers were published in 2021–22, including:

- findings from sector engagement between December 2020 and May 2021, that outlined the landscape of online learning and insights into issues providers were grappling with in relation to compliance and quality in online learning
- findings from focus groups with VET and Education Services for Overseas Students (ESOS) students who experienced shifts to online learning in response to the COVID-19 pandemic
- findings from a provider survey of the VET sector's use, experience, and perceptions of online learning, jointly administered with the National Centre for Vocational Education Research (NCVER), and open to all ASQA-regulated providers from February to March 2021.

Over 2021–22 ASQA engaged with DESE and other key stakeholders to inform broader VET reforms and improvements to regulatory policy and regulatory outcomes, which included:

- providing feedback on consultation papers released by DESE as part of the Skills Reforms
- participating in workshops with the state-based regulators
- participating in working groups with a broad range of stakeholders including other government departments, peak bodies and providers.

In addition, we shifted towards a strategic engagement approach that includes a quarterly cadence of strategic meetings with key stakeholders with a focus on shared risk. We continue to use consumer information gathered through our strategic engagement and complaints about training providers to inform our ongoing e-scanning activities to understand existing regulatory priorities, to inform the development of treatment strategies, and to identify new and emerging risks to quality VET. This information also helps to focus provider monitoring activities when they occur.

Strategic Deliverable 4 – Performance Analysis

In 2021–22 ASQA continued to contribute its regulatory expertise and knowledge to support policy decisions and proposed changes to the regulatory framework, engaging early with the relevant government departments, as shared stewards of the VET sector, to ensure that the regulatory framework for which we have operational responsibility remains fit for purpose. Our engagement with stakeholders has supported the priorities of government and broader VET sector initiatives.

During the reporting period we established a benchmark for measuring the effectiveness of key stakeholder engagement. The ASQA stakeholder survey has provided valuable feedback that has helped us measure our performance against the targets, as well as to identify areas where further strategies are needed to improve outcomes.

As part of this survey, stakeholders were asked to confirm whether or not collaboration with ASQA improved effective regulation of the VET sector. We set an ambitious target of 80% and had 79.1% of key stakeholders agree that collaboration had been a success.

The survey results also created individual benchmarks for key stakeholder groups, including State or Territory Training Agencies, authority or skills commission; peak bodies representing VET providers; Australian Government DESE; and skills service organisations.

This establishes a benchmark for ASQA to compare the effectiveness of collaboration with key stakeholders going forward.

With the establishment of our new performance framework in 2021–22, there were some performance measures which were not fully met. Our survey was unable to determine a benchmark for the number of employer representatives in targeted industries who were satisfied with their engagement with ASQA to help shape the regulatory system to meet future employer needs. However, our efforts to ensure adequate engagement with employers and industry representatives have continued with key stakeholder groups, including skills organisation pilots; industry reference committees; unions and licensing bodies; and national skills commission.

Communication is a key focus of everything we do, and quarterly communiques were published providing outcomes of each Provider Roundtable and SLG meeting and demonstrating our ongoing commitment to transparency in our engagement. We met our targets across a range of performance measures relating to feedback, engagement and assessments.

We use student feedback to target risks and improve quality outcomes, including through the collection of annual Quality Indicator data, as well as a summary of student feedback and the way this feedback has been reflected in their operations. As part of ASQA's identification of regulatory risk priorities, our environmental scanning includes proactive engagement with key consumer representative groups and protection networks. At times we may also survey students to ensure student voices are captured as part of an assessment of a provider's overall performance in achieving quality outcomes.



Similarly, we engaged regularly with key consumer representatives and the wider consumer network to identify regulatory risk priorities and promote proactive engagement.

Engagement was also proactive with other government departments and agencies, and we met the targets in this area. Some of the intergovernmental forums we participated in included:

- The Education Regulators and Immigration Committee (ERIC), as well as the ERIC Working Group
- The Education Visa Consultative Committee
- Student Transfers Working Group
- Commonwealth, States and Territories International Education and Training Forum (CSTIETF)
- Quarterly VET regulators meeting.

This participation was in addition to regular meetings with ASQA's partner agencies on topics related to intersecting portfolios and regulatory activity, including the Department of Education, Skills and Employment; Department of Home Affairs; engagements with TEQSA; and the Tuition Protection Service. We have received regular feedback from our partner agencies that these engagements are important touch points to understand respective positions and regulatory postures, and to collaborate in achieving optimal outcomes for the VET sector.

Overall results in relation to this strategic deliverable were strong, and we assess that we met this performance criterion.



I feel that ASQA has understood that most providers' desires and attitudes align with ASQA's. We all want a quality VET sector – we won't thrive without it. We can only achieve this by working together - it looks like you're on track with that, especially with the self-assurance and flexible performance assessment approaches.

Strategic Deliverable 5

We add value and are efficient, effective, and continuously improve

KPIs	Performance measure	Target	2021–22 result
5.1 We implement government decisions regarding cost recovery	5.1a) We transition to full cost recovery in line with Government decisions	1 January 2022	Met ²⁶
5.2 ASQA is efficient and effective	5.2a) Number of occasions that we implement more efficient and effective: <ul style="list-style-type: none"> • regulatory processes • processes for providers • processes for course owners 	Report annually on number of occasions	Met
	5.2b) We improved our Service Standards following review in partnership with key stakeholders	Report on results of review and publish new standards	Partially met ²⁷
5.3 We implement the organisational and cultural change necessary for a best practice regulator	5.3a) We align resources to our Regulatory Operating Model	Report annually on alignment	Met ²⁸
	5.3b) Percentage of key stakeholders and providers who confirm our actions are consistent with our purpose	70% for key stakeholders Establish benchmark for providers	Met ²⁹ Benchmark: 75% of providers
	5.3c) We report on our performance against the <i>Standards for VET Regulators 2015</i> and have our performance externally reviewed as meeting standard number 6: <ul style="list-style-type: none"> • the VET regulator must be effectively and efficiently managed 	Annually	Met

²⁶ Consistent with Australian Government decisions, ASQA transitioned to a full cost recovery agency from 1 July 2022

²⁷ Commenced with publication to occur in 2022–23

²⁸ Implemented through the transition to Full Cost Recovery

²⁹ 72% of key stakeholders



KPIs	Performance measure		Target	2021–22 result
5.4 We share information about our assurance and quality control activities	5.4a)	Percentage of key stakeholders and providers satisfied with ASQA's reporting on key assurance activities	70% for key stakeholders Establish benchmark for providers	Partially met ³⁰
5.5 We share information about evaluation of our regulatory operations	5.5a)	We publish iterative evaluation of our regulatory operations	Annually	Met
Source	<i>ASQA Corporate Plan 2021–22</i> page 4 and <i>ASQA PBS 2021–22</i> page 180			

Strategic Deliverable 5 – Performance Achievements

ASQA is delivering on the implementation of government decisions in relation to implementing full cost recovery from 1 July 2022.

The Australian Government Budget 2018–19 announced ASQA would transition from partial cost recovery to full cost recovery by 2020–21. This transition was deferred to 2021–22 as part of a package of measures announced in April 2020 to lift the financial pressures on providers impacted by the COVID-19 pandemic. During this period, ASQA undertook 2 rounds of consultation with the VET sector.

During 2021–22, we updated the cost recovery model and prepared a draft Cost Recovery Implementation Statement (CRIS) in consultation with the Department of Finance. In addition to this we also:

- developed and implemented the Cost Recovery Stakeholder engagement strategy
- undertook 2 rounds of stakeholder engagement about the draft CRIS and took this feedback into consideration before finalising the CRIS
- drafted Fees and Charges Determinations related to full cost recovery which were approved in June 2022
- provided advice to the VET sector about the implementation of full cost recovery from 1 July 2022 both on our website and via email
- reviewed and refined our business processes to support implementation from 1 July including that we assured our functional alignment and future structure is consistent with the full cost recovery model.

We welcomed ASQA's inclusion in Government's Best Practice Cost Recovery: Increasing Transparency and Efficiency project. This commenced in April 2022, is led by the Department of Finance, and involves agencies across the Australian Public Service. It will support our efforts to embed a robust funding approach and management practices, to continuously improve resource allocation between functions, and develop capability (including in relation to regulatory skills and ASL management). Data collection and analysis processes commenced in Q4 to support this project.

³⁰ Stakeholders were given visibility of the outcomes of some assurance activities. However, no measurement is available

ASQA's CRIS reflects the operationalisation of our Regulatory Operating Model (ROM) and the functional alignment. It demonstrates how ASQA's resources are allocated across the ROM and to entity directed, sector-wide and enabling costs, how the organisational design supports efficient, effective regulatory activity and contributes to a minimum efficient cost. Cost recovery will enable more cost consciousness and better resource allocation as well as better transparency for fees and charges.

Improvements we made in relation to the ROM and since reflected in our structure has meant that some fees and charges were reduced. Those improvements included the shift in regulatory posture away from input and compliance controls to a focus on risk-based and proportionate regulation, a focus on self-assurance, improved engagement with stakeholders and expanded use of education.

In preparation for implementing full cost recovery from 1 July 2022, ASQA commissioned PwC to undertake a review of ASQA's cost recovery model and supporting framework to determine if the model was fit for purpose. The principles applied to the review were those stipulated by the Australian Government Cost Recovery Guidelines and must be applied to all stages of the cost recovery process. These include transparency and accountability; effectiveness and efficiency; and stakeholder engagement. The PwC review confirmed that ASQA's model is fit-for-purpose.

We continue to progress the review of ASQA's approach to registration management. A number of workshops have been undertaken with the Provider Roundtable and SLG, and consultation is a key component and opportunity for ASQA to understand and identify the areas for improvement and benefits to the sector of revisions to current practices. This work continues to be underpinned by the following principles:

- Continuous improvement – adopting a whole-of-system perspective to continuously improve performance, capability and culture.
- Risk-based and data-driven – managing risks proportionately and maintaining essential safeguards while minimising regulatory burden. Leveraging data and digital technology to support those we regulate to comply and continuously improve.
- Collaboration and engagement – to be transparent and responsive communicators and work with our stakeholders in a modern and collaborative way.
- Reducing regulatory burden on providers – being efficient and effective and keeping the experience and provider experience at the core of decisions to ensure the regulatory burden is minimised.

ASQA developed a post-performance assessment survey for use by providers and course owners to obtain feedback on our regulatory approach, engagement and processes and quality outcomes. The results provide valuable information which will support and test the effectiveness of our ROM, identify opportunities to gain further efficiencies, and support our effectiveness as a best practice regulator.

With respect to course accreditation, in Q4 a new resource was published to assist and support course developers to ensure that their courses meet the requirements of the National Course Document Template. The Users' guide to develop a course document is a companion guide to the Users' guide to the Standards for VET Accredited Courses.

ASQA continued to establish its Digital Transformation platform in the latter half of the financial year. This will help us to deliver technology through human-centred design approaches, with focus on enabling regulatory and service delivery outcomes. Work in Q2 included:

- further planning and discovery to better elicit business and end-user needs
- identifying and recruiting the right resources to deliver business outcomes
- identifying and commencing the establishment of operational and governance frameworks and structures



- development and refinement of ASQA's enterprise architecture and its alignment to the Regulatory Operating Model (ROM)
- commencing the development of ASQA's cloud and data warehouse foundations in parallel with the enterprise architecture work.

We are committed to establishing an enduring culture of innovation, including co-design with the VET sector, internal business lines, our Service Delivery partner DESE and other government agencies. This digital transformation journey will enable the foundations of best practice regulation, making best use of data and insights to identify emerging risk and opportunities. It will also deliver improved service delivery to the sector, reducing both regulatory and administrative burden through user-friendly technologies and improved business processes.

Work continues to progress, in partnership with key stakeholders, on the review of our Service Standards across the ROM to align with changes to our regulatory practices and processes which have been implemented as part of the reform. Revised Service Standards are expected to be implemented in 2022–23.

ASQA has developed and implemented a Quality Improvement Register for recording information about decisions, improvements to processes, adherence to Service Standards and linkages to other work areas regarding regulatory processes.

We have a draft evaluation framework which once finalised which will be applied progressively across our ROM, to drive continuous improvement of our performance and the performance of the sector in line with standards and a focus on self-assurance. The draft evaluation framework for ASQA includes an implementation plan and a guide for staff and an initial evaluation of ASQA's phase 1 reforms is underway.

ASQA continues to invest in organisational focus to strengthen strategic oversight and managerial capacity to support implementation of critical reforms (including in relation to engagement and education, performance assessment and proportionate response to non-compliance), support change management, and strengthen internal systems and quality controls.

With respect to visibility of ASQA's assurance and quality control activities, we enabled visibility for ASQA's Provider Roundtable of our assurance of ASQA's performance against the VET Regulator Standards. Attendees noted the outcomes, and no concerns were identified.

Strategic Deliverable 5 – Performance Analysis

Transitioning from partial to full cost recovery has been a priority for ASQA and was originally intended to be completed in the 2020–21 period. However, the unprecedented challenges of COVID-19 saw this plan deferred to 2021–22, as part of a support package for providers financially affected by the pandemic.

In preparation for the implementation of full cost recovery on July 1, 2022, ASQA developed a draft CRIS. Mindful of the significant changes that would come with full cost recovery, we took the draft CRIS to the VET sector for a comprehensive consultation period. Two rounds of stakeholder engagement yielded feedback which was then considered in the development of a final CRIS which was approved by the Minister.

Fees and charges for 2022–23 were approved in June 2022 and communicated extensively to stakeholders to ensure they were prepared for the changes. The CRIS is to be updated once each financial year, so ASQA will continue engagement with the VET sector in the year ahead to ensure all stakeholders are well informed and understand how cost recovery of our regulatory activity is implemented. We are confident the new model of cost recovery will enable more cost consciousness and better resource allocation as well as better transparency for fees and charges.

ASQA welcomes feedback and uses it to monitor and improve on our performance across all areas of our activities. We have developed a post-performance assessment survey for use by stakeholders to obtain feedback on our regulatory approach, engagement, processes and quality outcomes. We also report on our performance against the *Standards for VET Regulators 2015* and have our performance externally reviewed.

It should be noted that cost recovery will enable more cost consciousness and better resource allocation as well as greater transparency for fees and charges. And we are already seeing these results - improvements we made in relation to the ROM has meant that some fees and charges have been reduced.

Another significant development which we are confident will improve our efforts to embed a robust funding approach and management practices is ASQA's inclusion in the Government's Best Practice Cost Recovery: Increasing Transparency and Efficiency project. Agencies across the Australian Public Service are participating in this project, which started in April 2022, led by the Department of Finance.

Sharing information about our activities is an important focus for ASQA and 2021–22 was no exception. A highlight of the many resources we published was new material to support course developers in ensuring courses meet the requirements of the National Course Document Template. The Users' guide to develop a course document is a companion guide to the Users' guide to the Standards for VET Accredited Courses.

There have been observable improvements in the quality of course documents submitted since the release of the Users' guide to the course document template. At this stage there is insufficient volume of data in Q4 to benchmark and provide metrics on the benefit of this enhanced education product, however this will be reported against during 2022–23.

Our ability to build on these resources will be further strengthened by ASQA's Digital Transformation Program. Action is well underway and will strengthen ASQA's commitment to best-practice regulation. This will also improve service delivery to the sector, reducing both regulatory and administrative burden through user-friendly technologies and improved business processes.

We are already seeing results from our digital transformation. As an example, quality indicators were previously submitted manually. In 2022, for the first time, providers were invited to submit their data online via a webform on ASQA's website. These digital enhancements underpin our continuous improvement of regulatory best practice and make ASQA easier to interact with and more closely aligned with the digital landscape.

Overall results in relation to this strategic deliverable were strong, and we assess that we met this performance criterion.



BEST PRACTICE CASE STUDY

Collaboration and engagement

The *Regulator Performance Guide* sets out the Australian Government's expectations for regulator performance and reporting based on 3 best practice principles: continuous improvement and building trust; risk-based and data-driven; and collaboration and engagement.

The principle, collaboration and engagement, is about regulators being transparent and responsive communicators, implementing regulations in a modern and collaborative way.

This case study is an example of how we are putting this principle into practice.

Cost Recovery

In 2021 ASQA undertook significant engagement with the sector to implement a government decision to move to full cost recovery from 1 July. This move required an analysis of the metric used to determine the Annual Registration Charge, a review of other fees and charges and significant stakeholder engagement to develop a revised CRIS.

This was not without its challenges. ASQA was reintroducing fees and charges that were designed to be fair and equitable, but they followed a period of fee waiver to a sector that was impacted by the pandemic.

We knew that the transition from a fee waiver setting would depend on clear and transparent communication. ASQA developed a significant stakeholder strategy to gather feedback and test support for revised fees and charges.

In 2021–22 we received more than 240 pieces of feedback, sourced from webform submissions, emails and feedback received from both the Provider Roundtable and the Stakeholder Liaison Group and their subgroups. We also published the draft CRIS and supporting documents for external feedback.

After consideration of this feedback and analysis of ASQA's costs and resource allocation, a final CRIS was developed and published.

In addition, transition guidelines were developed to support applications and assessments that were in process on 1 July 2022.

ASQA's cost recovery model was successfully implemented from 1 July 2022 and commenced invoicing from that date. It is pleasing to see that there has been limited negative feedback about the new arrangements. Overall, the sector remains positive about the engagement and implementation processes we adopted. One stakeholder had this to say: "I've worked with different regulators on the issue of cost recovery, and I've not experienced an approach to stakeholder engagement as purposeful as that undertaken by ASQA."

Strategic Deliverable 6

Our understanding of sector performance and promotion of self-assurance contributes to quality VET and informed consumers

KPIs	Performance measure	Target	2021–22 result
6.1 The Australian community can access information about our regulatory decisions	6.1a) ASQA complies with any requirements prescribed by audit report rules relating to the publication of audit reports	N/A ³¹	N/A
	6.1b) We publish information about provider performance to enable students and employers to differentiate between providers	N/A ³²	N/A
	6.1c) We publish a summary of our findings regarding all providers' performance against the standards	N/A ³³	N/A
	6.1d) We meet our legislative obligations to publish information about regulatory decisions on the National Register	Ongoing	Met
6.2 The Australian community can access information about ASQA's insights into sector performance and quality VET	6.2a) We report on our strategic reviews of serious systemic risks to the VET sector	Annually	Met
	6.2b) Percentage of our regulatory activities subject to at least annual reporting	100%	Met
	6.2c) We publish insights reports on sector risk, performance and/or quality	Quarterly	Met
Source	ASQA Corporate Plan 2021–22 page 4 and ASQA PBS 2021–22 page 180		

Strategic Deliverable 6 – Performance Achievements

ASQA continues to strengthen its Regulatory Operating Model (ROM) to focus on an outcomes-based approach, to share learning and insights from our regulatory activities and assess the efficiency and effectiveness of regulatory actions and outcomes respectively and to continuously improve.

ASQA reviewed the way in which its systems and processes facilitate the publication of information about regulatory decisions on the National Register. We are also contributing to the work of DESE through its National Training Register Enhancement project to better enable students and employers to differentiate between providers. This will also improve the transparency of regulatory decisions.

31 Not reported on in 2021–22

32 Not reported on in 2021–22

33 Not reported on in 2021–22



We published 3 regulatory insight reports to support our Strategic Review of Online Learning. Our regulatory insights reports focussed on understanding the opportunities and risks of online learning in the VET sector and will culminate in a summary report in Q2 next financial year. This work is helping to ensure that our regulatory approaches are effective in responding to our changing environment.

We have finalised our Strategic Review of Online Learning and a final report will be published in early 2022–23.

This work is helping to ensure that our regulatory approaches are effective in responding to our changing environment.

To protect the quality of VET delivery to secondary school students, ASQA published the VETDSSS scoping study in Q2. The study provides an overview of current delivery of VETDSSS and identifies actions and recommendations to support continuous improvement within the sector.

ASQA also commenced designing a risk treatment campaign to implement these actions and address risks associated with VETDSSS, which was identified as a priority in our Regulatory Risk Priorities 2021–22. In Q2, we commenced a stocktake of existing guidance and education material addressing the common areas of non-compliance identified in the scoping study. We also commenced the design of a monitoring strategy, implemented in Q3, to inform our stakeholder engagement and design of our education and guidance materials to support continuous improvement in the delivery of VETDSSS.

We undertook communications to promote awareness and understanding of the introduction of cost recovery from 1 July 2022. We published our CRIS on 18 March 2022 and are working with the sector to communicate the changes which took effect from 1 July 2022. In Q4, ASQA's communications included newsletter articles and a targeted email campaign. The dedicated ASQA Info Line also fielded telephone enquiries to ensure providers understood the change to cost recovery.

Strategic Deliverable 6 – Performance Analysis

Reporting on our strategic reviews of serious systemic risks to the VET sector is an important part of our commitment to providing access to information about ASQA's insights into sector performance and quality VET. Actions and insights from the VETDSSS scoping study have been provided to the interjurisdictional VET for Secondary Students Working Group, to enable learnings to be considered in the development of the National VET for Secondary Students Strategy.

When published, further work will be considered in relation to the findings and actions from the Strategic Review of Online Learning in the VET sector, to continue to support quality of online delivery of VET.

A quality assurance process has been implemented that confirms legislative obligations to publish regulatory decisions and associated events have been met. Further work will occur in the next financial year to ensure ASQA enhances its publication of regulatory activities and outcomes.

Overall results in relation to this strategic deliverable were strong, and we assess that we met this performance criterion.

Overall performance analysis

Through embedding and building upon the substantial advances made in our transitional year, ASQA has moved into the next phase of our reform program in 2021–22 with some excellent results. 2021–22 also saw ASQA establish strong foundations on which to build in the year ahead, as we further strengthen our regulatory approach with a focus on provider self-assurance. Our results in 2021–22 were achieved against the backdrop of significant events in the broader operating environment for the sector, including the ongoing COVID-19 pandemic and natural disasters in New South Wales and Queensland.

Engagement with the sector and key stakeholders has played a major role in developing a successful and transparent working model for self-assurance. It has also given us the opportunity to strengthen the trust in ASQA as a regulator and encouraged providers to consider how they currently self-assure and can continue to develop successful systems and practices.

Working collaboratively is at the forefront of all our activities, initiatives and priorities, and our survey of providers, course owners and stakeholders has provided useful insights into our performance. In a number of areas, the feedback exceeded our targets. As a good example, providers and course owners returned an 81% satisfaction rate when it came to the quality of our information – this was the best performer of all KPIs that were measured though the 2021–22 Provider and Course Owner Survey – and was well above our target of 70%.

It is also positive to note 60% of providers and course owners already believe they share a common understanding of self-assurance with ASQA. The same percentage of providers and course owners already consider they are systematically monitoring and evaluating their own systems and processes. In addition to this self-reporting, ASQA continues to focus on relevant clauses of the Standards during our performance assessments to understand if providers have effective self-assurance mechanisms in place. However, as with any transition period there have been some challenges that have emerged – an example of this was the Provider and Course Owner Survey which indicated awareness and use of self-assurance resources are below the target. This will allow us to prioritise further education and resourcing in 2022–23.

As we moved towards a more substantive and sustained compliance model, we actively engaged with providers to measure our performance over the year. We found that of the 50% of providers that had not returned to sustained compliance after findings of non-compliance were detected during a performance assessment, 77 providers submitted an application with ASQA seeking an internal review of a regulatory decision, together with further evidence.

After reviewing the further evidence submitted by providers as part of the internal review, ASQA was satisfied that 53 of those providers (70%) returned to sustained compliance. ASQA provided the opportunity for providers to respond to non-compliance by providing additional evidence or supporting providers to address systemic non-compliance over a longer period of time (up to 3 months) through an Agreement to Rectify.

Another highlight from ASQA's 2021–22 Provider and Course Survey was the confirmation that 74% of providers who underwent a performance assessment in 2021–22 agreed that our performance assessments comprehensively described any non-compliance as identified issues against the student-centred journey. This supports the ongoing commitment to improve the capability of quality assessors and compliance officers through moderation activities and senior officer community of practice.

As part of our ongoing engagement with stakeholders we held regular forums that included a Provider Roundtable, VET Regulators Forum and regular meetings with our colleagues from DESE and the States and Territories. Our collaborative approach to co-designing the working model for self-assurance was acknowledged by our key stakeholders and exceeded our target of 70%, with 76% confirming that we collaborate and engage on our regulatory



approaches. Our regulatory resources are consistently received positively by the sector, with 75% of stakeholders and 81% of providers endorsing our regulatory resources' quality outcomes and capability building for self-assurance. This also exceeded our target of 70%.

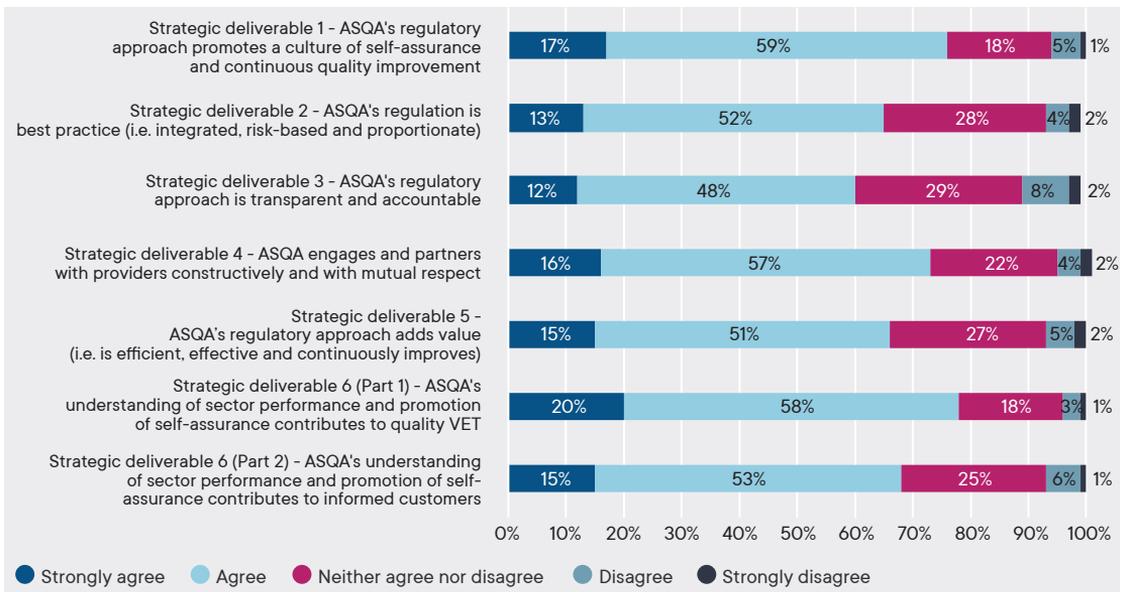
ASQA doesn't shy away from complaints, and in addressing these makes transparency a priority. In 2021–22 we conducted an internal audit of our complaints management process. It was also reviewed by the Commonwealth Ombudsman following ASQA's participation in a voluntary survey about how it handles complaints. These internal and external reviews have helped us to assess current practices and identify opportunities for improvement. When it came to measuring our performance, overall results in relation to this strategic deliverable were strong, however, performance in Service Standards was below expectations. Our performance in relation to responding to email queries and providing assessment reports within 20 days was a key issue, and as a result we only partially met this performance criterion. Working on this will be a priority in the year ahead.

With the establishment of our new performance framework occurring in 2021–22, there were some performance measures which were not fully met. Our survey was unable to set a benchmark for the number of employer representatives in targeted industries who were satisfied with their engagement with ASQA to help shape the regulatory system to meet future employer needs.

However, our efforts to ensure adequate engagement with employers and industry representatives have continued with key stakeholder groups, including skills organisation pilots; industry reference committees; unions and licensing bodies; and national skills commission.

Our provider and course owner survey included baseline measures (reported below) against ASQA's 2021–22 strategic deliverables. These results show strong performance and encouraging feedback on our progress to date.

Figure 7: Survey Results: Strategic deliverables



Overall, we assess that we met the majority of our performance criteria. In those areas where more work needs to be done, we are confident that the foundations are in place for strong growth and development of ASQA in 2022–23.

Collaboration and engagement

The *Regulator Performance Guide* sets out the Australian Government's expectations for regulator performance and reporting based on 3 best practice principles: continuous improvement and building trust; risk-based and data-driven; and collaboration and engagement.

The principle, collaboration and engagement, is about regulators being transparent and responsive communicators, implementing regulations in a modern and collaborative way.

This case study is an example of how we are putting this principle into practice.

VET in Schools Project

Engagement supports our regulatory objectives and government priorities for quality VET outcomes and continuous improvement of the regulatory framework.

A case example is the work undertaken this year to ensure the quality of VET delivered to secondary school students (VETDSSS). As part of this work we published the VETDSSS Scoping Study in October 2021, which considered the risk to quality when delivering VET to secondary school students and identified actions that ASQA could take to support providers to address these risks. Our ability to address these risks would depend on a collaborative approach with education departments, schooling sectors and curriculum authorities and state training authorities and providers.

We are working in partnership to implement key actions and recommendations arising from the scoping study including to enhance information and guidance for providers, including school-RTOs, delivering VET to school students. ASQA has undertaken a system-wide stocktake of current education and guidance materials available to identify gaps and opportunities to tailor materials more specifically to the delivery of VET to secondary school students.

ASQA developed a treatment strategy of integrated monitoring activities designed to assist us to:

- understand more about the practices of providers delivering VET to secondary school students
- enhance our education and guidance materials by sharing more specific information on risks and risk drivers
- motivate VETDSSS providers to prioritise and integrate compliance and quality into their operations
- provide us with an informed basis for our engagement with other parties involved in the delivery of VET to secondary school students
- support our accountability in delivering the actions identified by the scoping study.

In 2021–22 we undertook a program of monitoring activities with 14 providers delivering VET to secondary school students to obtain further information about provider practice in this space, challenges specific to this delivery context, and the quality of VET outcomes being achieved.



This engagement provided us with open, honest and productive dialogue from providers, who demonstrated their commitment and co-operation by sharing information on the challenges they face when delivering VET to school students. The providers demonstrated a commitment to support the sector in addressing reputational challenges for this cohort and contribute to an overall lift in the quality of delivery. They also shared with ASQA elements of best practice and identified areas where further education and guidance would support better quality outcomes.

One of the key educative opportunities that emerged through engagement with providers related to improving stakeholders' understanding of the VET sector, including the obligations and requirements to be met by providers. We have received feedback from some providers that educative material to support provider engagement with schools, parents, principals and students would be beneficial. Such products would support the various stakeholders in the VETDSSS space to develop a deeper understanding and knowledge of the VET sector. This would also enable more informed course choices of students and improved engagement between providers and schools. ASQA is exploring what an awareness-building education project might look like, and we will continue to work with stakeholders in the sector to ensure that our education products are fit for purpose.

We continue to work with partnership in VET regulation to identify shared risk, regulate VETDSSS consistently with other VET, engagement with states and territories in relation to areas of shared strategic risk, and support national consistency in the quality of VETDSSS.





3. Management and accountability

We are focused on best practice regulator performance, capability and culture.

In this chapter...

Corporate governance	64
External assurance and support for accountability and transparency in public administration	71
Review of Regulatory decisions	72
People	72
Technology	84
Ecologically sustainable development and environmental performance	85
Purchasing and procurement	86

Corporate governance

New governance arrangements, passed by the Australian Parliament on 24 August 2020, created a single statutory office of the National VET Regulator. This has enabled the introduction of a clearly defined and accountable senior executive structure with one head of agency who is the Accountable Authority, with enhanced capacity to lead change and strengthen ASQA's internal systems and quality controls. This established a solid foundation for ASQA as it entered 2021–22.

ASQA's governance framework provides the context within which we operate to achieve our purpose and strategic objectives, ensuring transparent and accountable decision-making and supporting effective management of risk.

Establishment of the National VET Regulator Advisory Council in May 2022 supports the continuous improvement of ASQA's governance practices and provides the National VET Regulator with access to high-level expert advice and consultation in relation to ASQA's strategic objectives and regulatory approach.

ASQA is governed by the NVR Act. Under the Act, the National VET Regulator (also known as the CEO of ASQA) has the power to do all things necessary or convenient to be done for, or in connection with, the performance of the National VET Regulator's functions, as outlined in the Act.

The National VET Regulator has established the Strategic Leadership Committee to lead and govern ASQA's organisational performance, compliance and conformance.

Governance committees

Our internal system of governance is designed to drive, monitor and continuously improve internal accountability and risk management, and support organisational capability and cultural change.

Our system of governance includes our:

- Strategic Leadership Committee and its supporting committees
- Policy and Procedure Framework
- Ethical standards, ASQA values and APS Code of Conduct and Values, which we apply to all the work we do
- ASQA-wide fraud control measures.

Strategic Leadership Committee

Our Strategic Leadership Committee comprises the CEO, Deputy CEO and 4 Executive Directors.

In 2021–22 this committee provided a forum for ensuring a unified 'one-ASQA' approach to implementing reform, as well as strategic management and direction, particularly in relation to risk and strengthening our agency's culture and capability.

During the year, the Strategic Leadership Committee oversaw:

- transition towards full cost recovery
- development and implementation of the Functional Design
- implementation of strategies to improve senior leadership and staff capability more broadly.



Supporting committees

We have established and maintain the following mandatory committees:

- Audit Committee – the CEO established the Audit Committee in compliance with section 42 of the *Public Governance, Performance and Accountability Act 2013*. The Audit Committee provides independent assurance of ASQA’s risk, control and compliance framework and external accountability responsibilities. The Audit Committee also reviews ASQA-wide fraud control measures. Membership and meeting details are on pages 69-70.
- Work Health and Safety Committee – the CEO established the Work Health and Safety Committee under sections 75–79 of the *Work Health and Safety Act 2011*. The Work Health and Safety Committee is chaired by the Deputy CEO and provides advice on best practice and reporting on incidents and compliance, as well as measures to reduce cases under investigation with Comcare.

In addition, the Strategic Leadership Committee is also supported by the following sub-committees:

- Resource and Finance Committee
- Staff Consultative Committee
- Organisational Capability and Change Committee
- Regulatory Impact Committee
- Regulatory Operations Committee.

Planning and performance

We produce an annual corporate plan in accordance with the requirements of the NVR Act and PGPA Act. The corporate plan is our primary planning document, setting out our purpose, strategic direction, operating context, and key activities for the next 4 years. The plan also sets out how we will measure and assess our performance, as reported in our annual performance statement. The activities in our corporate plan are mapped to team plans, which also include the full spectrum of team deliverables. These team plans in turn inform individual performance plans for each team member.

Internal reporting

Internal reporting plays a vital role in enabling senior employees to monitor ASQA’s operational and budgetary performance and progress in meeting performance requirements.

During 2021–22 these reports related to:

- finance
- risk
- regulatory statistics
- complaints
- issues and incidents
- communications
- human resource profiles

- health and safety
- reform progress
- COVID-19 impacts
- stakeholder engagement.

These reports promote better practice within ASQA and improve controls and governance within a risk-management environment.

Ethical standards

All ASQA staff are required under the APS Code of Conduct to behave at all times in a way that upholds the APS Values and Employment Principles. The APS Values include maintaining the highest ethical standards at all times.

The APS Values and Employment Principles shape the organisational culture of the APS. They are core components of a positive culture, stewardship, high performance, and leadership—and fostering 'one APS'. The principles cover all tiers of employment, from general employees to senior executives and include:

- APS agency heads and employees are required to uphold the APS Values and Employment Principles. Additionally, agency heads are required to promote the APS Values and Employment Principles
- Senior Executive Service (SES) employees are required to uphold the APS Values and Employment Principles and promote them by personal example and other appropriate means
- all APS employees are required to comply with the Code of Conduct, including to at all times behave in a way that upholds the APS Values and Employment Principles, and the integrity and good reputation of their agency and the APS.

A breach of the Code of Conduct can result in sanctions, ranging from a reprimand to termination of employment.

ASQA has in place a Disclosure of Interests Policy that details the requirements for all staff to disclose any real or apparent conflicts of interest, and for all Executive Level staff and Senior Executive Staff to manage those conflicts, in order to protect ASQA's integrity.

All ASQA ongoing and non-ongoing employees sign a Declaration of Conflict of Interest when they start working with us. By signing the declaration, employees confirm they are aware of their responsibilities under the APS Code of Conduct. All employees must also complete an annual Declaration of Conflict of Interest form with additional information required from SES and key management personnel.

Enterprise risk management

We continue to strengthen our risk maturity, ensuring risk management is embedded in all our activities, functions and processes. Risk management is a key element of good governance and our best practice regulatory decision-making. It is pivotal to ASQA's management practices, and part of the day-to-day work of everyone in ASQA.



3. Management and accountability

In 2021–22, our CEO issued a revised Risk Management Policy Statement, which clearly emphasises the importance of effective, integrated risk management in enabling successful delivery of our strategic direction. The Risk Management Policy clearly articulates expectations regarding risk culture and risk appetite which guide the operations of ASQA.

As part of our focus on best practice regulation and strengthening our governance, all ASQA staff are required to manage risk within their job responsibilities. The Risk Management Framework aligns with best practice and International Standards and ensures that systems and processes are in place to identify, assess, monitor, report and appropriately mitigate risks.

During the year we also engaged with risk owners to enhance the maturity and capability in risk management practices and revised our risk management tools to ensure our risk register is a consolidated and consistently utilised single source of truth for risk matters. We have embedded the consideration of risk into governance committees and enhanced the enterprise-level view of risks across ASQA.

ASQA's Audit Committee provided oversight and independent scrutiny on the changes to our Risk Management Policy and Framework and endorsed our revised approach to monitoring and reporting on risks.

Fraud control

In line with the Commonwealth Fraud Control Framework under the PGPA Act, ASQA has a Fraud Control Plan and a Fraud Control Policy in place and continuously reviews its implementation.

To manage ASQA's fraud control environment we have implemented a range of policies and procedures, under the umbrella of ASQA's Accountable Authority Instructions. These policies and procedures include compliance with the Commonwealth Procurement Rules and other Commonwealth policies, to ensure ASQA's purchases are efficient, effective, economical and ethical. Collectively, these documents establish the framework for managing fraud risks and conducting investigations.

We actively raise ASQA-wide awareness of the fraud prevention measures set out in the Fraud Control Plan. Fraud control certification is included in the letter of transmittal at the beginning of this report.

Complaints about ASQA

As required under the *Standards for VET Regulators 2015*, we have a policy to manage and respond to stakeholder complaints about our regulatory practices. We undertake to acknowledge all complaints within 5 working days, and we will inform the complainant in writing with reasons if we consider it will take more than 90 days to finalise the complaint.

During 2021–22 we acknowledged all complaints within 5 working days and either met the 90-day timeframe to finalise complaints or, in circumstances where this timeframe could not be met, we contacted the complainant to explain why and discuss the extended timeframe.

Audit Committee members and meetings

ASQA's Audit Committee Charter was revised in 2021–22 to increase the committee's scope and support increased scrutiny of ASQA's functions. The revised charter is available at www.asqa.gov.au/media/1250.

The functions of the ASQA Audit Committee are to review and give independent advice about the appropriateness of our:

- financial reporting
- performance reporting
- risk oversight and management
- systems of internal control, including in relation to:
 - legislative and policy compliance
 - security
 - business continuity
 - ethical and lawful conduct
 - governance arrangements
 - parliamentary committee reports, external review and evaluations
- governance in relation to internal audit.

In 2021–22 the audit committee met 5 times on the following dates:

- 7 September 2021
- 7 December 2021
- 8 February 2022
- 12 April 2022
- 28 June 2022.

During the end of the previous year and early in 2021–22 there were a number of Audit Committee positions that reached the end of their tenure, and replacement Audit Committee members were recruited to ensure coverage of key areas of expertise relevant to the ASQA Audit Committee Charter. In 2021–22 there were 5 members of the audit committee, of whom 3 received remuneration.



3. Management and accountability

Table 5: Audit committee members

Member	Qualifications, knowledge, skills or experience	Meetings attended	Remuneration
Susan Rix	<ul style="list-style-type: none"> Chartered Accountant (Partner for 30 years in Chartered Accounting Firm) Company Director (Graduate of the Australian Institute of Company Directors and 30 years of Board experience) Chaired Audit and Risk Committees for a range of organisations for 30 years 	5	\$12,500
Katie Williams	<ul style="list-style-type: none"> PhD - Curtin University of Technology Bachelor of Commerce (International Business and Information Systems) - Curtin University of Technology Bachelor of Commerce (Information Systems, First Class Honours) A faculty member at the University of Queensland, UQ Business School, Business Information Systems Discipline Board Member, Finance Committee and Audit and Risk Committee Member, Brisbane Housing Company Independent Audit and Risk Committee Member, Department of Premier and Cabinet, Victoria 	5	\$12,272.74
Stephen Linden	<ul style="list-style-type: none"> Bachelor of Business (Accounting Major; Business Law Minor) - Curtin University Diploma in Accounting - TAFE Certified Practicing Accountant Professional Fellow Member - Institute of Internal Auditors Fellow - Governance Institute of Australia Member - Australian Institute of Company Directors Qualified QAIP assessor of internal audit functions The Global Institute of Internal Auditors - member of global guidance setting committees (Professional Issues - 7 years; Public Sector - 3 years). Members of these committees are considered to be the Institute's global thought leaders in their fields Over 20 years' direct experience in internal audit 	5	\$12,500

Member	Qualifications, knowledge, skills or experience	Meetings attended	Remuneration
Sara McIvor	<ul style="list-style-type: none"> • Bachelor of Law, Trinity College Dublin • Member Institute of Chartered Accountants, England and Wales • Member Institute of Chartered Accountants, Australia and New Zealand • Member Institute of Internal Auditors 	4	\$0
Vanessa Graham	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting major) • Fellow Certified Practising Accountant (FCPA) • Over 15 years' experience as a senior executive in a number of Australian Government departments and agencies, including the Department of Finance • Extensive experience in corporate and financial roles across the Australian Government • Expertise in Australian Government financial, governance and reporting frameworks 	1 (Chair for 7/9/22 meeting prior to end of term)	\$0



External assurance and support for accountability and transparency in public administration

Australian National Audit Office (ANAO)

As a national regulator, ASQA is subject to external scrutiny by the Australian National Audit Office, Commonwealth Ombudsman and parliamentary committees, and our decision-making can be reviewed by courts and tribunals.

Senate estimates

ASQA appeared before the Senate's Education and Employment Legislation Committee on 3 occasions during the reporting period, on 22 November 2021, 17 February 2022 and 1 April 2022.

Our CEO and Deputy CEO responded to questions from Senators relating to various aspects of ASQA's operations at the hearings. We also provided responses to 2 questions on notice from the 3 hearings.

Freedom of information

ASQA is subject to the Freedom of Information Act 1982 (FOI Act), which means we are required to publish information to the public as part of the Information Publications Scheme. We comply with this requirement through the freedom of information disclosure log on our website at: www.asqa.gov.au/about/reporting-and-accountability/freedom-information.

We are also required to publish a plan detailing what information we publish in accordance with the Information Publications Scheme requirements. This plan is on our website at: <https://www.asqa.gov.au/about/reporting-and-accountability/information-publication-scheme>.

In addition, we are required to comply with the timeframe requirements of the FOI Act. During 2021–22, we adhered to the timeframes on all occasions.

Review of Regulatory decisions

The Administrative Appeals Tribunal

If a person is dissatisfied with the outcome of an ASQA decision, they may apply for a review of the decision by the AAT. Section 203 of the NVR Act provides for the AAT to examine certain 'reviewable decisions' made by ASQA.

From 1 July 2020, where a reviewable decision under the NVR Act is made by a delegate of the CEO, the provider must participate in an internal review by ASQA before applying to the AAT.

Unless otherwise limited, the AAT reviews decisions based 'on the merits' – taking a fresh look at the available material at the time – rather than on the basis of evidence or information available to the original decision-maker.

In 2021–22 there were 15 applications to the AAT to review a decision (or decisions) made by ASQA. In addition, a further 42 matters were carried over from previous financial years. Of all matters, 31 were closed during 2021–22 and 26 have been carried into 2022–23.

For more information on AAT outcomes see page 32 in our annual performance statement.

Review by the court

Providers and others may apply to the Federal Court for a judicial review of the process leading to the decision, as opposed to the decision itself. Depending on the Court's decision, this may also impact on the validity of the overall decision.

In 2021–22 there were no such applications for review by the Federal Court. Three other Federal Court matters were carried over into 2021–22; 2 have been finalised and one remains ongoing.

People

Management of human resources

Our people bring a diverse range of skills, knowledge and experience to support ASQA's regulatory capability. Skillssets include regulatory design and policy, statutory decision-making, regulatory operations, intelligence and data analysis, investigations, legal, communications and engagement, service delivery, governance, information and communications technology, human resources, finance and facilities.

We also harness external expertise through a range of consultancies and contractor arrangements to complement our teams and support delivery of government priorities.

As at 30 June 2022, we had 195 APS employees, located in offices in all capital cities (except the Northern Territory). Our people strategies align with our values and have been developed to ensure that ASQA has the right people with the right skills at the right time to achieve our purpose. We pride ourselves on fostering a contemporary,



3. Management and accountability

high performing, and inclusive culture and workforce that focuses on productivity through adopting modern, flexible work practices.

In April 2022, ASQA commenced a functional redesign. Our new functional design is a continuation of a positive journey for us – which has seen us successfully implement changes from 1 July 2020 and from 6 April 2021. During that period, the key drivers and rationale for change were contained in the Rapid Review recommendations.

The functional design builds on our commitment to continuous improvement and positions the agency to address a range of important future opportunities, as we continue to transform process, streamline systems, improve provider engagement and our commitment in being a respected steward in our sector.

We continue to prioritise building the skills of our workforce through targeted development opportunities, a focus on strong leadership, and a values-driven organisational culture.

Workplace diversity

We value the diverse experiences and contributions our colleagues bring to the workplace. Acknowledging and celebrating our diverse abilities and backgrounds contributes to a productive and high-performing work culture.

Our inaugural Reconciliation Action Plan 2020-2022 (RAP) was released in November 2020. The RAP provides a structured, nationally recognised model that formalises our commitment to reconciliation between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. The RAP enables ASQA to make valuable contributions to reconciliation in Australia and to foster a workforce that better reflects the diversity of the Australian community.

ASQA's Diversity and Inclusion Strategy 2019-2022 identifies the key priorities and actions to embed a culture of diversity and inclusion. This strategy demonstrates our commitment to cultivating a diverse workforce and encourages a culture that embraces diversity to provide better service for all our stakeholders.

Our senior managers drive our commitment to diversity and inclusion and from this group we have appointed our first Diversity Champion. The Diversity Champion is responsible for promoting the development of diversity and inclusion initiatives and strategies and supports an inclusive work culture as the chair of the Diversity Working Group.

Some key achievements in 2021–22 have been:

- launching a 'Welcome to Country/Acknowledgement of Country Protocol' during the National Reconciliation Week celebrations on 2 June 2021
- becoming members of the Diversity Council Australia. This is Australia's only independent, not-for-profit peak body for workplace diversity and inclusion
- endorsing a research paper outlining options to investigate the stakeholders within our sphere of influence and identify best practices for supporting partnerships with Aboriginal and Torres Strait Islander stakeholders and organisations
- celebration of key dates of significance throughout the year, including National Reconciliation Week, NAIDOC Week, International Day of Disability, Pride Month, IDAHOBIT Day and many more
- reviewing and developing policies that create a more inclusive workplace culture including a gender affirmation guide
- launching a mental health first aid officer network and supporting resources for mental health.

The coming year will see the development of a new RAP and Diversity and Inclusion Strategy for ASQA which will further strengthen our commitments to embracing a diverse workforce.

Capability development

ASQA implemented a substantial suite of development offerings in 2021–22. These development offerings aligned with the APS Learning and Development strategy with our own priorities and learning objectives.

During the year, we ran a number of programs targeted at building leadership capability at the EL1, EL2 and SES levels. Capability building focused on a range of topics including communication, strategic thinking, negotiation, psychological resilience, and critical thinking.

Our SES cohort had individual and group executive coaching sessions that ran over a 12-month period. Group coaching focused on building a stronger sense of team, building trust and facilitating constructive debate.

Our EL2 staff all undertook rigorous development programs which progressed and assessed the capability of our leadership cohort. Twenty-three EL2 staff participated in the programs over several months, with targeted development plans developed for each staff member.

Based on the capabilities identified as priorities during the development centres, workshops were rolled out to EL1 and EL2 staff between February and June 2022. In total, 16 workshops were delivered to a total of 61 participants (equating to 70% of the cohort).

In addition to these programs, ASQA also delivered specialist change management training to all staff in order to build change management capability and organisational readiness. Staff are also required to complete a range of mandatory training annually on topics such as WHS, risk management, security, cultural awareness, and respectful workplaces.

Our Performance Development Framework underpins our capability development, with the objectives of:

- clarifying and aligning individual roles and work efforts to the outcomes of ASQA's strategic direction
- building high performance for individuals and teams
- developing employees' skills and capability.

Other initiatives to support staff capability development included:

- actively participating in the Australia and New Zealand School of Government (ANZSOG) Regulators Community of Practice along with a network of public sector regulators from all 3 levels of government and from every regulatory sector, professional background, role and level of seniority, who are keen to learn from and with each other
- approving access for employees to external development, training, qualifications and conferences on a range of role-specific topics
- supporting employees with financial assistance and/or paid study leave through our study assistance program, to enhance their workplace capability and knowledge through the acquisition of formal qualifications
- delivering a Mental Health First Aid training program, including the launch of a Mental Health First Aid officer network.

Reward and recognition

ASQA is committed to attracting, developing, and retaining the highest quality workforce. To achieve this, we recognise the importance of acknowledging our employees for their contributions and building a culture which values and encourages outstanding performance.



3. Management and accountability

We continued to deliver on the ASQA Reward and Recognition Policy, which included the inaugural CEO Awards held in November 2021. These awards formally recognised 4 individuals and one team in the categories of organisational capability and culture, risk management, continuous improvement, regulatory best practice, and leadership. Employees with between 5 and 10 years of service with ASQA were also recognised.

We may also, through endorsement by the Strategic Leadership Committee, nominate outstanding employees for external awards that recognise achievement or excellence in a variety of areas, including the Public Service Medal (PSM), the Department of Education, Skills and Employment's portfolio awards and development opportunities such as the Australia and New Zealand School of Government (ANZSOG) courses and Jawun secondments.

Workplace communication

ASQA places a high priority on communication and engagement. We strove to use inclusive and multi-channel communication with employees to ensure all staff are kept informed and engaged. Our communication channels are varied in recognition of a geographically dispersed workforce often working under COVID-19 restrictions. Some channels included:

- weekly all staff meetings (virtual)
- regular CEO update emails including after each Senior Leadership Committee meeting
- regular leaders' forums
- employee representation on Staff Consultative Committee, Work Health and Safety Committee, Diversity Working Group and Organisational Capability and Change Committee
- information sessions, engagement sessions and webinars
- weekly intranet announcements and roundups
- regular attendance by senior leaders at individual team meetings
- staff pulse surveys, in addition to the APS Census
- dedicated information portals on our intranet about topical issues, including COVID-19 and the functional realignment
- a notice board on the intranet where staff can post messages and discussions.

We continue to engage with staff to strengthen and support effective communication. Throughout the year, ASQA undertook planned and targeted engagement processes on a number of topics including workplace flexibility, workplaces of the future, ASQA's values, and our functional realignment.

Workforce composition

The following tables provide statistics on the number of ASQA employees at the end of the reporting period in relation to employment status, classification levels, full-time/part-time status, gender and location. Please note that contractors, secondees, and the CEO are excluded from these figures.

At 30 June 2022, we did not employ any ongoing or non-ongoing employees who:

- identify as indeterminate gender
- were based outside Australia (overseas).

Table 6: ASQA ongoing employees by location and gender at 30 June 2022

Office location	Female			Male			Total
	Full-time	Part-time	Total female	Full-time	Part-time	Total male	
ACT	6	0	6	7	0	7	13
NSW	18	2	20	8	0	8	28
NT	0	0	0	0	0	0	0
QLD	41	7	48	14	2	16	64
SA	13	1	14	8	0	8	22
TAS	0	1	1	1	0	1	2
VIC	35	2	37	17	0	17	54
WA	2	0	2	1	0	1	3
Total	115	13	128	56	2	58	186

Table 7: ASQA non-ongoing employees by location and gender as at 30 June 2022

Office location	Female			Male			Total
	Full-time	Part-time	Total female	Full-time	Part-time	Total male	
ACT	1	0	1	0	0	0	1
NSW	1	0	1	0	0	0	1
NT	0	0	0	0	0	0	0
QLD	4	0	4	1	0	1	5
SA	1	0	1	0	0	0	1
TAS	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0
WA	1	0	1	0	0	0	1
Total	8	0	8	1	0	1	9



3. Management and accountability

Table 8: ASQA ongoing employees by employment classification and gender at 30 June 2022

Classification level	Female			Male			Total
	Full-time	Part-time	Total female	Full-time	Part-time	Total male	
APS3	2	0	2	2	0	2	4
APS4	5	0	5	4	0	4	9
APS5	13	1	14	8	0	8	22
APS6	33	5	38	17	2	19	57
EL1	45	6	51	11	0	11	62
EL2	15	1	16	11	0	11	27
SES1	1	0	1	3	0	3	4
SES2	1	0	1	0	0	0	1
CEO	0	0	0	0	0	0	0
Total	115	13	128	56	2	58	186

Table 9: ASQA non-ongoing employees by employment classification and gender at 30 June 2022

Classification level	Female			Male			Total
	Full-time	Part-time	Total female	Full-time	Part-time	Total male	
APS3	0	0	0	0	0	0	0
APS4	0	0	0	0	0	0	0
APS5	1	0	1	1	0	1	2
APS6	5	0	5	0	0	0	5
EL1	0	0	0	0	0	0	0
EL2	2	0	2	0	0	0	2
SES1	0	0	0	0	0	0	0
SES2	0	0	0	0	0	0	0
Total	8	0	8	1	0	1	9

Table 10: ASQA employee type by employment classification at 30 June 2022

Classification level	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
APS3	4	0	4	0	0	0	4
APS4	9	0	9	0	0	0	9
APS5	21	1	22	2	0	2	24
APS6	50	7	57	5	0	5	62
EL1	56	6	62	0	0	0	62
EL2	26	1	27	2	0	2	29
SES1	4	0	4	0	0	0	4
SES2	1	0	1	0	0	0	1
Total	171	15	186	9	0	9	195

Table 11: ASQA employee status by location at 30 June 2022

Office Location	Ongoing	Non-ongoing
ACT	13	1
NSW	28	1
NT	0	0
QLD	64	5
SA	22	1
TAS	2	0
VIC	54	0
WA	3	1
Total	186	9

Table 12: ASQA employees identifying as Aboriginal or Torres Strait Islander at 30 June 2022

Employees of Aboriginal or Torres Strait Islander origin	Total
Indigenous	1
Non-Indigenous	154
Not specified	40
Total	195



Employment conditions

Employee arrangements

As at 30 June 2022:

- 195 employees were covered by the ASQA Enterprise Agreement 2017–20, which sets out the employment terms and conditions for ASQA employees
- 9 employees had individual flexibility arrangements that varied the effects of the terms of our Enterprise Agreement
- 4 substantive Senior Executive Service (SES) employees were covered by an Individual S24 (1) Determination
- our CEO was employed under a Remuneration Tribunal Determination.

Salaries and other benefits

On 22 October 2020 our CEO made a Determination under section 24(1) of the *Public Service Act 1999* to provide remuneration increases on top of our Enterprise Agreement, in lieu of bargaining a new enterprise agreement. The Determination provides salary increases through to 11 November 2022.

Other non-salary benefits provided to employees include superannuation, an annual health and wellbeing allowance, flexible work arrangements and capability development.

Our Enterprise Agreement does not include provision for performance pay or broad banding.

Table 13: Salary ranges by classification at 30 June 2022

Classification	Min salary	Max salary
EL2	\$129,073	\$148,532
EL1	\$105,920	\$116,215
APS6	\$86,853	\$94,034
APS5	\$76,415	\$81,320
APS4	\$69,657	\$73,676
APS3	\$64,888	\$65,693
APS2	\$58,349	\$60,432
APS1	\$51,929	\$52,793

Executive remuneration

During the reporting period ending 30 June 2022, ASQA had 7 executives who met the definition of key management personnel (KMP). Their names and the length of term as KMP are summarised below.

Table 14: ASQA executive staff

Name	Position	Term as KMP
Saxon Rice	Chief Executive Officer	Full year
Christina Bolger	Deputy Chief Executive Officer	Full year
Stephen Maillet	Executive Director Regulatory Engagement and Education	Full year
Ty Emerson	Executive Director Regulatory Insights and Impact	Full year
Carmen Basilicata	Executive Director Quality Assessment and Compliance	Full year*
Simon Thorn	Executive Director Corporate	Part year Cessation 28 January 2022
Greg Simmons	Acting Executive Director Regulatory Insights and Impact	Part year 8 to 16 July 2021, 1 to 31 December 2021, 21 March to 30 June 2022

*Ms Basilicata had a period of unpaid leave from 1 July to 30 August 2022



3. Management and accountability

Table 15: ASQA executive staff remuneration details

Name	Position Title	Short-term benefits (\$) (\$)				Post-employment benefits (\$) (\$)	Other long-term benefits (\$) (\$)	Termination benefits (\$) (\$)	Total Remuneration (\$)
		Base salary	Bonuses	Other benefits and allowance	Superannuation contributions				
					Long service leave				
Saxon Rice	Chief Executive Officer	351,629	-	-	57,048	8,876	-	-	417,553
Christina Bolger	Deputy Chief Executive Officer	275,441	-	25,917	48,830	6,385	-	-	356,573
Stephen Maillet	Executive Director Regulatory Engagement and Education	208,055	-	27,791	31,303	4,963	-	-	272,112
Ty Emerson	Executive Director Regulatory Insights and Impact	235,935	-	27,791	45,558	4,945	-	-	314,229
Carmen Basilicata	Executive Director Quality Assessment and Compliance	169,129	-	21,431	32,715	4,716	-	-	227,991
Simon Thorn	Executive Director Corporate	68,724	-	11,218	12,469	2,741	-	-	95,153
Greg Simmons	Acting Executive Director Regulatory Insights and Impact	92,731	-	-	9,652	1,907	-	-	104,290

COVID-19 response

ASQA responded with agility to the ongoing and unpredictable challenges presented by the COVID-19 pandemic. States entering lockdown conditions at various points throughout 2021–22 required many of our employees to work from home. We supported their wellbeing by:

- communicating regularly with managers, including resources for effectively managing remote teams
- providing regular information promoting physical and mental health and wellbeing for all employees
- establishing a dedicated wellbeing portal and regular 'Wellbeing Wednesday' posts on our intranet to encourage communication about wellbeing and healthy lifestyle
- offering professional, confidential counselling and psychological services for employees and their families through our Employee Assistance Program
- providing access to Ergonomic Assessments for home-based work environments
- enabling employees to use leave provisions to attend COVID-19 vaccination appointments including recovery time.

We also reviewed and maintained guidance material to support our employees during this time, including:

- regular all staff emails regarding COVID-19 updates
- a dedicated page of COVID-19 resources
- Frequently Asked Questions (FAQs) about COVID-19
- protocols for managing suspected and confirmed cases of COVID-19 within the workplace
- a guide on home-based work during COVID-19, including workplace health and safety information
- a guide on childcare and home-schooling arrangements while working from home.

Workplace health and safety

We fulfil our responsibilities under the Work Health and Safety Act 2011 by actively promoting work health and safety across ASQA.

In 2021–22, we completed a substantial functional review of ASQA's Work Health and Safety (WHS) function. Part of this work involved ensuring obligations and responsibilities were correctly aligned across ASQA. Management and maintenance of the safety and wellbeing system is both an individual officer obligation and a responsibility of strategic Human Resources (HR) advisors under a business partnering model. All officers and managers in ASQA have personal responsibility under WHS legislation.

Our health and safety project work is designed to close gaps identified by informal audit processes and move our safety management system towards a 'delegated' model of safety responsibility. In this model, HR function operates in a strategic advisory role to the business, while line supervisors and operational leaders manage safety responsibilities and accountabilities.

We also implemented a number of recommendations to existing governance arrangements to improve the efficacy of our health and safety consultation. Health and safety strategy requiring approval by the Strategic Leadership Committee is now determined at project planning stages, following endorsement by the Chair of the Workplace Health and Safety Committee, or as directed by the Director of People and Capability. This review work also encompassed updating and incorporating WHS risks into the agency risk register and individual work plans.



3. Management and accountability

Our core focuses in WHS are ensuring legal compliance and alignment with officer governance obligations, as well as undertaking targeted initiatives to enhance early intervention and prevention. ASQA will also focus on increased reporting and incident notification.

Progress reports against key initiatives are presented to the Strategic Leadership Committee as a standing agenda item as well as through quarterly meetings of the Work Health and Safety Committee and the Staff Consultative Committee.

In addition to the work outlined above, ASQA also developed and implemented an agency-wide uplift of our mental health awareness capability including the launch of a mental health first aid officer network.

ASQA continued to offer professional, confidential counselling and psychological services for employees and their families through our Employee Assistance Program as well as access to a \$300 annual health and wellbeing allowance.

Early intervention activities and workplace rehabilitation, coupled with the initiatives above, helped reduce compensable injuries. As a consequence of effective work health and safety practices, no new compensation claims were accepted during 2021–22. Additionally, there were no incidents requiring notification to Comcare during the year and no investigations into ASQA's undertakings.

Annual Child Safety Statement

We fulfil our responsibilities under the Commonwealth Child Safe Framework³⁴ by implementing the requirements to:

- undertake a child safety risk assessment annually
- establish and maintain a system of child safety training and compliance
- adopt and implement the National Principles for Child Safe Organisations
- publish an annual statement of compliance with the Commonwealth Child Safe Framework.

ASQA has published a Child Safety Policy³⁵ which includes a child safety risk assessment, which is reviewed annually. As ASQA has minimal contact with children in the performance of its functions, the risk has been assessed as low.

The Child Safety Policy provides direction to our employees to obtain appropriate child safety training, where applicable, and to ensure compliance with relevant state, territory and Commonwealth legislation.

In accordance with the Commonwealth Child Safe Framework, ASQA will review its risk assessment at least annually and report compliance in future Annual Reports.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is a national framework that all governments in Australia have signed up to. It sets out a plan for continuing to improve the lives of people with disability in Australia over the next 10 years. The Strategy replaces and builds on the first National Disability Strategy 2010–2020 and ensures the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for implementing the strategy through biennial progress reporting. Progress reports can be found at www.dss.gov.au.

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

³⁴ <https://childsafety.pmc.gov.au/what-we-do/commonwealth-child-safe-framework>

³⁵ <https://www.asqa.gov.au/about-us/reporting-and-accountability/child-safety-policy>

Technology

Digital transformation

To support a stronger skills sector, ASQA has invested in establishing a contemporary digital ecosystem through a multi-year Digital Transformation Program. In 2021–22, ASQA delivered on its foundational digital capabilities, including:

- enterprise architecture
- new lean/agile ways of working
- customer experience
- cloud and data infrastructure.

In 2022–23 ASQA will build on these foundational capabilities and commence its transition into the modern digital age through designing, developing and delivering a combination of contemporary front and back-end technologies, business tools, and improved processes and systems that:

- reduce compliance and reporting burden by improving the government to business experience through rationalised and streamlined customer interactions
- improve regulatory effectiveness by making better use of data to identify industry trends, fight fraud, and provide targeted outreach and engagement to support self-assurance
- increase internal efficiency through automation of manual tasks and designing and implementing improved business processes.

Critical to the success of this program will be the co-design of the products we deliver. ASQA will continue to work with our provider and stakeholder network throughout the life of this program to ensure the greatest alignment to provider and stakeholder needs, to maximise the opportunity for reduction in regulatory burden, and to help enable better VET outcomes and a stronger skills sector.

The Digital Transformation Program is partnering with the lead portfolio department, the Department of Employment and Workplace Relations, as our delivery partner. This allows ASQA to deliver quality outcomes at a reduced cost by leveraging and reusing existing patterns, skills, knowledge and capabilities used to deliver other technical products in the broader skills environment.



Data governance

Data is a key strategic asset, and we are committed to the effective use of data and ongoing development of our data maturity. ASQA's approach to data is informed by the 4 foundational data practices set out by Office of the National Data Commissioner Foundational Four:

- Leadership – Responsibility for execution of ASQA's data strategy is allocated to the Chief Data Officer.
- Data Strategy – ASQA's data strategy ensures we maximise the value of data through efficient data management, reporting and analysis, whilst ensuring data is appropriately protected. Our strategy was designed to be consistent with the Australian Data Strategy and is a multi-year commitment to building increased maturity.
- Governance – ASQA's Data Governance Committee oversees the execution of our data strategy and the work of ASQA's data stewards in implementing the agency's governance framework.
- Asset Discovery – ASQA has an established agency-wide data catalogue and has commenced work with the Office of the National Data Commissioner to increase asset discovery as part of the Data Inventories Pilot Program.

Ecologically sustainable development and environmental performance

Our environmental performance is assessed in several different ways.

The Department of Education, Skills and Employment aggregates our environmental performance for information and communication technology (ICT) services, including ICT procurement services and security access under a Memorandum of Understanding arrangement.

We use the Whole-of-Government Property Services Coordinated Procurement arrangements, with Jones Lang LaSalle as our Property Services Provider. Jones Lang LaSalle therefore aggregates our environmental performance for property and facility related services, including energy consumption and waste removal services.

We remain committed to minimising our environmental footprint, including by:

- using 100% recycled content copy paper
- continuing to evaluate and improve our operational efficiency to ensure that our activities contribute to successful long-term outcomes
- increasing our understanding of sustainability beyond the environmental scope.

Purchasing and procurement

Purchasing

ASQA's procurement policies and practices are consistent with all relevant Australian Government laws, the Commonwealth financial framework (including the Commonwealth Procurement Rules), and other relevant policies.

The Commonwealth Procurement Rules are applied to activities through the Accountable Authority Instructions and supporting operational guidelines. The procurement framework reflects the core principle governing Australian Government procurement: value for money.

Policies and procedures also focus on:

- encouraging competitive, non-discriminatory procurement processes
- efficient, effective, economical and ethical use of resources
- accountability and transparency.

We devolve responsibility for procurement to individual business groups within ASQA. We support this decentralised approach by:

- providing information and training about procurement policies and procedures to all staff
- maintaining a single point of contact for staff to seek advice on the Commonwealth Procurement Rules, the Department of Finance's Accountable Authority Instructions and tendering processes
- maintaining standardised tendering and contracting documentation.

We publish our procurement activities and plans on AusTender, allowing our procurement activities to be readily communicated and accessible to all business enterprises.

Consultancy contracts

'Consultancy contracts' refers to arrangements that are published on AusTender as a consultancy. ASQA engages consultants to build organisational capability and responsiveness, and support and enhance our workforce to deliver government priorities. This includes activities such as independent research, review or assessment, expertise to support implementation of reform, or provide independent advice, information or solutions.

Engagement of consultants is made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules.

During 2021–22, we entered into 12 new consultancy contracts involving total actual expenditure of \$0.93 million. In addition, 18 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$1.40 million.



3. Management and accountability

The following organisations received the 5 largest shares of ASQA's total expenditure or 5% or more of total expenditure on consultancy contracts in 2021–22:

- Orima Research Pty Ltd – \$0.47 million
- Apis Group Pty Ltd – \$0.33 million
- Pitt Group Pty Ltd – \$0.22 million
- Sagacity Consulting – \$0.06 million
- Griffith University – \$0.04 million.

Information on the value of consultancy contracts is available on the AusTender website.

Non-consultancy contracts

'Non-consultancy contracts' refers to arrangements that are published on AusTender and are not consultancy contracts (that is, a contract published on AusTender as anything other than a consultancy).

During 2021–22, we entered into 97 new non-consultancy contracts involving total actual expenditure of \$9.95 million. In addition, 140 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$9.18 million.

The following organisations received the 5 largest shares of ASQA's total expenditure or 5% or more of total expenditure on non-consultancy contracts in 2021–22:

- Jones Lang LaSalle – \$3.22 million
- Australian Government Department of Education, Skills and Employment – \$1.73 million
- Apis Group Pty Ltd – \$1.03 million
- Cushman & Wakefield – \$0.93 million
- Australian Government Department of Finance – \$0.65 million.

Information on the value of non-consultancy contracts is available on the AusTender website.

ANAO access clauses

We are required to provide details of any contract of \$100,000 or more (inclusive of GST) that does not provide a clause in the contract for the Auditor-General to have access to the contractor's premises.

In 2021–22, ASQA did not have any contracts over \$100,000 that did not provide the clause for the Auditor-General to have access to the contractor's premises.

Exempt contracts

No contracts in excess of \$10,000 (inclusive of GST) or standing offers were exempted by the Chief Executive Officer from being published on AusTender during the 2021–22 reporting year.

Procurement initiatives to support small business

Consistent with the Commonwealth Procurement Rules, including exemption 17 introduced on 14 December 2020, ASQA's procurement practices provide appropriate opportunities for small businesses to compete and ensure they are not unfairly discriminated against.

We followed these processes when undertaking procurement:

- use of whole-of-government procurement panels
- use of multi-agency panel arrangements for procurement services
- best practice of seeking 3 quotes from suppliers when a panel arrangement is not available to use
- use of the Commonwealth Contracting Suite for low-risk procurement valued under \$200,000
- use of the SAP Financial Management Information System to identify invoices that are due for payment within the 20-day payment terms from the receipt of the correctly rendered invoice
- use of purchasing cards to enable payments to suppliers up to the value of \$10,000.

ASQA supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.

Asset management

Section 17AG(5) of the Public Governance, Performance and Accountability Rule 2014 sets out the requirement for an assessment of the effectiveness of assets management where it is a significant aspect of the strategic business of an entity. Assets management does not form a significant aspect of the strategic business of ASQA.

Advertising and market research

During 2021–22, ASQA did not undertake any advertising campaigns.

We did engage a consultant to undertake market research in the reporting period. The consultant engaged with students and providers to better understand how we could improve our management of complaints about training providers.

Grants

ASQA does not administer any grant programs.



Yellow
Bins
for
Oil & Zinc Alloys
ONLY
NO GENERAL
SUBSTITUTION

TGM
SUTONS

Parten: 1.
Middelwater
Service
holmesgjen





4. Finances

We will continue to build on the regulatory strategies and approaches we applied in 2021–22, to ensure quality outcomes for the VET sector benefit the Australian community.

In this chapter...

Audited financial statements

92



INDEPENDENT AUDITOR'S REPORT

To the Minister for Skills and Training

Opinion

In my opinion, the financial statements of the Australian Skills Quality Authority (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer, is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result



of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
16 September 2022

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Skills Quality Authority will be able to pay its debts as and when they fall due.

Signed.....

Saxon Rice
Accountable Authority

15 September 2022

Signed.....

Warren Rushby
Chief Financial Officer

15 September 2022



Contents

Certification

Primary financial statement

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Administered Schedule of Comprehensive Income
- Administered Schedule of Assets and Liabilities
- Administered Reconciliation Schedule
- Administered Cash Flow Statement

Notes to and forming part of the financial statements:

Overview

1. **Departmental financial performance**
 - 1.1 Expenses
 - 1.2 Own-source revenue and gains
2. **Income and expenses administered on behalf of Government**
 - 2.1 Administered - Income
3. **Departmental Financial Position**
 - 3.1 Financial assets
 - 3.2 Non-financial assets
 - 3.3 Payables
 - 3.4 Interest bearing liabilities
 - 3.5 Other provisions
4. **Assets and liabilities administered on behalf of Government**
 - 4.1 Administered - financial assets
 - 4.2 Administered - liabilities
5. **Funding**
 - 5.1 Appropriations
 - 5.2 Regulatory charging summary
 - 5.3 Net cash appropriation arrangements
6. **People and relationships**
 - 6.1 Employee provisions
 - 6.2 Key management personnel remuneration
 - 6.3 Related party disclosures
7. **Managing uncertainties**
 - 7.1 Contingent assets and liabilities
 - 7.2 Financial instruments
 - 7.3 Fair value measurement
8. **Other information**
 - 8.1 Current/non-current distinction for assets and liabilities
9. **Budget variance commentary**

Australian Skills Quality Authority
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	23,542	24,432	25,227
Suppliers	1.1B	20,024	13,134	14,520
Finance Costs	1.1C	153	107	123
Write-Down and Impairment of Assets	1.1D	2	19	-
Depreciation and amortisation	3.2	6,597	6,240	5,865
Total expenses		50,318	43,932	45,735
Own-Source Income				
Own-Source revenue				
Other Revenue	1.2A	179	106	-
Rental Income	1.2B	-	135	-
Total own-source revenue		179	241	-
Gains				
Other gains	1.2C	-	3	50
Total gains		-	3	50
Total own-source income		179	244	50
Net cost of services		50,139	43,688	45,685
Revenue from Government	1.2D	42,912	40,583	41,892
Surplus/(deficit) attributable to Australian Government		(7,227)	(3,105)	(3,793)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	(83)	-
Total comprehensive income/(loss) attributable to the Australian Government		(7,227)	(3,188)	(3,793)

The above statement should be read in conjunction with the accompanying notes.



Australian Skills Quality Authority
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	385	287	287
Trade and other receivables	3.1B	19,589	22,831	18,405
Total financial assets		19,974	23,118	18,692
Non-financial assets¹				
Buildings	3.2	6,407	8,013	3,365
Leasehold improvements	3.2	3,114	1,407	1,407
Plant and equipment	3.2	736	849	592
Intangible assets	3.2	10,727	12,004	12,543
Prepayments		433	452	407
Total non-financial assets		21,417	22,725	18,314
Total assets		41,391	45,843	37,006
LIABILITIES				
Payables				
Suppliers	3.3A	3,134	1,245	1,866
Other payables	3.3B	671	534	-
Total payables		3,805	1,779	1,866
Interest bearing liabilities				
Leases	3.4	6,437	8,042	4,554
Total interest bearing liabilities		6,437	8,042	4,554
Provisions				
Employee provisions	6.1	5,938	6,480	5,423
Other provisions	3.5	1,091	824	477
		7,029	7,304	5,900
Total liabilities		17,271	17,125	12,320
Net assets		24,120	28,718	24,686
EQUITY				
Contributed equity		37,588	34,959	37,588
Asset revaluation reserve		1,271	1,271	1,354
Retained surplus/(Accumulated deficit)		(14,739)	(7,512)	(14,256)
Total equity		24,120	28,718	24,686

The above statement should be read in conjunction with the accompanying notes.

¹ Right-of-use assets are included in Non-Financial assets as part of Buildings.

Australian Skills Quality Authority
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2022

	2022	2021	Original Budget
	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	<u>34,959</u>	<u>31,982</u>	<u>34,959</u>
Adjusted opening balance	<u>34,959</u>	<u>31,982</u>	<u>34,959</u>
Transactions with owners			
Contributions by owners			
Equity injection	1,410	1,759	1,410
Departmental capital budget	<u>1,219</u>	<u>1,218</u>	<u>1,219</u>
Total transactions with owners	<u>2,629</u>	<u>2,977</u>	<u>2,629</u>
Closing balance as at 30 June	<u>37,588</u>	<u>34,959</u>	<u>37,588</u>
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	<u>(7,512)</u>	<u>(4,407)</u>	<u>(10,463)</u>
Adjusted opening balance	<u>(7,512)</u>	<u>(4,407)</u>	<u>(10,463)</u>
Comprehensive income			
Surplus/(Deficit) for the period	<u>(7,227)</u>	<u>(3,105)</u>	<u>(3,793)</u>
Total comprehensive income	<u>(7,227)</u>	<u>(3,105)</u>	<u>(3,793)</u>
Closing balance as at 30 June	<u>(14,739)</u>	<u>(7,512)</u>	<u>(14,256)</u>
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	<u>1,271</u>	<u>1,354</u>	<u>1,354</u>
Adjusted opening balance	<u>1,271</u>	<u>1,354</u>	<u>1,354</u>
Comprehensive income			
Other comprehensive income	-	(83)	-
Total comprehensive income	-	(83)	-
Closing balance as at 30 June	<u>1,271</u>	<u>1,271</u>	<u>1,354</u>

The above statement should be read in conjunction with the accompanying notes.



Australian Skills Quality Authority
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2022

	2022	2021	Original Budget
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	<u>28,718</u>	28,929	25,850
Adjusted opening balance	<u>28,718</u>	<u>28,929</u>	<u>25,850</u>
Comprehensive income			
Surplus/(Deficit) for the period	(7,227)	(3,105)	(3,793)
Other comprehensive income	-	(83)	-
Total comprehensive income	<u>(7,227)</u>	<u>(3,188)</u>	<u>(3,793)</u>
Transactions with owners			
Contributions by owners			
Equity injection	1,410	1,759	1,410
Departmental capital budget	<u>1,219</u>	<u>1,218</u>	<u>1,219</u>
Total transactions with owners	<u>2,629</u>	<u>2,977</u>	<u>2,629</u>
Closing balance as at 30 June	<u>24,120</u>	<u>28,718</u>	<u>24,686</u>

The above statement should be read in conjunction with the accompanying notes.

Accounting policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Australian Skills Quality Authority

CASH FLOW STATEMENT

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		47,155	40,618	41,209
Sale of goods and rendering of services		179	277	-
Net GST received		2,018	1,175	-
Total cash received		49,352	42,070	41,209
Cash used				
Employees		24,085	23,374	25,227
Suppliers		20,119	13,822	13,787
Interest payments on lease liabilities		123	97	123
Section 74 receipts transferred to OPA		2,960	1,844	-
Total cash used		47,287	39,137	39,137
Net cash from/(used by) operating activities		2,065	2,933	2,072
INVESTING ACTIVITIES				
Cash used				
Purchase of plant and equipment		175	561	110
Purchase of leasehold improvements		2,365	25	-
Purchase of intangible software		1,819	2,172	3,084
Total cash used		4,359	2,758	3,194
Net cash used by investing activities		(4,359)	(2,758)	(3,194)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		4,950	2,716	3,194
Total cash received		4,950	2,716	3,194
Cash used				
Principal payments of lease liabilities		2,558	2,891	2,072
Dividends paid		-	-	-
Total cash used		2,558	2,891	2,072
Net cash from/(used by) financing activities		2,392	(175)	1,122

The above statement should be read in conjunction with the accompanying notes.



Australian Skills Quality Authority
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Write-down and impairment of receivables		-	-	-
Total expenses		-	-	-
Income				
Non-taxation revenue				
Regulatory fees and fines	2.1	2,426	2,025	10,217
Total non-taxation revenue		2,426	2,025	10,217
Total revenue		2,426	2,025	10,217
Gains				
Reversal of write-downs and impairment		26	75	-
Total gains		26	75	-
Total income		2,452	2,100	10,217
Net contribution by services		2,452	2,100	10,217
Surplus/(Deficit)		2,452	2,100	10,217
Total comprehensive income		2,452	2,100	10,217

The above schedule should be read in conjunction with the accompanying notes.

Australian Skills Quality Authority
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
 as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Trade and other receivables	4.1	-	15	34
Total financial assets		-	15	34
Total assets administered on behalf of Government				
		-	15	34
LIABILITIES				
Payables				
Refunds payable	4.2	165	163	-
Total payables		165	163	-
Provisions				
Other provisions	4.2	209	48	366
Total provisions		209	48	366
Total liabilities administered on behalf of Government				
		374	211	366
Net assets		(374)	(196)	(332)

The above schedule should be read in conjunction with the accompanying notes.



Australian Skills Quality Authority

ADMINISTERED RECONCILIATION SCHEDULE

as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Opening assets less liabilities as at 1 July		(196)	(332)
Net contribution by services			
Income		2,452	2,100
Expenses		-	-
Transfers (to)/from the Australian Government			
Appropriation transfers from Official Public Account			
Special appropriations (limited)	5.1C	39	183
Appropriation transfers to Official Public Account			
Transfers to Official Public Account		(2,669)	(2,147)
Closing assets less liabilities as at 30 June		(374)	(196)

The above schedule should be read in conjunction with the accompanying notes.

Accounting policy

Administered cash transfers to and from the Official Public Account

Revenue collected by ASQA for use by the Government rather than ASQA administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by ASQA on behalf of the Government and reported as such in the administered cash flow statement and in the administered reconciliation schedule.

Australian Skills Quality Authority
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2022

	2022	2021	Original Budget
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Charges	-	201	-
Fees and Fines	<u>2,630</u>	<u>1,946</u>	<u>10,217</u>
Total cash received	<u>2,630</u>	<u>2,147</u>	<u>10,217</u>
Cash used			
Refunds to registered training organisations	-	183	-
Total cash used	<u>-</u>	<u>183</u>	<u>-</u>
Net cash received from operating activities	<u>2,630</u>	<u>1,964</u>	<u>10,217</u>
Cash from Official Public Account			
Appropriations	<u>39</u>	<u>183</u>	<u>357</u>
Total cash from Official Public Account	<u>39</u>	<u>183</u>	<u>357</u>
Cash to Official Public Account			
Appropriations	<u>2,669</u>	<u>2,147</u>	<u>10,574</u>
Total cash to Official Public Account	<u>2,669</u>	<u>2,147</u>	<u>10,574</u>

This schedule should be read in conjunction with the accompanying notes.



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Overview

ASQA conducts the following administered activities on behalf of the Australian Government:

- a) registering training organisations that meet national standards
- b) accrediting courses that meet national standards
- c) monitoring and enforcing compliance
- d) providing advice to and making recommendations to the Portfolio Minister, and/or state and territory Ministers and/or the Ministerial Council on matters relating to VET, and
- e) collecting, analysing, interpreting and disseminating information about VET and the performance of registered training organisations.

The basis of preparation

The financial statements are required by section 42(2) of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Taxation

ASQA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the reporting period

Departmental

There were no subsequent events that had the potential to significantly affect the ongoing operations and financial activities of ASQA at the reporting date.

Administered

There were no subsequent events that had the potential to significantly affect the ongoing operations and financial activities of ASQA at the reporting date.

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same accounting policies as for departmental items, including the application of Australian Accounting Standards.

Overview (continued...)

Adoption of new Australian Accounting Standards

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on ASQA's financial statements.

Standard	Nature of change in accounting policy, transitional provisions, and adjustments to the financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirement framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1.1 Expenses

	2022	2021
	\$'000	\$'000
1.1A: Employee Benefits		
Wages and salaries	18,060	17,560
Superannuation		
Defined contribution plans	2,559	2,657
Defined benefit plans	582	447
Leave and other entitlements	2,341	3,768
Total employee benefits	23,542	24,432

Accounting policy

Accounting policy disclosed in the People and relationships section - note 6.1.

1.1B: Suppliers**Goods and services supplied or rendered**

Consultants	1,612	2,744
Contractors	9,725	3,021
IT Services	4,454	3,720
Legal fees	388	964
Panel auditors	845	333
Property	1,456	802
Training	386	265
Travel	237	203
Resources received free of charge	50	50
Other	460	632

Total goods and services supplied or rendered

19,613	12,734
---------------	--------

Goods supplied

32	64
-----------	----

Services rendered

19,581	12,670
---------------	--------

Total goods and services supplied or rendered

19,613	12,734
---------------	--------

Other suppliers

Short-term leases

71	152
-----------	-----

Workers compensation expenses

340	248
------------	-----

Total other suppliers

411	400
------------	-----

Total suppliers

20,024	13,134
---------------	--------

Accounting Policy**Short-term leases and leases of low-value assets**

ASQA has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The above lease disclosures should be read in conjunction with the accompanying notes 1.2B, 3.2 and 3.4.

Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
1.1C: Finance Costs		
Interest on Lease Liabilities	123	97
Unwinding of discount	<u>30</u>	<u>10</u>
Total finance costs	<u>153</u>	<u>107</u>

Accounting policy

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B, 3.2 and 3.4.

All borrowing costs are expensed as incurred.

1.1D: Write-down and impairment of other assets

Impairment of property, plant and equipment	<u>2</u>	<u>19</u>
Total write-down and impairment of assets	<u>2</u>	<u>19</u>



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

1.2 Own-source revenue and gains		
	2022	2021
	\$'000	\$'000
1.2A: Other revenue		
Resources received free of charge - remuneration of auditors	50	50
Other revenue	129	56
Total other revenue	179	106

Accounting policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2B: Rental income

Lease income	-	135
Total rental income	-	135

Subleasing rental income commitments

The Australian Skills Quality Authority in its capacity as lessor subleased 324sqm of level 10, 255 Elizabeth Street, Sydney for the part year in 2021 to the Asbestos Safety and Eradication Agency (ASEA) under an MOU Sublease arrangement. The sublease ended on 31 December 2020.

Maturity analysis of operating lease income receivables:

Within 1 year	-	11
Total undiscounted lease payments receivable	-	11

1.2C: Other gains

Gains arising from sale and leaseback of leases	-	3
Total other gains	-	3

Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1.2 Own-source revenue and gains (continued...)		
	2022	2021
	\$'000	\$'000
1.2D: Revenue from Government		
Departmental appropriations	41,892	40,583
Supplementation	1,020	-
Total revenue from Government	42,912	40,583

Accounting policy

Revenue from government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when ASQA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivables are recognised at their nominal amounts.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2.1 Administered - Income		
	2022	2021
	\$'000	\$'000
Revenue		
2.1A: Non - Taxation Revenue		
Regulatory fees	2,386	2,003
Fines	40	22
Total fees and fines	2,426	2,025
2.1B: Reversal of write-downs and impairment		
Reversal of impairment losses	26	75
Total reversals of previous asset write-downs and impairments	26	75
Total Administered revenue	2,452	2,100

Accounting policy

Revenue from regulatory fees and charges

All administered revenues are revenues relating to the course of ordinary activities performed by ASQA on behalf of the Australian Government. Revenue is generated from the collection of fees and charges (as per ASQA's published schedules of fees and charges), for managing the registration of VET training providers and for accrediting courses.

Charges include ASQA's annual registration charges and compliance audit charges. The charges have been waived for the 2020-21 and 2021-22 financial years. ASQA's regulatory fee income is recognised as revenue when an application reaches to a non-refundable stage. Revenue from fines is recognised when ASQA receives payment.

Event impacting ASQA in 2021-22

Unexpected and significant events in 2021-22 have impacted the financial statements.

ASQA collects its administered revenue mainly through fees and charges.

In April 2020 the Australian Government announced a package of measures to relieve the financial pressures the COVID-19 pandemic created for vocational education and training (VET) providers. As part of these measures, ASQA announced it would waive some of its fees and charges from 1 January 2020 through 30 June 2022 (including reimbursement of payments already made for invoices issued in that period). During the financial year ASQA waived the majority of its fees and charges, a total of \$21.454 million (2020-21 \$20.675 million).

The revenue disclosed is net of fees/charges

Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

3.1 Financial assets

	2022 \$'000	2021 \$'000
3.1A: Cash and cash equivalents		
Cash on hand or on deposit	385	287
Total cash and cash equivalents	385	287

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.1B: Trade and other receivables

Goods and services receivables

Goods and services	444	128
Total goods and services receivables	444	128

Appropriations receivables

Appropriation receivable	17,862	22,486
Receivable from Government – supplementation	1,020	-
Total appropriations receivables	18,882	22,486

Other receivables

GST from Australian Taxation Office	263	217
Other receivables	16	16
Total other receivables	279	233

Total trade and other receivables (gross)	19,605	22,847
--	---------------	---------------

Less impairment loss allowance	16	16
Total trade and other receivables (net)	19,589	22,831

Credit terms for goods and services were within 30 days (2021: 30 days).

Accounting policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

3.2 Non-financial assets

Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment, and intangible assets for 2022

	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2021					
Gross book value	10,660	1,408	906	24,313	37,287
Accumulated depreciation, amortisation and impairment	(2,647)	(1)	(57)	(12,309)	(15,014)
Total as at 1 July 2021	8,013	1,407	849	12,004	22,273
Additions					
Purchases or internally developed	-	2,365	175	1,819	4,359
Right-of-use assets	996	-	-	-	996
Depreciation, amortisation and impairment	-	(658)	(286)	(3,094)	(4,038)
Depreciation on right-of-use assets	(2,559)	-	-	-	(2,559)
Other movements	-	-	-	(2)	(2)
Disposals	(192)	-	(8)	-	(200)
Write back accumulated depreciation - disposals	149	-	6	-	155
Total as at 30 June 2022	6,407	3,114	736	10,727	20,984
Total as at 30 June 2022 represented by					
Gross book value	11,464	3,772	1,073	26,130	42,439
Accumulated depreciation, amortisation and impairment	(5,057)	(658)	(337)	(15,403)	(21,455)
Total as at 30 June 2022	6,407	3,114	736	10,727	20,984
Carrying amount of right-of-use assets	6,407	-	-	-	6,407

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

At the balance date ASQA's commitments includes Leasehold improvements costs of \$2.638m and intangible asset commitments worth \$2.176m.

Leasehold improvements and plant and equipment are subject to an asset revaluation conducted in 2020-21 by an independent valuer. All revaluations were conducted in accordance with the revaluation policy stated overleaf.

3.2 Non-financial assets (continued...)

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of leasehold improvements, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in relation to property leases taken up by ASQA where there exists an obligation to make good on the cessation of the property lease. These costs are included in the value of ASQA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Lease Right-of-Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 ASQA has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, leasehold improvements, plant and equipment (**excluding ROU assets**) are carried at fair value. Valuations are conducted every three years to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets. ASQA last undertook an asset revaluation on 30 June 2021.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation/amortisation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.



3.2 Non-financial assets (continued...)

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ASQA using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised over the lesser of the lease term or useful life.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Depreciation rates		
Asset class	2021-22	2020-21
Leasehold improvements	Lesser of the lease term & useful life	Lesser of the lease term & useful life
Plant & equipment	Four to ten years	Four to ten years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ASQA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An asset is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangible assets

ASQA's intangible assets mainly comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

All intangible assets were assessed for indications of impairment as at the reporting date.

Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

3.3 Payables

	2022	2021
	\$'000	\$'000
3.3A: Suppliers		
Trade creditors and accruals	3,134	1,245
Total suppliers	<u>3,134</u>	<u>1,245</u>

Settlement terms for suppliers are within 20 days of the date of an official, correctly rendered supplier invoice.

3.3B: Other payables

Salaries and wages	566	442
Superannuation	105	92
Total other payables	<u>671</u>	<u>534</u>

3.4 Interest bearing liabilities

	2022	2021
	\$'000	\$'000
Interest bearing liabilities		
Leases	6,437	8,042
Total leases	<u>6,437</u>	<u>8,042</u>

Total cash outflow for leases for the year ended 30 June 2022 was \$2.724m, (2021: \$2.988m)

Maturity analysis - contractual undiscounted cash flows

Within 1 year	2,276	2,275
Between 1 to 5 years	5,976	4,576
More than 5 years	2,928	1,593
Total leases	<u>11,180</u>	<u>8,444</u>

The Australian Skills Quality Authority in its capacity as lessee has significant leasing arrangements for Sydney, Melbourne, Brisbane and Adelaide offices. None of the leases have renewal options.

Accounting policy

For all new contracts entered into, the Australian Skills Quality Authority considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

The above lease disclosure should be read in conjunction with the accompanying notes 1.1B, 1.2B and 3.2.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Increase/(Decrease) recognised in net cost of services

3.5 Other provisions

	2022	2021
	\$'000	\$'000
Other provisions		
Provision for leasehold restoration	1,091	824
Total other provisions	1,091	824
		Provision for leasehold restoration
As at 1 July 2021		824
Additional Provisions made		267
Total as at 30 June 2022		1,091

The entity provided a make-good provision of \$0.858m for one of its leased properties and the obligation was settled after the balance date.

Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

4.1 Administered - financial assets

	2022 \$'000	2021 \$'000
Trade and other receivables		
Fees and charges	25	65
Total trade and other receivables	<u>25</u>	<u>65</u>
Total trade and other receivables (gross)	<u>25</u>	<u>65</u>
Less impairment loss allowance	(25)	(50)
Total trade and other receivables (net)	<u>-</u>	<u>15</u>

Credit terms for goods and services were within 30 days (2021: 30 days).

Accounting policy

Receivables

The provision for withdrawal of registration applications is calculated based on the status of the application and a percentage withdrawal rate based on previous trends of withdrawn applications.

The provision for refund of annual registration charge is estimated based on the status of a provider's registration at balance date.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

4.2 Administered - Liabilities

	2022	2021
	\$'000	\$'000
Suppliers		
Covid-19 Refund Liabilities	-	-
Other Refund Liabilities	165	163
Total Payables	<u>165</u>	<u>163</u>
Provisions		
Revenue Received in Advance	209	48
Total Provisions	<u>209</u>	<u>48</u>
Total trade and other receivables (net)	<u>374</u>	<u>211</u>

Accounting policy

Payables

The total value of refunds for annual registration charges is estimated based on the status of providers' registrations at the balance date.

Revenue received in advance is calculated based on the status of submitted applications that are subject to a potential refund.

5.1: Appropriations

5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2022

	Annual Appropriation \$'000	Adjustment to Appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	41,892	2,960	44,852	47,155	(2,303)
Capital Budget ²	1,219	-	1,219	2,539	(1,320)
Other services					
Equity Injections	1,410	-	1,410	2,411	(1,001)
Total departmental	44,521	2,960	47,481	52,105	(4,624)

¹ Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.

² Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

³ The variance in Ordinary annual services mainly contributed by higher supplier expenses over the original budget related to delayed activities for the Skills for Recovery budget measure, and expenditure related to the measure New Architecture to Strengthen Engagement in VET. Variance in capital and equity funding reflects the timing of capital projects undertaken.

Annual Appropriations for 2021

	Annual Appropriation \$'000	Adjustment to Appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	40,583	1,844	42,427	40,619	1,809
Capital Budget ²	1,218	-	1,218	886	332
Equity Injections	1,759	-	1,759	1,830	(71)
Total departmental	43,560	1,844	45,404	43,334	2,070

¹ Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.

² Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

³ The variance between total appropriation and appropriation applied in 2020-21 for ordinary annual services relates to payments funded from unspent prior year appropriation items.

5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2022 \$'000	2021 \$'000
Departmental		
Appropriation Act (No. 1) 2021-2022	17,941	-
Appropriation Act (No. 2) 2021-2022	82	-
Appropriation Act (No. 1 DCB) 2021-2022	223	-
Appropriation Act (No. 1) 2020-2021	-	18,994
Supply Act (No. 1) 2020-2021	-	1,153
Appropriation Act (No. 1 DCB) 2020-2021	-	507
Supply Act (No. 1 DCB) 2020-2021	-	711
Appropriation Act (No. 2) 2020-2021	-	226
Supply Act (No. 2) 2020-2021	-	857
Supply Act (No. 1 DCB) 2019-2020	-	325
Total departmental	18,246	22,773

5.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2022 \$'000	2021 \$'000
Public Governance, Performance and Accountability Act 2013 s.77, Administered	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and the Finance Minister is satisfied that, apart from this section, there is no specific appropriation for the repayment.	39	183
Total special appropriations applied			39	183



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

5.2 Regulatory charging summary

	2022 \$'000	2021 \$'000
Amounts applied		
Departmental		
Annual appropriations	52,105	43,334
Total amounts applied	<u>52,105</u>	<u>43,334</u>
Expenses		
Departmental	50,318	43,932
Administered	-	-
Total expenses	<u>50,318</u>	<u>43,932</u>
External Revenue		
Administered	2,452	2,100
Total external revenue	<u>2,452</u>	<u>2,100</u>

Regulatory charging activities:

Regulation and advice, including regulation of Vocational Education and Training (VET) organisations, accreditation of VET courses and advice in regard to VET regulation.

Documentation (Cost Recovery Implementation Statement) for the above activities is available at <https://www.asqa.gov.au/about/fees-and-charges>

5.3 Net cash appropriation arrangements

	2022 \$'000	2021 \$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(7,227)	(3,105)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	4,038	3,332
Plus: depreciation right-of-use assets	2,559	2,908
Less: principal lease repayments	<u>(2,558)</u>	<u>(2,891)</u>
Net Cash Operating Surplus/ (Deficit)	<u>(3,188)</u>	244

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

6.1 Employee provisions

	2022	2021
	\$'000	\$'000
Employee provisions		
Leave	<u>5,938</u>	<u>6,480</u>
Total employee provisions	<u>5,938</u>	<u>6,480</u>

Accounting policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan asset (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including ASQA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid on termination.

The liability for long service leave has been determined based on the short-hand method at 30 June 2022. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

ASQA employees are members of the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

ASQA makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. ASQA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS*for the year ended 30 June 2022***6.2 Key management personnel remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. ASQA has determined the key management personnel to be the Chief Executive Officer, Deputy Chief Executive Officer and Executive Directors. Key management personnel remuneration is reported in the table below:

	2022	2021
	\$'000	\$'000
Short-term employee benefits	1,516	1,804
Post-employment benefits	238	257
Other long-term employee benefits	34	40
Termination benefits	<u>-</u>	<u>191</u>
Total key management personnel remuneration expenses¹	<u>1,788</u>	<u>2,292</u>

The total number of key management personnel that are included in the above table are 7 (2021: 12).

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Agency Minister. The Agency Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

6.3 Related party disclosures

Related party relationships

ASQA is an Australian Government-controlled entity. Related parties to ASQA are key management personnel, including the Agency Minister and Executive.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans
- purchases of goods and services
- asset purchases, sales transfers or leases
- debts forgiven, and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by ASQA, it has been determined that there are no significant related party transactions to be separately disclosed.



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

7.1A Contingent assets and liabilities

	Guarantees		Claims for damages or costs		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contingent assets						
Balance from previous period	-	44	224	256	224	300
New contingent assets recognised	-	-	245	-	245	-
Assets realised	-	-	(13)	(32)	(13)	(32)
Rights expired	-	(44)	-	-	-	(44)
Total contingent assets	-	-	456	224	456	224
Net contingent assets	-	-	456	224	456	224

Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Contingent assets

Contingent assets arise from guarantees, indemnities and other forms of support provided to ASQA and from legal disputes and other claims by ASQA arising from past events. Contingent assets by definition are similar to an asset with the distinguishing feature being the uncertainty over ASQA's entitlement.

Contingent liabilities

Contingent liabilities arise from guarantees, indemnities and other forms of support provided by ASQA and from legal disputes and other claims against ASQA arising from past events. Contingent liabilities by definition are similar to a liability with the distinguishing feature being the uncertainty over ASQA's obligation.

Quantifiable contingent liabilities

ASQA does not have any quantifiable departmental contingent liabilities as at the reporting date.

Unquantifiable contingent assets and liabilities

ASQA has a number of legal matters against third parties; however, it is not possible to estimate the amount(s) or likely payout or receivable in relation to the legal matters.

Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

7.1B: Administered - Contingent assets and liabilities				
	Claims for		Total	
	damages or costs			
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Contingent assets				
Balance from previous period	409	437	409	437
New contingent assets recognised	571	-	571	-
Re-measurement	-	(12)	-	(12)
Assets realised	(17)	(16)	(17)	(16)
Total contingent assets	963	409	963	409
Net contingent assets	963	409	963	409



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

7.2A Financial instruments

	2022	2021
	\$'000	\$'000
Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	385	287
Trade and other receivables	444	128
Total financial assets at amortised cost	<u>829</u>	<u>415</u>
Total financial assets	<u>829</u>	<u>415</u>
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	3,134	1,245
Total financial liabilities measured at amortised cost	<u>3,134</u>	<u>1,245</u>
Total financial liabilities	<u>3,134</u>	<u>1,245</u>

7.2B Administered - Financial instruments

	2022	2021
	\$'000	\$'000
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivables	-	15
Total financial assets at amortised cost	<u>-</u>	<u>15</u>
Total financial assets	<u>-</u>	<u>15</u>

7.2 Financial instruments (continued...)

Accounting policy

Financial assets

In accordance with AASB 9 Financial Instruments, ASQA classifies its financial assets at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

7.3A Fair value measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

	Fair value measurements at the end of the reporting period	
	2022 \$'000	2021 \$'000
Non-financial assets		
Leasehold improvements	3,114	1,407
Plant and equipment	736	849
Total non-financial assets	3,850	2,256

Accounting policy

Fair values for each class of assets are determined as shown below:

Asset class	2021-22	2020-21
Leasehold improvements	Amortised replacement cost	Amortised replacement cost
Plant & equipment	Market price	Market price

7.3B Administered - Fair value measurements

ASQA's administered assets and liabilities are related to fees and charges imposed under ASQA's enabling legislation, the *National Vocational Education and Training Regulator Act 2011*; the *National Vocational Education and Training Regulator (Transitional Provisions) Act 2011* and the *National Vocational Education and Training Regulator (Charges) Act 2012*. As such, ASQA's assets and liabilities are carried at a value determined by legislation and not at fair value.

8.1A Current/non-current distinction for assets and liabilities

	2022 \$'000	2021 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	385	287
Trade and other receivables	19,589	22,831
Prepayments	433	452
Total no more than 12 months	20,407	23,570
More than 12 months		
Buildings	6,407	8,013
Leasehold improvements	3,114	1,407
Plant and equipment	736	849
Intangible assets	10,727	12,004
Total more than 12 months	20,984	22,273
Total assets	41,391	45,843
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	3,134	1,245
Other payables	671	534
Leases	2,276	2,145
Employee provisions	1,737	2,395
Other provisions	858	-
Total no more than 12 months	8,676	6,319
More than 12 months		
Leases	4,161	5,897
Employee provisions	4,201	4,084
Other provisions	233	824
Total more than 12 months	8,595	10,805
Total liabilities	17,271	17,124

8.1B Administered - Current/non-current distinction for assets and liabilities

	2022 \$'000	2021 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Trade and other receivables	-	15
Total no more than 12 months	-	15
Total assets	-	15
Liabilities expected to be settled in:		
No more than 12 months		
Other payables	165	163
Other provisions	209	48
Total no more than 12 months	374	211
Total liabilities	374	211



Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

9 Budget variances commentary

The following table provides explanations for significant variances between ASQA's original budget as presented in the 2021–22 Portfolio Budget Statements (PBS) and the 2021–22 final budget outcome as presented in accordance with Australian Accounting Standards. Budget adjustments were approved during the 2021–22 Mid-Year Economic Fiscal Outlook (MYEFO) budget round. The budget is not audited. High level explanations of the causes of the significant variances are provided below.

Explanations may relate to multiple line items, including across statements.

Departmental

ASQA's original 2021–22 Portfolio Budget Statements (PBS) result is for an operating loss of \$3.793 million.

ASQA's Final Budget

Outcome for 2021-22 is an operating loss of \$7.227 million, a variance of \$3.434 million.

Explanations of significant variances	Affected Statement/line items
Employee expenses are \$1.685 million (6.7%) under the original budget. The underspend reflects a lower annual Average Staffing Level (ASL) of 183 against a budgeted ASL of 195.6.	Statement of comprehensive income
Supplier expenses are \$5.51 million (38%) over the original budget which is due to higher than budgeted contractor expenditure to offset lower ASL levels, and ASQA delivering key elements in its five-year reform program which largely related to delayed activities for the Skills for Recovery budget measure, and expenditure related to the measure New Architecture to Strengthen Engagement in VET.	Expenses
Annual depreciation and amortisation expenses exceeded budget by \$0.732 million. Annual depreciation and amortisation expenses exceeded original budget by \$0.732 million. Contributing factors include \$4.359 million of new assets purchased during the financial year and \$0.996 million of Right of Use (RoU) asset additions relating to lease liabilities.	
Other revenues are \$0.179 million over the original budget. Other revenues consist of \$0.179 million revenue received for the court awarded costs and reimbursements of \$0.129 million and Resources Received Free of Charge representing the audit fee conducted by the Australian National Audit Office \$0.050 million.	Statement of comprehensive income Own-source income
Revenue from Government is \$1.020 million over the original budget, due to the measure New Architecture to Strengthen Engagement in VET approved by the Prime Minister in December 2021 which included \$1.020 million in 2021-22. Due to the federal election timing in May 2022 this measure has not yet been legislated, and as such is not reported in ASQA's Appropriations at note 5.1.	Statement of comprehensive income Revenue from Government
Financial assets are \$1.282 million over the original budget. The increase on the budget position reflects the increase in the balance of appropriation receivables due to unspent departmental ordinary and capital appropriation budgets, primarily due to the measure New Architecture to Strengthen Engagement in VET.	Statement of financial position Financial assets
Buildings are \$3.042 million (90.4%) and leasehold improvements are \$1.707 million (121.3%) over the original budget. This reflects new leases and associated fit-out for Melbourne, Sydney, Perth and Canberra offices entered into during the year.	Statement of financial position Non-Financial assets
Intangible assets are \$1.816 million under the original budget, which is reflects a redirection of intangible asset additions to fund leasehold improvements for new leases in 2021-22.	

Australian Skills Quality Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

9 Budget variances commentary (continued...)

<p>Total liabilities are \$4.951 million (40%) over the original budget position. This is primarily due to increased supplier payables of \$1.268 million as at 30 June 22 for leasehold improvements, and an increase in lease liability provisions of \$1.883 million from new office leases.</p> <p>Other payables of \$0.671 million consisting of accrued salary and superannuation were not budgeted for and other provisions increased by \$0.614 million due to higher than budgeted estimates for makegood on the Melbourne office.</p>	<p><i>Statement of financial position</i></p> <p><i>Liabilities</i></p>
<p>ASQA's net assets and total equity are inline with original budget.</p>	<p><i>Statement of financial position</i></p>
<p>ASQA's equity is in line with the original budget position.</p>	<p><i>Statement of changes in equity</i></p>
<p>The variances between budget and actuals in the statement of cash flows are primarily the flow on effect from the events already described and timing differences between cash receipts and expense payments.</p>	<p><i>Cash flow statement</i></p>

Administered

The budgeted result was total comprehensive income of \$10.217 million. The actual result was comprehensive income of \$2.452

Explanations of significant variances	Affected Statement/line items
<p>On 26 November 2021 the Australian Government released the Australian Strategy for International Education 2021-30 and key initiatives supporting its implementation. As part of these measures, majority of ASQA's fees and charges for registered training organisations and CRICOS providers have been waived for six months and will resume from 1 July 2022.</p> <p>Revenue from charges, fees and fines, which includes annual registration charges and compliance audit charges, was \$7.791 million (76.3%) under the original budget position, primarily due to the Australian Government waiving fees and charges until 30 June 2022.</p> <p>ASQA does not budget for the write-down and impairment of receivables as the entity is obliged to pursue recovery of each debt for which the entity is responsible.</p>	<p><i>Administered schedule of comprehensive income</i></p>
<p>Other provisions reflect revenue received in advance for applications received during the cut over period of the new financial year \$0.209 million and Provisions for Refunds of \$0.165 million still to be administered for the COVID-19 financial relief measure and return of annual charges for ceased registrations.</p>	<p><i>Administered schedule of assets and liabilities</i></p>
<p>The variances between budget and actuals in the statement of cash flows are primarily the flow on effect from the events already described and timing differences between cash receipts and expense payments.</p> <p>Cash received for operating activities is \$7.587 million (74%) below the original budget position.</p> <p>Cash used for operating activities matches the original budget position.</p>	<p><i>Cash flow statement</i></p>



4. Finances





5. Appendices

With the changes we have made, we can now focus on achieving what we have set out to achieve through our revised purpose and new strategic deliverables.

In this chapter....

Appendix A: List of requirements	136
Appendix B: Key legislation	144
Appendix C: Compliance with <i>Standards for VET Regulators 2015</i> and <i>Standards for VET Accredited Courses 2021</i>	145
Appendix D: Reporting against NVR Act requirements	146
Appendix E: Supplementary report on implementation of the <i>Rapid Review of the Australian Skills Quality Authority's Regulatory Practices</i>	147
Appendix F: Entity Resource Statement	151
Appendix G: Entity Expense Statement	152
Glossary	153
Acronyms and abbreviations	158
Alphabetical index	159

Appendix A: List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

Table 16: Reporting requirements

PGPA Rule reference	Part of report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	Preliminary pages	A copy of the letter of transmittal signed and dated by Accountable Authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the Annual Report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	Preliminary pages	Table of contents.	Mandatory
17AJ(b)	Chapter 5	Alphabetical index.	Mandatory
17AJ(c)	Chapter 5	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	Chapter 5	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
17AD(a)	Review by Accountable Authority		
17AD(a)	Chapter 1	A review by the Accountable Authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	Chapter 1	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Chapter 1	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	Chapter 1	A description of the outcomes and programmes administered by the entity.	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
17AE(1)(a)(iv)	Chapter 1 Chapter 2	A description of the purposes of the entity as included in Corporate Plan.	Mandatory
17AE(1)(aa)(i)	Chapter 2	Name of the Accountable Authority or each member of the Accountable Authority	Mandatory
17AE(1)(aa)(ii)	Chapter 2	Position title of the Accountable Authority or each member of the Accountable Authority	Mandatory
17AE(1)(aa)(iii)	Chapter 3	Period as the Accountable Authority or member of the Accountable Authority within the reporting period	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments, Mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c)	Report on the performance of the entity		
	Annual performance statements		
17AD(c)(i); 16F	Chapter 2	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	Chapter 4	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	Appendices F & G	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.

PGPA Rule reference	Part of report	Description	Requirement
17AD(d)	Management and accountability		
<i>Corporate governance</i>			
17AG(2)(a)	Letter of Transmittal	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	Letter of Transmittal	A certification by Accountable Authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	Letter of Transmittal	A certification by Accountable Authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	Letter of Transmittal	A certification by Accountable Authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	Chapter 3	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
<i>Audit Committee</i>			
17AG(2A)(a)	Chapter 3	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	Chapter 3	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	Chapter 3	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	Chapter 3	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	Chapter 3	The remuneration of each member of the entity's audit committee.	Mandatory
<i>External Scrutiny</i>			
17AG(3)	Chapter 3	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
17AG(3)(a)	Chapter 3	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	Chapter 3	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Chapter 3	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of Human Resources			
17AG(4)(a)	Chapter 3	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	Chapter 3	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	Chapter 3	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • statistics on staffing classification level; • statistics on full-time employees; • statistics on part-time employees; • statistics on gender; • statistics on staff location; • statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	Chapter 3	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	Chapter 3	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	Chapter 3	The salary ranges available for APS employees by classification level.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(4)(c)(iii)	Chapter 3	A description of nonsalary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets management			
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
Purchasing			
17AG(6)	Chapter 3	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	Chapter 3	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	Chapter 3	A statement that <i>'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'</i>	Mandatory
17AG(7)(c)	Chapter 3	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	Chapter 3	A statement that <i>'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'</i>	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
Reportable non-consultancy contracts			
17AG(7A)(a)	Chapter 3	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	Chapter 3	A statement that <i>'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'</i>	Mandatory
17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
17AGA	Chapter 3	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	Chapter 3	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
Exempt contracts			
17AG(9)	Chapter 3	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the Annual Report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory

PGPA Rule reference	Part of report	Description	Requirement
Small business			
17AG(10)(a)	Chapter 3	A statement that ' <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.</i> '	Mandatory
17AG(10)(b)	Chapter 3	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature - a statement that ' <i>[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.</i> '	If applicable, Mandatory
Financial statements			
17AD(e)	Chapter 4	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive remuneration			
17AD(da)	Chapter 3	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory
17AD(f) Other mandatory information			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that ' <i>During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.</i> '	If applicable, Mandatory
17AH(1)(a)(ii)	Chapter 3	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that ' <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].</i> '	If applicable, Mandatory



PGPA Rule reference	Part of report	Description	Requirement
17AH(1)(c)	Chapter 3	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	Chapter 3	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Appendix D	Information required by other legislation	Mandatory

Appendix B: Key legislation

Acts

National Vocational Education and Training Regulator Act 2011 (NVR Act)

Education Services for Overseas Students Act 2000 (ESOS Act)

Education Services for Overseas Students (Registration Charges) Act 1997 (ESOS Registration Charges Act)

National Vocational Education and Training Regulator (Charges) Act 2012 (NVR Charges Act)

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

Instruments

ASQA Authorised Officer Requirements 2012 (s 89(2A) NVR Act)

Australian Skills Quality Authority Instrument Fixing Fees Amendment Declaration (No 1) 2018 (s 232 of the NVR Act)

Australian Skills Quality Authority Instrument fixing fees No 1 of 2013 (ss 232(1) and 232(5) of the NVR Act)

ELICOS (English Language Intensive Courses for Overseas Students) Standards 2018 (s 176B(1) of the ESOS Act)

National Vocational Education and Training Regulator (Financial Viability Risk Assessment Requirements) Instrument 2021 (s 158 of the NVR Act)

Fit and Proper Person Requirements 2011 (s 186 of the NVR Act)

National Code of Practice for Providers of Education and Training to Overseas Students 2018 (s 33(1) of the ESOS Act)

National Vocational Education and Training Regulator (Charges) Determination 2013 (No 1) (ss 6B(1), 9(2), 12(2) and 13 of the NVR Act)

National Vocational Education and Training Regulator (Data Provision Requirements) Instrument 2020 (s 187 of the NVR Act)

National Vocational Education and Training Regulator Regulations 2011 (s 235 NVR Act)

Standards for NVR Registered Training Organisations (RTOs) 2015 (s 185 of the NVR Act)

Standards for VET Accredited Courses 2021 (s 188 of the NVR Act)

Standards for VET Regulators 2015 (s 189 of the NVR Act)



Appendix C: Compliance with *Standards for VET Regulators 2015* and *Standards for VET Accredited Courses 2021*

In pursuing our purpose in 2021–22, ASQA undertook our regulatory functions in accordance with the *Standards for VET Regulators 2015* and *Standards for VET Accredited Courses 2021*.

Table 17: Reporting against required Standards

Standards for VET Regulators 2015	Response/Reference
Standard 1. The VET Regulator effectively and efficiently regulates RTOs.	See Strategic Deliverable 2, Performance Measure 2.1e in the annual performance statement
Standard 2. Courses are accredited in accordance with the <i>Standards for VET Accredited Courses 2021</i> .	See Strategic Deliverable 2, Performance Measure 2.1e in the annual performance statement
Standard 3. The VET Regulator communicates effectively and implements a transparent complaints process to enhance regulatory practices and outcomes.	See Strategic Deliverables 2 and 3, Performance Measures 2.1e and 3.1f in the annual performance statement
Standard 4. The VET Regulator reports to and responds to requests from the Industry and Skills Council or its delegate.	No requests were received for 2021–22
Standard 5. The VET Regulator evaluates and improves its regulatory performance and ensures that its delegates comply with the VET Regulator Standards.	See Strategic Deliverable 2, Performance Measure 2.1e in the annual performance statement
Standard 6. The VET Regulator must be effectively and efficiently managed.	See Strategic Deliverables 2 and 5, Performance Measures 2.1 e and 5.3c in the annual performance statement

Appendix D: Reporting against NVR Act requirements

Section 215 of the NVR Act requires the Annual Report prepared by the CEO and given to the Minister under section 46 of the PGPA Act must include the items shown in the table below.

Table 18: Reporting against requirements of the NVR Act, s.215

Requirement	Response
s.215 (a) an assessment of the extent to which the National VET Regulator’s operations during the period have contributed to the objectives set out in the Corporate Plan for the period.	This is provided in the annual performance statement section of this report in Chapter 2.
s.215 (b) particulars of variations (if any) of the Corporate Plan taking effect during the period.	There were no variations to the Corporate Plan that took effect during the reporting period.
s.215 (c) a statement about the Regulator’s compliance, during the period, with the <i>Standards for VET Regulators 2015</i> .	See Appendix C.
s.215 (d) a report on whether the Service Standards have been met by the Regulator during the period, including reasons in any case where the Service Standards have not been met.	This is provided in the annual performance statement section of this report in Chapter 2.
s.215 (e) details of the number of directions given to the Regulator by the Minister during the period.	No directions were given during the reporting period.
s.215 (f) details of the number and types of matters relating to vocational education and training which the Commonwealth, State and Territory Education Ministers referred to the Regulator during the period.	No matters were referred during the reporting period.
s.215 (g) details of the number and types of matters relating to vocational education and training which the Ministerial Council referred to the Regulator during the period.	No matters were referred during the reporting period.
s.215 (h) a general description of the Regulator’s response to the matters mentioned in paragraphs (f) and (g).	No matters were referred during the reporting period.

Appendix E: Supplementary report on implementation of the *Rapid Review of the Australian Skills Quality Authority’s Regulatory Practices*

Key: Colours indicate alignment with our 2021–22 Strategic deliverables

- 1** Our regulatory approach promotes a culture of self-assurance and continuous improvement
- 2** Our regulatory approach is best practice, integrated, risk-based and proportionate
- 3** Our regulatory approach is transparent and accountable
- 4** We engage and partner with stakeholders constructively and with mutual respect
- 5** We add value and are efficient, effective, and continuously improve
- 6** Our understanding of sector performance and promotion of self-assurance contributes to quality VET and informed consumers

Table 19: Rapid Review recommendation implementation

1	2	3
Develop a shared understanding of what ‘quality’ and ‘outcomes’ look like, how these should be reflected in outcomes-focused standards and performance assessed by ASQA.	Develop new standards in consultation with the sector, with a view to decreasing prescriptive detail and increasing the focus on quality training delivery and outcomes for students and employers.	Develop resources to support providers to meet the standards including self-assessment tools to encourage continuous improvement.
DESE has implementation carriage	DESE has implementation carriage	Implementation Q2 2022–23
4	5	6
Adjust ASQA’s approach to performance monitoring in line with revised standards and a focus on provider self-assurance.	Publish more information regarding provider performance to support students and employers to differentiate between providers.	Realign ASQA’s cost recovery arrangements to reflect ASQA’s new approach to performance monitoring.
Implementation dependent on 1 and 2	Implementation commenced Q2 2021–22	Implementation complete

<p>7</p> <p>Build a common understanding of ASQA's role and regulatory approach, what stakeholders can and cannot expect of ASQA and areas of shared stakeholder responsibility.</p>	<p>8</p> <p>Change ASQA's organisational structure and focus to strengthen strategic oversight and managerial capacity to:</p> <ul style="list-style-type: none"> • support implementation of critical reforms (including in relation to engagement and education, performance assessment and proportionate response to non-compliance) • support change management • strengthen internal systems and quality controls. 	<p>9</p> <p>Establish an advisory council to improve access to high-level ongoing expert advice including in relation to ASQA's strategic objectives and approach to regulation.</p>
<p>Implementation commenced Q1 2021–22</p>	<p>Implementation complete Continuous improvement focus</p>	<p>Implementation complete</p>
<p>10</p> <p>Strengthen ASQA's strategic stakeholder engagement and education, including to:</p> <ul style="list-style-type: none"> • build provider capacity for self-assurance • co-design new regulatory tools with the sector (for example, to support self-assessment) • identify common areas of non-compliance and develop consistent guidance for external stakeholders and for ASQA. 	<p>11</p> <p>Strengthen strategic engagement with SSON, IRCs and SSOs to establish a feedback loop regarding broader VET reform, training packages, their intent and their implementation by providers.</p>	<p>12</p> <p>Expand ASQA's post-market monitoring to include risk-based and routine monitoring to support public confidence in the regulation of the sector.</p>
<p>Implementation Q2 2022–23</p>	<p>Implementation commenced Q1 2021–22</p>	<p>Implementation commenced Q2 2021–22</p>



<p>13</p> <p>Review the provider self-assessment tool and the annual declaration on compliance, such that they better support providers to identify and address non-compliance and drive continuous improvement.</p>	<p>14</p> <p>Adopt a range of monitoring activities that can be selected based on risk and the purpose for monitoring, to better align regulatory effort to risk.</p>	<p>15</p> <p>More clearly distinguish the functions of monitoring provider performance and determining the most appropriate regulatory response where non-compliance is identified to improve consistency of audit outcomes and proportionality of regulatory response.</p>
<p>Implementation Q2 2022–23</p>	<p>Implementation complete</p>	<p>Implementation complete Continuous improvement focus</p>
<p>16</p> <p>Give providers opportunity to remedy any identified non-compliance within 20 working days, or in accordance with an undertaking to remedy (providing a longer period within which to address the non-compliance on a more systemic and sustained basis).</p>	<p>17</p> <p>Enhance opportunity to undertake early dispute resolution.</p>	<p>18</p> <p>Revise the report that is given to providers following audit to more comprehensively describe any non-compliance as identified issues against the student-centred journey; reduce the amount of non-essential text; and distinguish between minor non-compliances or areas for improvement and more significant non-compliances.</p>
<p>Implementation complete Continuous improvement focus</p>	<p>Implementation complete Continuous improvement focus</p>	<p>Implementation complete Continuous improvement focus</p>
<p>19</p> <p>Notify government agencies of provider non-compliance after the provider has had the opportunity to respond to the audit report (except where there is significant and immediate risk to public funding, students or others as a result of the identified non-compliance).</p>	<p>20</p> <p>In the short-term, build on the information ASQA publishes in respect of regulatory decisions to include the main reasons for the decision, so as to improve transparency of decision-making.</p>	<p>21</p> <p>In the long-term, publish a summary of ASQA's findings regarding the provider's performance against the standards.</p>
<p>Implementation complete Continuous improvement focus</p>	<p>Implementation Q2 2022–23</p>	<p>Implementation Q2 2023–24</p>

<p>22</p> <p>Strengthen induction training for ASQA auditors and decision-makers, including to support consistent regulatory practice, decision-making and documentation.</p>	<p>23</p> <p>Implement a formal program for continuing professional development for ASQA auditors and decision-makers.</p>	<p>24</p> <p>Implement a program of internal quality assurance, including regular:</p> <ul style="list-style-type: none"> • opportunities for moderation of audit outcomes and decision-making • internal review of audit reports and compliance outcomes.
<p>Implementation complete Continuous improvement focus</p>	<p>Implementation commenced Q2 2021-22</p>	<p>Implementation complete Continuous improvement focus</p>



Appendix F: Entity Resource Statement

		Actual available appropriation for 2021-22 \$'000	Adjustment to Appropriation 2021-22 \$'000	Total appropriations available after adjustments 2021-22 \$'000	Payments made 2021-22 \$'000	Balance remaining 2021-22 \$'000
Departmental						
Annual appropriation ¹		43,111	-	43,111	24,947	18,164
Prior year appropriations available ²		17,963	3,727	21,690	21,690	-
s74 Retained revenue receipts		-	2,960	2,960	2,960	-
Total		61,074	6,687	67,761	49,597	18,164
Total ordinary annual services	A	61,074	6,687	67,761	49,597	18,164
Other services						
Departmental non-operating						
Prior appropriations available ³		1,145	(62)	1,083	1,083	(0)
Equity injections		1,410	-	1,410	1,328	82
Total		2,555	(62)	2,493	2,411	82
Total other services	B	2,555	(62)	2,493	2,411	82
Total departmental resourcing		63,629	6,625	70,254	52,008	18,246
Administered						
Special appropriations limited by criteria/entitlement						
<i>Public Governance, Performance and Accountability Act 2013-s 77</i>		39	-	39	39	
Total administered resourcing	C	39	-	39	39	
Total resourcing and payments						
A+B+C		63,668		70,293	52,047	
Total resourcing and payments for ASQA		63,668		70,293	52,047	

¹ Appropriation Act (No. 1) 2021-22 and Appropriation Act (No. 3) 2021-22.

² Appropriation Act (No.1) 2020-21, Appropriation Act (No.1 DCB) 2020-21, Supply Act (No.1) 2020-21, Supply Act (No. 1 DCB) 2020-21 and Supply Act (No. 1 DCB) 2019-20

³ Appropriation Act (No. 2) 2020-21 and Supply Act (No. 2) 2020-21

Appendix G: Entity Expense Statement

Expenses for Outcome 1			
Outcome 1: Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.	Budget*	Actual	Variation
	2021-22 \$'000	2021-22 \$'000	2021-22 \$'000
	(a)	(b)	(a)-(b)
Program 1.1: Regulation and Advice			
Administered expenses			
Expenses not requiring appropriation in the budget year	-	-	-
Departmental expenses			
Departmental appropriation ¹	41,892	46,229	(4,337)
Expenses not requiring appropriation in the budget year ²	3,843	4,089	(246)
Total for Program 1.1	45,735	50,318	(4,583)
Outcome 1 totals by appropriation type			
Administered expenses			
Expenses not requiring appropriation in the budget year	-	-	-
Departmental expenses			
Departmental appropriation ¹	41,892	46,229	(4,337)
Expenses not requiring appropriation in the budget year ²	3,843	4,089	(246)
Total expenses for Outcome 1	45,735	50,318	(4,583)
	2021-22	2021-22	2021-22
Average staffing level (number)	199	188	11

* Full year budget, including any subsequent adjustment made to the 2021-22 budget at Additional Estimates.

¹ Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.



Glossary

accreditation

The formal recognition of a vocational education and training course by the Australian Skills Quality Authority.

accredited VET course

A structured sequence of training developed to meet training needs that are not addressed by existing training packages.

ANAO Audit

To assess the effectiveness of ASQA performance in planning and implementing Rapid Review recommendations the ANAO conducted an 'in-flight' audit of the agency.

ASQA Info Line

ASQA's phone and email contact centre.

Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)

An online database of courses and educational institutions or providers in Australia that are registered to offer courses to overseas students with student visas.

competency

An individual's demonstrated capacity to perform a skill or task.

compliance

Compliance is reached when requirements of the VET Quality Framework or *Standards for VET Accredited Courses 2021* have been met.

cost recovery

Cost recovery broadly encompasses fees and charges related to the provision of government goods and services (including regulation) to private and other sectors of the economy.

As a full cost recovery agency, ASQA must recover the costs of performing regulatory activities through fees and charges.

Department of Education, Skills and Employment (DESE)

The Department of Education, Skills and Employment's purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.

ELICOS Standards 2018

Guidelines for designated authorities to make recommendations for acceptance of ELICOS providers to be registered on the CRICOS.

English Language Intensive Courses for Overseas Students (ELICOS)

English language programs for students who require English language training before commencing formal studies in Australia.

Financial Viability Risk Assessment(s)

Structured risk assessments of common indicators of financial performance, which determine an organisation's likely business continuity and its financial capacity to deliver quality outcomes.

Financial Viability Risk Assessment Requirements

A legislative instrument to ensure that an applicant or provider has the necessary financial resources for business continuity and can deliver quality outcomes.

Fit and Proper Person Requirements 2011

A legislative instrument used to determine fit and proper person requirements for persons who exercise a degree of control or influence over the operation of a registered training organisation.

industry

The bodies that have a stake in the training, assessment and client services provided by vocational education providers.

National Code of Practice for Providers of Education and Training to Overseas Students 2018 (National Code)

A set of nationally consistent standards that governs the protection of overseas students and delivery of courses to those students by providers registered on the CRICOS.

national register

The official national register of information on training packages, qualifications, courses, units of competency and registered training organisations, online at training.gov.au

National Skills Commission (NSC)

The National Skills Commission provides advice on Australia's labour market, future workforce changes and current and emerging skills needs, including VET pricing and performance.

national VET regulator

The Australian Skills Quality Authority, the national body responsible for registered training providers and accrediting courses in Australia.

National Vocational Education and Training Regulator Act 2011 (NVR Act)

National legislation that governs the regulation of the vocational education and training sector in Australia.

non-compliance

Non-compliance occurs when the requirements of the VET Quality Framework or other relevant standards or registration conditions have not been met.

overseas student

A person studying onshore only with visa subclass 500, excluding students on Australian-funded scholarships or sponsorship or students undertaking study while in possession of other temporary visas.

**performance assessment**

The systematic and documented process used to assess a provider's ongoing compliance with the *Standards for Registered Training Organisations (RTOs) 2015* and the National Code of Practice for Providers of Education and Training to Overseas Student 2018.

products of concern

Training products (qualifications, courses or units of competency) which are identified to pose a degree of risk that warrants close scrutiny.

provider

'Provider' may refer to:

- a registered training organisation
- a vocational education and training provider that is also registered on the CRICOS to deliver to overseas students
- a provider that is registered on the CRICOS and delivers ELICOS.

Provider Registration and International Student Management System (PRISMS)

Australian Government secure online system that allows CRICOS providers to comply with legislative requirements and Government agencies to monitor student compliance with visa conditions and provider compliance with the ESOS Act 2001.

provider risk

Risk which is posed to the quality of student outcomes and the reputation of the VET sector due to individual provider behaviour.

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

An Act about the governance, performance and accountability of, and the use and management of public resources by, the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.

qualification

Formal certification, issued by a relevant approved body, in recognition that a person has achieved learning outcomes or competencies relevant to identified individual, professional, industry or community needs.

Rapid Review

To inform the reform of ASQA, the Department of Education, Skills and Employment engaged mpconsulting to conduct a Rapid Review of ASQA's internal regulatory practices and processes in late 2019. The final report of the review was released in April 2020.

registered training organisation (RTO)

An organisation registered in accordance with the requirements of the VET Quality Framework to provide specific vocational education and training and/or assessment services.

registration

ASQA registers both VET providers as RTOs and providers wishing to enrol overseas students who are on student visas as CRICOS providers.

VET registration is a nationally recognised indication that a training organisation can deliver, assess and issue qualifications or statements of attainment to a nationally agreed standard for the specific vocational education and training qualifications it is registered to provide.

Providers delivering training and assessment to overseas students who have Australian student visas must be registered on CRICOS.

reviewable decision

Reviewable decisions include those decisions listed in section 199 of the *National Vocational Education and Training Regulator Act 2011*.

risk assessment

Assessment conducted to gather data about operations of providers including through undertaking performance assessment (audit) activities.

Self-assurance

The concept of self-assurance refers to the way providers manage their operations to ensure a focus on quality, continuous improvement, and ongoing compliance. Self-assurance requires providers to have systems in place to critically examine their performance (compliance with the Standards) and outcomes (student outcomes), on an ongoing basis, to identify ways to continuously improve.

Skills Service Organisations

Skills Service Organisations work with Industry Reference Committees to help them progressively review and develop training packages.

scope of registration

The particular services and products that a provider is registered to provide.

Standards for Registered Training Organisations (RTOs) 2015

The national standards against which applicants for registration as a VET provider and existing VET providers are assessed.

Standards for VET Accredited Courses 2021

A legislative instrument used to formally identify the requirements for accrediting VET courses.

Standards for VET Regulators 2015

A legislative instrument used to formally identify the standards for VET regulators performing functions under the *National Vocational Education and Training Regulator Act 2011*.

strategic reviews

Industry-wide reviews undertaken by ASQA to obtain information about areas of the training sector that may require targeted regulatory action.



systemic risk

Risk that is likely to affect a significant proportion of providers across the VET sector or specific industry sectors and which represents a significant risk to the quality and outcomes of VET if left untreated.

training package

A package that specifies the skills and knowledge required to perform effectively in the workplace.

VET Quality Framework

A set of standards and conditions used by ASQA to assess whether a registered training organisation meets the requirements for registration.

The VET Quality Framework comprises:

- the *Standards for Registered Training Organisations (RTOs) 2015*
- the Fit and Proper Person Requirements
- the Financial Viability Risk Assessment Requirements
- the Data Provisions Requirements
- the Australian Qualifications Framework.

VET reform

In 2019 the Australian Government announced reforms to the vocational education and training sector, in response to key recommendations of the Braithwaite and Joyce Reviews.

vocational education and training

Post-compulsory education and training, excluding degree and higher-level programs delivered by further education institutions, which provides people with occupational or work-related knowledge and skills.

Acronyms and abbreviations

AAT Administrative Appeals Tribunal

ANAO Australian National Audit Office

APS Australian Public Service

ASQA Australian Skills Quality Authority

CDDP Commonwealth Director of Public Prosecutions

CEO Chief Executive Officer

CRICOS Commonwealth Register of Institutions and Courses for Overseas Students

DESE Department of Education, Skills and Employment

DoF Department of Finance

eDMs Electronic Direct Mail Service

ELICOS English Language Intensive Courses for Overseas Students

ERP Enterprise Resource Planning

ESOS Education Services for Overseas Students

FOI Freedom of Information

ICT Information and Communication Technology

IPS Information Publication Scheme

NCVER National Centre for Vocational Education Research

NVR Act *National Vocational Education and Training Regulator Act 2011*

PBS Portfolio Budget Statements

PGPA Act *Public Governance, Performance and Accountability*

QCAA Queensland Curriculum and Assessment Authority

RTO Registered Training Organisation

SES Senior Executive Service

SLG Stakeholder Liaison Group

SME Small and Medium Enterprises

TAE Training and Education

TEQSA Tertiary Education Quality and Standards Agency

USI Unique Student Identifier

VET Vocational Education and Training



Alphabetical index

A

accreditation, 153
Administrative Appeals Tribunal, 72
 reviews, 31–32
ANAO. *see* Australian National Audit Office
ANAO Audit, 153
Annual Declaration on Compliance, 24
ASQA. *see* Australian Skills Quality Authority
ASQA Corporate Plan 2021–22, 19, 22, 27, 32, 38
 cost recovery KPIs, 50–51
 information access KPIs, 56
 stakeholder engagement KPIs, 45–46
 team plans, 65
ASQA decisions, 31–32, 72
Audit Committee, 65
 functions, 68
 members, 69–70
AusTender, 86–87
Australia and New Zealand School of Government
 Regulators Community of Practice, 74
Australian Commonwealth Government programs, 12
Australian Government Budget 2018–19, 51
Australian Government Cost Recovery Guidelines, 52
Australian National Audit Office, 71, 87
Australian Public Service Values and Employment
 Principles, 66
Australian Skills Quality Authority, 46
 activities 2021–22, vi
 Audit Committee Charter, 68
 CEO's report, 2–3
 Child Safety Policy, 83
 committees, 64–65, 68–70
 compliance with Standards, 145
 environmental performance, 85
 external scrutiny, 71
 functional redesign, 73
 governance structure, 5, 64

ICT architecture, 3
internal audit, 33
key stakeholders, 11
legislation, 7
procurement policies, 86–88
provider registration, vii
publication of information, 56, 71
purpose, 4, 11, 19, ii
regulatory approach, 2, 8, 10–12, 20–23, 26–28, 30,
 32–33, 37, 45, 58
Regulatory Risk Framework, 7
response to COVID-19 pandemic, 2, 6, 28, 53, 75, 82,
 vii
response to risk, 6–8, 24, 28–29, 35, 41, 57, vi
Reward and Recognition Policy, 75
risk management, 67
role and functions, 4
values, 4–5

Australia's Disability Strategy 2021–31, 83

B

Best Practice Cost Recovery Project, 3, 51, 54, vi
best practice principles, 7, 11
 case studies, 14–15, 35–36, 55, 60
 in performance measures, 20

C

case studies
 collaboration and engagement principle, 55, 60
 continuous improvement and building trust
 principle, 14–15
 risk-based and data-driven principle, 35–36
Chief Executive Officer. *see also* executive
 remuneration; Rice, Saxon
 report, 2–3
 statement of preparation, 18
committees, ASQA

- Audit Committee, 65, 68–70
- Staff Consultative Committee, 83
- Strategic Leadership Committee, 64, 75, 82–83
- Work Health and Safety Committee, 65, 82
- Commonwealth, States and Territories International Education and Training Forum, 49
- Commonwealth Child Safe Framework, 83
- Commonwealth Procurement Rules, 86, 88
- Commonwealth Register of Institutions and Courses for Overseas Students, 4, 153
- complaints
 - addressing, 59, 67
 - assessing, 29, 38, 43
 - numbers received, 42
- complaints management process, 43, 59
- contracts, consultancy, 86–87
- contracts, non-consultancy, 87
- cost recovery, 50–55, 57, 153
- Cost Recovery Implementation Statement, 51–53, 55
- course accreditation, 43, 52, 153
- COVID-19 pandemic
 - ASQA response, 2, 6, 28, 53, 75, 82, vii
 - impact on communication channels, 75
- CRICOS. *see* Commonwealth Register of Institutions and Courses for Overseas Students
- CRIS. *see* Cost Recovery Implementation Statement

D

- data use, 28–29, 85
- Department of Education, Skills and Employment, 29, 47, 53, 153
 - National Training Register Enhancement project, 56
- Digital Transformation platform, 52–54, 84
- disability reporting, 83
- Diversity and Inclusion Strategy 2019–22, 73
- Diversity Council Australia, 73

E

- Education and Employment Legislation Committee, Senate, 71
- Education Regulators and Immigration Committee, 49
- Education Visa Consultative Group, 49
- ELICOS. *see* English Language Intensive Courses for Overseas Students
- ELICOS Standards 2018, 153
- English Language Intensive Courses for Overseas Students, 4, 154
- Entity Expense Statement, 152
- Entity Resource Statement, 151
- environmental performance, ASQA, 85
- e-scan, 28–29
- ethical standards, 66
- executive remuneration, 80–81, 123
- external scrutiny, 71

F

- fees and charges, 52–54
 - revision, 55
- financial statements, 92–104
 - administered reconciliation, 103
 - assets and liabilities, 102
 - cash flow, 100, 104
 - changes in equity, 98–99
 - comprehensive income, 96, 101
 - financial position, 97
 - Independent Auditor’s Report, 92–93
- financial statements, notes to, 105–132
- Fraud Control Plan, 67
- freedom of information, 71
- Freedom of Information Act 1982*, 71

H

- Heads of Agreement for Skills Reform, 6
- human resources. *see* workforce



I

Info Line service, 41
internal reporting, 65–66

J

Jones Lang La Salle, 85

L

legislation list, 144

N

National Centre for Vocational Education Research, 47
National Code of Practice for Providers of Education
and Training to Overseas Students 2018, 154
National Course Document Template, 52, 54
National Skills Commission, 154
National VET Regulator Advisory Council, 2, 64, vi
*National Vocational Education and Training Regulator
Act 2011*, 13, 65, 72, 154
compliance with requirements, 146
*National Vocational Education and Training Regulator
Amendment (Governance and Other Matters)
Bill 2020*, 5

O

Office of the National Data Commissioner Foundational
Four, 85
online learning, 47, 57
ORIMA research, 14

P

performance against service standards, 39
performance measurement and analysis, 13, 19–61
statistics, 59
Portfolio Budget Statements 2021–22, 19, 22, 27, 38, 46,
51, 56
Price Waterhouse Coopers review, 52
Provider Registration and International Student
Management System (PRISMS), 155
Provider Roundtable, 33, 46, 48, 52–53, 58

provider self-assurance. *see* self-assurance

providers

definition, 155
non-compliance, 29–31, 33, 38, 58
registration, 30, vii
sharing information, 61

*Public Governance, Performance and Accountability
Act 2013*, 18, 65, 67, 155

*Public Governance, Performance and Accountability
Rule 2014*, 88

Q

Quality Assessment and Compliance team, 39–40
Quality Improvement Register, 53
queries, response, 41, 59

R

Rapid Review recommendations, 32, 39, 73, 155
implementation, 147–150
Reconciliation Action Plan 2020–22, 73
registration, 156
registration applications, 30, 40
reconsiderations, 42
renewals, 35, 40
review project, 33
regulator best practice, 11, 20. *see also* best
practice principles
Regulator Performance Guide, 14, 35, 60
Regulatory Operating Model, 41, 44, 52–53, 56
regulatory practices, improvements, 32
Regulatory Risk Framework, 28, 41
Regulatory Risk Priorities 2021–22, 41, 57
reporting, 34, 38
reporting against standards, 145
Rice, Saxon, 3–4, 18, 81
risk management, 66–67
Risk Management Framework, 67
Risk Management Policy Statement, 67

S

school students, delivery of VET, 60, vii

self-assurance, 8–9, 12, 14, 23, 34, 36, 58–59

- definition, 156
- in performance measures, 20, 22
- sector awareness, 25
- working model, 23–25, 58

Senior Executive Service employees, 66. *see also* executive remuneration

Skills Organisations Pilots, 47

small business support, 88

Spotlight On series, 41, 46

staff. *see* workforce

Staff Consultative Committee, 83

stakeholder engagement, 21, 28–29, 45–46, 49, 55, 58, vii

- confidence surveyed, 26–27, 34
- and cost recovery model, 53
- feedback, 47–48
- information-sharing, 41
- response to queries, 41
- strategic approach, 48
- understanding of the VET sector, 61

Stakeholder Liaison Group, 46

stakeholders, key, 10–11, 22, 34

- Aboriginal and Torres Strait Islander, 73
- satisfaction, 37–38

Standards for Registered Training Organisations 2015, 10, 23–24, 156

Standards for VET Accredited Courses 2021, 156

- compliance, 145

Standards for VET Regulators 2015, 7, 21, 26, 37, 44, 50–51, 54, 156

- complaints policy, 67
- compliance, 145

Strategic Leadership Committee, 64, 75, 82–83

Strategic Review of Online Learning, 47, 57

Student Transfers Working Group, 49

surveys conducted by ASQA, 14, 23, 25–26, 29

- post-performance assessment, 52, 54
- Provider and Course Owner Survey, 24, 38, 41, 43, 58–59
- stakeholder, 13, 48

T

TAFE, Victoria registration, 35–36

training, elements of quality, 23

V

VET for Secondary Students Working Group, 57. *see also* VETDSSS scoping study

VET Quality Framework, 10, 157

VET Regulator Standards, 33

VET sector, 10, ii

- advice on cost recovery, 51
- advising on risk, 29
- and cost recovery, 53
- definition, 157
- delivery to secondary school students, 57, 60–61
- industry and employers, 10
- numbers of students, 6
- online learning, 47, 57
- providers, 10
- regulation, 10, 45–46
- risks to, 56–57
- role, 6
- in schools, 60, vii
- sector reforms, 6, 45
- State regulators, 10, 47
- students, 10

VETDSSS scoping study, 57, 60

vocational education and training. *see* VET sector

W

Work Health and Safety Act 2011, 65, 82

workforce, 2, 72–83

- Aboriginal and Torres Strait Islander employees, 78
- communication channels, 75
- COVID-19 resources, 82
- Declaration of Conflict of Interest, 66
- diversity, 73
- Diversity Champion role, 73
- employee classification, 78
- employee classification by gender, 77
- employee composition statistics, 75–78



- employee location, 78
- employee location by gender, 76
- employment arrangements, 79
- Human Resources advisors, 82
- key management personnel, 80
- learning and development, 74
- mental health, 73, 83
- Performance Development Framework, 74
- performance rewards, 74–75
- remuneration, 79–81
- Senior Executive Service employees, 66
- skill sets, 72
- workforce training
 - change management training, 74
 - leadership capability programs, 74
 - Mental Health First Aid Training, 74
- workplace health and safety, 82–83
- Workplace Health and Safety Committee, 82

