



Australian Government  
Australian Skills Quality Authority

ASQA

# ASQA Annual Report 2022–23

**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.**

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

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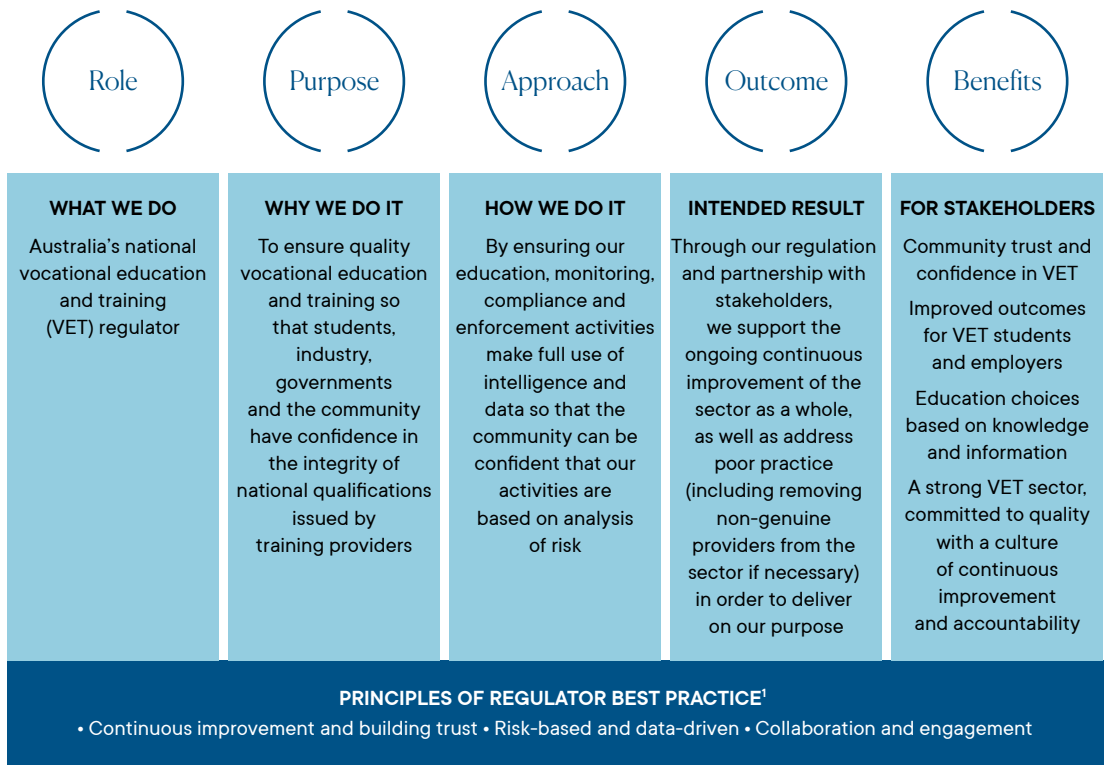
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# ASQA Annual Report 2022–23

# ASQA at a glance



1 Principles of regulatory best practice as set out in the Department of Finance Resource Management Guide for Regulator Performance (RMG 128)



# Letter of transmittal

12 September 2023  
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 2022 to 30 June 2023.

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 2022–23	vii



## 1. Agency overview 1

---

Chief Executive Officer’s report	2
About us	4
Our operating environment	5
Our outcome and program structure in 2022–23	12
Our regulatory approach	13





## 2. Annual performance statement 29

---

Statement of preparation	30
Introduction	31
ASQA’s performance framework	31
Results	33
Overall performance analysis	53



	<b>3. Management and accountability</b>	<b>55</b>
	Corporate governance	56
	External assurance and support for accountability and transparency in public administration	61
	People	62
	Technology	78
	Ecologically sustainable development and environmental performance	79
	Purchasing and procurement	80
	<b>4. Finances</b>	<b>85</b>
	<b>5. Appendices</b>	<b>131</b>
	Appendix A: List of requirements	132
	Appendix B: Key legislation	140
	Appendix C: Compliance with <i>Standards for VET Regulators 2015 and Standards for VET Accredited Courses 2021</i>	141
	Appendix D: Reporting against NVR Act requirements	142
	Appendix E: Supplementary report on implementation of the recommendations of the <i>Rapid Review of the Australian Skills Quality Authority's Regulatory Practices</i>	143
	Appendix F: Entity Resource Statement	147
	Appendix G: Entity Expense Statement	148
	Glossary	149
	Acronyms and abbreviations	153
	Alphabetical index	155

# ASQA snapshot 2022–23

## Sector at a glance

ASQA’s regulatory approach balances the interests of the VET sector and students. Our risk-based strategy is focused on achieving the quality education outcomes the VET sector, employers and students require.

### Total providers



### consisting of

- 2,910** RTOs
- 610** RTOs delivering to international students
- 242** RTOs delivering to international students and English language training
- 80** English language training only

## Our activity

### Registration and accreditation

We assess applications for registration and course accreditation against criteria under our legislation. During this period we determined more than 7,000 applications. Changes of scope of registration applications dominated this activity, assisting in sector refinement.

### Total applications



### consisting of

- 424** new provider registrations
- 734** provider registration renewals
- 5,822** changes of scope of registration
- 28** course accreditations
- 47** course re-accreditations
- 15** amended course accreditations

### Monitoring quality

We undertake risk-based assessment and monitoring activity to ensure registered providers continue to meet requirements under our legislation. We engage with providers in a number of different ways to monitor, manage and ensure the ongoing quality and performance of the sector.

### Assessment activities



### consisting of

- 228** initial registration assessments
- 236** performance assessments
- 50** evidence reviews
- 317** monitoring activities





## Ensuring compliance

We use a range of powers where registered providers fail to comply with requirements under our legislation.

## Compliance actions



consisting of

- 15 warning letters
- 35 providers entering into an ATR
- 94 written directions
- 13 conditions on registration
- 82 sanctions, including 63 sanctions to cancel or not renew registration

## Risk mitigation

### Using data and intelligence to target risk

Our intelligence is broadly sourced from a combination of internal monitoring, advice from other regulators, VET authorities and public reporting. Data and intelligence helps us to determine and mitigate systemic risks.

We participated in a multi-agency operation led by the Australian Border Force to disrupt the exploitation of Australia's visa program.

## Reports about provider compliance



related to

- quality of training
- assessment activities
- study support
- marketing and student recruitment
- student enrolment processes

## Sector engagement

### Educating, collaborating, and engaging with stakeholders

We provide information and guidance to support providers to better understand and meet their regulatory obligations by collaborating and engaging with all relevant stakeholders through multiple channels and platforms to continuously improve our regulatory practice.

Highlights included publishing the Strategic Review of Online Learning in the VET Sector and developing a new Service Charter with revised service standards, effective from 1 July 2023.

## Total enquiries



consisting of

- 46,710 calls and emails
- 5,563 online student record enquiries





# 1. Agency overview

## In this chapter...

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Chief Executive Officer's report	2
About us	4
Our operating environment	5
Our regulatory approach	11
Our outcome and program structure in 2022–23	24

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# Chief Executive Officer's report

As the Chief Executive Officer (CEO) and Accountable Authority of the Australian Skills Quality Authority (ASQA), I am pleased to present ASQA's Annual Report for the period 1 July 2022 to 30 June 2023.

As the national regulator, ASQA continued to perform an essential role in assuring consistent, high-quality vocational education and training (VET) through effective and vigilant regulation, including supporting the sector to build capability and capacity.

As we emerged from the COVID-19 pandemic, we continued to work with stakeholders to ensure pragmatic approaches while maintaining essential safeguards. Our efforts encompassed various support measures and regulatory flexibility, recognising the residual impacts and challenges faced by the sector as well as our own agency. I commend ASQA staff for their willingness and capability to adapt to meet these challenges.

Over the last 12 months we have focused on enhancing our organisational governance and improving our efficiency and effectiveness, while ensuring we provided value for money through our regulation. We fulfilled the Australian Government's requirement for ASQA to implement full cost recovery, utilising the cost recovery model as a key tool to reduce business and taxpayer costs.

We have continued to respond to government priorities, ensuring these are reflected in our regulatory focus.

In 2022–23, we remained alert to serious misconduct from a small number of providers, intensifying our investigatory efforts and playing a pivotal and contributory role in Operation Inglenook. We continued to support the quality of VET by undertaking the full range of our regulatory activities transparently and competently, by proactively monitoring the sector to identify and respond swiftly and effectively to risks and by actively engaging with law enforcement and other regulators, particularly where student safety or wellbeing was at risk.

We fostered a world-class VET sector by identifying providers that were not complying with the law and using our regulatory tools to promptly return them to compliance or remove them from the sector. Through 2022–23, our regulatory approach remained agile and responsive, ensuring we were able to adopt a whole-of-sector perspective and employ a mix of education, compliance and enforcement tools to support continuous improvement and act on risks. We regularly reviewed and adjusted our priorities and practices to reflect changes in the sector, and in response to government policy objectives and reforms agreed by the Skills and Workforce Ministerial Council. We also contributed our expertise and knowledge in policy deliberations, engaging early with relevant departments as shared stewards of the VET sector to ensure our regulatory framework remains fit for purpose.

We collaborated with VET stakeholders, including other VET regulators, Commonwealth and state and territory departments and agencies, industry bodies, Jobs and Skills Australia, Jobs and Skills Councils and the National Centre for Vocational Education Research, to protect integrity in the sector. We have continued to work particularly closely with the Department of Employment and Workplace Relations (DEWR) and the Department of Education to implement government reforms.



I acknowledge ASQA staff for their commitment to ensuring the integrity of national qualifications issued by training providers and thank them for their dedication, professionalism and unwavering commitment to continuous improvement despite a period of challenging circumstances.

I also want to express my appreciation to the sector and all key stakeholders for actively contributing to our shared purpose of ensuring quality VET.

A blue ink signature of Saxon Rice.

**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 the national regulator for Australia's vocational education and training (VET) sector. Our regulatory activities cover a range of providers and course owners including:

- providers that deliver VET qualifications and courses to students in Australia or offer Australian qualifications internationally
- providers that deliver VET courses to overseas students – 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) – approved on the CRICOS.

We regulate 3,762 (92.3%) registered training organisations (RTOs) which comprise the national VET provider market. The remaining providers are regulated by the following state regulators:

- the Western Australia Training Accreditation Council (WA TAC) – 175 providers (4.3%)
- the Victorian Registration and Qualifications Authority (VRQA) – 137 providers (3.4%).

In addition, we regulate a further 80 ELICOS-only providers that are registered on the CRICOS.

ASQA's core activities are to:

- register providers of VET
- accredit courses that may be offered by registered training providers
- use data, intelligence and complaints to inform our regulatory priorities
- monitor the quality and compliance of services provided by registered providers
- take compliance action where registered providers are not meeting requirements
- conduct education programs and actively engage with our stakeholders.



## Our legislation

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

- legislation establishing ASQA as the national VET regulator (*National Vocational Education and Training Regulator Act 2011* (NVR Act))
- 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, including the *Education Services for Overseas Students Act 2000* (ESOS Act), the *National Code of Practice for Providers of Education and Training to Overseas Students 2018* and the *ELICOS Standards 2018*.

Key legislation is listed at Appendix B of this report.

## Our operating environment

### Impact of COVID-19

The COVID-19 pandemic caused substantial disruption to the VET sector. In response, we worked with stakeholders to ensure pragmatic approaches while maintaining essential safeguards. Our efforts encompassed various measures in order to enable effective mechanisms for delivery of training through ongoing periods of lockdown and to accommodate social distancing. This included support for providers to deliver quality training online and extended transition periods for updated qualifications, including a risk-based regulatory approach and providing a 'hibernation' mechanism for providers to temporarily suspend all or part of their operations, and responding to market adjustments that included a much higher volume of applications relating to a provider's scope of registration.

After experiencing the rapid growth of online learning through the COVID-19 pandemic, many providers now offer different modes of blended learning within the applicable standards and training package requirements. The pandemic brought opportunities for innovation in course delivery. However, the rapid shift to online learning increased the risk that some providers did not have sufficient systems in place to ensure quality outcomes are achieved, and this remains a focus for us.

In 2022–23, ASQA responded to appropriately address known or emerging risks in relation to online delivery. This included publication of our Strategic Review of Online Learning in the VET Sector, enhanced guidance to improve provider understanding in relation to the quality expectations and obligations for online delivery, and a focus on returning to compliance with minimum face-to-face delivery requirements for international students.

As we transition beyond the pandemic, we recognise residual impacts and challenges for us and the sector. We will continue to develop and deploy risk-based and responsive approaches to emerging challenges to ensure we remain an effective and vigilant regulator.

## Government priorities for VET

A key driver for ASQA is supporting government's focus on ensuring the VET system is responding to the skills and labour needs of the Australian economy. A high-quality VET sector and ensuring students receive the skills and training necessary for secure work and career opportunities is critical for a prosperous society and securing Australia's future economic growth.

Skills Ministers have committed to reforms to deliver on the skills and workforce needed for a high-performing economy. A new 5-year National Skills Agreement is being developed, with a focus on qualifications, quality and data reform. Quality reform is prioritising strengthening the Fit and Proper Person Requirements under the RTO Standards and other early changes to the Standards to reflect the updated Training and Education Package and support for growing the VET workforce.

We value our role in the VET system and support shared responsibility for sector success with policy agencies, Jobs and Skills Australia, Jobs and Skills Councils and other key stakeholders, including the ongoing work to harmonise our regulatory approach with the Tertiary Education Quality and Standards Agency (TEQSA) to support and enable dual-sector providers.

We recognise the pace, scale and complexity of ongoing reform and the important role we play in helping shape the regulatory framework. In doing so, we are contributing to the sector improvements which government and the community expect. We are responsive to government priorities and will ensure that the focus of our regulation supports the Australian Government's priorities to:

- safeguard student welfare and the quality of VET
- foster a world-class VET sector through regulatory action
- collaborate to enhance the reputation of the VET sector and support and protect students.

## Current and emerging priorities

We expect providers to comply with their obligations and to have mechanisms in place to ensure that they are meeting and continuously improving outcomes under the Standards at all times. Students, industry, the community and governments expect this also. It is a core part of a provider's business practice and is central to maintaining and improving quality VET.

The actions providers themselves take to monitor, evaluate and continuously improve the delivery of VET are critical to improving the quality and capacity of the sector to meet the government's objectives for a high-performing VET sector.

Delivery to international students, including unethical recruitment practices by third-party education agents, continues to be a regulatory priority for ASQA and a focus across government as students increasingly return onshore. As outlined above, this includes, together with TEQSA, a coordinated and consistent approach to ensuring that all providers delivering to international students are complying with all necessary obligations.

Throughout 2022–23, we were alert to actual and potential egregious behaviour by a number of providers, which was the focus of our investigatory and surveillance activity, as well as ASQA's contribution to Operation Inglenook – a multi-agency taskforce led by the Australian Border Force to deter and disrupt the exploitation of Australia's temporary visa program.





We continued to make full use of our regulatory powers to detect and respond to risks relating to student wellbeing, inadequate or non-compliant training outcomes and poor provider performance, and to proactively monitor the sector to identify and address low-quality training and practices, particularly in relation to any non-genuine providers, which may place students at risk.

In 2022–23, we also continued to enable the sector to build its capacity for managing risks to quality, continuous improvement and excellence in training outcomes. We commenced work with DEWR to plan implementation of new Standards for RTOs in a way that supports provider self-assurance practices. This change will be further supported by continued enhancements to the way we engage with the sector on risk, including using education as a key regulatory tool.

## Our strategic direction

Our work in 2022–23 was guided not only by the expectations of the Australian Government but also through advice from the National VET Regulator Advisory Council. We built on significant enhancements that were introduced in 2021–22 to advance our regulatory practice, as well as further strengthened our performance framework to better focus on outcomes.

We continued to implement improvements agreed to by the Australian Government to our regulatory practice and culture, in partnership with our stakeholders. This included enhancing our approach to identifying regulatory risk as well as using an appropriate mix of our educative, compliance and enforcement tools and approaches to prevent and manage realised risk. These areas of reform focus, and the Rapid Review of the Australian Skills Quality Authority's Regulatory Practices and Processes more generally, formed the fundamental basis of ASQA's Corporate Plan 2022–23.

On 5 April 2023, we published an updated version of the Corporate Plan as a variation of content was necessary. The variation was primarily triggered by the need to remove reference to the new Training Package Assurance (TPA) function, in line with the Australian Government's decision to consider alternative arrangements (referred to below). The variation process also provided the opportunity to make minor amendments to a number of ASQA's strategic risks.

PURPOSE 2022–23		
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 OBJECTIVES 2022–23		
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, consult and partner with stakeholders to improve regulatory outcomes	
5.	We add value and are efficient, effective and continuously improve	
PRINCIPLES OF REGULATOR BEST PRACTICE		
<b>Continuous improvement and building trust</b>	<b>Risk-based and data-driven</b>	<b>Collaboration and engagement</b>
Regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.	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.	Regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

## Changes to ASQA's role

In March 2022, the Australian Government announced that ASQA would be the independent body to be responsible for Training Package Assurance (TPA) from 1 January 2023 until 31 December 2024, subject to the outcomes of a post-implementation review. In the April 2022–23 budget, ASQA was allocated \$17.5 million over 5 years from 2021–22 to undertake the TPA function through the New Architecture to Strengthen Industry Engagement in VET proposal.

From March to November 2022, ASQA responded with a dedicated team undertaking planning, project management and applying ASQA's experience in assurance and compliance and deep understanding of Australia's VET system to contribute to the development of a TPA process.

Following further engagement with industry in October 2022, the Australian Government decided (in consultation with states and territories) to consider alternative arrangements for the TPA function, which meant it would not be transitioning to ASQA as planned. The unallocated budget and work ASQA undertook to analyse risks, develop an assessment methodology, determine engagement and education mechanisms and design policies, tools, templates and manuals was transitioned to DEWR to ensure that all work undertaken could continue to be built upon.

## Our values

ASQA is committed to service and to being an empowered and trusted regulator. We exercise our authority with integrity and respect while supporting our people to adapt and thrive in the work environment. We have a strong, values-driven culture and have articulated behaviours that exemplify our values in the workplace.

**Committed to service**  
We serve the community with professionalism, energy and determination



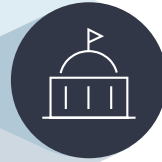
**Accountable**  
We can account for how our actions deliver on our regulatory outcomes and purpose



**United and connected**  
We work together across ASQA to optimise the outcomes of our regulation



**Collaborative**  
We value the diverse experiences and insights of others and work with stakeholders towards better outcomes



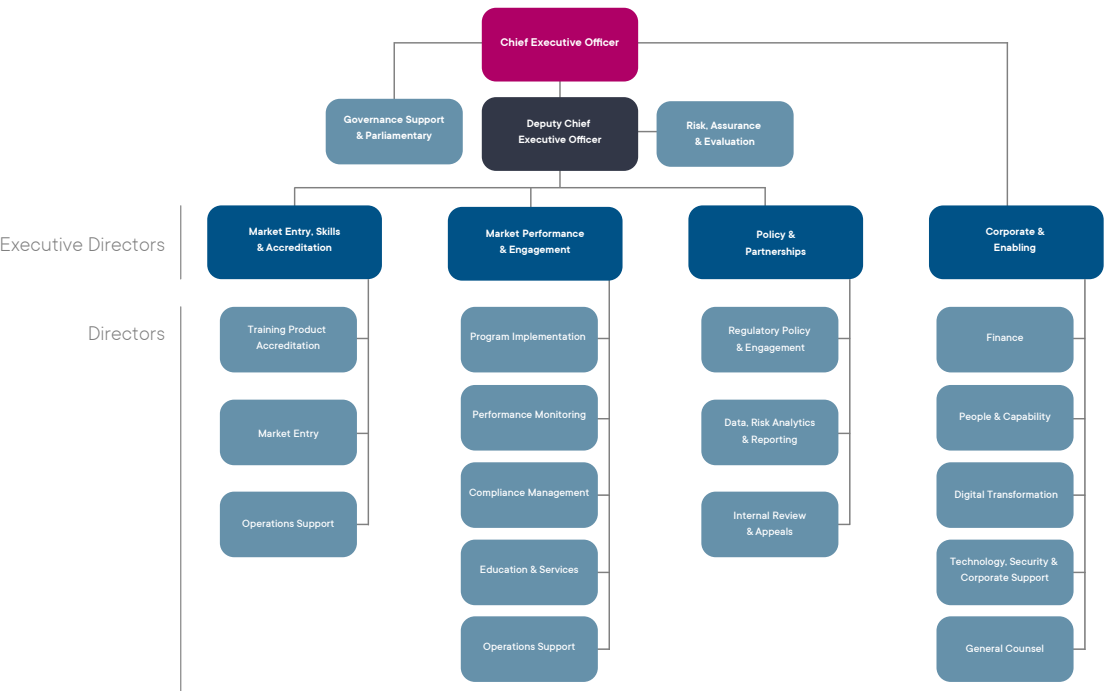
**Empowered and trusted**  
We take ownership and apply judgement in exercising our authority, we apply what we learn, and we act with integrity and respect



**Future orientated**  
We respond and adapt to current and emerging challenges and opportunities

Our structure

In 2022–23, in order to accommodate the TPA function and to ensure we remained fit for purpose and capability focused, ASQA undertook refinements to our agency structure as outlined below.



Note: This reflects ASQA's organisational structure as at 30 June 2023.



### Chief Executive Officer

Saxon Rice was appointed Chief Commissioner and CEO (initially Acting) on 7 October 2019. Ms Rice was appointed CEO for a period of 5 years, from 1 January 2021, and was the agency's Accountable Authority throughout the 2022–23 financial year.

Ms Rice previously held a range of senior government, VET and management positions.

She was Assistant Minister for Technical and Further Education in the Queensland Government from 2012 to 2015, and Chair of the then Ministerial Industry Commission responsible for industry engagement. She is a former Director of Global Business Development for an Australian employment services company, has served in a range of Senate committee secretariats, was a Member of the Administrative Appeals Tribunal and is a member and graduate of the Australian Institute of Company Directors.



### Deputy Chief Executive Officer

Christina Bolger was appointed to the newly created role of Deputy CEO in September 2020. Ms Bolger previously held leadership roles in the Australian Public Service in policy, regulation and service delivery, with experience in a range of areas including health, rehabilitation, quality and safety.

She holds an Executive Masters in Public Administration (ANZSOG, ANU) and is a graduate of the Australian Institute of Company Directors.

## Senior Leadership

**Denise Lowe-Carlus, Executive Director, Market Entry, Skills & Accreditation.** Responsible for ASQA's education and assurance of entry to market applications and accredited course training products.

**Alicia LeRoy, Acting Executive Director, Policy & Partnerships.** Oversees ASQA's regulatory policy, systemic review and evaluation, data, risk analytics and reporting, regulatory policy and engagement and internal review and appeals.

**Carmen Basilicata, Executive Director, Market Performance & Engagement.** Oversees the operation of ASQA's regulatory tools and functions – including education services, performance monitoring activities, compliance management and enforcement action.

**Ty Emerson, Executive Director, Corporate & Enabling.** Responsible for leading ASQA's People and Capability, Finance, Property and Procurement, General Counsel, Digital Transformation and Information Technology functions. Mr Emerson is also ASQA's Diversity Champion, Privacy Champion and Chief Security Officer.

# Our outcome and program structure in 2022–23

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 2022–23 was set out in the 2022–23 Portfolio Budget Statements (PBS) for the Education, Skills and Employment portfolio.

<b>OUTCOME 1</b> 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.	
<b>PROGRAM 1.1</b> Regulation	
<b>OBJECTIVE</b>	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.
<b>DELIVERY</b>	<p>The regulatory mechanisms through which Program 1.1 is delivered are:</p> <ul style="list-style-type: none"><li>• registration of training providers to provide national qualifications</li><li>• accrediting national courses to meet statutory requirements</li><li>• education and engagement with providers to support compliance and continuous improvement of quality outcomes</li><li>• promoting provider culture and systems for self-assurance of compliance and quality outcomes to build the capacity of providers</li><li>• analysis of data, intelligence and information to identify and respond proportionately to risk</li><li>• monitoring provider performance against applicable standards and obligations</li><li>• proportionate management of non-compliance and enforcement activities</li><li>• assessment of training packages for compliance with the Standards for Training Packages 2012, including stakeholder engagement requirements, and alignment with the Australian Qualifications Framework</li><li>• partnering with stakeholders to improve the impact and effectiveness of our regulatory activities</li><li>• publication of information about our regulatory functions, outputs, decisions and insights about sector performance</li><li>• publication of information about our performance</li><li>• engagement with stakeholders to support continuous improvement and broader reform of the VET sector.</li></ul>



# Our regulatory approach

ASQA is committed to best-practice regulation as outlined in the *Standards for VET Regulators 2015* and the principles of regulatory best practice as set out in the Department of Finance Resource Management Guide for Regulator Performance (RMG 128):

- risk-based and data-driven – regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.
- continuous improvement and building trust – regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leverage data and digital technology to support those they regulate to comply and grow.
- collaboration and engagement – regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

Our regulatory approach communicates our management of sector and provider risk and is published in our Regulatory Risk Framework<sup>1</sup> and Regulatory Operating Model<sup>2</sup>. Our regulatory approach is characterised 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
- maintaining essential safeguards by responding adeptly to provider non-compliance and taking effective action, applying a range of compliance and enforcement activities proportionate to the level of potential harm
- using broad-reaching education as a regulatory tool and providing feedback enabling regulated entities to take responsibility for their own compliance, aiming to increase their levels of capability for self-assurance to mitigate risk and continuously improve VET outcomes.

## Risk-based and data-driven

ASQA's priorities for regulation are informed by data, information and intelligence gathered through regular environmental scanning and engagement with stakeholders. In practical terms, we demonstrate a risk-based, data-driven approach to regulation by:

- undertaking environmental scans to identify drivers that manifest as risks to the quality and integrity of VET
- managing complaints from members of the public, students and provider staff
- actively engaging with other regulators and licensing bodies, state training authorities and VET regulators to understand risk
- receiving reports of alleged non-compliance through other mechanisms, which we classify as provider intelligence
- using broad-based information and intelligence to determine Regulatory Risk Priorities and targeting our regulatory effort to systemic risks that may affect a significant proportion of providers or a particular market segment, as well as provider risks arising from the behaviours of individual providers

<sup>1</sup> <https://www.asqa.gov.au/sites/default/files/2021-04/regulatory-risk-framework.pdf>

<sup>2</sup> <https://www.asqa.gov.au/how-we-regulate/risk-based-regulation>

- applying proportionate, fit-for-purpose responses to achieve the desired outcomes through our risk treatments – education, management of registration and applications, course accreditation, provider monitoring and performance assessment, compliance management and enforcement
- recognising and not duplicating the decisions of other relevant regulators – our compliance and risk surveillance work involves information-sharing and collaboration with other regulators as well as state training authorities to understand and respond to risk. This is supported by regular engagement between ASQA, WA TAC and the VRQA. Targeted interagency work includes, for example, ASQA's participation in Operation Inglenook to respond to coordinate regulatory responses to particular threats in international education (see page 39).

Our 2022–23 Regulatory Risk Priorities reflected areas of skills demand and market growth in aged care and disability support training, and in international student delivery, as well as governance and delivery risks associated with the pace and complexity of sector reform, including with training package transitions and trainer and assessor capability.

These manifest as risks with student placements, validity of assessment, online delivery, cyber security, course duration, application of Recognition of Prior Learning (RPL), shortages in the VET workforce and risks for international students.

## Continuous improvement and building trust

We demonstrate continuous improvement and build trust through a range of initiatives and activities that include:

- publishing information about our regulatory approach and processes to support community trust (page 40)
- having well-defined, communicated and embedded organisational values and culture that underpin who we are as a regulator (page 9)
- actively building staff capability and culture (pages 64–65), including ensuring staff have knowledge of the regulatory craft and the industry they regulate, and are empowered to identify and implement improved practices
- complaints-handling processes that encourage feedback via provider surveys, feedback, internal review of decisions affording procedural fairness, and responsiveness
- monitoring service standards to understand where we can improve the quality and timeliness of service delivery (pages 41–45)
- ensuring we meet our obligations through internal assurance, audit and accountability processes that foster a culture of continuous improvement and reflection
- maintaining governance arrangements that identify and explore opportunities for improvement
- monitoring costs of the regulatory program and optimising cost-effectiveness, reducing the burden on complying regulated entities and promoting better compliance outcomes through a more targeted and effective regulatory approach
- identifying and minimising duplication, and harmonising activities with other regulators such as TEQSA, for dual-sector providers to achieve better regulatory outcomes
- actively sharing learnings and insights by participating in communities of practice and engaging with other regulators and stakeholders to reflect on best practice and lessons learned, including failures.





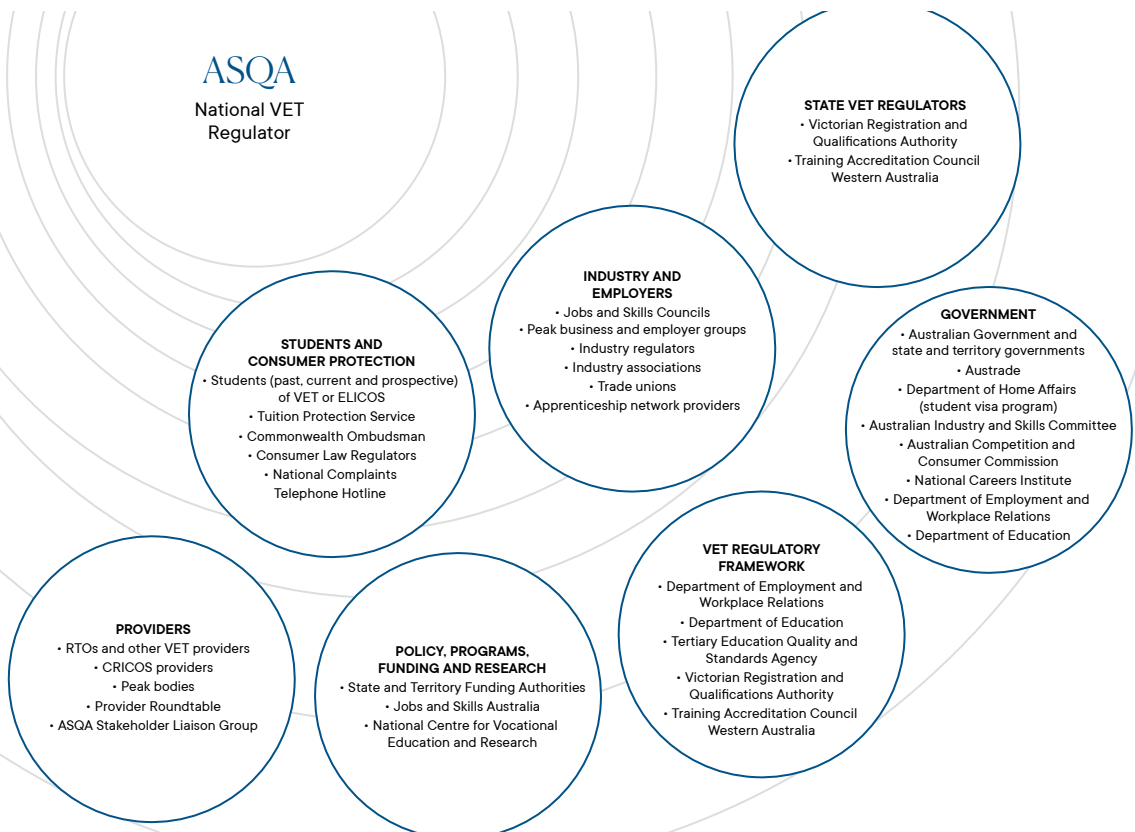
## Collaboration and engagement

ASQA has a large and diverse range of stakeholders that includes government, VET providers, students, industry bodies and other regulators across the education sector. By maintaining networks across this stakeholder base, we ensure we can quickly identify and respond to changes in the sector.

We work with stakeholders and providers to build a shared understanding of the VET operating environment and ensure that we utilise intelligence to identify emerging risks. Our stakeholder engagement model is based on the Australian Public Service Framework for Engagement and Participation.

ASQA demonstrates collaboration and engagement by:

- engaging regularly with stakeholders, including regulated entities, other regulators and the community, through our Provider Roundtable and Stakeholder Liaison Groups and VET regulators network (pages 27 and 49)
- providing regular communication and early notification of operational changes through our ASQA Update, sector email notifications, social media and tailored communications
- providing published guidance and information to help regulated entities understand their obligations and responsibilities to encourage voluntary compliance
- ensuring transparency in our decision-making and providing reasons for regulatory decisions
- testing new approaches to address risk priorities with our Stakeholder Liaison Groups (page 27).



# Our regulatory activities

## We register providers of vocational education and training

We assess applications for registration against criteria under our legislation to ensure students, employers, governments and the community have confidence in providers that we register.

### Initial registration as a provider

Our assessment of applicant organisations ensures they can comply and are likely to remain compliant with legislative obligations. This includes ensuring that they are adequately resourced to provide quality training and assessment and meet the Fit and Proper Person Requirements.

If criteria are met, we grant registration for a defined period – usually 2 years. This allows us to assess and manage risks to the sector and to seek assurance that newly registered providers are meeting requirements over this period.

When we register a provider, we publish and keep up to date specified information on official Australian Government websites, including the National Register for organisations approved to provide VET and the CRICOS for organisations approved to provide VET or ELICOS courses to international students on a student visa.

When we reject an application, it is based on the extent and nature of the applicant not satisfying us that they have the capability and commitment to comply and continue to comply with the requirements of registration.

ASQA has seen an increase in initial registration applications since 2018–19 and this trend continued in 2022–23. ASQA received 458 applications for initial registration in 2022–23 compared to 356 in 2021–22. Of the 424 applications that were finalised in 2022–23, 302 were approved, 28 were rejected, and 94 were not processed due to the application being withdrawn or the application fee not being paid.

### Registration renewal

When a re-registration application is received, we ensure that the provider remains committed and capable of delivering quality training.

We consider the provider's scope of registration, profile and risk indicators, and assess the level of assurance we have of their recent performance. We engage with providers prior to their registration falling due to understand how the provider is complying with their obligations and their capability and commitment to continuous improvement. Where risks are identified, we determine the most appropriate and proportionate response, including not to renew the provider's registration if required.

The number of renewal of registration applications is driven by provider expiry dates. In 2022–23, there was a high volume of registration renewals that fell due compared to previous years. ASQA received 724 registration renewal applications in 2022–23 compared to 636 in 2021–22, which represents a 14% increase. Of the 734 renewal applications that were finalised (which includes some applications received in 2021–22), 710 were approved, 11 were rejected, and 13 were not processed due to the application being withdrawn.



## Registration withdrawal

Providers may exit the market in a number of different ways. Providers may choose to withdraw their registration or let their registration period expire, or ASQA may cancel their registration as a result of a compliance process.

In all cases, the provider has an obligation to ensure that enrolled students can continue their studies and the Unique Student Identifier (USI) has been updated with their studies. ASQA manages these processes to protect student and industry expectations.

In 2022–23, 109 withdrawal applications were received, which is a 33% increase on the 82 received in 2021–22. Of the 114 withdrawal applications finalised (including some received in 2021–22), 95 were approved, and 2 requests were rejected as there were matters which required finalisation in order to protect students before consideration of the application or other action is taken. A further 17 withdrawal request applications were withdrawn.

## Registration expiration

If a provider chooses not to renew its registration, its registration will expire, and ASQA contacts these providers to understand their intention and ensure all obligations are met as they leave the market. ASQA has strengthened the information it provides to students if their training provider closes while they are still completing their training. Proactive steps have also been implemented so that, wherever possible, we engage with providers prior to closure to ensure that they are aware of their obligations under the Standards. In 2022–23, there were 56 registrations that expired and were not renewed.

## Changes to scope of a provider's registration

When an application to change scope of registration is made, ASQA applies a risk-based approach considering matters set out in the legislation in deciding whether to grant a change of scope. If a provider has been registered for less than 2 years, additional assurance and evidence is required to demonstrate compliance with conditions of registration.

In the COVID-19 and post-pandemic period, ASQA has seen market adjustments that include a much higher volume of applications relating to providers adjusting their scope of registration.

In 2022–23, ASQA finalised 5,822 change of scope applications (including some received in 2021–22). Of these, 5,583 were approved, 29 were rejected, and 210 were not processed due to the application being withdrawn or an unpaid invoice.

**Table 1: Applications received 2020–21 – 2022–23**

Applications received	2020–21	2021–22	2022–23
Initial registration	257	356	458
Renewal of registration	251	636	724
Withdrawal of registration	60	82	109
Change of scope	6,401	6,901	5,632
<b>Total</b>	<b>6,969</b>	<b>7,975</b>	<b>6,923</b>

**Table 2: Application outcomes 2020–21 – 2022–23**

Application outcomes	2020–21 applications		2021–22 applications		2022–23 applications	
	Number decided	% approved	Number decided	% approved	Number decided	% approved
Initial registration	205	66.3%	380	61.6%	424	71.2%
Renewal of registration	225	83.1%	491	95.1%	734	96.7%
Withdrawal of registration	62	91.9%	76	89.5%	114	83.3%
Change of scope	6,150	95.0%	6,595	95.1%	5,822	95.9%
<b>Total</b>	<b>6,642</b>	<b>93.7%</b>	<b>7,542</b>	<b>93.4%</b>	<b>7,094</b>	<b>94.3%</b>

## We accredit courses that may be offered by registered training providers

On application, ASQA accredits courses to be listed on the National Register to meet established industry, enterprise, educational, legislative or community needs, where these needs are not met by nationally endorsed training packages.

Accredited courses are nationally recognised training products and comprise short skill-set courses through to qualifications from Certificate I to Graduate Diploma. There are 669 VET accredited courses listed on the National Register. ASQA regulates 438 (65%), VRQA regulates 160 (24%) and WA TAC regulates 71 (11%).

We coordinate this function in collaboration with national bodies with responsibility for the development and endorsement of training packages. We list all courses and the providers approved to deliver them on the National Register.

In 2022–23, ASQA received 48 requests to accredit a new VET course. Of the 35 that were assessed, 28 were approved and 7 were rejected.

A course may be accredited for up to 5 years. During that time, packages may have developed new units of competency, skill sets or qualifications since the course was accredited. A course owner is required to apply to ASQA and meet specified criteria and evidence of an industry need if it is seeking to renew accreditation. In 2022–23, 47 courses were re-accredited and 15 were amended.

**Table 3: Applications granted 2020–21 – 2022–23**

Applications granted	2020–21	2021–22	2022–23
Initial accreditation	30	32	28
Renewal of accreditation	57	89	47
Course amendment	34	24	15
<b>Total</b>	<b>121</b>	<b>145</b>	<b>90</b>

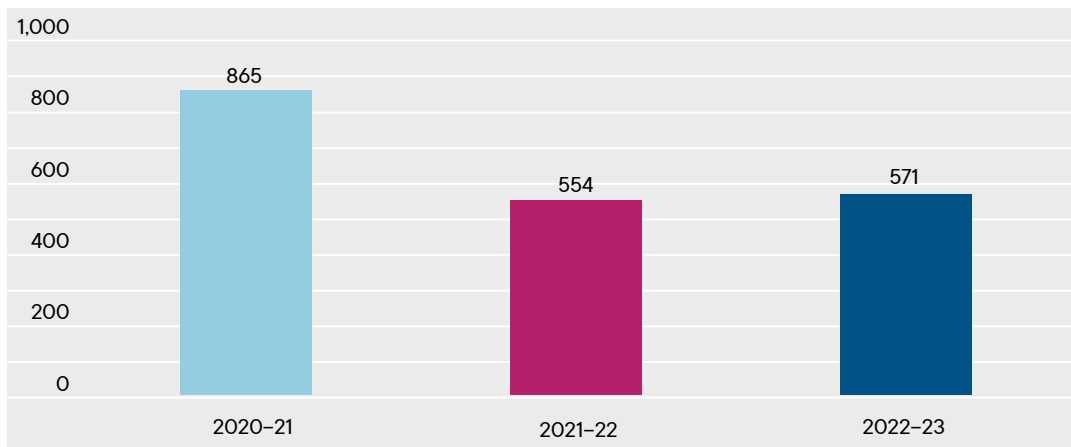
## We monitor the quality and compliance of services provided by registered providers

Our compliance monitoring activities are undertaken at provider and systemic levels to ensure we effectively target risks. We actively review data, intelligence and information obtained through a variety of sources, including complaints, material change notifications and our Annual Statement of Compliance, and use a range of activities to monitor provider performance and compliance.

### Complaints and intelligence regarding provider compliance

In 2022–23, ASQA received 571 complaints regarding concerns about provider compliance. While ASQA is not a complaint-handling body, in every case we engage with all complainants (where available). Providers that are the subject of a complaint receive a notification from ASQA advising of the complaint and we may request additional information or assurance, as well as escalate regulatory activity where appropriate.

Figure 1: Provider complaints/cases received, 2020–21 – 2022–23



Where information is provided in relation to the source of the complaint, it demonstrates that 54% of complaints were submitted by students. The quality of training, assessment or study support was the most common category of concern, raised in 29% of complaints received. The next most common category of concern related to marketing, student recruitment or enrolment processes, which accounted for 19% of all complaints.

In addition to complaints, we draw on data and intelligence from many sources and use this data to understand risks to the quality of VET. These include:

- strategic review of priority areas for regulatory focus
- provider enrolments and completions data
- issues raised by consumers, employers or the community about a VET provider or other entity
- referrals, data and information from other government bodies and regulators
- Annual Declaration of Compliance, quality indicator and activity data, surveys and applications

- performance information collected during assessments and other monitoring activities such as surveys, and requests for information
- information collected through investigative powers under the legislation
- engagement with the VET sector (including through our Provider Roundtable and Stakeholder Liaison Group meetings)
- engagement with industry and employers.

## Assessment and compliance monitoring activities

ASQA undertakes a range of performance assessment and compliance monitoring activities depending on the nature of risk and the provider's capability and commitment to deliver quality VET and any other relevant circumstances. These activities include:

- undertaking surveys (of students and/or other stakeholders)
- interviewing providers, students, trainers/assessors and/or other provider personnel
- requesting data and documents from providers and/or other government entities
- undertaking defined scope or full performance assessments.

A performance assessment is undertaken in response to risk-based intelligence and in situations where further assessment is warranted following consideration of a registration or change of scope application.

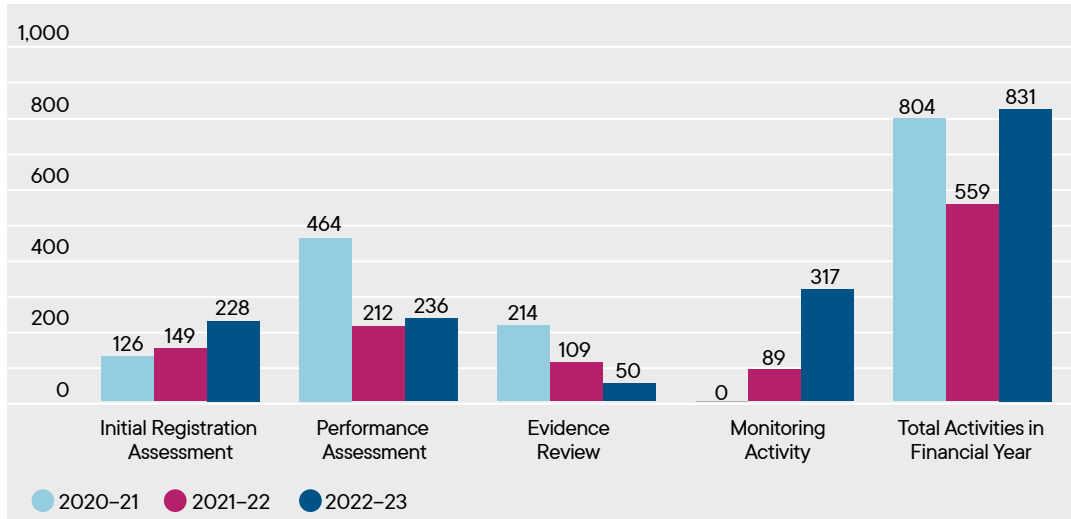
Based on risk indicators, we conducted 236 performance assessments on registered providers, of which 83% resulted in a finding of non-compliance. This compares to a 5-year average of 79% of all performance audits where non-compliance is identified.

When we conduct a performance assessment of a registered provider, a sample of products and applicable standards are tested. The performance assessment is scoped depending on systemic and provider-specific risk factors. Standards relating to implementing, monitoring and evaluating training and assessment strategies and practices (1.1, 1.2), conducting effective assessment (1.8), and employing skilled trainers and assessors (1.13 and 1.16) were the most commonly sampled standards over the last financial year.

We identified non-compliance across these 5 standards for 51% of the assessments we conducted. This compares to 35% of the assessments conducted across the same standards for the previous 2 years. This outcome does not necessarily imply a deterioration in quality and compliance but a more targeted use of performance assessment by ASQA to focus on risk.

ASQA also monitored broader obligations on all providers and identified 107 providers for non-submission of their Total VET Activity (TVA) and/or Annual Declaration on Compliance (ADC).

**Figure 2: Assessment and monitoring activities completed, 2020–21 – 2022–23**



In 2022–23, there was a 48.7% increase in assessment and monitoring activities undertaken, resulting in 831 activities being completed.

## Investigations

We draw on our investigative capability and functions to undertake preliminary surveillance and information collection activities to investigate serious issues of non-compliance and to investigate and prosecute, when appropriate, the conduct of individuals, unregistered entities and registered providers that breach their legislative obligations. Our investigations also support collaboration across government, including through a coordinated effort with law enforcement agencies and other regulators, to disrupt threats related to the integrity and quality of the VET sector.

During 2022–23, we used our investigative capabilities to support ASQA compliance monitoring activities that were of a serious nature relating to false and misleading information, fit and proper person considerations, criminal history and company conduct, to gather evidence and undertake site visits. We undertook a number of surveillance activities, including to consider the suitability of premises, understand the trading status of providers and check whether registered premises are delivering training to students.

ASQA's active investigation caseload through the year (not closed as at end of financial year) includes matters in relation to the conduct of multiple registered and unregistered providers and individuals and allegations of false advertising, issuing statements of attainment and qualifications without being registered to do so, using false qualifications and/or statements of attainment, and falsifying student signatures and attendance records.

In relation to a further 12 matters, ASQA provided other agencies with information and/or statements to assist with their investigations or in exercising their powers or functions. These agencies included Australian Federal Police, WorkSafe New Zealand, NSW Police Force, Queensland Police, Victoria Police, NSW Fair Trading, ACT Policing, National Disability Insurance Agency and Commonwealth Department of Education.

## We take compliance action where registered providers are not meeting requirements

In cases where ASQA finds that a provider does not meet the requirements of the legislation and/or the Standards, we respond to non-compliance in a proportionate way. We hold providers to account to ensure they address the non-compliance and have systems to monitor and ensure ongoing compliance.

Our response to non-compliance is proportionate to the seriousness of the issues identified and the provider's commitment and capability to deliver quality VET and focus on ensuring sustained compliance. We apply a range of regulatory tools to encourage, direct or enforce compliance with the legislative requirements. These tools and measures are used individually or together to respond in a way that is risk-based and proportionate.

In cases where a provider demonstrates a commitment and capability to address non-compliance, ASQA may offer an Agreement to Rectify (ATR). In 2022–23, 35 providers entered into an ATR within an agreed timeframe, which enables a systemic approach to ensure a sustained return to compliance.

In cases where a provider does not demonstrate a commitment or capability to delivering quality training, or to make necessary changes in response to identified non-compliance, we will compel the provider to take action using an escalating range of regulatory tools to enforce compliance or revoke registration.

In 2022–23, ASQA issued 183 compliance enforcement decisions, which represented a 34.5% increase on the previous year.

In 2022–23, ASQA has undertaken the following compliance actions (detailed in Figure 3 below):

- issued 94 written directions under the NVR Act, which require a provider to rectify a breach of a condition of registration and provide or retain evidence that this has occurred
- imposed 13 conditions on registration. Common conditions include requirements not to add to the registration scope, not accept enrolments beyond a set maximum cap, and not to submit specific information to ASQA on a determined basis. Conditions are imposed for a specified period of time.
- imposed one sanction to amend scope of registration. The scope of registration defines the services, training package qualifications or units of competency that a provider is approved to deliver. We may amend the scope of registration (for example, to remove a training product from the scope) where non-compliance relates to that training product in particular. The provider can no longer deliver the training product that has been removed (cancelled) from its scope of registration
- imposed 18 sanctions to suspend registration. During a period of suspension, a provider will be required to either undertake or refrain from certain actions. In most cases, while a suspension remains in place, the provider cannot enrol a student or commence a student who has not yet begun their course
- issued 63 sanctions to cancel registration in full. The effect of cancellation is that the provider is no longer approved to offer or deliver approved or accredited training packages
- issued 15 warning letters to individuals/organisations that are not registered for offence provisions within the Act.

In relation to ESOS providers, ASQA made 30 decisions to cancel registration or reject registration and 8 decisions to suspend registration. A further 12 ESOS providers had conditions imposed on their registration. ASQA also issued 40 written directions to ESOS providers.



ASQA continues to actively engage across government to support compliance, surveillance and monitoring activities, where concerns around provider practice have been raised.

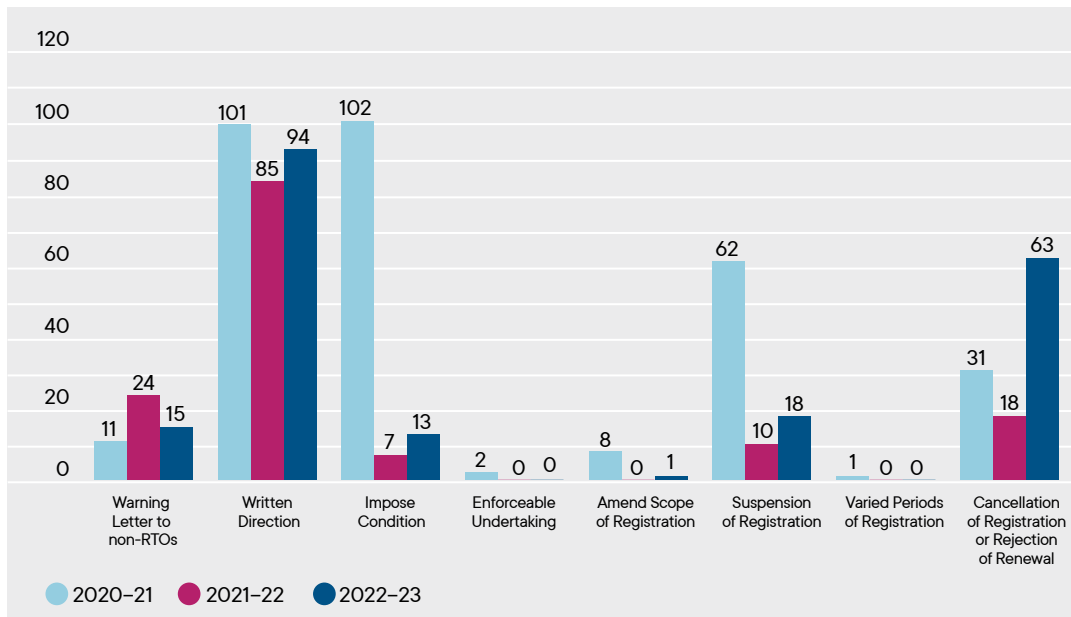
The total number of cancellation decisions taken in 2022–23 is a result of our ongoing focus in key risk areas and our partnership across government to detect and deter non-genuine providers. The use of conditions on registration has decreased since 2020–21 where, during that year, a significant number of matters were settled in the AAT between ASQA and providers by applying conditions on the registration of those providers. Similarly, the number of suspensions of registration decreased from 2020–21 as this was not always the preferred regulatory tool during the COVID-19 pandemic, and given ASQA enabled a number of providers to ‘self-suspend’ operations or ‘hibernate’ during that time.

We also engaged with 107 providers for non-submission of their Total VET Activity (TVA) and/or Annual Declaration on Compliance (ADC). Of these, 33 providers either withdrew their registration, allowed their registration to expire or were cancelled. We supported 67 providers to return to compliance following monitoring activities or compliance audits. A further 7 providers remained non-compliant, with sanctions imposed.

We engaged directly, through monitoring activities or compliance audits, with 80 providers that did not pay their Annual Registration Charge (ARC) by the due date and had not responded to reminders. Of these, 75 providers paid their outstanding ARC. The remainder were subject to regulatory action that ended in the cancellation of their registration (reported below as compliance action).

We can also prosecute individuals or entities that create Statements of Attainment or that advertise as an RTO without a registration. In 2022–23, we had 2 prosecutions pending for alleged offences.

**Figure 3: Compliance enforcement – regulatory decisions, 2020–21 – 2022–23**



## We apply procedural fairness and are accountable for our decisions

Before making a decision that adversely affects a provider, we ensure that a provider is afforded procedural fairness. In most cases, this means that the provider is given an opportunity to respond to identified instances of non-compliance before we make a decision.

Our decision-makers consider relevant information and evidence, and where required by the legislation, give written reasons for their decision. This enables providers to understand the reasons, evidence and facts that have resulted in the decision. An affected party may request reconsideration or external review of certain decisions made by us.

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. There are circumstances where the 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.



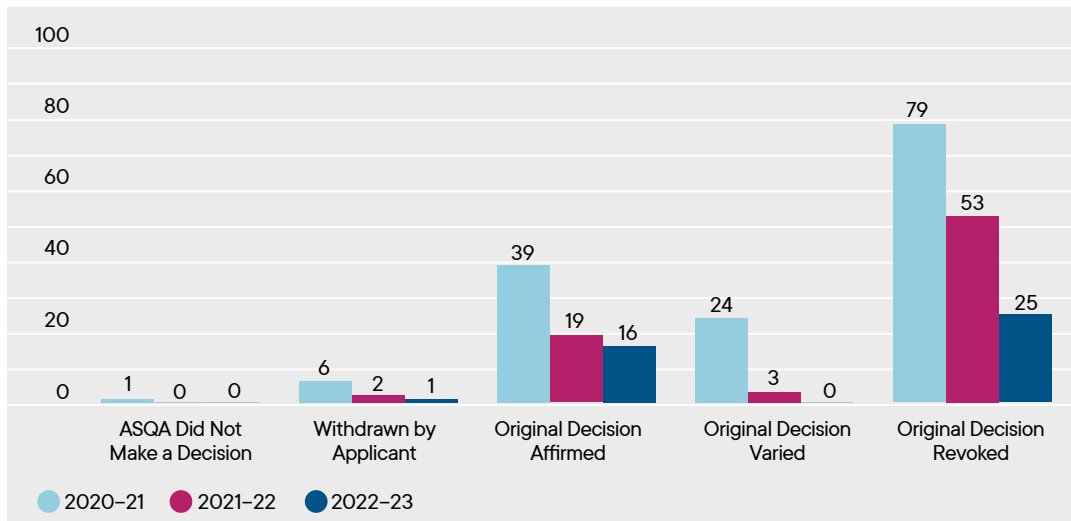
## Internal review

ASQA has implemented early resolution of disputed non-compliance. This has supported a focus on return to compliance where appropriate. This has reduced the number of matters proceeding to the Administrative Appeals Tribunal (AAT) where they result in settlement through conciliation. It has also enabled ASQA to focus on the most significant matters to address threats to the quality of vocational education. Implementation of these reforms provides, where appropriate, a more cooperative, timely and cost-effective resolution of issues for both the provider and ASQA.

Following review of the decision, ASQA can affirm, vary or revoke the decision. We notify applicants of the review outcome within 90 calendar days (as required by the legislation and described in our service standards) and provide comprehensive reasons for our decision.

The number of requests for internal review of an ASQA decision has decreased by 43% over the past year, with 47 matters being submitted for review. Of the 42 matters that were finalised, the original decision was revoked in 60% of cases and affirmed in 40% of cases, with one further case being withdrawn by the applicant.

Figure 4: Internal review – outcomes, 2020–21 – 2022–23



## External review

If a provider is dissatisfied with the outcome of a reviewable decision ASQA has made, it may apply for review by the AAT, state tribunal or court. In 2022–23, 15 matters were referred for external review. This is a significant decrease from previous years, where 108 matters were referred in 2020–21 and 32 matters were referred in 2021–22. ASQA attributes this decrease to improved primary decision-making and the implementation of a mandatory internal review function.

These reviews consider the evidence available 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 2022–23, there were 7 matters resolved between the applicant and ASQA, and a further 4 were withdrawn by the applicant (in which case, our decision stands). One matter was dismissed by the AAT, and of those where a hearing proceeded, one decision was affirmed, one was set aside and one was varied.

## BEST PRACTICE CASE STUDY

## Collaboration and engagement

### Stakeholder Liaison Group (SLG)

In a rapidly changing sector, our stakeholders have a critical role in early identification of and response to risks. These may arise due to changes in environmental settings, such as the COVID-19 pandemic, market responses, policy or regulatory settings, and any number of other factors including technical change and new business models for industry participants.

ASQA has invested in more targeted approaches to our stakeholder liaison through focused engagement sub-groups aligned to ASQA's Regulatory Risk Priorities. These priority areas included online learning, trainer assessor capability and qualifications, international delivery, aged care and disability support training and VET in schools (VETiS).

SLG members also provided input, advice and feedback on ASQA's approach to providers working with consultants, Indigenous VET participation and post-regulatory activity surveys.

Seven formal meetings were held, together with several informal engagement activities, with members working with ASQA to test specific educative tools, processes and resources, and provide VET industry insights to inform our regulatory approach. Focus groups also provided valuable input to inform ASQA's approach to treating regulatory risks.

SLG member Simon Wiggins provided his insight into the new format and a strong vote of confidence in the new initiative.

"I think ASQA's approach to SLG is positive and genuine and I'm happy to be a part of it. We're going to achieve a lot more work together rather than shouting out our issues on LinkedIn."

Mr Wiggins said the new format of a smaller group of people who had knowledge and experience with the subject matter "has to be more productive". "Overall, I much prefer this new format and would happily contribute more of my time," he said.





## 2. Annual performance statement

### In this chapter...

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Statement of preparation	28
Introduction	29
ASQA's performance framework	29
Results	32
Overall performance analysis	52

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## Statement of preparation

I, Saxon Rice, as the Accountable Authority of the Australian Skills Quality Authority (ASQA), present the 2022–23 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

Our purpose is:

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 2022–23 Portfolio Budget Statement (PBS) outcome:

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.

And it aligned with our 2022–23 Corporate Plan:

Our 5 Strategic Objectives align with the performance criteria in our Portfolio Budget Statement 2022–23. For each Strategic Objective, 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 PBS. Each performance criterion includes 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. 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.

Qualitative measures are used to provide evidence demonstrating our effectiveness against the intended result. Stakeholder views, particularly from providers, are vital in helping us understand our interactions with regulated entities and the VET sector more broadly.

In May and June 2023, we conducted our annual Provider and Course Owner Survey. We sought feedback about the experience of providers and course owners in relation to ASQA's performance against our 5 Strategic Objectives, KPIs, our regulatory processes and education and guidance activities. A total of 1,438 providers and course owners provided data, which is a response rate of 36%.











ASQA's performance framework, as detailed in our Corporate Plan 2022–23, is shown in Table 4.

# Summary of ASQA’s performance in 2022–23

To provide consistency across qualitative and quantitative results, we have used the following indicators to assess our performance against our Strategic Objectives: 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.

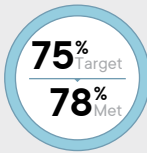
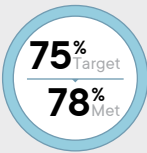
Table 4: Performance framework

Strategic Objective	Strategic Objective assessment met	Performance measure summary
<b>1</b> Our regulatory approach promotes a culture of self-assurance and continuous improvement		
<b>2</b> Our regulatory approach is best practice, integrated, risk-based and proportionate		
<b>3</b> Our regulatory approach is transparent and accountable		
<b>4</b> We engage, consult and partner with stakeholders to improve regulatory outcomes		
<b>5</b> We add value and are efficient, effective, and continuously improve		

# Results

## Strategic Objective 1

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

KPI	Performance measure	2022–23 target and result
<b>1.1 ASQA's regulatory tools and practices support providers to self-assure quality VET outcomes and continuously improve</b>	1.1a) Percentage of providers that agree that our regulatory tools and practices support them to self-assure and continuously improve	
<b>1.2 Our published insights about risks and the outcomes of our risk treatments support providers to self-assure their own operations</b>	1.2a) Percentage of providers that agree that our published insights about risks and the outcomes of our risk treatments support providers to self-assure their own operations	
<b>Source</b>	ASQA Corporate Plan 2022–23 page 15 and ASQA PBS 2022–23 page 179	

## Performance achievements

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

In 2022–23, we used our data and regulatory insights and knowledge to identify common areas of non-compliance and developed education and feedback for the sector to promote self-assurance. This included reviewing and strengthening our guidance material and education tools available to support providers to address risks in their own operating context and improve the quality of VET delivered. Notably, in January 2023, ASQA published the Strategic Review of Online Learning in the VET Sector, and a suite of information supporting providers to understand and take action to mitigate risks of online delivery for student experience and VET outcomes.

In the 2023 ASQA Provider and Course Owner Survey, 89% of respondents stated they used ASQA education and information products to support compliance, self-assurance and continuous improvement. In addition, 87% of respondents stated they were satisfied with the quality of ASQA's education and information. This was an increase of 6% on the previous year's result.

Our monitoring activities increasingly include understanding provider systems of continuous quality improvement against the relevant standards, and our interactions with providers are being used to reinforce our expectations for their own systemic monitoring, evaluation and continuous improvement of outcomes.

When we identify non-compliance, we respond with a range of regulatory tools that consider both the nature and the seriousness of the non-compliance, and whether the provider demonstrates an understanding of the non-compliance, and a willingness to rectify it and has systems in place to monitor its own compliance.

We have worked hard to build ASQA's understanding of provider self-assurance practices and maturity in order to better differentiate the nature of our engagement with regulated entities. Improved regulatory tools have ensured that in cases where we have made findings of non-compliance in assessing a provider's performance, and we have confidence in the provider's capability and confidence in delivering on quality VET outcomes, the compliance case management process will enable a provider to take action to address these areas of concern in a sustained way and continuously improve their practice.

Providers that are required to respond to non-compliance findings must now include a statement detailing the cause of any systemic issues identified, and what actions have been taken to establish and implement new or updated system improvements to assure themselves quality VET outcomes are being achieved. This is invaluable in assessing the level of confidence in the provider's commitment and capability to address the systemic issues identified and whether a return to compliance has been achieved and can practically be sustained.

We have used feedback received from providers to develop a number of resources. These include a guide to addressing non-compliance, a guide to submitting evidence to ASQA, and further advice on our website regarding how to complete an Agreement to Rectify (ATR). These education products support providers to address areas of concern and improve their governance, systems and controls to detect and address risks to quality VET outcomes as part of their business operations.

During 2022, we developed a draft model for self-assurance through a co-design process with the sector. Throughout the co-design process, we have progressively refined a set of principles for the self-assurance model with providers and stakeholders. These principles reflect a shared understanding of what self-assurance is and is not.

In November 2022, the Department of Employment and Workplace Relations (DEWR) released a draft version of the revised *Standards for Registered Training Organisations (RTOs) 2015*. The direction being taken with the revised Standards will further strengthen requirements for providers to monitor, evaluate and continuously improve training outcomes. The consultation paper released by DEWR with the draft revised Standards acknowledged these strengthened requirements aligned with ASQA's work on self-assurance, and we will continue building a culture of self-assurance and continuous improvement through the implementation of these revised Standards.

## Performance analysis

Our 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 and built in these foundations across the sector in 2021–22.

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 providers proactively address risks and identify opportunities for continuous improvement. This approach, however, does not reduce our use of the full range of regulatory tools available or our commitment to ensuring full compliance.






In the 2023 ASQA Provider and Course Owner Survey, 78% of providers and course owners agreed or strongly agreed that our published insights about risks and the outcomes of our risk treatments support providers to self-assure their own operations. The same percentage of providers also agreed that our regulatory tools and practices supported them to self-assure and continuously improve in their own operations.


In the same survey, 81% of respondents agreed or strongly agreed that ASQA's regulatory approach promotes a culture of self-assurance and continuous quality improvement. This was a significant improvement on the 2021–22 result of 76%.

ASQA's support for self-assurance will, over time, build sector capacity for excellence in training outcomes and reduce the regulatory burden for training providers that are able to demonstrate they have effective mechanisms in place and can ensure that they are meeting relevant standards and achieve quality VET outcomes. Across the sector there are varying levels of capacity for self-assurance, and we are mindful of the cultural change required, including within ASQA, to successfully achieve the shift to self-assurance. ASQA is committed to drawing on best practice, building the evidence base and building partnerships, including with states and territories and sector stakeholders, to achieve this shift.

## Strategic Objective 2

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

KPI	Performance measure	2022–23 target and result
<b>2.1 Our regulation focuses on the greatest risk of harm to the integrity of qualifications and achievement of quality outcomes</b>	2.1a) ASQA draws on intelligence and data from a broad range of inputs to determine the most significant risks and publishes Regulatory Risk Priorities	2x per year  Met
	2.1b) ASQA reports on outcomes of our delivery of planned, integrated regulatory treatments and how they address our Regulatory Risk Priorities	Annually  Met
	2.1c) ASQA implements and reports on our ASQA Data Strategy and Roadmap 2021–24 to embed the use of data, analytics and insights through our decision-making	Annually  Met

KPI	Performance measure	2022–23 target and result
<b>2.2 Our education and communication with the sector supports regulatory outcomes</b>	2.2a) ASQA publishes information and guidance to support providers to understand and meet their regulatory obligations	Guidance alignment  Met
	2.2b) Percentage of providers that report ASQA's feedback is clear and supports an improved understanding of their performance	 75% Target 68% Met
	2.2c) Percentage of applicants that report ASQA's feedback is clear and supports an improved understanding of requirements	 75% Target 72% Met
<b>2.3 We manage risks proportionately and maintain essential safeguards</b>	2.3a) ASQA demonstrates proportionality by reporting on the broad range of regulatory tools applied at market entry and in promoting and monitoring compliance in accordance with our Regulatory Risk Framework	Annually  Met
	2.3b) ASQA demonstrates proportionality by reporting on the broad range of regulatory tools applied in responding to findings of non-compliance in accordance with our Regulatory Risk Framework	Annually  Met
<b>2.4 We implement better practice improvements in how we exercise our regulatory functions</b>	2.4a) Number of improved regulatory processes implemented in consultation with key stakeholders	2x per year  Met
	2.4b) We publish evidence of ASQA's active participation in regulatory communities of practice	Annually  Met
<b>Source</b>	ASQA Corporate Plan 2022–23 pages 17–18 and ASQA PBS 2022–23 page 179	



## Performance achievements

### Identifying Regulatory Risk Priorities

Our Regulatory Risk Priorities are informed by a range of data and intelligence and through environmental scanning. Further information is available on pages 19–20; however, in summary, this includes stakeholder engagement, the assessment of complaints and intelligence reports about providers and a range of intelligence and information. During 2022–23, we conducted 2 environmental scans that validated our risk priorities.

We published information on our Regulatory Risk Priorities to ensure transparency and support providers to understand where we have potential concerns in order that they self-assure their operations in relation to those risks and continuously improve.

### Proportionate treatment and management of risk

We apply a risk-based and intelligence-driven approach to manage regulatory risks proportionately, while minimising regulatory burden where possible.

Risk treatments may include use of intelligence to understand and monitor risks, education to inform and deter risk, regulatory activities to detect and address risks, and policy design to prevent risks.

We report annually on our management of risk, including the regulatory outcomes we achieve. This information can be found in the 'Our regulatory activities' section on pages 16–27.

Maintaining essential safeguards is a high priority for us within this overall approach and we participated as a partner agency in Operation Inglenook, established to deter and disrupt the exploitation of Australia's temporary visa program. This operation supported a range of compliance activities and surveillance and monitoring activities, where concerns around international students and provider practices were raised. More information on ASQA's participation as a partner agency in Operation Inglenook is available in the best-practice case study on page 39.

### Education and communication

Key education deliverables included:

- online delivery – Strategic Review of Online Learning in the VET Sector
- VET in Schools – SLG sub-group reviewing and testing the scoping study and resultant publications
- trainer assessor capability including delivery of TAE40116/TAE40122, an expanded list of frequently asked questions (FAQs) published on our website, ASQA Update articles, social media posts and webpage updates
- international students – various alerts and sector advice on returning to compliance with face-to-face delivery requirements, fee relief and education agent behaviour.

We reviewed and strengthened our guidance material and education tools available to support providers to address risks in their own operating context and to improve the quality of VET delivered. During 2022–23, we delivered an expanded education strategy and embedded a coordinated approach to education, including through various communication channels.

ASQA was also active in sharing best practice across the regulator community – including researching a community of practice framework and active participation in the Australia and New Zealand School of Government (ANZSOG) National Regulators Community of Practice.

## Continuous improvement

In 2022–23, ASQA developed a new Service Charter, which sets out our commitment to those who engage with us in the performance of our key functions.

The Charter sets out the most common interactions we have and what stakeholders can expect from us.

In 2022–23, significant work was undertaken to develop revised resources for initial registration to ensure applicants understand what is required of them in applying for registration, along with improvement to our assessment tools used to assess an applicant's readiness, commitment and capability to be registered as a provider to deliver quality vocational education and training.

Internally we developed regulatory processes and tools, training and induction and decision guidance and documents to support consistency and ensure quality regulatory outcomes are achieved. This included the development of 2 working groups:

- the Assessor Induction and Training Program Working Group
- the Controlled Documents Working Group.

Our Quality Assurance Framework included undertaking a number of quality assurance activities to evaluate our performance and inform continuous improvement – for example, monthly reviews of recorded decisions and closed audit records, sampling of monitoring activities and their outcomes, ensuring minor and material change requests are reflected correctly on publicly available registers and consistency of assessment decisions.

We also reduced duplication of effort through adjustments to decision-making delegations. These changes have resulted in efficiencies and increased our achievement against service standards.

We evaluated our regulatory performance through our annual Provider and Course Owner Survey, and conducted a pilot for a post-activity survey to gather feedback on the quality of our interactions with providers and applicants.

## Performance analysis

In 2022–23, there was a 48.7% increase in assessment and monitoring activities undertaken, resulting in 831 activities being completed. ASQA conducted a total of 236 performance assessments of providers, resulting in 195 identifying non-compliance at the performance assessment stage. Following consideration of the outcomes in the performance assessment reports, and further engagement with the Compliance team, 99 providers were able to demonstrate they understood where they were falling short in meeting their regulatory obligations actions and returned to compliance in a sustained way.

As highlighted above, in the 2023 ASQA Provider and Course Owner Survey, 89% of respondents stated they used ASQA education and information products to support compliance, self-assurance and continuous improvement, and 87% stated they were satisfied with the quality of ASQA's education and information.





The survey also looked at the percentage of providers that felt ASQA's feedback was clear and supported an improved understanding of their performance. While the results for feedback to applicants (72%) and feedback to providers who experienced a regulatory activity (68%) fell slightly short of the 75% target, this was the first year measuring this KPI and so the results establish a benchmark for improvement in future years.

Our risk-based educational material is designed to heighten awareness of systemic sector risks and provide resources to help providers mitigate these risks. Of the 76% of providers and course owners that indicated they used ASQA education and information, 98% indicated ASQA's education and information products were at least moderately useful.

Overall results in relation to this strategic deliverable were strong, and this is reflective of our focus and the significant program of work that was undertaken. However, in line with our commitment to continuous improvement, we will continue to explore opportunities to further enhance our education and communication with the sector and support quality regulatory outcomes.

## BEST PRACTICE CASE STUDY

### Risk-based and data-driven

#### International education

International education is a key Regulatory Risk Priority and a focus across government. Our role is to ensure that providers that deliver to international students are meeting their obligations under the *Education Services for Overseas Students Act 2000* (ESOS Act) and the National Code.

In 2022–23, we applied a range of regulatory strategies from education to enforcement to deliver on this function.

In a consistent approach with TEQSA, we communicated directly with all ESOS providers and issued a number of sector alerts to restate our expectations of providers as the pandemic conditions dissipated, including transparently outlining the actions we would take to ensure providers were complying with these expectations, such as announced and unannounced site visits and other surveillance.








In 2022, the Australian Government established a multi-agency operation, led by the Australian Border Force, to identify threats and vulnerabilities in Australia's temporary visa program. Operation Inglenook was also charged with identifying and supporting visa holders who were victims of trafficking or modern slavery practices within the sex industry.

ASQA was (and continues to be) an active partner in the operation, which is supported by a range of key agencies, including the Australian Federal Police, Australian Criminal Intelligence Commission and Australian Transaction Reports and Analysis Centre.

We responded to requests and raised matters for intelligence regarding our registered providers to assist with the development of intelligence assessments supporting a broader multi-agency response. We are also supported with improved data and intelligence-sharing, enabling us to take appropriate action within our regulatory functions to prevent VET providers from facilitating such activities, such as enforcing conditions of registration as a VET provider.

## Strategic Objective 3

Our regulatory approach is transparent and accountable

KPI	Performance measure	2022–23 target and result
<b>3.1 Stakeholders can access information about our regulatory approach</b>	3.1a) We publish our Regulatory Risk Framework and Regulatory Operating Model	Annually  Met
<b>3.2 Stakeholders can access information about our regulatory activity and performance</b>	3.2a) We report on our performance against ASQA service standards	Annually  Met
	3.2b) We report on our performance against the Standards for VET Regulators 2015	Annually  Met
<b>3.3 The Australian community can access information about our regulatory decisions</b>	3.3a) We publish information about provider performance to enable students and employers to differentiate between providers	Annually  Met
<b>3.4 The Australian community can access information about sector-wide performance</b>	3.4a) We publish a summary of our findings regarding all providers' performance against the Standards	Annually  Met
	3.4b) We analyse and report on trends in relation to complaints received about registered training providers	Annually  Met
<b>3.5 We report on implementation of ASQA's regulatory reform</b>	3.5a) We report on the number of Rapid Review recommendations implemented	Annually  Met
<b>Source</b>	ASQA Corporate Plan 2022–23 page 21 and ASQA PBS 2022–23 page 179	

## Performance achievements

ASQA's risk-based approach to regulation, including our operating model, is published and publicly available on ASQA's website. The Regulatory Risk Framework sets out our management of sector and provider risk. It describes our Regulatory Operating Model and sets out our regulatory functions and how they integrate with the agency's Enterprise Risk Management Framework. The model promotes guiding changes to regulatory culture, approaches and practices, and assists the sector in understanding how specific processes fit into the overarching VET framework.

In the 2023 ASQA Provider and Course Owner Survey, 64% of respondents agreed or strongly agreed that ASQA's regulatory approach was transparent and accountable – an increase of 4% on the previous year's survey result.

During the reporting period, ASQA progressively reviewed our performance and compliance with the Standards for *VET Regulators 2015*, including the implementation of continuous improvement initiatives. The review found ASQA was unable to fully demonstrate compliance with one performance measure:

The VET Regulator has service standards it must meet to perform its functions which:

- a) take account of good practice service standards in developing and updating those service standards; and
- b) are publicly available.

While we had publicly available service standards throughout 2022–23, some were not aligned with our current regulatory practice and consequently not fully achieved. Throughout 2022–23, we revised our service standards to better reflect our improved regulatory practice, in consultation with sector representatives.

Our performance against the service standards for 2022–23 is outlined in the figures below:

**Figure 5: Assessment report provided – results against service standard (20 working days) 2020–21 – 2022–23**

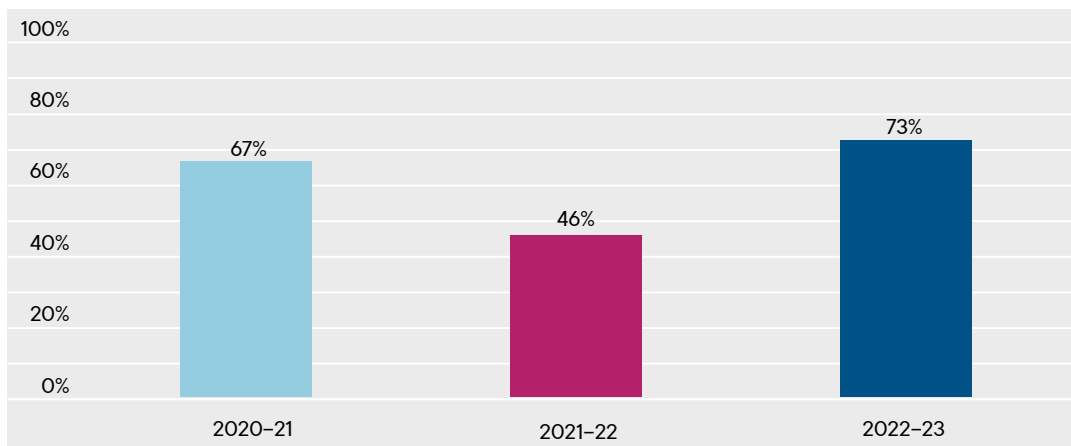


Figure 6: Final decision provided following acceptance of additional evidence – results against service standard (30 working days) 2020–21 – 2022–23

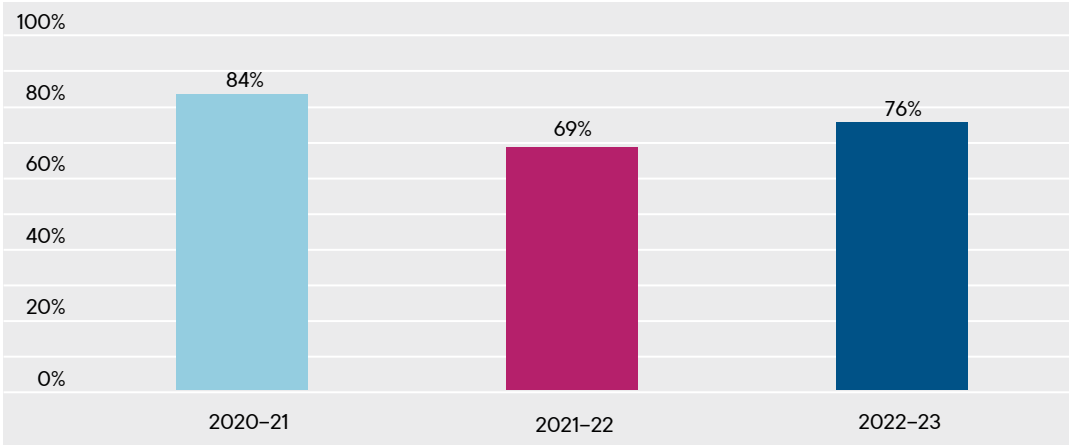
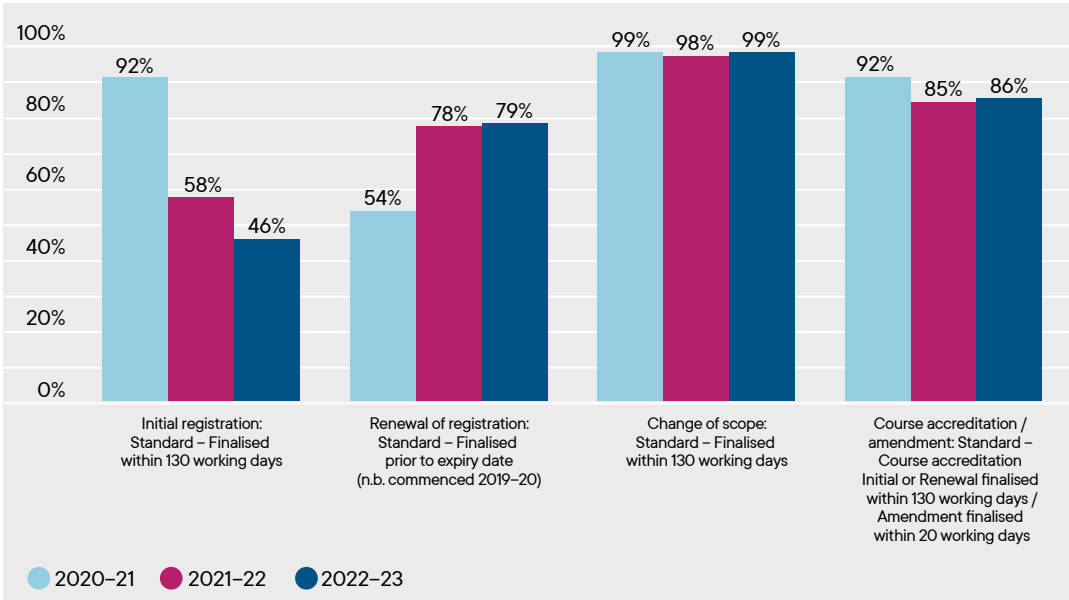
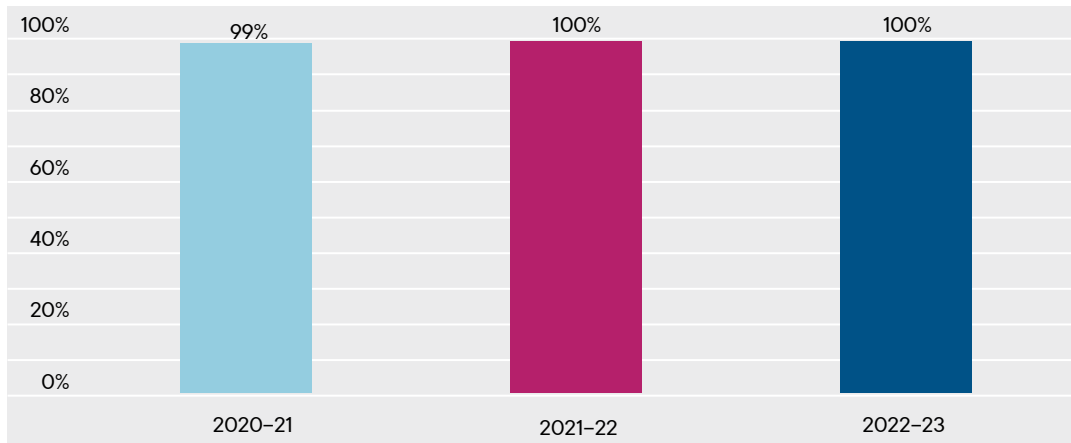


Figure 7: Registration and course accreditation applications – results against service standard 2020–21 – 2022–23



**Figure 8: Reconsideration applications finalised – results against service standard (65 working days)  
2020–21 – 2022–23**



In 2022–23, ASQA's Service Delivery team received 5,573 student enquiry record forms, 23,825 phone calls and 22,885 emails. Due to limitations in our reporting process, we did not have reliable reporting against the 2022–23 service standards. Our improved Customer Enquiry Management System (CEMS) will capture the enquiry type, details and the source of the enquirer in a manner that will make the analysis of data more accurate moving forward.

In 2022–23, ASQA met the standard to conduct an audit of a registered provider within 2 years of the provider first being registered in 100% of all cases in the reporting period. All 211 providers that fell into this category had an assessment conducted within the 2022–23 financial year. This was an improvement on 2021–22, where ASQA met the requirement to undertake a review of a newly registered provider within 2 years of registration in 84% of cases.

An important part of our regulatory process is providing access to information about our regulatory decisions. In accordance with section 216 of the *National Vocational Education and Training Regulator Act 2011* (NVR Act), ASQA publishes decisions on the National Register on a fortnightly basis.

We also report on the implementation of our regulatory reform. As at 20 June 2023, 15 of the 24 Rapid Review recommendations are complete, with the remaining 9 underway. Further details on the Rapid Review implementation are listed at Appendix E.

## Performance analysis

ASQA's performance against the service standards for 2022–23 was either consistent or improved upon across all service standard metrics compared with the previous year, except for initial registration applications – noting that 46% of initial registration applications were finalised within 130 working days, compared to 58% in the previous year. The most notable improvement in performance was 'report provided within 20 working days', which was met 73% of the time in 2022–23 compared with 46% in the previous year. There was also an improvement in 'decision provided within 30 days following acceptance of additional evidence', which was met 76% of the time in 2022–23 compared with 69% in the previous year.

While ASQA's performance in relation to service standards does not currently meet expectations, we will continue to embed recent practice changes, together with opportunities to improve efficiencies through digital technologies. We are committed to monitoring, evaluating and, year on year, improving our performance against the revised Service Charter and our service standards. In the context of an increased volume of applications over recent years, ASQA is implementing measures to deal with current work on hand as well as a planned program of digital enhancements. This will further support ASQA's regulatory operations to meet service standards by reducing manual processing and streamline our interactions with regulated providers through the redesign of internal systems.

We use the feedback we receive to continuously improve and publish information on how we are performing to demonstrate our commitment to transparent management, accountability for results, and efficient and effective regulation, which is best practice and supported by our cost recovery model.

To improve on our performance, ASQA has also developed a new Service Charter and revised service standards. This includes broadening the scope of the previous narrowly defined service standards to capture the quality of regulatory interactions and outcomes achieved through the provision of services.

On 30 April 2020, the Australian Government released the Rapid Review of ASQA's Regulatory Practices and Processes. This report outlined 24 recommendations to improve the way ASQA operates, in line with best-practice governance, regulation and engagement.

We are well advanced on delivering the recommendations of the Rapid Review, with 15 now complete. During 2022–23, ASQA delivered:

- a framework to support 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 is referenced in the new Service Charter
- improved strategic engagement with the Skills Senior Officials' Network, industry reference committees and skills service organisations to establish a feedback loop regarding broader VET reform, training packages and their intent and implementation by providers
- expanded post-market risk-based and routine monitoring to support public confidence in the regulation of the VET sector
- a formal program for professional development for ASQA auditors and decision-makers
- a revised Annual Declaration on Compliance (ADC) process.

ASQA is committed to improving transparency and accountability in line with principles of best-practice regulation and we established an enterprise-level project focused on increasing the transparency of our activities, the associated outcomes and information about sector performance.



## Chapter 2: Annual performance statement

The information transparency project has developed a clear plan addressing the type, frequency and format of information published by the agency. Noting the complex and often decentralised nature of performance reporting across the agency, the project considers issues of consistency, data governance and management. It takes a multi-year view to building capability in a strategic fashion. Work undertaken in the last financial year included the development of a quarterly Regulation Report, which has been tested internally and will be published for the 2023–24 financial year.

Other work designed to increase the quality and transparency of data includes the development of a secure cloud-based data lake to support the agency's broader Digital Transformation Program, work with DEWR on the redevelopment of the National Training Register and ASQA's involvement in VET Data Streamlining (VDS). The VDS program is a partnership between the Commonwealth, state and territory training authorities, the National Centre for Vocational Education Research (NCVER) and VET sector regulators, and is focused on:

- a new VET Information Standard to replace AVETMISS 8.0, changing what information will need to be collected by RTOs and how it is reported
- a new Student and Training Activity Reporting System (STARS), changing how RTOs will validate and submit data, which can be integrated with student management systems
- a sector-wide, consistent reporting timeframe, moving from periodic for some providers to progressive reporting for everyone.

We are committed to implementing the remaining Rapid Review recommendations, and these have been incorporated into a number of major projects that will deliver outcomes in future years.

Four of the remaining 9 recommendations relate to the implementation of the new Standards for RTOs, which is being led by DEWR and is anticipated to commence on 1 January 2025.









## BEST PRACTICE CASE STUDY

# Continuous improvement and building trust

## Streamlining the Annual Declaration on Compliance

Ensuring ASQA's regulatory program is fit for purpose and building trust and connections with stakeholders are cornerstones of ASQA's commitment to continuous improvement.

An example of this relates to the requirement for providers to submit an Annual Declaration on Compliance (ADC). This was introduced to the Standards in 2015, and from 2016 to 2022, ADC submissions were collected using a survey tool.

The Rapid Review of ASQA in 2019–20 identified revising the ADC as a mechanism to support provider self-assurance.

Following a review of the declaration, it was evident that providers and ASQA staff saw limited value in the ADC and there was an opportunity to more effectively enable providers to reflect on their operations, outcomes achieved and continuous improvement actions or opportunities

ASQA developed strategies to address these challenges and issues, which included reducing the number of questions on the declaration, removing duplication and improving the clarity of questions. We further reduced the time it took providers to complete by pre-populating the questionnaire with provider identifiers already known to ASQA.

The new system generated preliminary insights to provider practice and maturity in relation to monitoring, evaluation and continuous improvement, and we continued to nudge providers to update their records, monitor, evaluate and continuously improve their own performance.

The new ADC 2023 was launched on 17 April 2023 and closed on 17 May 2023. On 18 May 2023, 3,341 providers (96% of the total 3,459 surveyed providers) submitted an ADC – well above previous years, including 2021–22, when 84.3% of providers submitted their ADC by the due date. Of the 118 providers that did not submit the 2023 ADC, 8 are currently in administration/liquidation, 6 are pending re-registration, and 3 have full-scope suspensions.

Due to the improved quality of data submitted, together with the high completion rate, ASQA is well positioned to deliver sector insights based on the data collected. We will use this data to further revise the next ADC to ensure it aligns with the revised Standards for RTOs.

## BEST PRACTICE CASE STUDY

### Developing the post-activity feedback survey

An important source of feedback to ASQA from the providers we regulate relates to understanding their experiences when we interact with them, and using this information to inform our continuous improvement. This helps us deliver on the ASQA Service Charter, meet Australian Public Service (APS) and ASQA Values and Codes of Conduct, and provide best-practice regulation in accordance with our policies and procedures.

We developed a Provider Feedback Survey to qualitatively and quantitatively measure the interactions between regulated entities and ASQA officers and to ensure we were meeting the commitments we made in our new Service Charter.




Piloting the survey before implementation helped us understand how the questions are working and what we might be missing or could improve. We also engaged the Stakeholder Liaison Group (SLG) to test the approach and format of the questions.

The pilot ran for 2 months between May and June 2023, while we simultaneously tested our survey with the SLG.

Data from the pilot helped identify what we do well and what can be improved, and provided insight into provider needs, preference and behaviour. This can assist us in better managing our communication with entities, and in the development of training and supporting material for staff/entities.

## Strategic Objective 4

We engage, consult and partner with stakeholders to improve regulatory outcomes

KPI	Performance measure	2022–23 target and result
<b>4.1 Our partnerships and engagement inform and enhance our regulatory approach</b>	4.1a) We constructively engage with peak bodies of the regulated community to inform and improve our regulatory approach and support timely communication with the sector	Quarterly  Met
	4.1b) We implement our protocols to engage and collaborate with government entities, other regulators, industry, students and the consumer protection network to support regulatory outcomes	Annually  Met
<b>4.2 We are proactive in our engagement to ensure that the regulatory system for which we have operational responsibility remains fit for purpose over the long term</b>	4.2a) ASQA reports its contribution to improvement of regulatory settings and the broader VET framework	Annually  Met
<b>Source</b>		ASQA Corporate Plan 2022–23 page 23 and ASQA PBS 2022–23 page 179

### Performance achievements

Our partnerships and engagement inform and enhance our regulatory approach, and we are committed to building long-term relationships with stakeholders. These stakeholders include the Australian Government and state and territory governments, other entities that form Australia's VET regulatory framework, individual VET providers, peak body representatives of VET providers, industry and employers, students and the consumer protection network, course owners and developers.

In the 2023 ASQA Provider and Course Owner Survey, 73% of respondents agreed ASQA engages and partners with stakeholders constructively and with mutual respect – up from 71% in 2020–21.

ASQA's primary forum for strategic engagement and consultation with the peak VET, dual-sector and English language provider associations is our quarterly Provider Roundtable.

The Roundtable is chaired by the CEO of ASQA and comprises senior representatives from Adult Learning Australia, Community Colleges Australia, English Australia, Enterprise Registered Training Organisation Association, Independent Higher Education Australia, Independent Tertiary Education Council Australia and TAFE Directors Australia.

The outcomes of meetings and terms of reference are published on our website.

In addition to hosting the Roundtable, ASQA attends and presents (by invitation) at a variety of VET-related conferences, including those hosted by VET sector peak bodies.

Furthermore, the VET Regulators' Quarterly Meetings support the agreement outlined in the memorandum of understanding (MOU) between ASQA, the Training Accreditation Council Western Australia (TAC WA) and the Victorian Registration and Qualifications Authority (VRQA). The Queensland Curriculum and Assessment Authority (QCAA) attends this forum as an observer, as it regulates schools in Queensland that deliver VET.

ASQA also meets quarterly with the Commonwealth Ombudsman (International Student Complaints) to exchange intelligence and themes in feedback received from international students. We engage with state and territory skills authorities through various forums, including the quarterly Commonwealth, States and Territories International Education Forum.

In 2022–23, we produced a number of educational resources for providers, including:

- 3 new videos
- 25 EDMs
- 120 webpage updates
- 10 updated and new guidance materials
- 102 ASQA news articles
- 37 student record templates updated
- 10 student user journey, provider user journey, and DEWR user journey flow-charts
- 11 surveys
- 9 ASQA Update editions.

ASQA also participated in steering committees and working groups with DEWR and the Department of Education.

## Performance analysis

In 2022–23, we strengthened our sector engagement and made changes to our stakeholder engagement initiatives. Our strong commitment to genuine collaboration and engagement has opened up an opportunity for new ways to educate our audience. It also informed updated processes, such as the way we communicate with providers post-performance assessment. We also initiated, co-designed and tested new educative material, including FAQs, guides and checklists, and identified emerging areas of risk and co-designed the regulatory approach that best treats risk in the sector.





ASQA has contributed submissions and appeared at public hearings for parliamentary committees and cross-portfolio working groups, including on the Universities Accord, the RTO Standards consultation paper, the Treasury Employment White Paper, the Inquiry into the National Vocational Education and Training Regulator (Data Streamlining) Amendment Bill 2023, and the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia's tourism and international education sectors.



We also contributed to skills reforms to strengthen quality standards for registered training organisations, planning for forward implementation and transition to revised Standards, and support for government initiatives, including through renewed focus on growth in international markets.

## Strategic Objective 5

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

KPI	Performance measure	2022–23 target and result
<b>5.1 We use our cost recovery model as a key tool to understand and improve the efficiency of our operations and inform the alignment of our resources to regulatory priorities</b>	5.1a) Our published Cost Recovery Implementation Statement demonstrates how regulatory activities generate costs and the achievement of a minimum efficient cost for those activities	Annually  Met
<b>5.2 We share information about our assurance and quality control activities</b>	5.2a) Key stakeholders receive information about our assurance activities and continuous improvement of processes and systems	Annually  Met
<b>5.3 We share information about evaluation of our regulatory operations</b>	5.3a) We publish iterative evaluation of our regulatory operations	Annually  Met
<b>5.4 We progressively implement digital enhancements that improve the efficiency of our operations</b>	5.4a) We report on the implementation of ASQA's Digital Transformation Project and measure benefits and efficiencies	Annually  Met
<b>Source</b>	ASQA Corporate Plan 2022–23 page 25 and ASQA PBS 2022–23 page 179	

## Performance achievements

In the 2023 ASQA Provider and Course Owner Survey, 67% of respondents agreed or strongly agreed that ASQA adds value and is efficient, effective and continuously improves – up from 66% the previous year.

The high-level results of the survey are published on the ASQA website.

Aligned with our implementation of full cost recovery from 1 July 2022, we established a Cost Recovery Working Group to support and review the model and approach.

We also conducted a self-assessment of our progress against achieving the objectives of the Rapid Review recommendations. This assessment was shared with key stakeholders at the Provider Roundtable on 18 May 2023, where we tested our assurance through assessment by Roundtable members.

In addition, our Digital Transformation Program has achieved meaningful results across 2022–23, delivering new and improved technologies that enable regulatory outcomes. A key tenet of our delivery program includes human-centred design to ensure our new products meet the needs of our internal and external users, helping to improve operational efficiency and end-user experience.

In 2022–23, the program transitioned from establishing foundations to delivering tangible results through improved customer relationship management capabilities, supporting our course accreditation and Service Desk functions. The program also delivered improved front-end automation through the development of online workflows to address simple processes that traditionally would be managed through the Service Desk. This has reduced Service Desk workload and freed up our staff to manage more complex matters.

## Performance analysis

In 2022–23, ASQA continued to implement a program of evaluation progressively across our Regulatory Operating Model, co-designed with stakeholders to drive continuous improvement of our performance and the performance of the sector in line with standards and a focus on provider self-assurance.

We have progressively implemented digital enhancements to improve the efficiency and quality of our interactions with regulated entities and applicants, and continue to implement a program of evaluation progressively across our Regulatory Operating Model.

This has been co-designed with stakeholders to drive continuous improvement of our performance and the performance of the sector in line with standards and a focus on provider self-assurance, to confirm our implementation of the recommendations of the Rapid Review, support understanding of our efficiency and effectiveness, and inform the allocation of resources under the Regulatory Operating Model.

The 2023 ASQA Provider and Course Owner Survey results demonstrate that ASQA continues to improve its achievement of its Strategic Objectives.

Our Digital Transformation Program governance structure was integral to ASQA meeting this performance measure. This ensured a blend of operational and strategic governance, with the right stakeholders engaged at the right levels to ensure effectiveness.



# Overall performance analysis

Results from ASQA's 2023 Provider and Course Owner Survey indicate the majority of providers and course owners regard our regulatory approach as a best-practice and proportionate approach that promotes quality improvement and adds value.

Providers and course owners were asked to indicate the level of their agreement with 5 statements that describe ASQA's 2022–23 Strategic Objectives. These were:

- Strategic Objective 1: ASQA's regulatory approach promotes a culture of self-assurance and continuous quality improvement. On this, 81% of respondents agreed and strongly agreed, up 5% from the previous year.
- Strategic Objective 2: ASQA's regulatory approach is best practice, integrated, risk based and proportionate. On this, 68% of respondents agreed and strongly agreed, up 3% from the previous year.
- Strategic Objective 3: ASQA's regulatory approach is transparent and accountable. On this, 64% of respondents agreed and strongly agreed, up 4% from the previous year.
- Strategic Objective 4: ASQA engages and partners with stakeholders constructively and with mutual respect. On this, 73% of respondents agreed and strongly agreed, in line with the previous year.
- Strategic Objective 5: ASQA adds value and is efficient, effective, and continuously improves. On this, 67% of respondents agreed and strongly agreed, up 1% from the previous year.

These results support our achievement of outcomes against our 2022–23 Strategic Objectives.

Given the breadth and depth of change implemented by the agency following the Rapid Review of ASQA and in order to adapt to the COVID-19 pandemic, we are pleased to report the achievement of all Strategic Objectives, including improvement in all areas (other than Strategic Objective 4, which remained consistent with last year).

Our performance in 2022–23 demonstrates outcomes across our dual mandate both to protect and enhance quality VET and to protect students and the reputation of VET nationally and internationally by holding providers to account to meet their responsibilities as registered training organisations.

We applied a risk management approach to actively and regularly assess and implement regulatory strategies proportionate to risk. We also demonstrated increased regulatory action focused on providers considered as higher risk.

We have continued to support the sector's capacity for quality VET and promote action by providers to identify and rectify issues, and to build their capacity for continuous improvement. This will support the Rapid Review's recommendations to shift, over time, our regulatory approach from prescriptive and process-based compliance to a broader focus on self-assurance by training providers and excellence in training outcomes.

While we recognise we will always have opportunities for improvement, we are pleased to have closed out the year with the implementation of our new Service Charter.

We continue to strive for regulatory best practice, continuously improving in collaboration with others, and responding to government priorities to ensure that the focus of our regulation is to:

- safeguard student welfare and the quality of VET
- foster a world-class VET sector through regulatory action
- collaborate to enhance the reputation of the VET sector and support and protect students.









# 3. Management and accountability

## In this chapter...

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Corporate governance	56
External assurance and support for accountability and transparency in public administration	61
People	62
Technology	83
Ecologically sustainable development and environmental performance	85
Purchasing and procurement	86

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# Corporate governance

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 risk management.

ASQA is led by a CEO who reports directly to the Minister for Skills and Training. Our CEO is supported by a ministerially appointed Advisory Council and internal governance committees.

## National Vocational Education and Training Regulator (NVETR) Advisory Council

The NVETR Advisory Council is established under section 174 of the *National Vocational Education and Training Regulator Act 2011* to advise the CEO on our functions. The Council may also advise ASQA on our functions at the request of the Minister.

## Governance committees

In 2022–23, the CEO commissioned an internal review of the operational effectiveness of ASQA's system of governance, 18 months after its commencement on 1 January 2021. The review recommended improvements to enhance the transparency and efficiency of the operations of ASQA's governance committees. ASQA revised its governance system to respond to the review findings; the revised system of governance commenced on 1 April 2023 and includes:

- the **Executive Committee** – a strategically focused committee that supports the CEO to lead and govern ASQA to ensure it fulfils its purpose, delivers on its objectives, fosters a positive culture and meets its legal, financial, resourcing and regulatory obligations
- the **Resources Committee** – an operationally focused committee that advises on matters relevant to the effective and efficient operations of the agency
- the **Regulatory Committee** – an operationally focused committee that advises on the implementation of ASQA's reform agenda, change and continuous improvement measures
- the **Audit and Risk Committee** – established in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013*. The committee provides independent assurance of ASQA's risk, control and compliance framework and external accountability responsibilities. The committee also reviews agency-wide fraud control measures. Membership and meeting details are on page 60
- the **Work Health and Safety Committee** – established in accordance with sections 75–79 of the *Work Health and Safety Act 2011*. The committee advises on best practice and reporting on incidents and compliance, as well as measures to reduce cases under investigation with Comcare
- the **Staff Consultative Committee** – established under ASQA's Enterprise Agreement to represent the collective interests of ASQA's employees, improve communication and collaboration between staff, and promote continuous improvement and organisational development within ASQA.



## Planning and performance

The Commonwealth Performance Framework, under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA rule), requires ASQA as a Commonwealth entity to publish a corporate plan by 31 August each year. ASQA's Corporate Plan is our agency's primary planning document and sets the direction for how we will work together, build our own and the sector's capability, and engage with risk to deliver on our purpose over the coming 4 years.

The Corporate Plan includes important performance information, such as Portfolio Budget Statement (PBS) performance criteria, that guide our Strategic Objectives and activities we plan to achieve in the following 4 years. We then use these criteria to report our performance at the end of the corporate planning cycle, through the Annual Performance Statement.

The Corporate Plan also reflects our commitment to meeting the *Standards for VET Regulators 2015*, which require us to implement a risk-based approach to regulation and provide accountability and transparency of our regulatory activities.

## 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 2022–23, these reports related to finance, risk, regulatory statistics, complaints, issues and incidents, communications, human resource profiles, health and safety, reform progress, COVID-19 impacts and 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 the following:

- 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 SES staff to manage those conflicts, 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.

In 2022–23, 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. In addition to the Risk Management Policy Statement, ASQA maintains a Risk Management Framework, which explains how risk management is implemented in ASQA. ASQA's 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 engaged with risk owners to enhance their 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 and Risk 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 their 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 2022–23 we acknowledged 100% of complaints within 5 working days and in 75% of cases 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 and Risk Committee members and meetings

ASQA's [Audit and Risk Committee Charter](#) was reviewed in 2022–23 to ensure currency and continued alignment with the Department of Finance publication *A guide for non-corporate Commonwealth entities on the role of audit committees* and ASQA's requirements for audit committee services.

The functions of the ASQA Audit and Risk 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 internal control framework, legislative and policy compliance, security, business continuity, ethical and lawful conduct, governance arrangements, parliamentary committee reports, external review and evaluations, and governance in relation to internal audit.

In 2022–23, the Audit and Risk Committee met 4 times on the following dates:

- 12 September 2022
- 15 November 2022
- 30 January 2023
- 23 May 2023.

In the first quarter of 2022–23, one new member was appointed to the committee as the Chair upon the resignation of the previous Chair. In 2022–23 there were 5 members of the Audit and Risk Committee, of whom 4 received remuneration.

**Table 5: Audit committee members**

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended/ total number of meetings held during member's tenure	Total annual remuneration (GST inc.)	Additional information (including role on committee)
Susan Rix	<ul style="list-style-type: none"> <li>Chartered Accountant (partner for 30 years in chartered accounting firm)</li> <li>Company Director (Graduate of the Australian Institute of Company Directors and 30 years of Board experience)</li> <li>Chaired Audit and Risk Committees for a range of organisations for 30 years.</li> </ul>	3/3	\$7,500	Chair (resigned)
Darren Box	<ul style="list-style-type: none"> <li>Bachelor of Business (ACC), Fellow of CPA Australia and Level 2 Organisational Coach</li> </ul>	1/1	\$2,500	Chair (current)
Katie Williams	<ul style="list-style-type: none"> <li>Doctor of Philosophy – Curtin University of Technology</li> <li>Bachelor of Commerce (International Business and Information Systems) – Curtin University of Technology</li> <li>Bachelor of Commerce (Information Systems, First Class Honours)</li> <li>Member of Institute of Internal Auditors (IIA), Member of Australian Institute of Company Directors and Member of Association for Information Systems</li> </ul>	4/4	\$10,000	
Stephen Linden	<ul style="list-style-type: none"> <li>Bachelor of Business (Accounting Major: Business Law Minor) – Curtin University</li> <li>Diploma in Accounting – TAFE</li> <li>Certified Practising Accountant</li> <li>Ten years as member of IIA Global guidance setting committees, including 3 years on Public Sector Committee</li> </ul>	3/4 attended in person with out-of-session feedback input provided on a 4th meeting	\$8,750	
Sara McIvor	<ul style="list-style-type: none"> <li>Bachelor of Law, Trinity College Dublin</li> <li>Chartered Accountant</li> <li>Internal Audit Practitioner</li> </ul>	4/4	\$0	



# External assurance and support for accountability and transparency in public administration

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 9 November 2022, 15 February 2023 and 31 May 2023. Our CEO and Deputy CEO responded to questions from senators relating to various aspects of ASQA's operations at the hearings, and ASQA provided responses to 92 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 Publication Scheme. We comply with this requirement through the freedom of information disclosure log [on our website](#).

We are also required to publish a plan detailing what information we publish in accordance with the Information Publication Scheme requirements. This plan is [on our website](#).

In addition, we are required to comply with the timeframe requirements of the FOI Act. During 2022–23, 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 Administrative Appeals Tribunal (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 2022–23, there were 13 applications to the AAT to review a decision (or decisions) made by ASQA. In addition, a further 26 matters were carried over from previous financial years. Of all matters, 21 were closed during 2022–23 and 18 have been carried into 2023–24.

For more information on AAT outcomes see page 26 in Chapter 1.

## Review by the court

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

In 2022–23, there were no such applications for review by the Federal Court.

One Federal Court matter, involving an appeal from a decision of the AAT, was carried over into 2022–23, and was finalised in March 2023. In that matter, the Federal Court allowed an appeal from a decision of the AAT to affirm ASQA's decision to cancel an RTO's registration under the NVR Act. The Federal Court's decision turned on the proper interpretation of a clause of the *Standards for Registered Training Organisations (RTOs) 2015*. The matter has now been remitted back to the AAT for reconsideration.

# People

## Management of human resources

Our people bring a diverse range of skills, knowledge and experience to support ASQA's regulatory capability. Skill sets 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, panel and contractor arrangements to complement our teams and support delivery of government priorities.

As at 30 June 2023, we had 206 APS employees, located in offices in all capital cities (except Darwin), with our largest presence in Brisbane.

The success of ASQA is dependent on our people. We have been focused on attracting, retaining and developing a highly skilled and engaged workforce, supported by strong leadership capability, within a values-driven organisational culture.

We published our ASQA Workforce Plan 2023–25 outlining how we will build and sustain an agile workforce through to 2025, ensuring we have the capabilities to deliver our Strategic Objectives and that we have a workforce culture underpinned by contemporary workplace strategies that empower and support our workforce. ASQA's Workforce Plan 2023–25 aligns with the APS Workforce Strategy to continue to develop our people and better leverage their skills and capabilities.





## Chapter 3. Management and accountability

In building our workforce of the future, we are committed to 3 key action areas:

1. Attract, build, and retain skills, expertise, and talent.
2. Embrace data, technology, and flexible and responsive workforce models.
3. Strengthen integrity and purposeful leadership.

### Workplace diversity

ASQA is committed to workplace diversity and inclusion through fostering a supportive, respectful and engaging environment for our employees and external stakeholders. 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 Reconciliation Action Plan 2023–25 (RAP), our second RAP, was developed to continue to implement strategies, initiatives and policies that make valuable contributions to reconciliation in Australia and to foster a workforce that better reflects the diversity of the Australian community.



The key initiatives of our Innovate RAP include:

- develop mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders
- engage staff in reconciliation
- develop and pilot strategies for reconciliation initiatives
- explore how the organisation can more effectively enable reconciliation through its business activities, services, programs, stakeholders and sphere of influence.

ASQA's Diversity and Inclusion Strategy 2023–25 was drafted following extensive consultation. We contribute to Australia's economic prosperity and social wellbeing by creating opportunities and enabling better outcomes for people in the vocational education and training (VET) sector.

Our strategy represents our ongoing commitment to creating a diverse and inclusive workplace culture that:

- can attract, recruit, and retain a diverse workforce
- helps employees to feel empowered and safe at work
- leads with accountability, integrity and trust
- leverages data, technology, innovation and flexibility to ensure our workplace and work practices are accessible and inclusive for all.

Some key achievements in 2022–23 have been:

- celebrating key dates of significance throughout the year, including National Reconciliation Week, NAIDOC Week, International Day of Disability, Pride Month, IDAHOBIT Day and many more
- launching our Innovate RAP
- reviewing and developing policies that create a more inclusive workplace culture
- participating in the Public Sector Gender Equality Reporting process through Workplace Gender Equality Agency reporting, supporting the work of the Diversity Working Group and Executive-level sponsorship.

The coming year will see our new Diversity and Inclusion Strategy implemented for ASQA. This will further strengthen our commitment to embracing a diverse workforce.

## Capability development

We implemented ASQA's Capability Framework 2023–25 and Learning and Development Approach, providing the foundation for ASQA to attract, develop and retain an agile and capable workforce that is able to navigate complexity. This work focuses on building APS Craft and addressing key priority areas such as leadership and management, data and digital literacy, governance and integrity. Some of the key deliverables of this work have been:

- delivering an improved onboarding experience to better support new starters and begin their career journey with a continuous learning mindset
- improving the accessibility of learning and development solutions for staff by improving online content.

We have a strong commitment to the adoption of enterprise change management capability within the organisation to improve the alignment of strategy and transformational initiatives, so that anticipated outcomes are achieved. We focused heavily on uplifting specialist change management capability through targeted training, coaching and the application of best-practice change methodology and supports.



ASQA also ensures our staff are current in their knowledge of a range of essential topics. Staff are required to complete a range of mandatory training annually on topics such as work health and safety (WHS), risk management, security, cultural awareness and sexual harassment.

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.

## 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 that values and encourages outstanding performance.

We continued to deliver on the ASQA Reward and Recognition Policy, which included 2 CEO Award ceremonies and an all-staff celebratory event.

A key priority for 2023 was to implement a proven framework of staff recognition and feedback that facilitates building a culture that encourages people to recognise the contributions of their colleagues both inside and outside their teams. 'Recouragement' was launched to identify ways staff could recognise and encourage one another, provide tips for managers to foster a culture of recognition in teams, and outline principles for effective 'recouragement'.

We may also, through endorsement by the Executive Committee, nominate outstanding employees for external awards that recognise achievement or excellence in a variety of areas, including the Public Service Medal, the Department of Employment and Workplace Relations (DEWR) portfolio awards, and development opportunities such as the ANZSOG courses.

## Workplace communication

ASQA places a high priority on communication and engagement, and we 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 broad and geographically dispersed workforce often working within flexible arrangements.

Channels included our weekly all-staff digital newsletter, fortnightly CEO video messages, bi-monthly all-staff meetings (virtual), regular leaders' forums, employee representation on the Staff Consultative Committee, Work Health and Safety Committee, Diversity Working Group and Organisational Capability and Change Committee, targeted 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 and dedicated information portals on our intranet about topical issues, including ASQA's commitment to change.

We continue to engage with staff to strengthen and support effective communication. Throughout the year, ASQA revised key internal communication channels to ensure clear and consistent information-sharing and undertook planned and targeted engagement processes on several topics, including ASQA's strategic priorities and deliverables, governance changes, the workplace of the future, ASQA's values, commitment to managing change and implementation, and continuous improvement adjustments of our functional realignment.

## Workforce composition

The following tables provide statistics on the number of ASQA employees at the end of the 2022–23 and 2021–22 reporting periods 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 2023, we did not employ any ongoing or non-ongoing employees who:

- identify as non-binary or prefer not to answer
- were based in external territories or outside Australia (overseas).



## APS location and gender

Table 6: ASQA ongoing employees by location and gender at 30 June 2023

Office location	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	3	0	3	13	2	15	0	0	0	18
QLD	15	1	16	45	7	52	0	0	0	68
SA	6	0	6	15	3	18	2	0	2	26
TAS	1	0	1	1	1	2	0	0	0	3
VIC	18	2	20	31	4	35	0	0	0	55
WA	1	0	1	2	0	2	0	0	0	3
ACT	9	0	9	7	0	7	0	0	0	16
NT	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>53</b>	<b>3</b>	<b>56</b>	<b>114</b>	<b>17</b>	<b>131</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>189</b>

Table 7: ASQA non-ongoing employees by location and gender at 30 June 2023

Office location	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	2	0	2	2	0	2	0	0	0	4
QLD	2	0	2	1	0	1	1	0	1	4
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	2	0	2	2	0	2	0	0	0	4
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	3	0	3	1	0	1	5
NT	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>17</b>

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

Office location	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	8	0	8	18	2	20	0	0	0	28
QLD	14	2	16	41	7	48	0	0	0	64
SA	8	0	8	13	1	14	0	0	0	22
TAS	1	0	1	0	1	1	0	0	0	2
VIC	17	0	17	35	2	37	0	0	0	54
WA	1	0	1	2	0	2	0	0	0	3
ACT	7	0	7	6	0	6	0	0	0	13
NT	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>2</b>	<b>58</b>	<b>115</b>	<b>13</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>186</b>

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

Office location	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	0	0	0	1	0	1	0	0	0	1
QLD	1	0	1	4	0	4	0	0	0	5
SA	0	0	0	1	0	1	0	0	0	1
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	1	0	1	0	0	0	1
ACT	0	0	0	1	0	1	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>



## APS classification and gender

Table 10: ASQA ongoing employees by employment classification and gender at 30 June 2023

Classification level	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 2	0	0	0	1	0	1	0	0	0	1
SES 1	1	0	1	3	0	3	0	0	0	4
EL 2	9	0	9	13	1	14	0	0	0	23
EL 1	13	2	15	36	7	43	0	0	0	58
APS 6	15	1	16	41	5	46	1	0	1	63
APS 5	10	0	10	10	2	12	0	0	0	22
APS 4	4	0	4	11	1	12	1	0	1	17
APS 3	1	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>53</b>	<b>3</b>	<b>56</b>	<b>115</b>	<b>16</b>	<b>131</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>189</b>

Table 11: ASQA non-ongoing employees by employment classification and gender at 30 June 2023

Classification level	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	1	0	1	0	0	0	1
EL 1	1	0	1	1	0	1	0	0	0	2
APS 6	2	0	2	0	0	0	2	0	2	4
APS 5	0	0	0	4	0	4	0	0	0	4
APS 4	4	0	4	1	0	1	0	0	0	5
APS 3	0	0	0	1	0	1	0	0	0	1
<b>Total</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>17</b>

Table 12: ASQA ongoing employees by employment classification and gender at 30 June 2022

Classification level	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 2	0	0	0	1	0	1	0	0	0	1
SES 1	3	0	3	1	0	1	0	0	0	4
EL 2	11	0	11	15	1	16	0	0	0	27
EL 1	11	0	11	45	6	51	0	0	0	62
APS 6	17	2	19	33	5	38	0	0	0	57
APS 5	8	0	8	13	1	14	0	0	0	22
APS 4	4	0	4	5	0	5	0	0	0	9
APS 3	2	0	2	2	0	2	0	0	0	4
<b>Total</b>	<b>56</b>	<b>2</b>	<b>58</b>	<b>115</b>	<b>13</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>186</b>

Table 13: ASQA non-ongoing employees by employment classification and gender at 30 June 2022

Classification level	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	2	0	2	0	0	0	2
EL 1	0	0	0	0	0	0	0	0	0	0
APS 6	0	0	0	5	0	5	0	0	0	5
APS 5	1	0	1	1	0	1	0	0	0	2
APS 4	0	0	0	0	0	0	0	0	0	0
APS 3	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>





## Employment type by location

Table 14: ASQA employee type by location at 30 June 2023

	Ongoing	Non-ongoing	Total
NSW	18	4	22
QLD	68	4	72
SA	26	0	26
TAS	3	0	3
VIC	55	4	59
WA	3	0	3
ACT	16	5	21
NT	0	0	0
<b>Total</b>	<b>189</b>	<b>17</b>	<b>206</b>

Table 15: ASQA employee type by location at 30 June 2022

	Ongoing	Non-ongoing	Total
NSW	28	1	29
QLD	64	5	69
SA	22	1	23
TAS	2	0	2
VIC	54	0	54
WA	3	1	4
ACT	13	1	14
NT	0	0	0
<b>Total</b>	<b>186</b>	<b>9</b>	<b>195</b>

## Employment type by full-time and part-time status

Table 16: ASQA employee type by employment classification at 30 June 2023

Classification level	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 2	1	0	1	0	0	0	1
SES 1	4	0	4	0	0	0	4
EL 2	22	1	23	1	0	1	24
EL 1	49	9	58	2	0	2	60
APS 6	57	6	63	4	0	4	67
APS 5	20	2	22	4	0	4	26
APS 4	16	1	17	5	0	5	22
APS 3	1	0	1	1	0	1	2
<b>Total</b>	<b>170</b>	<b>19</b>	<b>189</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>206</b>

Table 17: 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	
SES 2	1	0	1	0	0	0	1
SES 1	4	0	4	0	0	0	4
EL 2	26	1	27	2	0	2	29
EL 1	56	6	62	0	0	0	62
APS 6	50	7	57	5	0	5	62
APS 5	21	1	22	2	0	2	24
APS 4	9	0	9	0	0	0	9
APS 3	4	0	4	0	0	0	4
<b>Total</b>	<b>171</b>	<b>15</b>	<b>186</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>195</b>



## Indigenous employment

**Table 18: ASQA employees identifying as Aboriginal or Torres Strait Islander by employee status at 30 June 2022 and 2023**

	Total 2021–22	Total 2022–23
Ongoing	0	1
Non-ongoing	1	0

## Employment conditions

### Employee arrangements

As at 30 June 2023:

- 205 employees were covered by the ASQA Enterprise Agreement 2017–20, which sets out the employment terms and conditions for ASQA employees
- 11 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 section 24(1) Determination
- our CEO was employed under a Remuneration Tribunal Determination.

**Table 19: APS Act employment arrangements at 30 June 2023**

	SES	Non-SES	Total
ASQA Enterprise Agreement 2017–20	0	205	205
Individual flexibility arrangements	0	11	11
Individual S24(1) Determination	4	0	4
Remuneration Tribunal Determination	0	1	1
<b>Total</b>	<b>4</b>	<b>217</b>	<b>221</b>

## 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 provided salary increases through to 11 November 2022.

On 31 October 2022, our CEO made a Determination under subsection 24(1) of the *Public Service Act 1999* and consistent with the government's Public Sector Interim Workplace Arrangements 2022 to implement a revised salary increase of 3% to salaries in lieu of the 2% provided for under the previous Determination. This salary increase came into effect on 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 20: Salary ranges by classification at 30 June 2023**

	Minimum salary	Maximum salary
SES 2	\$270,000	\$290,000
SES 1	\$210,000	\$225,000
EL 2	\$132,945	\$152,988
EL 1	\$109,098	\$119,701
APS 6	\$89,459	\$96,855
APS 5	\$78,707	\$83,760
APS 4	\$71,747	\$75,886
APS 3	\$66,835	\$67,942
<b>Minimum/Maximum range</b>	<b>\$66,835</b>	<b>\$290,000</b>



## Executive remuneration

During the reporting period ending 30 June 2023, ASQA had 10 executives who met the definition of key management personnel (KMP) and performed duties for 30 days or more during the reporting period. Their names and the length of term as KMP are summarised below.

**Table 21: ASQA executive staff**

Name	Position	Term as KMP
Saxon Rice	Chief Executive Officer	Full year
Christina Bolger	Deputy Chief Executive Officer	Full year
Ty Emerson	Executive Director Corporate and Enabling	Full year
Carmen Basilicata	Executive Director Market Performance and Engagement	Full year
Denise Lowe-Carlus	Executive Director Market Entry, Skills and Accreditation	Part year 4 July 2022 to 30 June 2023
Stephen Maillet	Executive Director Policy and Partnerships	Part year 1 July 2022 to 24 February 2023
Kellie Spence	Executive Director Policy and Partnerships	Part year 30 January 2023 to 9 June 2023
Alicia LeRoy	Acting Executive Director Policy and Partnerships	Part year 4 July to 16 August 2022 17 October to 16 December 2022 12 to 30 June 2023
Sean Heffernan	Acting Executive Director Market Performance and Engagement	Part year 1 to 21 August 2022 26 to 30 September 2022 3 to 12 April 2023
Emma Marks	Acting Director Market Entry, Skills and Accreditation	Part year 14 to 31 October 2022 23 December 2022 to 13 January 2023 9 to 17 February 2023

Table 22: ASQA executive staff remuneration details\*

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits			Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Superannuation contributions	Long service leave	Other long-term benefits	
Saxon Rice	Chief Executive Officer	369,366	-	-	57,048	9,120	-	-	435,534
Christina Bolger	Deputy Chief Executive Officer	294,472	-	27,748	50,032	6,899	-	-	379,151
Ty Emerson	Executive Director Corporate and Enabling	202,551	-	27,791	47,231	5,512	-	-	283,085
Carmen Basilicata	Executive Director Market Performance and Engagement	213,499	-	27,748	31,201	5,175	-	-	277,623
Denise Lowe-Carlus	Executive Director Market Entry, Skills and Accreditation	199,687	-	27,998	44,287	5,032	-	-	277,004
Stephen Maillet	Executive Director Policy and Partnerships	123,249	-	18,858	25,556	3,402	-	70,000	241,065
Kellie Spence	Executive Director Policy and Partnerships	80,401	-	9,616	12,382	1,991	-	-	104,390
Alicia LeRoy	Acting Executive Director Policy and Partnerships	64,999	-	-	10,010	1,557	-	-	76,566
Sean Heffernan	Acting Executive Director Market Performance and Engagement	21,614	-	739	3,329	425	-	-	26,107
Emma Marks	Acting Director Market Entry, Skills and Accreditation	26,484	-	-	4,079	592	-	-	31,155

\*ASQA has not prepared tables for Senior Executives and Other Highly Paid Staff remuneration as there were no staff in these categories during 2022-23.



## 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.

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 toward a 'delegated' model of safety responsibility. In this model, the HR function operates in a strategic advisory role to the business, while line supervisors and operational leaders manage safety responsibilities and accountabilities.

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. We will also focus on increased reporting and incident notification.

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

We implemented ASQA's Health, Safety and Wellbeing Strategy 2023–25, which guides our approach to psychosocial and physical health and wellbeing initiatives. Through supporting our staff to reach their potential and thrive, we promote a united and empowered workforce that is efficient, effective and achieves optimal performance. This strategy aligns with ASQA's values and Strategic Objectives, and ensures we meet our commitments under the WHS Act, including around the proactive management of psychosocial risk.

We 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 2022–23. 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 Framework<sup>3</sup> 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.

We have published a Child Safety Policy. This 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.

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3 <https://www.childsafety.gov.au/our-work/lead-commonwealth-child-safe-framework>

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. The Child Safety Policy was fully operational in 2022–23.

## Disability reporting

Australia's Disability Strategy 2021–2031 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](http://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](http://www.apsc.gov.au).

## 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. After building our foundational capabilities in 2021–22, we commenced delivery of our front-end and back-end capabilities in 2022–23, including new business tools, 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 and fraud and provide targeted outreach and engagement to support self-assurance
- increase internal efficiency through automation of manual tasks through designing and implementing improved business processes.

This included the delivery of:

- a new cloud-based customer relationship management (CRM) platform that will be the engine of our new regulatory case management system
- a number of website improvements, including better capture of provider information through enhanced webforms, and better triage of website users, getting them to the information they need more quickly
- cloud-based data storage capability to transition ASQA toward more flexible and adaptable data management capabilities.





Critical to the success of this program will be the co-design of the products we deliver. In 2022–23, we undertook significant user experience design work with our provider network, which will inform how we develop and deliver our new external interfaces and CRM functions moving forward. We 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 partnered with the lead portfolio department, DEWR, providing us with the infrastructure needed to deliver our digital transformation. This allows us 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 in the 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, while ensuring data is appropriately protected. Our strategy was designed to be consistent with the Australian Data Strategy and the current draft Australian Government Data and Digital Government Strategy, and is a multi-year commitment to building increased maturity. A key focus of the strategy for the 2022–23 financial year was to build capability to support the evolving data management needs of the agency through the Digital Transformation Program by establishing a secure cloud data architecture.
- Governance – ASQA's Executive Director, Policy and Partnerships, chairs the Data Governance Committee, which 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 recently completed 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.

DEWR aggregates our environmental performance for information and communications 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, and increasing our understanding of sustainability beyond the environmental scope.

## Australian Public Service Net Zero 2030

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-government approach as part of the APS Net Zero 2030 policy.

Table 23: Greenhouse Gas Emissions Inventory 2022–23

Emission source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity	-	63,657	5,237	68,894
Natural gas	-	-	-	-
Fleet vehicles	-	-	-	-
Domestic flights	-	-	92,801	92,801
Other energy	-	-	-	-
<b>Total kg CO2-e</b>	-	<b>63,657</b>	<b>98,037</b>	<b>161,695</b>

\*CO2-e = Carbon Dioxide Equivalent

# 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, and 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 provision of 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 2022–23, we entered into 5 new consultancy contracts involving total actual expenditure of \$0.72 million. In addition, 5 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$0.18 million.

The following organisations received the 4 largest shares of ASQA's total expenditure or 5% or more of total expenditure on consultancy contracts in 2022–23:

- Orima Research Pty Ltd – \$0.29 million
- IA Group Pty Limited – \$0.29 million
- PWC Consulting (AUST) Pty Limited – \$0.18 million
- Gartner Australasia Pty Limited – \$0.09 million.

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

**Table 24: Expenditure on reportable consultancy contracts 2022–23**

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	5	721
Ongoing contracts entered into during a previous reporting period	5	179
<b>Total</b>	<b>10</b>	<b>900</b>

**Table 25: Organisations receiving a share of reportable consultancy contract expenditure 2022–23**

Name of organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Orima Research Pty Ltd	77 076 347 914	290
IA Group Pty Limited	29 075 871 813	287
PWC Consulting (AUST) Pty Limited	20 607 773 295	179
Gartner Australasia Pty Limited	69 003 708 601	90
Dash IQ	93 619 499 615	23

## Non-consultancy contracts

Non-consultancy contracts are 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 2022–23, we entered into 85 new non-consultancy contracts involving total actual expenditure of \$10.28 million. In addition, 43 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$10.04 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 2022–23:

- Jones Lang LaSalle (ACT) Pty Ltd – \$3.11 million
- Department of Education, Skills and Employment – \$1.86 million
- Hammond Street Developments – \$1.71 million
- Apis Group Pty Ltd – \$1.68 million
- IA Group Pty Limited – \$1.35 million.

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

**Table 26: Expenditure on reportable non-consultancy contracts 2022–23**

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	85	10,038
Ongoing contracts entered into during a previous reporting period	43	10,278
<b>Total</b>	<b>128</b>	<b>20,316</b>

**Table 27: Organisations receiving a share of reportable non-consultancy contract expenditure 2022–23**

Name of organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Jones Lang LaSalle (ACT) Pty Ltd	69 008 585 260	3,113
Department of Education, Skills and Employment	12 862 898 150	1,856
Hammond Street Developments	32 074 649 595	1,708
Apis Group Pty Ltd	91 125 472 899	1,685
IA Group Pty Limited	29 075 871 813	1,347



## 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 2022–23, 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 more than \$10,000 (inclusive of GST) or standing offers were exempted by the CEO from being published on AusTender during the 2022–23 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 procurements 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 enterprise (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* (PGPA rule) sets out the requirement for an assessment of the effectiveness of asset 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 2022–23, ASQA did not undertake any advertising campaigns.

## Grants

ASQA does not administer any grant programs.





# 4. Finances

In this chapter...

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Audited financial statements

92

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## 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 2023:

- (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 2023 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 2023 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 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.

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Phone (02) 6203 7300





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

Saminda Maddumahewa  
Senior Director  
Delegate of the Auditor-General  
Canberra

7 September 2023

## 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

### Overview

### Notes to the financial statements:

#### 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 - Expenses
- 2.2 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 - Payables

#### 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 Administered - Financial Instruments
- 7.4 Fair Value Measurement
- 7.5 Administered - Fair Value Measurement

#### 8. Other information

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

#### 9. Budget Variance Commentary

- 9.1 Budget Variance Commentary
- 9.2 Administered Budget Variance Commentary

#### STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 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

7 September 2023

Signed.....  


Melody Carr  
 A/g Chief Financial Officer  
 7 September 2023

Australian Skills Quality Authority  
Statement of Comprehensive Income

for the period ended 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	25,696	23,542	26,071
Suppliers	1.1B	15,010	20,024	12,690
Depreciation and amortisation	3.2A	6,220	6,597	7,287
Finance costs	1.1C	246	153	163
Write-down and impairment of other assets	1.1D	3	2	-
<b>Total expenses</b>		<b>47,175</b>	<b>50,318</b>	<b>46,211</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Other revenue	1.2A	923	179	-
<b>Total own-source revenue</b>		<b>923</b>	<b>179</b>	<b>-</b>
<b>Gains</b>				
Other gains	1.2B	75	-	50
<b>Total gains</b>		<b>75</b>	<b>-</b>	<b>50</b>
<b>Total own-source income</b>		<b>998</b>	<b>179</b>	<b>50</b>
<b>Net (cost of)/contribution by services</b>		<b>(46,177)</b>	<b>(50,139)</b>	<b>(46,161)</b>
Revenue from Government	1.2C	41,393	42,912	41,393
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>(4,784)</b>	<b>(7,227)</b>	<b>(4,768)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>		<b>(4,784)</b>	<b>(7,227)</b>	<b>(4,768)</b>

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

## Australian Skills Quality Authority Statement of Financial Position

as at 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	324	385	1,405
Trade and other receivables	3.1B	14,847	19,589	19,952
<b>Total financial assets</b>		<b>15,171</b>	<b>19,974</b>	<b>21,357</b>
<b>Non-financial assets<sup>1</sup></b>				
Buildings	3.2A	6,320	6,407	10,298
Leasehold Improvements	3.2A	4,096	3,114	3,596
Plant and equipment	3.2A	1,016	736	495
Computer software	3.2A	10,562	10,727	8,609
Prepayments		340	433	433
<b>Total non-financial assets</b>		<b>22,334</b>	<b>21,417</b>	<b>23,431</b>
<b>Total assets</b>		<b>37,505</b>	<b>41,391</b>	<b>44,788</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	2,030	3,134	4,822
Other payables	3.3B	857	671	671
<b>Total payables</b>		<b>2,887</b>	<b>3,805</b>	<b>5,493</b>
<b>Interest bearing liabilities</b>				
Leases	3.4A	6,264	6,437	10,469
<b>Total interest bearing liabilities</b>		<b>6,264</b>	<b>6,437</b>	<b>10,469</b>
<b>Provisions</b>				
Employee provisions	6.1A	6,104	5,938	5,938
Other provisions	3.5A	469	1,091	1,091
<b>Total provisions</b>		<b>6,573</b>	<b>7,029</b>	<b>7,029</b>
<b>Total liabilities</b>		<b>15,724</b>	<b>17,271</b>	<b>22,991</b>
<b>Net assets</b>		<b>21,781</b>	<b>24,120</b>	<b>21,797</b>
<b>EQUITY</b>				
Contributed equity		40,033	37,588	40,033
Reserves		1,271	1,271	1,272
Retained surplus/(Accumulated deficit)		(19,523)	(14,739)	(19,508)
<b>Total equity</b>		<b>21,781</b>	<b>24,120</b>	<b>21,797</b>

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 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		37,588	34,959	37,588
<b>Adjusted opening balance</b>		<b>37,588</b>	<b>34,959</b>	<b>37,588</b>
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
<b>Contributions by owners</b>				
Equity injection		1,214	1,410	1,214
Departmental capital budget		1,231	1,219	1,231
<b>Total transactions with owners</b>		<b>2,445</b>	<b>2,629</b>	<b>2,445</b>
Transfers between equity components		-	-	-
<b>Closing balance as at 30 June</b>		<b>40,033</b>	<b>37,588</b>	<b>40,033</b>
<b>RETAINED EARNINGS</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		(14,739)	(7,512)	(14,740)
<b>Adjusted opening balance</b>		<b>(14,739)</b>	<b>(7,512)</b>	<b>(14,740)</b>
<b>Comprehensive income</b>				
Surplus/(Deficit) for the period		(4,784)	(7,227)	(4,768)
<b>Total comprehensive income</b>		<b>(4,784)</b>	<b>(7,227)</b>	<b>(4,768)</b>
<b>Closing balance as at 30 June</b>		<b>(19,523)</b>	<b>(14,739)</b>	<b>(19,508)</b>
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		1,271	1,271	1,272
<b>Adjusted opening balance</b>		<b>1,271</b>	<b>1,271</b>	<b>1,272</b>
<b>Closing balance as at 30 June</b>		<b>1,271</b>	<b>1,271</b>	<b>1,272</b>
<b>TOTAL EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		24,120	28,718	24,120
<b>Adjusted opening balance</b>		<b>24,120</b>	<b>28,718</b>	<b>24,120</b>
<b>Comprehensive income</b>				
Surplus/(Deficit) for the period		(4,784)	(7,227)	(4,768)
<b>Total comprehensive income</b>		<b>(4,784)</b>	<b>(7,227)</b>	<b>(4,768)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection		1,214	1,410	1,214
Departmental capital budget		1,231	1,219	1,231
<b>Total transactions with owners</b>		<b>2,445</b>	<b>2,629</b>	<b>2,445</b>
<b>Closing balance as at 30 June</b>		<b>21,781</b>	<b>24,120</b>	<b>21,797</b>

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 2023*

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		49,085	47,155	40,725
Sale of goods and rendering of services		300	179	-
Net GST received		2,279	2,018	-
<b>Total cash received</b>		<b>51,664</b>	<b>49,352</b>	<b>40,725</b>
<b>Cash used</b>				
Employees		25,461	24,085	26,071
Suppliers		17,984	20,119	10,952
Interest payments on lease liabilities		220	123	163
Section 74 receipts transferred to OPA		3,479	2,960	-
<b>Total cash used</b>		<b>47,144</b>	<b>47,287</b>	<b>37,186</b>
<b>Net cash from operating activities</b>		<b>4,520</b>	<b>2,065</b>	<b>3,539</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment		644	175	60
Purchase of leasehold improvements		1,759	2,365	1,235
Purchase of intangible software		2,636	1,819	1,455
<b>Total cash used</b>		<b>5,039</b>	<b>4,359</b>	<b>2,750</b>
<b>Net cash used by investing activities</b>		<b>(5,039)</b>	<b>(4,359)</b>	<b>(2,750)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		2,750	4,950	2,750
<b>Total cash received</b>		<b>2,750</b>	<b>4,950</b>	<b>2,750</b>
<b>Cash used</b>				
Principal payments of lease liabilities		2,292	2,558	2,519
<b>Total cash used</b>		<b>2,292</b>	<b>2,558</b>	<b>2,519</b>
<b>Net cash from / (used by) financing activities</b>		<b>458</b>	<b>2,392</b>	<b>231</b>

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 2023*

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Impairment on trade and other receivables	2.1A	262	-	-
<b>Total expenses</b>		<b>262</b>	<b>-</b>	<b>-</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Fees and Fines	2.2A	24,535	2,426	36,601
<b>Total non-taxation revenue</b>		<b>24,535</b>	<b>2,426</b>	<b>36,601</b>
<b>Total revenue</b>		<b>24,535</b>	<b>2,426</b>	<b>36,601</b>
<b>Gains</b>				
Reversal of write-downs and impairments	2.2B	-	26	-
<b>Total gains</b>		<b>-</b>	<b>26</b>	<b>-</b>
<b>Total income</b>		<b>24,535</b>	<b>2,452</b>	<b>36,601</b>
<b>Net (cost of)/contribution by services</b>		<b>24,273</b>	<b>2,452</b>	<b>36,601</b>
<b>Surplus/(Deficit)</b>		<b>24,273</b>	<b>2,452</b>	<b>36,601</b>
<b>Total comprehensive income/(loss)</b>		<b>24,273</b>	<b>2,452</b>	<b>36,601</b>
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 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Trade and other receivables	4.1A	299	-	-
<b>Total financial assets</b>		<b>299</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>				
		<b>299</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Refunds liabilities	4.2A	106	165	165
<b>Total payables</b>		<b>106</b>	<b>165</b>	<b>165</b>
<b>Provisions</b>				
Other provisions	4.2B	312	209	209
<b>Total provisions</b>		<b>312</b>	<b>209</b>	<b>209</b>
<b>Total liabilities administered on behalf of Government</b>				
		<b>418</b>	<b>374</b>	<b>374</b>
<b>Net assets/(liabilities)</b>		<b>(119)</b>	<b>(374)</b>	<b>(374)</b>

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

Australian Skills Quality Authority  
**Administered Reconciliation Schedule**  
*for the period ended 30 June 2023*

	Notes	2023 \$'000	2022 \$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>(374)</b>	<b>(196)</b>
<b>Net contribution by services</b>			
Income		24,535	2,452
Expenses		(262)	-
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account			
Special appropriations (limited)	5.1C	197	39
Appropriation transfers to OPA			
Transfers to OPA		(24,215)	(2,669)
<b>Closing assets less liabilities as at 30 June</b>		<b>(119)</b>	<b>(374)</b>

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 is 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 schedule of administered cash flows and in the administered reconciliation schedule.



Australian Skills Quality Authority  
**Administered Cash Flow Statement**  
*for the period ended 30 June 2023*

	Notes	2023 \$'000	2022 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Fees and Fines		24,018	2,630
<b>Total cash received</b>		<b>24,018</b>	<b>2,630</b>
<b>Net cash from/(used by) operating activities</b>		<b>24,018</b>	<b>2,630</b>
<b>Cash from Official Public Account</b>			
Appropriations		197	39
<b>Total cash from official public account</b>		<b>197</b>	<b>39</b>
<b>Cash to Official Public Account</b>			
Appropriations		24,215	2,669
<b>Total cash to official public account</b>		<b>24,215</b>	<b>2,669</b>
This schedule should be read in conjunction with the accompanying notes.			

## Australian Skills Quality Authority

### Overview

for the period ended 30 June 2023

## 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 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.

### New 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/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2) and	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.  This amendments to the standard are not expected to have a material impact on ASQA's financial statements for the current reporting period or future reporting periods.



## Australian Skills Quality Authority

### Overview

*for the period ended 30 June 2023*

### Taxation

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

### 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 policies as for departmental items, including the application of Australian Accounting Standards.

### 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.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
for the period ended 30 June 2023

## Financial Performance

This section analyses the financial performance of ASQA for the year ended 2023.

### 1.1 Expenses

	2023	2022
	\$'000	\$'000
<b>1.1A: Employee benefits</b>		
Wages and salaries	18,196	17,778
Superannuation		
Defined contribution plans	2,944	2,559
Defined benefit plans	658	582
Leave and other entitlements	3,742	2,275
Separation and redundancies	156	348
<b>Total employee benefits</b>	<b>25,696</b>	<b>23,542</b>

#### Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

### 1.1B: Suppliers

#### Goods and services supplied or rendered

Consultants	900	1,612
Contractors	6,226	9,725
IT services	4,501	4,454
Legal fees	208	388
Panel auditors	695	845
Travel	380	237
Property	911	1,456
Training	197	386
Resources received free of charge	50	50
Other	540	460
<b>Total goods and services supplied or rendered</b>	<b>14,608</b>	<b>19,613</b>

Goods supplied	54	32
Services rendered	14,554	19,581
<b>Total goods and services supplied or rendered</b>	<b>14,608</b>	<b>19,613</b>

#### Other suppliers

Workers compensation expenses	402	340
Short-term leases	-	71
<b>Total other suppliers</b>	<b>402</b>	<b>411</b>
<b>Total suppliers</b>	<b>15,010</b>	<b>20,024</b>

ASQA has no short-term lease commitments as at 30 June 2023.

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

#### 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). ASQA recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

<b>1.1 Expenses</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>1.1C: Finance costs</u></b>		
Interest on lease liabilities	220	123
Unwinding of discount	26	30
<b>Total finance costs</b>	<b>246</b>	<b>153</b>

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

**Accounting Policy**

All borrowing costs are expensed as incurred.

**1.1D: Write-down and impairment of other assets**

Impairment of property, plant and equipment	3	2
<b>Total write-down and impairment of other assets</b>	<b>3</b>	<b>2</b>

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

<b>1.2 Own-Source Revenue and gains</b>		
	<b>2023</b>	2022
	<b>\$'000</b>	<b>\$'000</b>
<b>1.2A: Other revenue</b>		
Other revenue	250	129
Resources received free of charge		
Plant and equipment received free of charge	623	-
Remuneration of auditors	50	50
<b>Total other revenue</b>	<b>923</b>	<b>179</b>

**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.

**Gains**

	<b>2023</b>	2022
	<b>\$'000</b>	<b>\$'000</b>
<b>1.2B: Other gains</b>		
Gain on disposal of leases	75	-
<b>Total other gains</b>	<b>75</b>	<b>-</b>

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



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**1.2 Own-Source Revenue and gains**

<b>2023</b>	2022
<b>\$'000</b>	\$'000

**1.2C: Revenue from Government**

Appropriations

Departmental appropriations

<b>42,413</b>	41,892
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Supplementation

<b>(1,020)</b>	1,020
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**Total revenue from Government**

<b>41,393</b>	42,912
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**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 receivable 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 ASQA) 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 period ended 30 June 2023*

## Income and Expenses Administered on Behalf of Government

This section analyses the activities that ASQA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 2.1 Administered - Expenses

	2023	2022
	\$'000	\$'000

#### Expenses

##### 2.1A: Impairment loss on financial instruments

Impairment on trade and other receivables	262	-
<b>Total impairment loss on financial instruments</b>	<b>262</b>	<b>-</b>

### 2.2 Administered - Income

	2023	2022
	\$'000	\$'000

#### Revenue

##### 2.2A: Fees and Fines

Regulatory charges	24,517	2,386
Fines	18	40
<b>Total fees and fines</b>	<b>24,535</b>	<b>2,426</b>

#### Gains

##### 2.2B: Reversal of write-downs and impairment

Reversal of impairment losses	-	26
<b>Total reversals of previous assets write-downs and impairment</b>	<b>-</b>	<b>26</b>

#### 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. ASQA continued to waive charges for ELICOS only providers until 31 December 2022. 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.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
for the period ended 30 June 2023

## Financial Position

This section analyses ASQA assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

### 3.1 Financial Assets

	2023	2022
	\$'000	\$'000

#### 3.1A: Cash and cash equivalents

Cash on hand or on deposit	324	385
<b>Total cash and cash equivalents</b>	<b>324</b>	<b>385</b>

#### Accounting Policy

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

- a) cash on hand;
- 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	365	444
<b>Total goods and services receivables</b>	<b>365</b>	<b>444</b>

##### Appropriation receivables

Appropriation receivable	14,364	17,862
Accrued Appropriation Receivable	-	1,020
<b>Total appropriation receivables</b>	<b>14,364</b>	<b>18,882</b>

##### Other receivables

GST from Australian Taxation Office	118	263
Other receivables	-	16
<b>Total other receivables</b>	<b>118</b>	<b>279</b>
<b>Total trade and other receivables (gross)</b>	<b>14,847</b>	<b>19,605</b>

##### Less expected credit loss allowance

	-	16
<b>Total trade and other receivables (net)</b>	<b>14,847</b>	<b>19,589</b>

Credit terms for goods and services were within 30 days (2022: 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 period ended 30 June 2023

3.2 Non-Financial Assets

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Buildings <sup>1</sup> \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Computer Software \$'000	Total \$'000
<b>As at 1 July 2022</b>					
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)
<b>Total as at 1 July 2022</b>	<b>6,407</b>	<b>3,114</b>	<b>736</b>	<b>10,727</b>	<b>20,984</b>
<b>Additions</b>					
Purchase of internally developed Right-of-use assets	-	1,759	644	2,636	5,039
Depreciation and amortisation	5,282	-	-	-	5,282
Depreciation on right-of-use assets	-	(777)	(361)	(2,801)	(3,939)
Disposals	(2,281)	-	-	-	(2,281)
Gross Value	(5,397)	(345)	(42)	-	(5,784)
Accumulated Depreciation	2,309	345	39	-	2,693
<b>Total as at 30 June 2023</b>	<b>6,320</b>	<b>4,096</b>	<b>1,016</b>	<b>10,562</b>	<b>21,994</b>
<b>Total as at 30 June 2023 represented by</b>					
Gross book value	11,349	5,188	1,675	28,768	46,980
Accumulated depreciation, amortisation and impairment	(5,029)	(1,092)	(659)	(18,206)	(24,986)
<b>Total as at 30 June 2023</b>	<b>6,320</b>	<b>4,096</b>	<b>1,016</b>	<b>10,562</b>	<b>21,994</b>
Carrying amount of right-of-use assets	6,320	-	-	-	6,320

1. During 2022-23 there were two leases terminated which had associated right-of-use assets. The net gain (difference between carrying value of right-of-use assets and lease liabilities) resulting from these terminations is reflected in Note 1.2B Other gains.

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

At the balance date ASQA's commitments includes intangible asset commitments worth \$1.275m.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

### 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. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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 property, 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 right of use 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, property, plant and equipment (**excluding ROU assets**) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency 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.

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 as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

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:

Australian Skills Quality Authority  
Notes to and forming part of the financial statements  
for the period ended 30 June 2023

Accounting Policy (continued)			future economic benefits are expected from its use or disposal.
	2023	2022	
Leasehold improvements	<b>Lesser of the lease terms &amp; useful life</b>	Lesser of the lease terms & useful life	<u>Intangibles</u> The entity's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.
Plant and equipment	<b>Four to ten years</b>	Four to ten years	Software is amortised on a straight-line basis over its anticipated useful life.  All software assets were assessed for indications of impairment as at 30 June 2023.
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.			
<u>Impairment</u> All assets were assessed for impairment at 30 June 2023. 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 the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.			
<u>Derecognition</u> An item of property, plant and equipment is derecognised upon disposal or when no further			



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**3.3 Payables**

	2023	2022
	\$'000	\$'000

**3.3A: Suppliers**

Trade creditors and accruals	2,030	3,134
<b>Total suppliers</b>	<b>2,030</b>	<b>3,134</b>

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	732	566
Superannuation	125	105
<b>Total other payables</b>	<b>857</b>	<b>671</b>

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**3.4 Interest Bearing Liabilities**

	2023	2022
	\$'000	\$'000
<b>3.4A: Leases</b>		
Lease liabilities	6,264	6,437
<b>Total leases</b>	<b>6,264</b>	<b>6,437</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within 1 year	2,347	2,276
Between 1 to 5 years	3,353	5,976
More than 5 years	1,329	2,928
<b>Total leases</b>	<b>7,029</b>	<b>11,180</b>

Total cash outflow for leases for the year ended 30 June 2023 was \$2.512m (2022: \$2.724m).

The Australian Skills Quality Authority in its capacity as lessee has significant leasing arrangements for Sydney, Melbourne, Brisbane, Canberra and Adelaide offices. Sydney and Melbourne leases have renewal options.

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

**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.



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

### 3.5 Other Provisions

	2023	2022
	\$'000	\$'000

#### 3.5A: Other Provisions

Provision for leasehold restoration	469	1,091
<b>Total other provisions</b>	<b>469</b>	<b>1,091</b>

	Provision for restoration <sup>1</sup>	Total
	\$'000	\$'000
<b>As at 1 July 2022</b>	<b>1,091</b>	<b>1,091</b>
Additional provisions made	236	236
Amounts used	(858)	(858)
<b>Total as at 30 June 2023</b>	<b>469</b>	<b>469</b>

1. ASQA currently has 2 (2022: 2) agreements for the leasing of premises which have provisions requiring ASQA to restore the premises to their original condition at the conclusion of the lease. ASQA has made a provision to reflect the present value of this obligation. During the financial year ASQA has reimbursed a makegood provision upon expiry of Melbourne office lease.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

## Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result ASQA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 4.1 Administered - Financial Assets

	2023	2022
	\$'000	\$'000

#### 4.1A: Trade and other receivables

	2023	2022
	\$'000	\$'000

#### Other receivables

Fees and charges	586	25
<b>Total other receivables</b>	<b>586</b>	<b>25</b>
<b>Total trade and other receivables (gross)</b>	<b>586</b>	<b>25</b>
<b>Less expected credit loss allowance</b>	<b>(287)</b>	<b>(25)</b>
<b>Total trade and other receivables (net)</b>	<b>299</b>	<b>-</b>

#### Accounting Policy

##### Receivables

The expected credit loss allowance is calculated based on the Registered Training Organisation's registration status and the age of the debt.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

<b>4.4 Administered - Payables</b>		
	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>4.2A: Suppliers</b>		
Refund liabilities	<b>106</b>	165
<b>Total suppliers</b>	<b>106</b>	165
	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>4.2B: Other Payables</b>		
Revenue received in advance	<b>312</b>	209
<b>Total other payables</b>	<b>312</b>	209
<b>Accounting Policy</b>		
<u><b>Payables</b></u>		
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.		

## Funding

This section identifies ASQA's funding structure.

### 5.1 Appropriations

#### 5.1A: Annual appropriations ('recoverable GST exclusive')

##### Annual Appropriations for 2023

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services <sup>4</sup>	42,413	3,479	45,892	49,146	(3,254)
Capital Budget <sup>5</sup>	1,231	-	1,231	1,454	(223)
Other services					
Equity Injections	1,214	-	1,214	1,296	(82)
<b>Total departmental</b>	<b>44,858</b>	<b>3,479</b>	<b>48,337</b>	<b>51,896</b>	<b>(3,559)</b>

1 No amounts of current year annual appropriation being withheld under section 51 of the PGPA Act or quarantined for administrative purposes.

2 Adjustments to appropriations includes adjustments to current year annual appropriations including PGPA Act section 74 receipts.

3 The variance in Ordinary annual services mainly contributed by higher supplier expenses over the original budget related training product assurance function setup costs and additional investments in new IT systems as part of the digital transformation strategy. Variance in capital and equity funding reflects the timing of capital projects undertaken.

4 Appropriation for ordinary annual services includes supplementation of \$1.020 million recognised in the previous year.

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

##### Annual Appropriations for 2022

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



- 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.

**5.1B: Unspent annual appropriations ('recoverable GST exclusive')**

	2023 \$'000	2022 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2022-23	1,629	-
Supply Act (No. 1) 2022-23	13,058	-
Appropriation Act (No. 1) 2021-22	-	17,941
Appropriation Act (No. 2) 2021-22	-	82
Appropriation Act (No. 1 DCB) 2021-22	-	223
<b>Total departmental</b>	<b>14,687</b>	<b>18,246</b>

**5.1C: Special appropriations ('recoverable GST exclusive')**

			Appropriation applied	
			2023 \$'000	2022 \$'000
<b>Authority</b>				
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.	197	39
<b>Total special appropriations applied</b>			<b>197</b>	<b>39</b>

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**5.2 Regulatory Charging Summary**

	2023 \$'000	2022 \$'000
<b>Amounts applied</b>		
Departmental		
Annual appropriations	51,896	52,105
<b>Total amounts applied</b>	<b>51,896</b>	<b>52,105</b>
<b>Expenses</b>		
Departmental	47,175	50,318
Administered	262	-
<b>Total expenses</b>	<b>47,437</b>	<b>50,318</b>
<b>External Revenue</b>		
Administered	24,535	2,452
<b>Total external revenue</b>	<b>24,535</b>	<b>2,452</b>
<b>Amounts written off</b>		
Administered	262	-
<b>Total amounts written off</b>	<b>262</b>	<b>-</b>

**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-us/fees-and-charges/cost-recovery-implementation-statement-cris>



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**5.3 Net Cash Appropriation Arrangements**

	2023 \$'000	2022 \$'000
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b>(4,784)</b>	<b>(7,227)</b>
<b>Plus</b> : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) <sup>1</sup>	<b>3,939</b>	<b>4,038</b>
<b>Plus</b> : depreciation of right-of-use assets <sup>2</sup>	<b>2,281</b>	<b>2,559</b>
<b>Less</b> : lease principal repayments <sup>2</sup>	<b>(2,292)</b>	<b>(2,558)</b>
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>(856)</b>	<b>(3,188)</b>

1. 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 appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

## People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 6.1 Employee Provisions

	2023	2022
	\$'000	\$'000
<b>6.1A: Employee provisions</b>		
Leave	6,104	5,938
<b>Total employee provisions</b>	<b>6,104</b>	<b>5,938</b>

#### Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of 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 assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave 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 the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined using shorthand method calculations as at 30 June 2023. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. ASQA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### Superannuation

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

The CSS and PSS are defined benefit schemes 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 in 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 period ended 30 June 2023*

**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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	<b>1,737</b>	1,516
Post-employment benefits	<b>285</b>	238
Other long-term employee benefits	<b>40</b>	34
Termination benefits	<b>70</b>	-
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>2,132</b>	1,788

The total number of key management personnel that are included in the above table are 10 (2022: 7).

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

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

## 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 Portfolio Minister and Executive, and other Australian Government entities.

### **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, receipt of a Medicare rebate or higher education loans. 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 the ASQA, it has been determined that there are no related party transactions to be separately disclosed.



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

## Managing uncertainties

This section analyses how ASQA manages financial risks within its operating environment.

### 7.1A: Contingent assets and liabilities

	Guarantees		Indemnities		Claims for damages or costs		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Contingent assets</b>								
Balance from previous period	-	-	-	-	456	224	456	224
New contingent assets recognised	-	-	-	-	53	245	53	245
Assets realised	-	-	-	-	(12)	(13)	(12)	(13)
Rights expired	-	-	-	-	-	-	-	-
<b>Total contingent assets</b>	-	-	-	-	497	456	497	456
<b>Net contingent assets</b>							497	456

#### Quantifiable Contingencies

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

#### Unquantifiable Contingencies

At 30 June 2023, the ASQA had a number of legal matters against third parties. It was not possible to estimate the amounts of any eventual receivable that may be required in relation to these claims. These were not included in the above table.

#### **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.

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**7.1B: Administered - contingent assets and liabilities**

	Guarantees		Indemnities		Claims for damages or costs		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent assets</b>								
Balance from previous period	-	-	-	-	963	409	963	409
New contingent assets recognised	-	-	-	-	-	571	-	571
Re-measurement	-	-	-	-	-	-	-	-
Assets realised	-	-	-	-	(18)	(17)	(18)	(17)
Rights expired	-	-	-	-	-	-	-	-
<b>Total contingent assets</b>	-	-	-	-	945	963	945	963
<b>Total contingent liabilities</b>	-	-	-	-	-	-	-	-
<b>Net contingent assets</b>							945	963

**Quantifiable Contingencies**

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

**Unquantifiable Contingencies**

At 30 June 2023, the ASQA had a number of legal matters against third parties. It was not possible to estimate the amounts of any eventual receivable that may be required in relation to these claims. These were not included in the above table.

**Accounting Policy**

**Indemnities and/or guarantees**

The maximum amounts payable under the indemnities given is disclosed above. The guarantees are in relation to lease obligations and are measured at the present value of future lease payments. At the time of completion of the financial statements, there was no reason to believe that the indemnities and/or guarantees would be called upon, and no recognition of any liability was therefore required.



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

<b>7.2 Financial Instruments</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>7.2A: Categories of financial instruments</u></b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	324	385
Trade and other receivables	365	444
<b>Total financial assets at amortised cost</b>	<b>689</b>	<b>829</b>
<b>Total financial assets</b>	<b>689</b>	<b>829</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	2,030	3,134
<b>Total financial liabilities measured at amortised cost</b>	<b>2,030</b>	<b>3,134</b>
<b>Total financial liabilities</b>	<b>2,030</b>	<b>3,134</b>

<b>7.3 Administered - Financial Instruments</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>7.3A: Categories of financial instruments</u></b>		
<b>Financial assets at amortised cost</b>		
Trade and other receivables	299	-
<b>Total financial assets at amortised cost</b>	<b>299</b>	<b>-</b>
<b>Total financial assets</b>	<b>299</b>	<b>-</b>

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
for the period ended 30 June 2023

**7.2 Financial Instruments**

**Accounting Policy**

**Financial Assets**

In accordance with AASB 9 *Financial Instruments*, ASQA classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured 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.

**Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

**Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

**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 Fair Value Through Profit or Loss**

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

**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 period ended 30 June 2023*

#### 7.4 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.

##### 7.4A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2023	2022
	\$'000	\$'000
<b>Non-financial assets</b>		
Leasehold improvements	4,096	3,114
Plant and equipment	1,016	736
<b>Total Non-financial assets</b>	<b>5,112</b>	<b>3,850</b>

##### Accounting policy

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

Asset class	2022-23	2021-22
Leasehold improvements	Amortised replacement cost	Amortised replacement cost
Plant & equipment	Market price	Market price

#### 7.5 Administered - Fair Value Measurement

##### 7.5A: Administered - fair value measurement

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.

## Other information

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

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

	2023 \$'000	2022 \$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	324	385
Trade and other receivables	14,847	19,589
Prepayments	340	433
<b>Total no more than 12 months</b>	<b>15,511</b>	<b>20,407</b>
<b>More than 12 months</b>		
Buildings	6,320	6,407
Leasehold Improvements	4,096	3,114
Plant and equipment	1,016	736
Computer software	10,562	10,727
<b>Total more than 12 months</b>	<b>21,994</b>	<b>20,984</b>
<b>Total assets</b>	<b>37,505</b>	<b>41,391</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	2,030	3,134
Other payables	857	671
Leases	2,347	2,276
Employee provisions	1,749	1,737
Other provisions	-	858
<b>Total no more than 12 months</b>	<b>6,983</b>	<b>8,676</b>
<b>More than 12 months</b>		
Leases	3,917	4,161
Employee provisions	4,355	4,201
Other provisions	469	233
<b>Total more than 12 months</b>	<b>8,741</b>	<b>8,595</b>
<b>Total liabilities</b>	<b>15,724</b>	<b>17,271</b>

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

	2023 \$'000	2022 \$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Trade and other receivables	299	-
<b>Total no more than 12 months</b>	<b>299</b>	<b>-</b>
<b>Total assets</b>	<b>299</b>	<b>-</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Other payables	106	165
Other provisions	312	209
<b>Total no more than 12 months</b>	<b>418</b>	<b>374</b>
<b>Total liabilities</b>	<b>418</b>	<b>374</b>



Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
for the period ended 30 June 2023

## Budget Variances Commentary

### 9.1 Budget Variances Commentary

The following table provides explanations for significant variances between ASQA's original budget as presented in the 2022–23 Portfolio Budget Statements (PBS - October) in accordance with Australian Accounting Standards. 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.

#### 9.1A: Departmental Variance Commentary

ASQA's original 2022–23 Portfolio Budget Statements (PBS) result is for an operating loss of \$4.768 million. ASQA's Final Budget Outcome for 2022–23 is an operating loss of \$4.784 million, a variance of \$0.016 million. As per net cash appropriation arrangements ASQA's net operating loss for the year is \$0.856 million against an approved operating loss of \$1.176 million, resulting a favourable outcome of \$0.320 million.

Explanations of Significant Variances	Affected Statement / line items
<p>Employee expenses are \$0.375 million (1.4%) under the original budget. The underspend reflects a lower annual Average Staffing Level (ASL) of 189 against a budgeted ASL of 202.</p> <p>Supplier expenses are \$2.320 million (18.3%) over the original budget which is due to higher than budgeted contractor expenditure to offset lower ASL levels. The overspend is due to maintaining resources during the period of onboarding the training product assurance function and associated organisational realignment of the agency, including the finalisation of key digital technology deliverables following the transition of the training product assurance to DEWR.</p> <p>Annual depreciation and amortisation expenses are \$1.067million under budget due to reduced leasing costs and IT development costs that are not capitalised at the balance date.</p>	<p>Statement of comprehensive income</p> <p>Expenses</p>
<p>Other revenues are \$0.923 million over the original budget. Other revenues consist of \$0.619 million revenue received as resources received free of charge for acquiring leasehold improvements from another Commonwealth agency and \$0.050 million for the audit fee conducted by Australian National Audit Office. Further, \$0.100 million was received from Court awarded costs and Department of Finance funding of \$0.150 million for work associated with ASQA's better practice cost recovery review.</p>	<p>Statement of comprehensive income</p> <p>Own-source income</p>
<p>Revenue from Government is in line with original budget.</p>	<p>Statement of comprehensive income</p> <p>Revenue from Government</p>
<p>Financial assets are \$6.186 million under the original budget. This decrease reflects an investment in key digital and technology projects and fit-out costs for new leasing premises.</p>	<p>Statement of financial position</p> <p>Financial assets</p>
<p>Buildings are \$3.978 million (38.6%) under budget due to expiry of leases, resulting in a reduction in Right of Use Assets. Leasehold improvements are \$0.500 million (13.9%) and Plant &amp; Equipment are \$0.521 (105.3%) over the original budget. This reflects new leases and associated fit-out for Melbourne and Sydney office leases and purchase of desktop hardware during the year.</p> <p>Intangible assets are \$1.953 million (22.7%) over budget, which reflects the abovementioned investment in key digital and technology projects as part of a comprehensive digital transformation strategy.</p>	<p>Statement of financial position</p> <p>Non-Financial assets</p>

Australian Skills Quality Authority  
**Notes to and forming part of the financial statements**  
*for the period ended 30 June 2023*

**9.1 Budget Variances Commentary continued**

Explanations of Significant Variances	Affected Statement / line items
Total liabilities are \$7.267 million (31.6%) under the original budget position. This is primarily due to reduction in supplier payables by \$2.792 million, and in lease liability provisions of \$4.205 million due to expiry of leases, resulting in a reduction in commitments.	Statement of financial position  Liabilities
Other payables of \$0.857 million consisting of accrued salary and superannuation and other provisions decreased by \$0.622 million due to payout for makegood for Melbourne office.	
ASQA's net assets and total equity are in line with original budget.	Statement of financial position
ASQA's equity is in line with the original budget position.	Statement of changes in equity
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.	Cash flow statement

**9.2 Administered Budget Variances Commentary**

**9.2A: Administered Variance Commentary**

The budgeted result was total comprehensive income of \$36.601 million. The actual result was comprehensive income of \$24.273 million. The variance is \$12.328 million under budget.

Explanations of Significant Variances	Affected Statement
ASQA re-introduced the majority of its fees and charges from 1 July 2022, other than for ELICOS- only providers for whom fees and charges were waived by a decision of Government up to 31 December 2022. This followed a period of more than two years of fee waivers and a previous cost recovery model of 60% cost recovery.	Administered schedule of comprehensive income
Revenue from charges, fees and fines, which includes annual registration charges and compliance audit charges, was \$12.066 million (33%) under budget. This was primarily due to the extended nature of a number of regulatory activities that were initiated prior to 1 July 2022. This resulted in a transitional period where regulatory activities in train prior to and continuing beyond the reintroduction of fees and charges were not charged. This includes performance monitoring audits undertaken during 2022-23 that were related to applications submitted prior to 30 June 2022. This resulted in a lag in commencement of activities that attracted fees and charges from 1 July 2023.	
The actual profile of the sector (in relation to numbers of students and scope of registration) differed from the profile associated with the budget for the Annual Registration Charge.	
In March 2022, the Australian Government announced that ASQA would be responsible for a new function of training package assurance from 1 January 2023. In order to accommodate this function, the agency undertook an organisational realignment from July 2022. The impact of this change was not fully captured in the Cost Recovery Implementation Statement considered during 2021-22. ASQA also experienced the ongoing impact of COVID-19 on its workforce in relation to overall billable activity.	
Other provisions reflect \$0.312 million towards revenue received in advance for applications received but yet to be processed at 30 June 2023 and Provisions for refunds of \$0.106 million still to be administered for the return of annual charges for ceased registrations at the balance date.	Administered schedule of assets and liabilities







# 5. Appendices

## In this chapter...

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Appendix A: List of requirements	132
Appendix B: Key legislation	140
Appendix C: Compliance with <i>Standards for VET Regulators 2015 and Standards for VET Accredited Courses 2021</i>	141
Appendix D: Reporting against NVR Act requirements	142
Appendix E: Supplementary report on implementation of the recommendations of the <i>Rapid Review of the Australian Skills Quality Authority's Regulatory Practices</i>	143
Appendix F: Entity Resource Statement	147
Appendix G: Entity Expense Statement	148
Glossary	149
Acronyms and abbreviations	153
Alphabetical index	155

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# 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 28: Reporting requirements**

PGPA Rule reference	Part of report	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
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
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	Preliminary pages	Table of contents (print only).	Mandatory
17AJ(b)	Chapter 5	Alphabetical index (print only).	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
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	Chapter 1	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b)</b>	<b>Overview of the entity</b>		
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 1	Name of the accountable authority or each member of the Accountable Authority	Mandatory
17AE(1)(aa)(ii)	Chapter 1	Position title of the accountable authority or each member of the Accountable Authority	Mandatory
17AE(1)(aa)(iii)	Chapter 1	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
<b>17AD(c)</b>	<b>Report on the performance of the entity</b>		
	<i>Annual performance statements</i>		
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
<b>17AD(c)(ii)</b>	<b>Report on financial performance</b>		
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
<b>17AD(d)</b>	<b>Management and accountability</b>		
	<b>Corporate governance</b>		
17AG(2)(a)	Letter of Transmittal and Chapter 3	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
	<b>Audit Committee</b>		
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





PGPA Rule reference	Part of report	Description	Requirement
<b>External Scrutiny</b>			
17AG(3)	Chapter 3	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
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
<b>Management of Human Resources</b>			
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

PGPA Rule reference	Part of report	Description	Requirement
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
17AG(4)(c)(iii)	Chapter 3	A description of non-salary 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
<b>Assets management</b>			
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
<b>Purchasing</b>			
17AG(6)	Chapter 3	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Reportable consultancy contracts</b>			
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 “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]”.	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
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
<b>Reportable non-consultancy contracts</b>			
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
<b>17AD(daa)</b>	<b>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>		
17AGA	Chapter 3	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
<b>Australian National Audit Office Access Clauses</b>			
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

PGPA Rule reference	Part of report	Description	Requirement
<b>Exempt contracts</b>			
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
<b>Small business</b>			
17AG(10)(a)	Chapter 3	A statement that “[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.”	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 “[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.”	If applicable, Mandatory
<b>Financial statements</b>			
17AD(e)	Chapter 4	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<b>Executive remuneration</b>			
17AD(da)	Chapter 3	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
<b>17AD(f)</b>	<b>Other mandatory information</b>		
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
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 (NVETR 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)*

*Regulatory Powers (Standard Provisions) Act 2014*

## Instruments

*National Vocational Education and Training Regulator (Authorised Officer Requirements) Determination 2023 (s 89(2A) NVETR Act)*

*Australian Skills Quality Authority Instrument Fixing Fees Amendment Declaration (No 1) 2018 (s 232 of the NVETR Act)*

*Australian Skills Quality Authority Instrument Fixing Fees No 1 of 2013 (ss 232(1) and 232(5) of the NVETR Act)*

*ELICOS (English Language Intensive Courses for Overseas Students) Standards 2018 (s 176B(1) of the ESOS Act)*

*Education Services for Overseas Students Regulations 2019 (s 177 of the ESOS Act)*

*National Vocational Education and Training Regulator (Financial Viability Risk Assessment Requirements) Instrument 2021 (s 158 of the NVETR 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 (Fees) Determination 2022 (ss 6B(1), 9(2), 12(2) and 13 of the NVETR Act)*

*National Vocational Education and Training Regulator (Data Provision Requirements) Instrument 2020 (s 187 of the NVETR Act)*

*National Vocational Education and Training Regulator Regulations 2011 and National Vocational Education and Training Regulator Amendment Regulations 2022 (s 235 NVETR Act)*

*Standards for Registered Training Organisations (RTOs) 2015 (s 185 of the NVETR Act)*

*Standards for VET Accredited Courses 2021 (s 188 of the NVETR Act)*

*Standards for VET Regulators 2015 (s 189 of the NVETR Act)*

# Appendix C: Compliance with *Standards for VET Regulators 2015* and *Standards for VET Accredited* *Courses 2021*

In pursuing our purpose in 2022–23, ASQA undertook our regulatory functions in accordance with the *Standards for VET Regulators 2015* and *Standards for VET Accredited Courses 2021*.

**Table 29: Reporting against required standards**

Standards for VET Regulators 2015	Response/Reference
Standard 1. The VET Regulator effectively and efficiently regulates RTOs	See Strategic Objective 3, Performance Measure 3.2b in Chapter 2, Annual performance statement
Standard 2. Courses are accredited in accordance with the <i>Standards for VET Accredited Courses 2021</i>	See Strategic Objective 3, Performance Measure 3.2b in Chapter 2, Annual performance statement
Standard 3. The VET Regulator communicates effectively and implements a transparent complaints process to enhance regulatory practices and outcomes	See Chapter 1, Our regulatory activities
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 2022–23
Standard 5. The VET Regulator evaluates and improves its regulatory performance and ensures that its delegates comply with the VET Regulator Standards	See Strategic Objective 3, Performance Measure 3.2b in Chapter 2, Annual performance statement
Standard 6. The VET Regulator must be effectively and efficiently managed	See Strategic Objective 3, Performance Measure 3.2b in Chapter 2, Annual performance statement

# Appendix D: Reporting against NVR Act requirements

Section 215 of the NVR Act requires that 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 30: 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 Chapter 2, Annual performance statement
s.215 (b) particulars of variations (if any) of the Corporate Plan taking effect during the period	See Our strategic direction in Chapter 1
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 Chapter 2, Annual performance statement
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 recommendations of the *Rapid Review of the Australian Skills Quality Authority's Regulatory Practices*

**Key: Colours indicate alignment with our 2022–23 Strategic Objectives**

- 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, consult and partner with stakeholders to improve regulatory outcomes
- 5** We add value and are efficient, effective, and continuously improve

**Table 31: 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.
DEWR has implementation carriage	DEWR has implementation carriage	Implementation commenced Q2 2022–23

<p><b>4</b></p> <p>Adjust ASQA's approach to performance monitoring in line with revised standards and a focus on provider self-assurance.</p> <p>Implementation dependent on 1 &amp; 2</p>	<p><b>5</b></p> <p>Publish more information regarding provider performance to support students and employers to differentiate between providers.</p> <p>Implementation commenced Q2 2021-22</p>	<p><b>6</b></p> <p>Realign ASQA's cost recovery arrangements to reflect ASQA's new approach to performance monitoring.</p> <p>Implementation complete</p>
<p><b>7</b></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>Implementation complete</p>	<p><b>8</b></p> <p>Change ASQA's organisational structure and focus to strengthen strategic oversight and managerial capacity to:</p> <ul style="list-style-type: none"> <li>• support implementation of critical reforms (including in relation to engagement and education, performance assessment and proportionate response to non-compliance)</li> <li>• support change management</li> <li>• strengthen internal systems and quality controls.</li> </ul> <p>Implementation complete Continuous improvement focus</p>	<p><b>9</b></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 complete</p>



<p><b>10</b></p> <p>Strengthen ASQA's strategic stakeholder engagement and education, including to:</p> <ul style="list-style-type: none"> <li>• build provider capacity for self-assurance</li> <li>• co-design new regulatory tools with the sector (for example, to support self-assessment)</li> <li>• identify common areas of non-compliance and develop consistent guidance for external stakeholders and for ASQA.</li> </ul>	<p><b>11</b></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><b>12</b></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 commenced Q2 2022–23</p>	<p>Implementation complete</p>	<p>Implementation complete</p>
<p><b>13</b></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><b>14</b></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><b>15</b></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 commenced Q2 2022–23</p>	<p>Implementation complete</p>	<p>Implementation complete Continuous improvement focus</p>

<p><b>16</b></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>Implementation complete Continuous improvement focus</p>	<p><b>17</b></p> <p>Enhance opportunity to undertake early dispute resolution.</p> <p>Implementation complete Continuous improvement focus</p>	<p><b>18</b></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><b>19</b></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>Implementation complete Continuous improvement focus</p>	<p><b>20</b></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>Implementation commenced Q2 2022–23</p>	<p><b>21</b></p> <p>In the long term, publish a summary of ASQA's findings regarding the provider's performance against the standards.</p> <p>Implementation Q2 2023–24</p>
<p><b>22</b></p> <p>Strengthen induction training for ASQA auditors and decision-makers, including to support consistent regulatory practice, decision-making and documentation.</p> <p>Implementation complete Continuous improvement focus</p>	<p><b>23</b></p> <p>Implement a formal program for continuing professional development for ASQA auditors and decision-makers.</p> <p>Implementation complete</p>	<p><b>24</b></p> <p>Implement a program of internal quality assurance, including regular:</p> <ul style="list-style-type: none"> <li>opportunities for moderation of audit outcomes and decision-making</li> <li>internal review of audit reports and compliance outcomes</li> </ul> <p>Implementation complete Continuous improvement focus</p>

# Appendix F: Entity Resource Statement

	Actual available appropriation	Payments made	Balance remaining
	2022-23 \$'000	2022-23 \$'000	2022-23 \$'000
	(a)	(b)	(a)-(b)
<b>Departmental</b>			
Annual appropriations - ordinary annual services <sup>1</sup>	65,287	50,600	14,687
Annual appropriations - other services - non-operating <sup>2</sup>	1,296	1,296	-
<b>Total departmental annual appropriations</b>	<b>66,583</b>	<b>51,896</b>	<b>14,687</b>
<b>Total departmental resourcing</b>	<b>66,583</b>	<b>51,896</b>	<b>14,687</b>
<b>Administered</b>			
Administered special appropriations <sup>3</sup>	197	197	-
<b>Total administered special appropriations</b>	<b>197</b>	<b>197</b>	<b>-</b>
<b>Total administered resourcing</b>	<b>197</b>	<b>197</b>	<b>-</b>
<b>Total resourcing and payments for ASQA</b>	<b>66,780</b>	<b>52,093</b>	<b>14,687</b>

1 Supply Act (No. 1) 2022-23, Supply Act (No. 3) 2022-23, Supply Act (No. 1 DCB) 2022-23, Supply Act (No. 3 DCB) 2022-23, Supplementation of \$1.020m recognised in previous year and Appropriation Act (No.1) 2022-23. This may also include prior-year departmental appropriation and section 74 external revenue.

2 Appropriation Act (No. 2) 2021-22, Supply Act (No. 2) 2022-23 and Supply Act (No. 4) 2022-23.

3 Special Appropriation - Public Governance, Performance and Accountability Act 2013 - s77 Repayments.

# 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
	2022-23	2022-23	2022-23
	\$'000	expenses \$'000	\$'000
	(a)	(b)	(a) – (b)
<b>Program 1.1: Regulation and Advice</b>			
Administered expenses			
Expenses not requiring appropriation in the budget year	-	262	(262)
Special appropriations	357	197	160
Departmental expenses			
Departmental appropriation <sup>1</sup>	41,393	43,186	(1,793)
Expenses not requiring appropriation in the budget year <sup>2</sup>	4,818	3,989	829
<b>Total for Program 1.1</b>	<b>46,568</b>	<b>47,634</b>	<b>(1,066)</b>
<b>Outcome 1 totals by appropriation type</b>			
Administered expenses			
Expenses not requiring appropriation in the budget year	-	262	(262)
Special appropriations	357	197	160
Departmental expenses			
Departmental appropriation <sup>1</sup>	41,393	43,186	(1,793)
Special appropriations			-
Expenses not requiring appropriation in the budget year <sup>2</sup>	4,818	3,989	829
<b>Total expenses for Outcome 1</b>	<b>46,568</b>	<b>47,634</b>	<b>(1,066)</b>
	2022-23	2022-23	2020-21
<b>Average staffing level (number)</b>	<b>202</b>	<b>189</b>	<b>13</b>

\* Full year budget, including any subsequent adjustment made to the 2022-23 budget at Additional Estimates.

<sup>1</sup> Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1, Supply Act Nos. 1 and 3) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

<sup>2</sup> 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.

**ASQA Service Centre**

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 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.

**Department of Employment and Workplace Relations (DEWR)**

DEWR's purpose is to support people to have safe, secure and well-paid work with the skills for a sustainable future.

***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.

## **Jobs and Skills Councils**

Jobs and Skills Councils (JSCs) are a national network of industry-owned and industry-led organisations that provide strategic leadership in addressing skills and workforce challenges.

## ***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](http://training.gov.au).

## **National Skills Commission**

The National Skills Commission (NSC) 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 Students 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 ESOS 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**

Rapid Review of the Australian Skills Quality Authority's Regulatory Practices. To inform the reform of ASQA, the then 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 and providers who enrol students on student visas.

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 the 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.

## **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.

## **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

<b>AAT</b>	Administrative Appeals Tribunal
<b>ADC</b>	Annual Declaration on Compliance
<b>ANAO</b>	Australian National Audit Office
<b>ANZSOG</b>	Australia and New Zealand School of Government
<b>APS</b>	Australian Public Service
<b>ARC</b>	Annual Registration Charge
<b>ASQA</b>	Australian Skills Quality Authority
<b>ATR</b>	Agreement to Rectify
<b>CEO</b>	Chief Executive Officer
<b>CRICOS</b>	Commonwealth Register of Institutions and Courses for Overseas Students
<b>CRM</b>	customer relationship management
<b>DEWR</b>	Department of Employment and Workplace Relations
<b>eDMs</b>	Electronic Direct Mail Service
<b>ELICOS</b>	English Language Intensive Courses for Overseas Students
<b>ESOS</b>	Education Services for Overseas Students
<b>FOI</b>	freedom of information
<b>HR</b>	human resources
<b>ICT</b>	information and communication technology
<b>KMP</b>	key management personnel
<b>KPI</b>	key performance indicator
<b>NVETR</b>	National Vocational Education and Training Regulator
<b>NCVER</b>	National Centre for Vocational Education Research
<b>NVR Act</b>	<i>National Vocational Education and Training Regulator Act 2011</i>
<b>PBS</b>	Portfolio Budget Statements
<b>PGPA Act</b>	<i>Public Governance, Performance and Accountability Act 2013</i>
<b>QCAA</b>	Queensland Curriculum and Assessment Authority
<b>RAP</b>	Reconciliation Action Plan
<b>RTO</b>	registered training organisation

**SES** Senior Executive Service

**SLG** Stakeholder Liaison Group

**TAE** Training and Education

**TEQSA** Tertiary Education Quality and Standards Agency

**TPA** Training Package Assurance

**VET** Vocational Education and Training

**VDS** VET Data Streamlining

**VRQA** Victorian Registration and Qualifications Authority

**WA TAC** Western Australia Training Accreditation Council

**WHS** work health and safety



# Alphabetical index

## A

accreditation of registered training providers' courses  
18  
applications granted 18  
*Standards for VET Accredited Courses 2021*,  
compliance with 141  
acronyms and abbreviations 153–4  
Administrative Appeals Tribunal 61–2  
advertising 83  
Annual Child Safety Statement 77–8  
annual performance statements  
statement of preparation 30  
ASQA  
chief executive officer *see* chief executive officer  
(CEO)  
complaints about 59  
corporate governance 56–60  
ecologically sustainable development and  
environmental performance 79–80  
functions 4  
legislation 5  
operating environment 5–11  
outcome 2022–23 12  
overview ii, vi–vii, 15, 98–9  
people 62–78, 118–20  
performance *see* performance  
program structure 2022–23 12  
public administration, external assurance and  
support for accountability and transparency  
in 61  
purchasing and procurement 80–3  
purpose 4, 8, 31  
regulation *see* regulation  
results 33–52  
role 4  
role, changes to 8–9

senior leadership 11  
snapshot vi–vii  
structure 10  
technology 78–9  
values 9  
asset management 83  
assets and liabilities  
administered on behalf of government 112–13  
administered schedule of 95  
current/non-current distinction 126  
Audit and Risk Committee 56  
meetings 59  
members and meetings 59–60  
Australian National Audit Office (ANAO)  
access clauses 83  
Australian Public Service (APS)  
Code of Conduct 57, 58  
Net Zero 2030 80  
Values and Employment Principles 57  
Australian Skills Quality Authority *see* ASQA

## B

best practice  
case studies 27, 39, 47–8  
principles of 8  
regulatory approach is 35–8  
best practice case studies  
collaboration and engagement 27  
continuous improvement and building trust 47–8  
risk-based and data-driven 39  
Bolger, Christina 11  
budget variances commentary 127–8

## C

- capability development 64–5
- chief executive officer (CEO) iii, 11, 30, 88
  - deputy 11
  - report 2–3
- child
  - Annual Child Safety Statement 77–8
- collaboration 15
  - best practice case study 27
- communication and guidance materials vii, 4, 12, 13, 15, 37–38, vii
  - new resources in 2022–23 50
  - on non-compliance 33, 34, 35
  - provider risk 37
- complaints about ASQA 59
- compliance
  - annual declaration, streamlining 47
  - enforcement regulatory decisions 23
  - registered training providers not meeting requirements, compliance action where 22–3
  - registered training providers' services, monitoring compliance of 19–22
- consultants *see also* employees
  - consultancy contracts 81
  - non-consultancy contracts 82
- continuous improvement 14, 38, 51–2
  - best practice case study 47–8
  - post-activity feedback survey development 48
  - regulatory approach promoting 33–5
- contracts
  - consultancy contracts 81
  - exempt 83
  - non-consultancy contracts 82
- corporate governance 56–60
  - Audit and Risk Committee members and meetings 59–60
  - complaints about ASQA 59
  - enterprise risk management 58
  - ethical standards 57–8
  - fraud control 58
  - governance committees 56

- internal reporting 57
- NVETR Advisory Council 56
- planning and performance 57
- Corporate Plan 2022–23 31, 57
- COVID-19 pandemic
  - impact 5, 17, 27

## D

- data-driven
  - best practice case study 39
  - regulation 13–14
- data governance 79
- decisions
  - accountability for 24–6
  - in 2022–23 22–3
  - delegations 38
  - transparency and accountability of 15, 40, 43, 44–5
- definitions 149–52
- deputy chief executive officer 11
- digital transformation 78–9
- disability reporting 78
- diversity 63–4

## E

- ecologically sustainable development 79–80
- education
  - international 39
  - vocational education and training *see* VET
- employment
  - conditions 73–6
  - Indigenous employment 73
  - employment type by full-time and part-time status 72
  - employment type by location 71
- employees *see also* consultants
  - arrangements 73
  - classification and gender 69–70
  - executive remuneration 75–6
  - location and gender 67–8
  - salaries and other benefits 74



- engagement 15
  - best practice case study 27
- entity expense statement 148
- entity resource statement 147
- environmental performance 79–80
- ethical standards 57–8
- Executive Committee 56
- executive remuneration 75–6
- expenses
  - entity expense statement 148
  - income and expenses administered on behalf of government 104

## F

- finance
  - income and expenses administered on behalf of government 104
- financial performance 100–3
- financial position 105–11
- financial statements
  - administered cash flow statement 97
  - administered reconciliation schedule 96
  - administered schedule of assets and liabilities 95
  - administered schedule of comprehensive income 94
  - cash flow statement 93
  - contents 89
  - people and relationships 118–20
  - statement of changes in equity 92
  - statement of comprehensive income 90
  - statement of financial position 91
  - uncertainties, managing 121–5
- fraud control 58
- freedom of information 61
- functions 4
- funding 114–17

## G

- glossary 149–52
- governance committees 56
- grants 83
- Greenhouse Gas Emissions Inventory 2022–23 80

## H

- human resources management 62–3

## I

- improvement *see* continuous improvement
- income and expenses administered on behalf of government 104

## L

- legislation 5, 140
- letter of transmittal iii
- list of requirements 132–9

## M

- market research 83

## N

- National Vocational Education and Training Regulator Act 2011* (NVR Act)
  - reporting against requirements 142
- National Vocational Education and Training Regulator (NVETR) Advisory Council 56
- Net Zero 2030 80
- non-consultancy contracts 82

## O

- organisational structure 10
- outcome 2022–23 12

## P

- people 62–78, 118–20
- performance
  - analysis, overall 53
  - Commonwealth Performance Framework 57
  - financial performance 100–3
  - framework 31
  - planning and 57
  - summary 2022–23 32

- Portfolio Budget Statements 2022–23 (PBS) 12, 31
  - outcome 31
- procedural fairness
  - application 24–6
- procurement
- program structure 2022–23 12
- Provider and Course Owner Survey 31, 38, 53
  - achievement of Strategic Objectives 52
  - assessment of education and information resources 33, 35, 38, 39
  - efficiency, effectiveness and continuous improvement 52
  - engagement with stakeholders 49
  - evaluation of regulatory performance 38
  - provision of data in response to 31
  - stakeholder engagement 49
  - transparency and accountability 41
- public administration
  - external assurance and support for accountability and transparency in 61
- Public Governance, Performance and Accountability Act 2013* (PGPA Act) 88
  - annual performance statements 30
  - Commonwealth Performance Framework 47
- purchasing and procurement 80–3
  - initiatives to support small business 83
- purpose 4, 8, 31

## R

- Rapid Review of the Australian Skills Quality Authority's Regulatory Practices*
  - supplementary report on implementation 143–6
- registered training providers
  - courses *see* registered training providers' courses
  - requirements, compliance action where not meeting 22–3
  - services *see* registered training providers' services
- registered training providers' courses
  - accreditation 18
  - accreditation applications granted 18

- registered training providers' services
  - assessment and compliance monitoring activities 20–1
  - assessment and monitoring activities completed 21
  - compliance, complaints and intelligence regarding 19–20
  - investigations 21–2
  - monitoring quality/compliance of 19–22
  - provider complaints/cases received 19
- registration of VET providers 16
  - application outcomes 18
  - applications received 17
  - expiration 17
  - initial 16
  - renewal 16
  - scope, changes to 17
  - withdrawal 17
- regulation
  - Rapid Review of the Australian Skills Quality Authority's Regulatory Practices*
    - implementation, supplementary report on 143–6
  - regulatory outcomes, improvement 49–51
  - risk-based and data-driven 13–14
- regulator
  - principles of best practice 8
  - Standards for VET Regulators 2015*, compliance with 141
- regulatory activities of ASQA 16–27
  - decisions, accountability for 24–6
  - procedural fairness, application 24–6
  - registered training providers' courses, accreditation 18
  - registered training providers not meeting requirements, compliance action where 22–3
  - registered training providers' services, monitoring quality/compliance of 19–22
  - VET providers, registration 16–18





- regulatory approach of ASQA 13–15
  - best practice, integrated, risk-based and proportionate 35–8
  - self-assurance and continuous improvement, promoting 33–5
  - transparent and accountable 40–5
- Regulatory Committee 56
- regulatory decisions, review 61–2
  - Administrative Appeals Tribunal 61–2
- remuneration
  - executive 75–6
  - salaries and other benefits 74
- reporting
  - internal 57
  - NVR Act requirements, against 142
  - requirements 132–9
- requirements list 132–9
- Resources Committee 56
- review
  - court, by 62
  - external 26
  - internal 25
  - internal review outcomes 25
  - regulatory decisions 61–2
- reward and recognition 65
- Rice, Saxon iii, 2–3, 11, 30, 88
- risk
  - Audit and Risk Committee 56
  - enterprise risk management 58
  - proportionate treatment and management 37
  - regulatory risk priorities, identifying 37
- risk-based
  - best practice case study 39
  - regulation 13–14
  - regulatory approach is 35–8
- role 4
  - changes to 8–9

## S

- self-assurance
  - regulatory approach promoting 33–5
- Senate estimates 61
- small business
  - procurement initiatives to support 83
- snapshot vi–vii
- Staff Consultative Committee 56
- Stakeholder Liaison Group (SLG) 27
- standards, ethical 57–8
- Standards for VET Accredited Courses 2021*
  - compliance with 141
- Standards for VET Regulators 2015*
  - compliance with 141
- statements
  - Annual Child Safety Statement 77–8
  - annual performance statements 30
  - entity expense statement 148
  - entity resource statement 147
  - financial statements *see* financial statements
  - Portfolio Budget Statements 2022–23 (PBS) 12, 31
- strategic direction 7–8
- strategic objectives 8, 32, 33–53
  - continuous improvement 51–2
  - effectiveness 51–2
  - efficiency 51–2
  - regulatory approach is best practice, integrated, risk-based and proportionate 35–8
  - regulatory approach promoting self-assurance and continuous improvement 33–5
  - regulatory outcomes, improvement 49–51
  - transparent and accountable regulatory approach 40–5
  - value-adding 51–2
- structure 10

## T

- technology 78–9
- training providers *see* registered training providers
- trust, building 14
  - best practice case study 47–8
  - post-activity feedback survey development 48

## V

- values 9
- VET
  - COVID-19, impact on 5
  - NVETR Advisory Council 56
  - priorities, current/emerging 6–7
  - priorities, government 6
  - Standards for VET Accredited Courses 2021*,  
compliance with 141
  - Standards for VET Regulators 2015*,  
compliance with 141
  - training providers *see* registered training providers
- VET providers
  - registration 16–18
- vocational education and training (VET) *see* VET

## W

- Work Health and Safety Committee 56
- workforce composition 66
- workplace
  - communication 66
  - diversity 63–4
  - health and safety 77



