



**THE HON ANDREW GILES MP
MINISTER FOR SKILLS AND TRAINING**

MS25-000904

Ms Saxon Rice
Chief Executive Officer
Australian Skills Quality Authority
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Dear Ms Rice

This letter outlines my expectations of the Australian Skills Quality Authority (ASQA) and the priorities that should guide its work. This complements the *National Vocational Education and Training Regulator Act 2011* and obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Further to my March 2025 expectations, this statement focuses on performance in the context of the Australian Government's commitment to productivity. I expect ASQA will continue to deliver its key functions and report on progress regularly.

This statement aligns with the whole-of-government objective for regulators to take a proportionate risk-based approach that balances risk mitigation with efficiency, growth and dynamism. The government expects regulators will ease the burden on businesses by streamlining compliance and reporting requirements, supporting innovation and digital solutions, while maintaining necessary standards and protections.

With productivity as a priority, I expect ASQA will proactively reduce unnecessary regulatory burden, enable innovation, and support productivity growth across the sector and the flow-on impact that vocational education and training (VET) has on the Australian economy. In accordance with the Regulator Performance Resource Management Guide (RMG 128), I expect you to be accountable for ensuring ASQA fulfils its obligations and meets the expectations outlined in this letter.

Continuous improvement and building trust

Quality and integrity

I expect ASQA will support quality in the VET sector through implementation of the 2025 Standards for Registered Training Organisations (RTOs), with ongoing engagement, collaboration and monitoring to identify opportunities for continuous improvement. ASQA's implementation should drive improved compliance and quality outcomes while enhancing productivity through its risk-based differentiated regulation approach.

Targeting non-genuine providers

I expect ASQA to pursue fraudulent and non-genuine providers to the fullest extent of its regulatory powers, including penalties, sanctions, and collaboration with law enforcement and the Commonwealth Director of Public Prosecutions. ASQA should continue to build trust across the VET sector and report to me in 6 months on use of regulatory powers, integration of digital innovations, and impact on productivity and maintain bi-annual reporting to me on these matters.

Risk management

I expect ASQA will monitor risks to students and the community, particularly in sectors representing higher risk to community safety, with systems and processes to manage and mitigate these risks while communicating actions and decisions clearly and transparently.

Digital transformation

I expect the program to improve ASQA's information technology systems will equip ASQA to make data-driven risk assessments and better access market intelligence, with more efficient use of technology supporting the government's productivity focus. Please update me specifically on your adoption of artificial intelligence (AI) with regard to delivery against the Digital Transformation Agency's Policy for the responsible use of AI in government.

Cost recovery

I expect ASQA to consult on a new cost recovery model in 2026 and issue a revised Cost Recovery Implementation Statement that will promote efficiency, improve productivity and transparency, ensuring ASQA operates as a fully cost-recovered agency in line with the Australian Government Charging Framework.

Evidence-based advice

I expect ASQA to provide high-quality, evidence-based data and advice to me, Skills and Workforce ministers and Skills Senior Officials, keeping me informed of matters relevant to VET quality and integrity, ASQA's performance, and productivity impacts.

Risk-based and proportionate approaches

Regulatory reform opportunities

I expect ASQA to pursue regulatory reform opportunities outlined in your 1 August 2025 response to the joint letter from the Treasurer and the Minister for Finance, including smart regulation approaches, streamlined processes for revised RTO Standards, the Dual Sector Strategy, and differentiated regulation. I expect these will be supported by digital transformation and enhanced collaboration, with ASQA tracking and reporting on progress and impact on productivity.

Smart regulation

I expect ASQA's regulatory approach will align with the 6 principles of the Regulatory Policy, Practice and Performance Framework, ensuring proportionality, consistency, transparency, accountability, agility, and collaboration. ASQA will consider administrative burden and cease or reduce activities where alternative approaches achieve the same outcome and refine its risk-based approach with active use of the full range of regulatory powers. This includes considerably advancing work to implement ASQA's differentiated regulation approach, including as it relates to the demonstration of excellence in VET for the community and stakeholders.

Active use of regulatory tools

I expect ASQA to actively use its regulatory tools and powers to ensure compliance, quality and integrity of the VET sector, modelling regulatory best-practice in decision-making policies and processes.

Collaboration and engagement

Government partnerships

I expect ASQA will engage and collaborate with the Department of Employment and Workplace Relations to improve quality and respond to integrity issues in domestic and international VET sectors. ASQA should work with the Department of Education and the Tertiary Education Quality and Standards Agency and the Australian Tertiary Education Commission on international education, tertiary harmonisation and relevant cross-sector matters. I expect ASQA's collaboration and engagement will extend to other relevant partners, including to explore opportunities to collaborate with other regulators to address false and misleading advertising of VET outcomes to protect students and potential students and contribute to improving the perception of the sector.

Sector collaboration

I expect ASQA will continue to share information and work with other VET stakeholders, including VET regulators; state and territory officials and departments; other Commonwealth and industry agencies; Jobs and Skills Australia; Jobs and Skills Councils; and the National Centre for Vocational Education Research.

International engagement

I expect ASQA will consider the international regulatory operating context and engage with regulatory bodies relevant to ASQA's role, functions, and environment. I expect this will include delivering on a program of work to advance outcomes in relation to the Australia India Education and Skills Council priorities.

Leadership and organisational performance

As ASQA's leader, I expect you to build staff wellbeing, morale, and capability to support a high-performance culture. I expect you to report to me in 6 months on the impact of ASQA's staff wellbeing and capability-building activities, detailing outcomes that support greater productivity across the organisation and maintain bi-annual reporting to me on these matters.

Supporting ASQA's success

As the responsible Minister, I will provide an enabling environment for ASQA to meet these expectations by keeping you informed of the government's policy direction and priorities and supporting engagement with other portfolio ministers and state and territory skills ministers. I will continue to deliver on the government's priorities to build a strong VET system that places skills at the centre of our national agenda.

I look forward to receiving your response in the form of a Statement of Intent outlining how you and ASQA will meet these expectations. The statement should be integrated into your performance reporting processes as required under the PGPA Act as part of the 2026–27 corporate planning process and your Annual Report for the 2025–26 reporting period.

I look forward to continuing to work with you as we achieve the key mission of the government to ensure every Australian has the opportunity to gain skills, find meaningful work, and contribute to a stronger future.

Yours sincerely



ANDREW GILES

2/12/2025