

ACPET ACCI National Skills Summit

Regulatory reform in a changing VET sector

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Australian Government

Australian Skills Quality Authority

Reform of VET regulation

- Government policy to reduce regulatory burden and cost
- Need to get the right balance between identifying and managing risks to quality VET and minimising unnecessary regulation
- Take stock of learnings from the first three years of national regulation

The national regulatory journey so far

- December 2009 – COAG decides to establish national VET regulation
- 1 July 2011 – ASQA commences with:
 - New South Wales
 - the Australian Capital Territory
 - the Northern Territory
 - part of Victoria and Western Australia
- South Australia, Tasmania and Queensland join by 30 June 2012
- ASQA regulates just under 4,000 providers

The national regulatory journey so far

- Almost 20,000 applications received from providers
- 97% are completed
- Most are approved (97%)



The national regulatory journey so far

- 16.5% or 112 applications to setup a new RTO refused
- 6.8% or 113 applications to renew an existing RTO's registration refused
 - still too high
- 2.2% of change of scope applications refused
- To date the main regulatory trigger has been an application
- Of 3,200+ audits completed by ASQA
 - only 10% have not been triggered directly or indirectly by the assessment of an application

The national regulatory journey so far

- Targeted (non-application based) regulation has led to the cancellation or suspension of the registration of a further 130 existing RTOs
- Even though only 10% of total audit activity to date not applications based
- Focus in the first three years on
 - processing applications from RTOs
 - evolving risk-based regulatory approach to identify poor quality providers
 - establishing higher entry bar for new entrants

The national regulatory journey so far

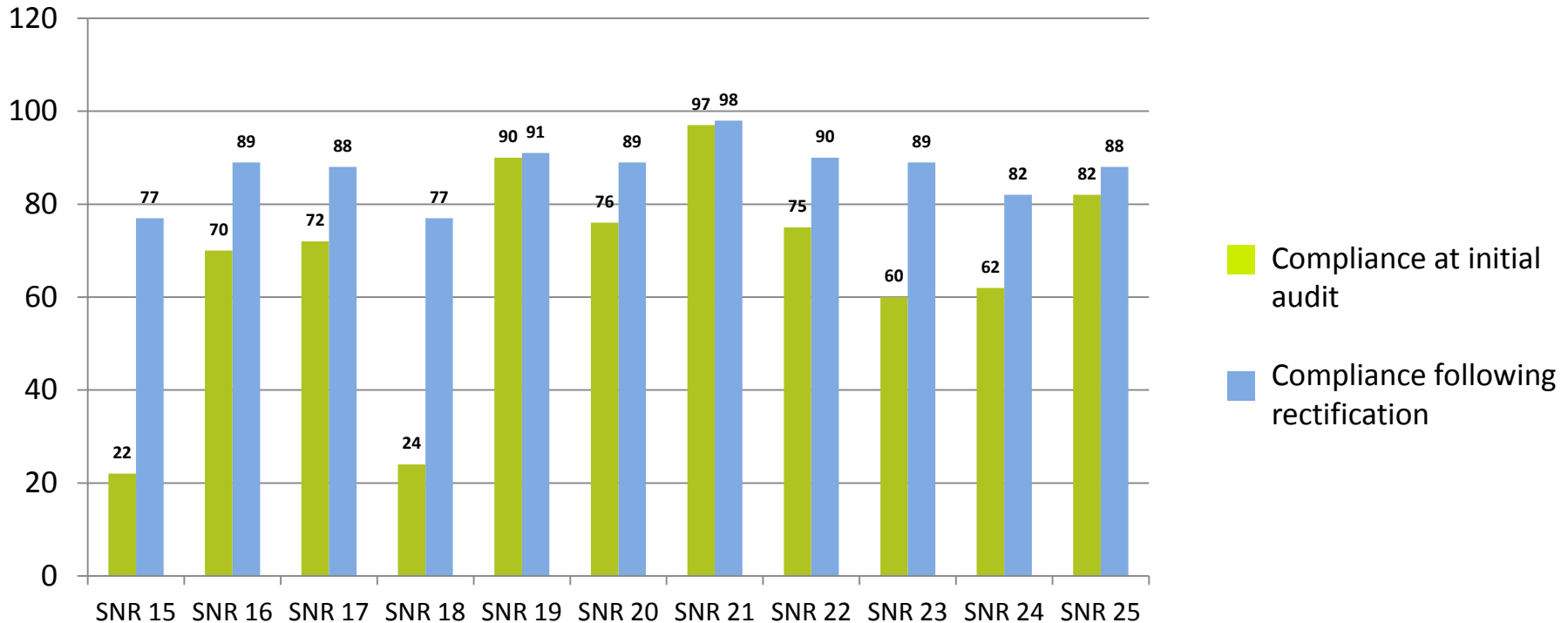
- Most RTOs are not compliant at the initial audit
 - only 20% fully compliant
 - 80% have at least one non-compliance
- Most RTOs are able to achieve compliance after 20 days rectification
 - 77% fully compliant after rectification
 - 23% still not compliant



The national regulatory journey so far

Compliance with standards by existing RTOs

Audits of existing RTOs 1 October 2013 – 31 March 2014



SNR 15 Quality training and assessment
SNR 16 Training and student information meeting student needs
SNR 17 RTO is responsive to clients and stakeholders

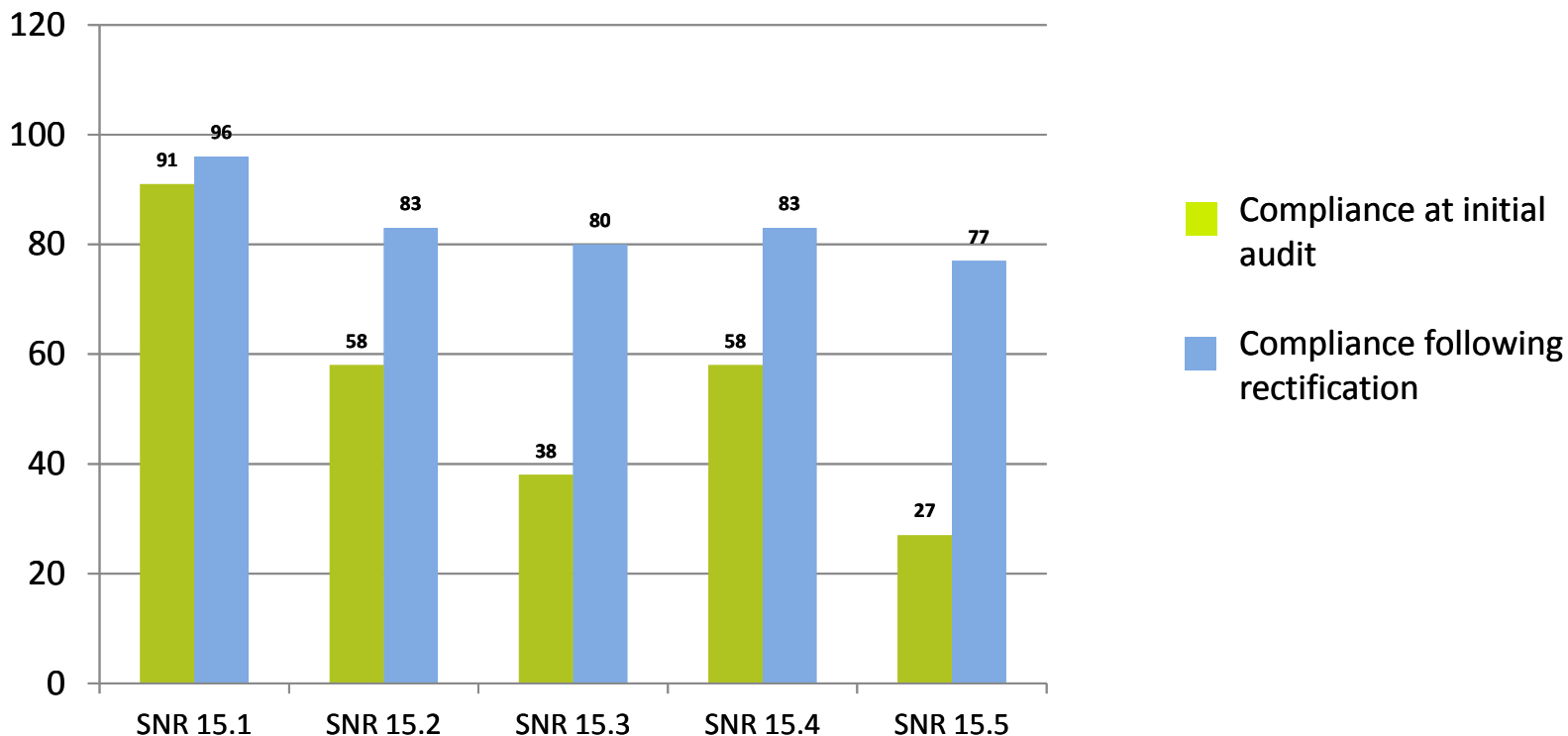
SNR 18 Governance
SNR 19 Cooperative with regulator
SNR 20 Compliance with legislation
SNR 21 Insurance

SNR 22 Financial management
SNR 23 Proper certification
SNR 24 Accurate and ethical marketing
SNR 25 Transition from superseded courses

The national regulatory journey so far

Compliance with Standard 15 – Quality training & assessment

Audits of existing RTOs 1 October 2013 – 31 March 2014



SNR 15.1 Continuous improvement of training and assessment

SNR 15.2 Training meets requirements of training package

SNR 15.3 Required staff, facilities, equipment and materials

SNR 15.4 Qualified and competent trainers and assessors

SNR 15.5 Assessment done properly

The national regulatory journey so far

- ASQA undertakes its first three national Strategic Reviews, completed in 2013
 - training for aged and community care
 - training for the construction industry White Card
 - marketing and advertising practices of RTOs

Key findings

- 8.6% of providers engage in misleading marketing
- concerns about online delivery with White Card courses being too short and potential for fraud
- Over 20% of aged care RTOs were not compliant with the National Standards, particularly assessment
- Over one-third of aged care providers offered Cert III in less than 15 weeks

Conclusions from the first three years of national VET regulation

- Three distinct groups have emerged in the Australian VET sector:
 - high quality providers who fully comply with the required National Standards (around 20% of providers)
 - providers who want to comply with the National Standards but who experience some difficulties, at least at initial audit (around 60% of providers)
 - providers who do not provide quality training and are unwilling or unable to comply with the National Standards (around 20% of providers)



Conclusions from the first three years of national VET regulation

- Most providers – some 80% – are experiencing some difficulties with doing assessment properly
- Around one-third of providers appear to be offering courses that are too short to enable sufficient quality delivery to ensure quality skills are obtained
- The transactions-based regulatory approach is too slow a way to focus adequately on poor quality providers



Reactions from stakeholders and providers

- Different groups have argued for similar regulatory outcomes
- Employer organisations (ACCI, AIG) and peak provider bodies (ACPET, TDA etc) have argued for:
 - efficient national regulation and applications processed in reasonable timeframes
 - rigorous regulation of poor quality providers
 - reduced regulatory cost and burden on high quality providers
 - not proceeding with full cost recovery regulation

Reactions from stakeholders and providers

- Employer organisations are most concerned about VET regulation “cleaning up” the sector to ensure employers get people with high quality and appropriate skills
 - poor quality, seriously non-compliant RTOs do not deliver this
- Peak provider associations are most concerned about VET regulation “cleaning up” the sector to ensure that good quality providers are not unfairly undercut by poor quality providers offering minimalist training and assessment
 - this leads to an unsustainable training market
- RTOs
 - generally highly satisfied with ASQA audit processes
 - generally rate ASQA information highly
 - want more customised responses
 - have difficulty in understanding what the standards mean

Rethinking the VET regulatory approach

A new regulatory approach

- lower regulatory burden on high quality, fully compliant providers
- provide more support to providers who are trying to do the right thing but have some difficulties in fully meeting the National Standards
- even more rigorous regulation of the minority who are seriously non-compliant, poor quality providers
- moving the regulatory trigger from applications to better identifying and managing risk

Reducing the regulatory burden and cost

- ASQA has argued for national VET standards to be focussed on the quality of training and assessment and student protection, not on other additional regulation that does not apply to other businesses.
- Automatic upgrades of equivalent training package qualifications without applications and payment of fees to ASQA (announced by the Minister in early June 2014)
- Ceasing financial viability assessments as a requirement for re-registering existing RTOs from 1 July 2014
- Further measures to reduce regulatory burden and cost for higher quality providers are under consideration.

Supporting RTOs to understand and meet national standards

- ASQA has argued for clearer, less ambiguous standards to help RTOs understand what is required/to reduce variations in auditor interpretation
- Already revised ASQA Info line procedures to give callers a specific ASQA contact and access to auditors for specific enquiries
- Rebranding the ASQA website from 1 July 2014 to provide:
 - a new, single Help Centre including video centre to help RTOs better understand their regulatory requirements
 - more information about overseas students requirements
 - enhanced functionality and search capabilities

Supporting RTOs to understand and meet national standards

- Comprehensive information about the new National Standards
 - an ASQA users guide to the new National Standards
 - Questions and Answers about the new standards
 - new ASQA videos and webinars
- A series of 28 face-to-face information sessions to be held across Australia about what the new standards mean and how ASQA will regulate them



More rigorous regulation of poor providers

- ASQA has already introduced a policy to follow-up with compliance audits when RTOs struggle to achieve compliance
- Move from largely transactions-based regulation to more risk-based regulation to identify and act on poor quality, non-compliant RTOs more quickly
- Continued rigorous sanctions of poor quality providers

How to contact ASQA

- ASQA website – asqa.gov.au
- Call the ASQA Info line – **1300 701 801**
- Email to – **enquiries@asqa.gov.au**
- Subscribe to the **ASQA Update**
- Online applications and payment of fees – **ASQAnet**

