



Australian Skills Quality Authority

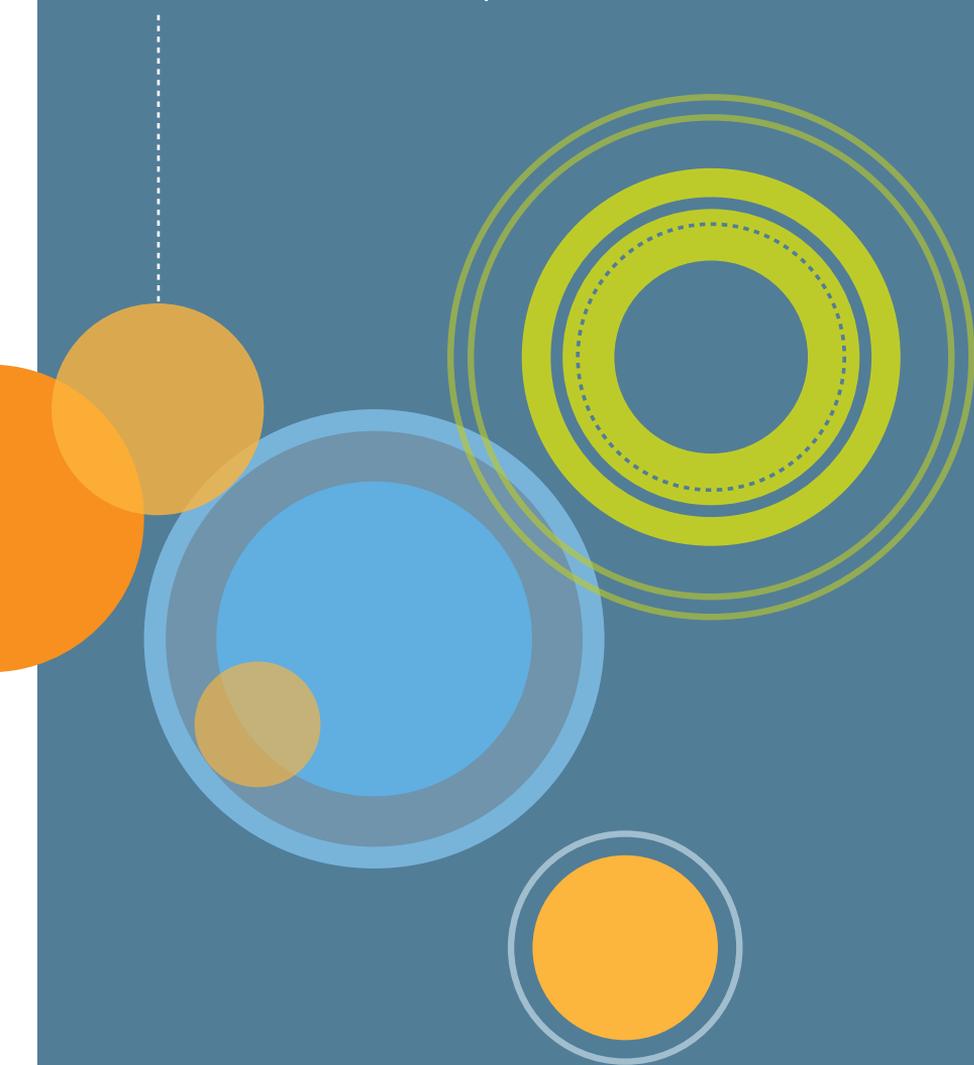
Annual Report 2012-13



Australian Government
Australian Skills Quality Authority



Australian Skills Quality Authority Annual Report 2012-13





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For more information about the Australian Skills Quality Authority, visit www.asqa.gov.au.

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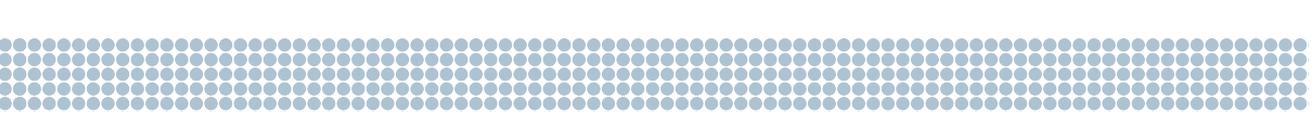
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LETTER OF TRANSMITTAL

25 September 2013

The Hon Ian Macfarlane MP
Minister for Industry
Parliament House
CANBERRA ACT 2600

Dear Minister,

I am pleased to present you with the second annual report for the Australian Skills Quality Authority (ASQA), which covers the period 1 July 2012 – 30 June 2013.

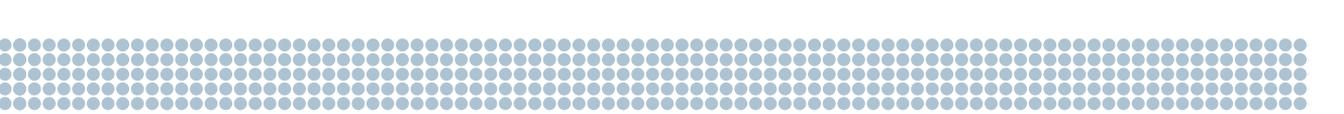
ASQA, as the national vocational education and training regulator, is required under section 215 (1) of the *National Vocational Education and Training Regulator Act 2011* to prepare and give to the Minister for presentation to Parliament a report relating to the performance of the regulator's functions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

I advise that this report has been prepared in accordance with section 70 of the *Public Service Act 1999* and the *Requirements for Annual Reports for Departments, Agencies and FMA Act Bodies 2013*, prepared by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit.

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

Yours sincerely,

Christopher Robinson
Chief Commissioner and Chief Executive Officer
Australian Skills Quality Authority



ABOUT THIS REPORT

This is the second annual report for ASQA, which was established on 1 July 2011. This report documents the activities and performance of ASQA in the period 1 July 2012 to 30 June 2013.

The report is presented in seven parts:

Chief Commissioner's review

A review of the Authority's operations by ASQA's Chief Commissioner and Chief Executive Officer.

ASQA overview

An outline of ASQA's purpose and functions.

Report on performance

A report on Authority performance in relation to the outcome and output framework described in the 2012–13 Portfolio Budget Statements for the Education, Employment and Workplace Relations portfolio.

In accordance with Part 10, section 215 (3)(a) of the *National Vocational Education and Training Regulator Act 2011*, this 'Report on performance' reports separately on each of the three objectives set out in the *ASQA Strategic Plan 2011–14 and Operational Plan 2012–13*, and the key performance indicators associated with each of these objectives.

Management and accountability

A report on the Authority's management practices, including the corporate governance framework, human resources, internal controls, external scrutiny, financial management and financial performance.

Financial statements

Includes the audited financial statements for 2012–13 and the audit report.

Appendices

Includes mandatory information and statistics.

References

Includes a glossary, a list of abbreviations, a compliance index and a general index.



CHIEF COMMISSIONER'S REVIEW

I am pleased to present the Australian Skills Quality Authority (ASQA) Annual Report for the 2012–13 financial year, the Authority's second year of operations.

Between 1 July 2012 and 30 June 2013, ASQA continued to evolve in its role as the national regulator for Australia's vocational education and training (VET) sector and the regulator of providers of English language courses for overseas students. The organisation continued to conduct its regulatory work in an efficient and effective manner, while at the same time working to enhance its policies and procedures to better regulate providers and course owners. A major highlight of this year has been the launch of ASQA's Strategic Reviews—part of a more strategic approach to regulation that targets 'hot spots' in the training sector.

During the reporting year, ASQA received 8611 applications—an almost 80 per cent increase on the number of applications submitted in the organisation's first year of operations.

Despite the large increase in the number of applications received during 2012–13, ASQA continued to finalise applications in a timely manner. ASQA completed 8084 applications, or some 93.9 per cent of the applications we received during the reporting period. It was again pleasing that 7507 (92.9 per cent) of the completed applications were approved.

Two hundred and fifty-six applications (3.2 per cent) were rejected because they were assessed as non-compliant with the standards while 321 (4.0 per cent) were withdrawn by the applicant. Approximately 80 per cent of all applications received by ASQA were completed within two months.

ASQA used its powers under the *National Vocational Education and Training Act 2011* to take action where serious non-compliance with the standards was identified. During the reporting period ASQA made a total of 223 regulatory decisions, comprising:

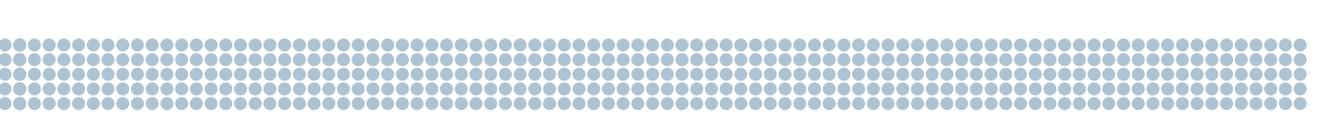
- 34 decisions to cancel provider registration¹
- 31 decisions to suspend a provider's registration²
- 134 decisions to give written notices of intention to cancel or suspend part or all of a provider's registration, and
- 24 decisions to impose another type of administrative sanction, for example, requiring that a provider comply with conditions given by ASQA.

ASQA's Strategic Reviews demonstrate that, as the national VET regulator, ASQA is determined to take a proactive approach to regulation, and to tackle the issues that face the sector. Our first reviews commenced this year. These focused on entry-level training for the construction industry (known as 'White Card' training); Aged and Community Care training; and the marketing and advertising practices of registered training organisations.

ASQA has again invested considerable resources providing information and engaging with the VET sector and the broader community about its regulatory activity. Our website, Info line and email enquiries service remain our principal methods of providing information to providers. Each of these services was well patronised during 2012–13. ASQA's Industry Engagement Team finalised 22 memoranda of understanding (MoUs) with stakeholders during the reporting period, taking the total

¹ One of which was a decision to cancel part of a provider's registration.

² Seven of which were decisions to suspend part of a provider's registration.



number of MoUs now in place to 79. ASQA Commissioners and senior staff have also participated in quarterly provider and regulator roundtables in order to engage with these key stakeholders.

A key focus for our corporate area during 2012–13 was the development of a revised schedule of fees and charges. A *Cost Recovery Impact Statement (CRIS)–Exposure Draft* was prepared and released for public comment in March 2013. A total of 110 written submissions were received from providers and VET sector stakeholders. A final CRIS was developed, which incorporated the feedback received as well as other necessary changes. The revised schedule of fees and charges will be implemented in the 2013–14 financial year.

ASQA’s focus during the 2013–14 year will continue to be proactive, targeted regulatory action to ensure quality training and compliance with the standards across the sector. In particular, we will work closely with the National Skills Standards Council (NSSC) as it implements new standards for the regulation of VET.

We will also work with the NSSC, other VET regulators and industry skills councils on the roll-out of new training packages. These two initiatives will make a valuable contribution to the ongoing effort to enhance the quality of training in Australia. Over the coming year, ASQA will continue to work towards full cost recovery.

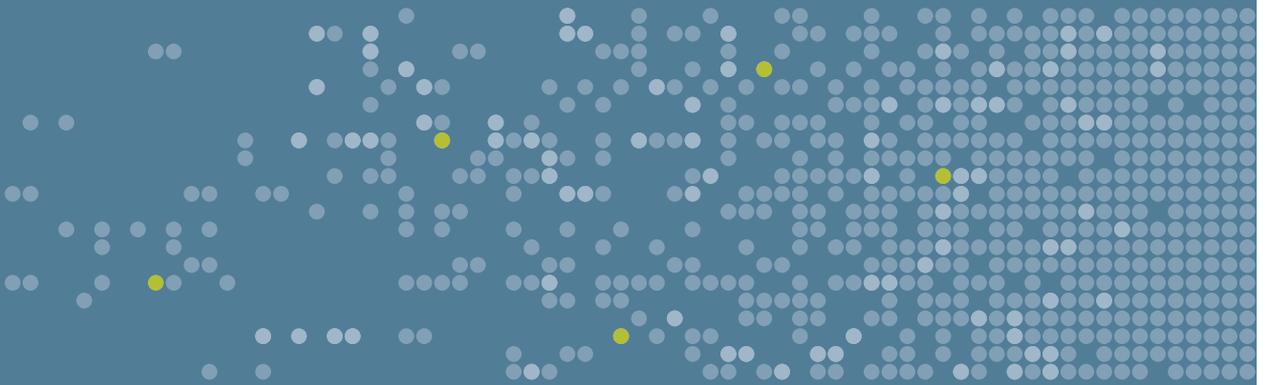
In closing, I would like to thank my fellow Commissioners, Dianne Orr and Michael Lavarch, as well as all staff from across ASQA, for their efforts during the year. In its first two years ASQA has made substantial progress in enhancing the quality of Australia’s VET sector. There is still much work ahead, but I am confident ASQA is well-placed and ready to meet the challenge.



Christopher Robinson
Chief Commissioner and Chief Executive Officer



Agency Overview





ABOUT ASQA

Australia is fortunate to have a world-leading vocational education and training (VET) system. This crucial sector provides training in the skills Australians need for employment and injects billions of dollars of export income into the economy each year.

ASQA's focus is on building a nationally consistent regulatory system that will give confidence to stakeholders that vocational and education training providers, and providers of English language courses to overseas students, offer quality training and assessment services—services that are appropriate to meet Australia's social and economic needs for a highly educated and skilled population.

Australia has a well-deserved reputation for the quality of our vocational education, and the majority of our sector is high quality. ASQA seeks to make sure that this quality is maintained through effective national regulation.

Key facets of ASQA's regulatory approach include:

Ensuring that training meets the needs of industry

Australian businesses need a skilled workforce. Through the work of Industry Skills Councils in developing training packages, industry defines the skills required by the labour market. ASQA ensures that registered training organisations are meeting the requirements of these industry-developed training packages, so that VET graduates have the required skills and competencies for employment.

In its regulatory approach, ASQA works to achieve a balance between the wider interest of Australian industry and Australian employers and the specific interests of the vocational education industry.

Targeted, risk-based regulation

ASQA's principles for regulating the sector include employing risk-based, targeted regulation that focuses on poor quality providers. Resources are targeted to areas that pose the greatest risk to the delivery of quality VET.

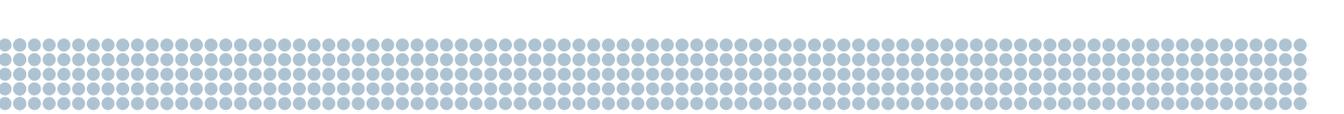
In line with international best practice, ASQA's regulation seeks to anticipate potential problems. ASQA assesses risk to the sector by drawing on information derived from national data, and intelligence from our collaborative partnerships with stakeholders.

Through this risk-focused approach, ASQA is able to minimise regulatory interventions for providers that consistently demonstrate that their operations comply with the national standards.

ASQA identifies and targets critical factors needing change to improve training outcomes in specific industry sectors through its program of Strategic Reviews, which commenced in 2012–13. These reviews draw on ASQA's strong partnerships with industry, regulators and employers.

Decisive action in cases of serious risk to the vocational education and training sector

Similarly, sanctions against providers are proportionate to the impact of the non-compliance. In the most serious cases, where the risks to the quality and reputation of Australia's training sector are significant, ASQA will take action to cancel or suspend a provider's registration.



ESTABLISHMENT

In December 2009, the Council of Australian Governments (COAG) agreed to a model for national regulation for the VET sector that would comprise a national regulator and a separate standards setting council.

In February 2011, COAG established the *Intergovernmental Agreement for Regulatory Reform of Vocational Education and Training*.³ This agreement provided the framework to establish national VET regulation, including the establishment of the national VET regulator and the National Skills Standards Council.

The Australian Skills Quality Authority was established on 1 July 2011 by the enactment of the *National Vocational Education and Training Regulator Act 2011* and supplementary legislation.

Prior to the establishment of ASQA on 1 July 2011, regulatory arrangements for VET were dispersed between eight states and territories. Section 51 (xxxvii) of the Australian Constitution permits the Commonwealth to legislate on matters referred to the Commonwealth by any state. ASQA's establishment as the national VET regulator has involved the referral of powers to the Commonwealth from all states (excepting Victoria and Western Australia) as set out in the intergovernmental agreement. The exercise of the Commonwealth's constitutional power provides for ASQA's operation in the Australian Capital Territory and the Northern Territory.

ASQA assumed regulatory responsibility for VET from state and territory jurisdictions in phases throughout the 2011–12 year:

- On 1 July 2011, ASQA commenced regulating VET providers in New South Wales, the Northern Territory, and the Australian Capital Territory. In addition, ASQA also became the regulatory body for VET providers in Victoria and Western Australia that provided training to international students, or that operated in a territory or any state other than Victoria or Western Australia, on that date.
- Tasmania transferred to ASQA's jurisdiction on 15 February 2012, followed by South Australia on 26 March 2012 and Queensland on 29 June 2012.

³ The Victorian and Western Australian governments did not refer their powers to enable full national regulation of VET.

However, the Commonwealth legislation means that providers in Victoria or Western Australia that deliver courses to international students; or that operate in New South Wales, the Australian Capital Territory, the Northern Territory, Tasmania, South Australia or Queensland fall within the jurisdiction of the national VET regulator.



ROLE AND FUNCTIONS

ASQA's primary role is to ensure that regulation of training is carried out in such a way that individuals and employers have full confidence in the training delivered through the Australian VET system.

ASQA seeks to ensure that Australian vocational education and training providers are delivering high-quality training outcomes, leading to VET graduates having the appropriate skills and competencies to support the demands of the Australian labour market.

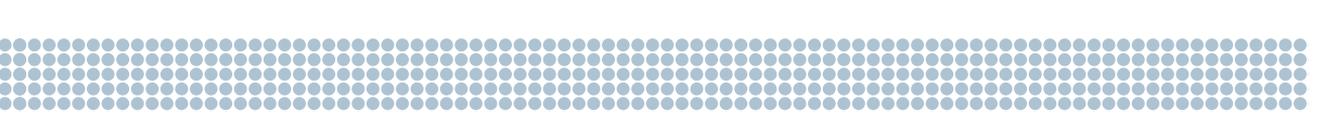
ASQA is able to do this by applying a strong audit and monitoring regime, with a range of escalating sanctions, to manage the risks to quality vocational education and training.

The objects of the *National Vocational Education and Training Regulator Act 2011* are:

- to provide for national consistency in the regulation of vocational education and training
- to regulate VET using a standards-based quality framework, and risk assessments, where appropriate
- to protect and enhance quality, flexibility and innovation in VET; and Australia's reputation for VET nationally and internationally
- to provide a regulatory framework that encourages and promotes a VET system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population
- to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality VET, and
- to facilitate access to accurate information relating to the quality of VET.

Under the *National Vocational Education and Training Regulator Act 2011*, ASQA has the following functions:

- to register an organisation as a 'registered training organisation'
- to accredit courses that may be offered and/or provided by registered training organisations
- to carry out compliance audits of registered training organisations
- to promote, and encourage the continuous improvement of, a registered training organisation's capacity to provide a VET course or part of a VET course
- to advise and make recommendations to the Minister on matters relating to vocational education and training
- to advise and make recommendations to the Education Minister for a state or territory on specific matters relating to vocational education and training in the state or territory
- to advise and make recommendations to the Ministerial Council on general matters relating to vocational education and training in all jurisdictions
- to collect, analyse, interpret and disseminate information about vocational education and training
- to publish performance information, of a kind prescribed by the *National Vocational Education and Training Regulator Regulations 2011*, relating to registered training organisations

- 
- to conduct training programs relating to the regulation of registered training organisations and/ or the accreditation of courses
 - to enter into arrangements with occupational licensing bodies, other industry bodies, or both, for the purpose of ensuring compliance by registered training organisations with the *National Vocational Education and Training Regulator Act 2011*
 - to cooperate with a regulatory authority of another country that has responsibility relating to the quality or regulation of vocational education and training for all, or part, of the country
 - to develop relationships with its counterparts in other countries
 - to develop key performance indicators, to be agreed by the Minister, against which the Regulator's performance can be assessed each financial year
 - to develop service standards that the Regulator must meet in performing its functions
 - any other function relating to vocational education and training that is set out in a legislative instrument made by the Minister
 - such other functions as are conferred on the ASQA by or under:
 - the *National Vocational Education and Training Regulator Act 2011*, or
 - the *Education Services for Overseas Students Act 2000* or any other law of the Commonwealth.

Mission

Effective regulation by ASQA contributes to students, employers, industry, government and the community having full confidence in the quality of training and assessment delivered by Australia's vocational education and training and English language providers.

Vision

Agile, responsive, risk-based regulation.



LEGISLATION

ASQA's regulation is supported by a comprehensive framework of legislation and standards, including the VET Quality Framework, the Standards for Accredited Courses, and related legislation for the providers of courses to overseas students.

The VET Quality Framework comprises the:

- Standards for National VET Regulator Registered Training Organisations
- Fit and Proper Person Requirements
- Financial Viability Risk Assessment Requirements
- Data Provision Requirements, and
- Australian Qualifications Framework.

Establishing legislation

ASQA was established on 1 July 2011 through the enactment of the:

- *National Vocational Education and Training Regulator Act 2011*
- *National Vocational Education and Training Regulator (Consequential Amendments) Act 2011*, and
- *National Vocational Education and Training Regulator (Transitional Provisions) Act 2011*.

Education for overseas students (ESOS) legislation

During the period 1 July 2012 – 30 June 2013, ASQA as a designated authority under the *Education Services for Overseas Students Act 2000* (ESOS Act) assessed the registration and re-registration of courses on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) and monitored providers against the:

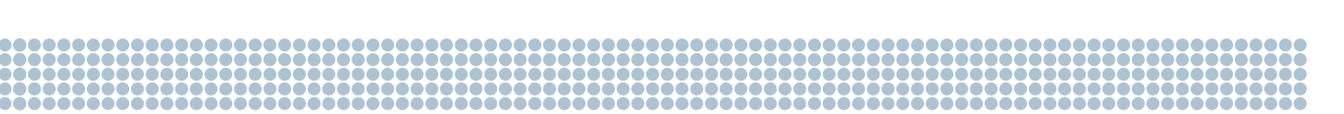
- *Education Services for Overseas Students Act 2000* (ESOS Act), and
- *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007*.

Legislative instruments

Under the *National Vocational Education and Training Regulator Act 2011*, the national training standards are established as legislative instruments—mandatory standards which are binding in their application. This means that providers are required to comply at all times with the standards prescribed in the legislative instruments, in order to be registered as a training provider in Australia.

In performing its functions, ASQA is supported by a range of legislative instruments:

- *Standards for NVR Registered Training Organisations 2012*, standards to ensure nationally consistent, high-quality training and assessment across Australia's VET system
- *Financial Viability Risk Assessment Requirements 2011*, relating to the financial viability risk assessment of registered and applicant training organisations
- *Data Provision Requirements 2012*, relating to the requirement for providers to provide ASQA with data upon request and to submit quality indicator data annually
- *Fit and Proper Person Requirements 2011*, relating to the assessment of persons who have some control or influence over the management of providers

- 
- *Standards for VET Regulators 2011*, standards for VET regulators performing functions under the *National Vocational and Training Regulator Act 2011*
 - *Standards for VET Accredited Courses 2012*, standards for accrediting VET courses
 - *Australian Skills Quality Authority instrument fixing fees No. 1 of 2011*, which relates to setting of fees and recovery of costs, incurred by ASQA, in performing its functions
 - *National Standards for ELICOS Providers and Courses* (ELICOS Standards), and
 - Education Services for Overseas Students (Designated Authority) Determination 2012 (No.1).

National Vocational Education and Training Regulator (Charges) Act 2012

The *National Vocational Education and Training Regulator (Charges) Act 2012* (NVR Charges Act) was introduced into the Australian Parliament on 22 March 2012 and received Royal Assent on 22 July 2012. This Act enables ASQA to charge registered training organisations for compliance audits and for the investigation of substantiated complaints.

The NVR Charges Act allows ASQA to charge for:

- compliance audits
- overseas audits, and
- substantiated complaints investigations.

From 1 January 2013, ASQA commenced charging for these activities; with the exception of offshore activities, for which charging will commence on 1 January 2014.



COMMISSIONERS

ASQA is an independent statutory agency, comprising the Chief Commissioner; the Deputy Chief Commissioner, who is also the Commissioner–Compliance; and the Commissioner–Risk Analysis and Investigation.

Each of ASQA's Commissioners is appointed by the Governor-General for a period of up to five years.



Mr Christopher Robinson



Dr Dianne Orr



The Hon Michael Lavarch AO

Mr Christopher Robinson, Chief Commissioner

ASQA's Chief Commissioner also holds the role of Chief Executive Officer.

The Chief Commissioner is responsible for:

- providing the functions outlined in the *National Vocational Education and Training Regulator Act 2011*, and
- ensuring the organisation achieves its outcomes and meets other legislative and regulatory requirements.

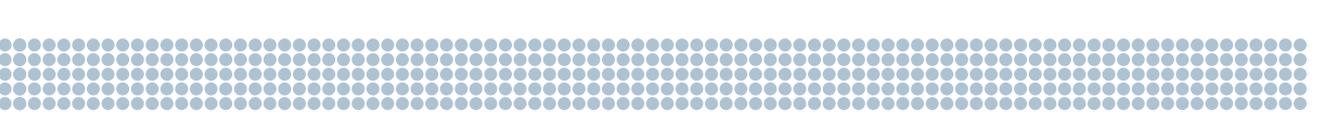
Additional legislation, including the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*, sets out the other responsibilities and accountabilities of the Chief Executive Officer within the Australian Public Sector framework. These accountabilities include management of people, finances, audit and risk, and the procurement of goods and services.

Christopher Robinson previously held a number of senior government positions in education, training and related fields, including Chief Executive Officer of the Department of Education and Children's Services, South Australia; Deputy Director-General of the Department of Employment and Training, Queensland; and Managing Director of the National Centre for Vocational Education and Training Research.

Mr Robinson has also held numerous senior executive roles in the Department of Prime Minister and Cabinet; in Australian Government departments responsible for education and training; and in the Department of Employment and Training in the United Kingdom. He was formerly a member of the National Quality Council (the predecessor to the National Skills Standards Council) and a member of the Australian Qualifications Framework Council.

Mr Robinson holds a Bachelor of Agricultural Economics and a Post-Graduate Diploma of Social Sciences.

Mr Robinson held the role of Acting Chief Commissioner of ASQA from 1 July 2011, and was appointed as Chief Commissioner and Chief Executive Officer from 1 October 2011 for a period of five years.



Dr Dianne Orr, Deputy Chief Commissioner and Commissioner–Compliance

In addition to the regulatory roles for Commissioners specified in the *National Vocational Education and Training Regulator Act 2011*, as the Commissioner–Compliance, Dr Orr leads ASQA's compliance program.

This program is delivered through a national network of regional offices located in each capital city. The Commissioner–Compliance ensures that:

- audits of providers are conducted in a systematic and rigorous manner against legislative requirements and standards
- providers' operations are monitored in accordance with the levels of risk determined through ASQA's risk assessment strategy, and
- auditing is conducted efficiently, professionally, ethically and consistently.

Dr Orr has ten years' experience in VET regulation, and has previously held executive and senior policy positions in the Queensland Department of Education and Training (2005–2011) and the Australian National Training Authority (1999–2005). Dr Orr was a member of the National Quality Council, the predecessor to the National Skills Standards Council (2006–2008). She has extensive experience as a teacher and administrator in the VET system.

Dr Orr holds a Doctor of Education degree from the Queensland University of Technology and a Master of Educational Studies from the University of Queensland. She is a certified Quality Management System Auditor with RABQSA International and holds a Graduate Certificate in Business Excellence (Evaluation).

Dr Orr was appointed to the role of Acting Commissioner from 1 July 2011. She was appointed to the role of Commissioner on 1 October 2011 for a period of five years.

The Hon Michael Lavarch AO, Commissioner–Risk Analysis and Investigation

The Commissioner–Risk Analysis and Investigation is responsible for overseeing ASQA's risk assessment program. This program enables the identification, analysis and evaluation of the key risks to quality in individual training organisations and in the VET system.

The Commissioner also oversees the industry engagement process, which aims to build ASQA's relationship with industry, regulators and peak bodies to gather information useful to risk assessment.

The Hon Michael Lavarch AO has extensive experience in Higher Education and the public policy process. He is a former Dean of the Faculty of Law of the Queensland University of Technology (QUT) and a former Secretary-General of the Law Council of Australia. From 1987 to 1996, Mr Lavarch was a Member of the Australian Parliament and he served as Attorney-General from 1993 to 1996. He was made an Officer of the Order of Australia in 2012 for his contribution to the law, education and human rights.

Mr Lavarch holds a Bachelor of Law from the QUT and was appointed Professor of Law in 2004. In 2012, he was awarded the title Emeritus Professor from the QUT.

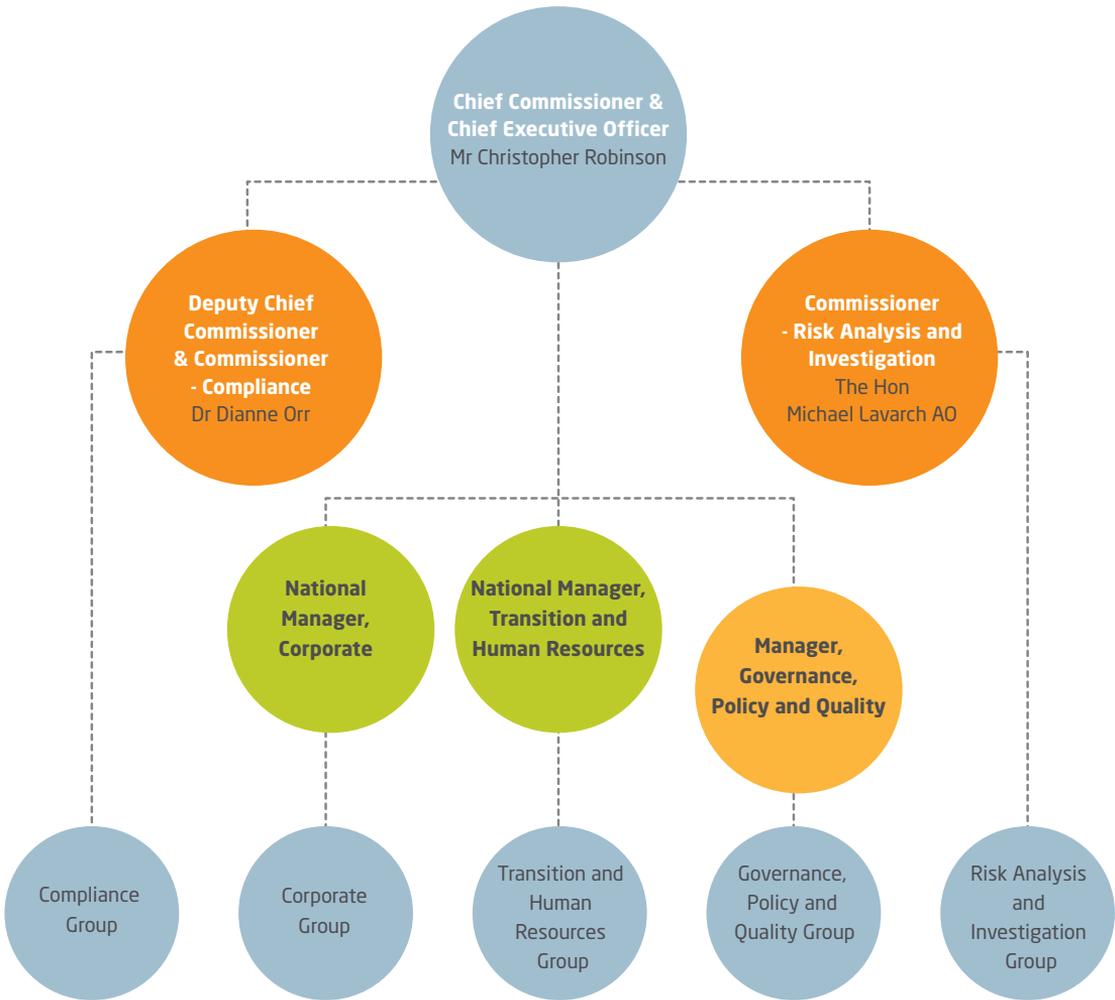
Michael Lavarch was appointed Commissioner–Risk Analysis and Investigation in February 2012 for a period of five years. He commenced as a Commissioner of ASQA on 16 April 2012.



ORGANISATION STRUCTURE

ASQA's national organisational structure at the end of the reporting period is shown in Figure 1. Some of the functions shown below are undertaken in multiple ASQA offices across Australia.

Figure 1: ASQA organisation structure as at 30 June 2013



OUTCOME AND PROGRAM STRUCTURE

ASQA had one planned outcome and program for 2012–13, as set out in the 2012–13 Portfolio Budget Statements for the Industry, Innovation, Science, Research and Tertiary Education⁴ portfolio.

The Authority's performance against this program is outlined in the 'Report on performance'.

ASQA's outcome and program structure is shown in Table 1 below.

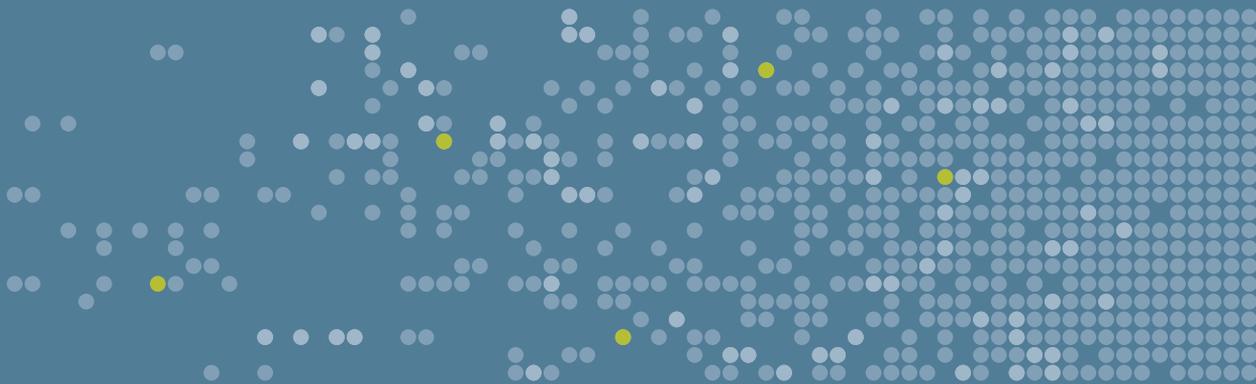
Table 1: ASQA outcome and program structure 2012-13

Outcome 1:
Contribute to a high-quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.
Program 1.1: Regulation and advice
Program objective
To assure the quality of VET outcomes through national regulation and the communication of advice on vocational education and training.
Program 1.1 Deliverables
<ul style="list-style-type: none">• Register training organisations that meet national standards• Accredite courses that meet national standards• Monitor and enforce compliance• Provide advice to and make recommendations to the Portfolio Minister, and/or state and territory Ministers and/or the Ministerial Council on matters relating to VET.• Collect, analyse, interpret and disseminate information about VET and the performance of registered training organisations.

⁴ As of March 2013, this portfolio has changed to include Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DICCSTRTE).



Report on performance



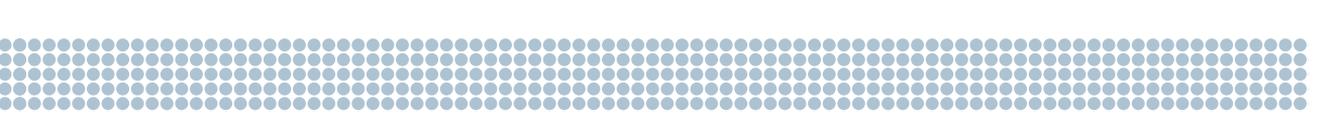


PERFORMANCE SUMMARY

- The Australian Skills Quality Authority (ASQA) commenced its first three Strategic Reviews this year. The reviews focused on 'White Card' training (entry-level safety training for the construction industry); aged and community care training; and marketing and advertising practices in the training sector. The recommendations made by these reviews will have significant implications for the quality of vocational education and training practices in Australia.
- This year represents ASQA's first full year of operation with a jurisdiction of approximately 4000 providers.⁵ ASQA received 8611 registration applications in the year to 30 June 2013, and 287 applications related to course accreditation. This represents an increase of 76 per cent from the previous reporting period.⁶
- ASQA completed the processing of 8084 registration applications between 1 July 2012 and 30 June 2013—more than 90 per cent of applications received in the reporting period. Moreover, ASQA completed 78.8 per cent of all applications within two months of receipt.
- In its second year of operation, ASQA finalised 282 applications for initial registration as a new provider. Of these, 185 were approved, and 42 were rejected, meaning that ASQA continues to find approximately 20 per cent of applicants (or one in five applicants) for initial registration do not meet the required standards to enter the system and become a registered provider.
- In 2012–13, ASQA also finalised some 664 applications to renew the registration of providers, of which 556 were approved and 63 rejected. As in 2011–12, ASQA is finding that approximately ten per cent of previously registered providers do not meet the required national standards.
- Where significant non-compliance with the standards was identified, ASQA took action to cancel (34) or suspend (31) the registrations of 65 providers during 2012–13. Of these, eight were decisions to partially cancel or suspend a provider's registration. ASQA also gave 134 written 'notices of intention' to cancel or suspend the registration of providers, and in 24 cases, imposed another type of administrative sanction (for example, by placing conditions on a provider's registration).
- By 30 June 2013, ASQA had assigned risk ratings to more than 90 per cent of providers. Of these, approximately 35 per cent (around 1300) were assigned by ASQA according to ASQA's risk assessment model. The remaining 65 per cent were based on 'legacy' organisational data provided by states and territory regulators, including their previous rating. Just over seven per cent of these providers were considered to pose a high level of risk to the quality of vocational education and training outcomes in Australia were consequently subject to high-risk monitoring.
- ASQA has completed nearly 2000 audits of training providers since commencing operations. This year, ASQA completed 1169 audits, compared to 773 in 2011–12. As at 30 June 2013, a further 1289 audits had either commenced (451) or were earmarked (838).

⁵ ASQA commenced operation on 1 July 2011 and assumed responsibility for its current jurisdiction in stages throughout its first year of operation, with Tasmanian providers transitioning in February 2012, South Australian providers transitioning in March 2012, and Queensland providers transitioning to ASQA on 29 June 2012 – one day before the end of the previous reporting period. ASQA has responsibility for some providers in Victoria and Western Australia, as discussed on page 6 of this report.

⁶ Partially due to the increase in the size of ASQA's jurisdiction for this year.

- 
- ASQA accredited 112 courses in 2012–13: renewing the accreditation of 56 existing courses as well as granting accreditation to 56 new courses.
 - ASQA's Info line continued to provide a valued service to providers and stakeholders, responding to more than 58,000 telephone and email enquiries during the reporting period. The ASQA website received more than 250,000 unique visitors and more than 2.3 million page views this year.
 - ASQA took the next steps in the move towards full cost recovery—in line with the Council of Australian Governments (COAG) decision—and developed a revised schedule of fees and charges. Consultation on the revised schedule was completed in early 2013.
 - To guide the authority over the next three years, a new, comprehensive *Strategic Plan 2013–16 and Operational Plan 2013–14* was developed and approved (and implemented from 1 July 2013).
 - The Authority made a major contribution to the National Skills Standards Council's 'Review of standards for the regulation of VET'. Following any decision on these standards by Australian ministers for training about revised standards, ASQA will work with all stakeholders in a concentrated effort to implement these effectively.

OBJECTIVE 1: ASSURE THE QUALITY OF VOCATIONAL EDUCATION AND TRAINING OUTCOMES THROUGH NATIONAL REGULATION

ASQA's first objective under its *Strategic Plan 2011–14 and Operational Plan 2012–13* is to 'assure the quality of vocational education and training outcomes through national regulation'. This objective corresponds to the objects set out in the *National Vocational Education and Training Regulator Act 2011*:

- to provide for national consistency in the regulation of vocational education and training
- to regulate VET using a standards-based quality framework, and risk assessments, where appropriate
- to protect and enhance quality, flexibility and innovation in VET; and Australia's reputation for VET nationally and internationally.

To deliver this outcome, ASQA employs four key strategies:

- delivering nationally consistent and streamlined regulation
- implementing a risk-based approach to regulation
- acting decisively to reduce non-compliance, and
- working with other regulators and industry bodies to ensure regulatory coherence.

The actions that ASQA has taken in support of each of these strategies, and how the Authority has measured its performance against the relevant indicators for each strategy, is discussed throughout this section.

1.1 Delivering nationally consistent and streamlined regulation

ASQA regulates through:

- the registration of training organisations that meet national standards, and
- the accreditation of vocational education and training courses that meet national standards.

ASQA has undertaken significant work towards delivering nationally consistent regulation in 2012–13. The volume of work ASQA has completed (in terms of registration and accreditation applications) has increased considerably, partially as a result of the increase in ASQA's jurisdiction since the 2011–12 reporting year.

Registering training organisations that meet national standards

Essentially, registration with ASQA is official recognition that a training provider is able to deliver training and assessment that meets the required national standards. The standards set a framework for the delivery of high-quality training outcomes, ensuring that VET graduates have the skills and competencies needed for employment.

Registration indicates that:

- a provider can deliver and assess qualifications to a nationally agreed standard, and
- a provider can issue recognised Australian Qualifications Framework qualifications.

To be registered with ASQA to deliver VET training and assessment, all providers must meet the requirements of the VET Quality Framework.

ASQA, as a designated authority, also registers providers on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to offer courses to overseas students.

What is CRICOS registration?

Providers must be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to offer training and assessment to overseas students who have Australian student visas.

ASQA assesses CRICOS applications from registered training organisations that wish to enrol overseas students who hold student visas.

ASQA also assesses CRICOS applications from providers offering English Language Intensive Courses for Overseas Students (ELICOS) to overseas students who hold student visas.

Registration overview

As at 1 July 2013, there were 4825 registered training organisations in Australia; ASQA was the regulator of 4003 of these providers.

Some 1553 providers transitioned to ASQA from the former Queensland regulator on 29 June 2013, meaning that this is ASQA's first complete year of operating with a jurisdiction of this size.

During 2012–13, ASQA received 8611 registration applications. This represents a substantial (76 per cent) increase in registration applications received when compared to the 2011–12 reporting year.⁷

ASQA completed 8084 applications in the reporting period, which equates to 93.9 per cent of the applications received. During the 2011–12 reporting period, ASQA completed 3609 applications, or 74.1 per cent of all applications received in that year.

A comparison of the applications received and completed by ASQA in the first two years of operation is shown in Figure 2.

⁷ Partially as a result of the changes to jurisdiction mentioned above.

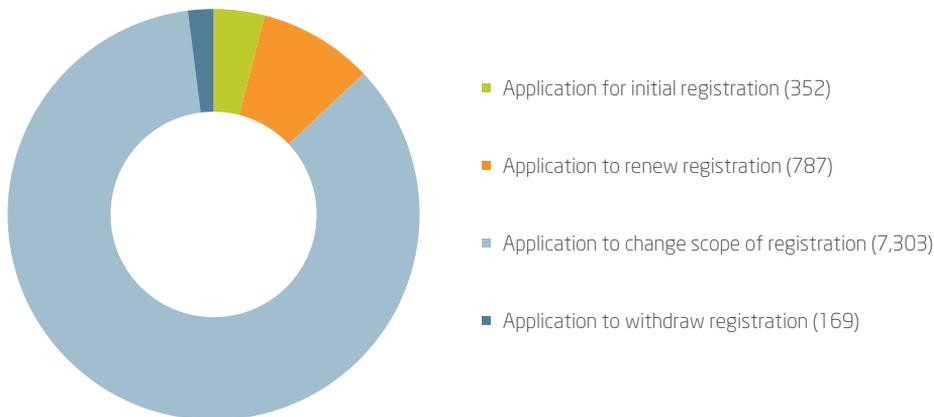
Figure 2: Applications received by ASQA and applications completed by ASQA, 2011-12 and 2012-13



Of the 8611 applications received, 7689 (89.3 per cent) related to registration as a vocational education and training (VET) provider and 922 (10.7 per cent) related to registration on CRICOS. The latter includes registration to provide intensive English language courses to overseas students.

Registration applications fall into four categories. The number of applications received in each of these categories is shown in Figure 3.

Figure 3: Applications received by ASQA (by application type), 1 July 2012 - 30 June 2013

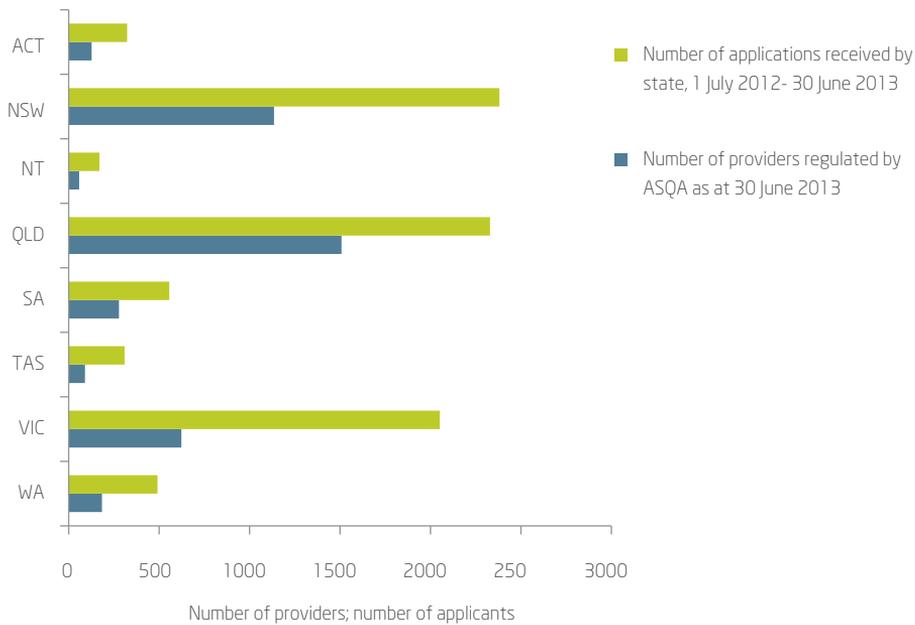


Since 29 June 2012, ASQA has regulated providers from each state and territory.⁸

The number of providers that ASQA regulated in each state and territory at the end of 2012-13 reporting period, and applications received from each state and territory during 2012-13, are shown in Figure 4.

⁸ In Victoria and Western Australia, ASQA regulates only those providers that offer courses to overseas students, or that offer courses to students in the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, or Tasmania (including by offering courses online). Providers that offer courses to domestic students only, in Victoria and/or Western Australia only, continue to be registered with their state regulatory body.

Figure 4: Number of providers registered with ASQA as at 30 June 2013, and applications received 1 July 2012 - 30 June 2013, by state and territory



Applications for initial registration

In 2012–13, ASQA received 352 applications from organisations seeking to register:

- as a new registered training organisation, or
- as a new provider listed on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to offer courses to overseas students.

Initial registration applications undergo rigorous assessment to ensure the applicant organisation is able to comply with—and remain compliant with—a complex set of national standards. In submitting a registration application, an organisation is attesting that it is fully prepared and resourced to commence delivery immediately.

This year, ASQA finalised 282 applications for initial registration during the reporting period. Of those applications that were finalised, 185 were approved and 42 were rejected. A further 55 applications were withdrawn by the applicant.

On average, ASQA has rejected one in five applications for initial registration in its first two years of operation. This fairly high level of rejected applications demonstrates that ASQA is preventing providers who are unable to comply with the required standards from entering the sector.

KPI: Number of initial registration applications accepted and rejected

In 2012–13, ASQA approved 185 applications for initial registration and rejected 42 applications for initial registration.

Applications to renew registration

In 2012–13, ASQA received 787 applications to renew providers' registration:

- as a registered training organisation, or
- on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to offer courses to overseas students.

ASQA finalised 664 applications to renew registration in the reporting period, of which 556 were approved, and 63 rejected. A further 45 were withdrawn by the applicant.

On average, ASQA rejected one in ten applications from providers seeking to renew their registration this year—a similar percentage to those rejected 2011–12. In many cases, when assessed by ASQA against the national standards, providers who have been previously registered have demonstrated serious non-compliance with the fundamental standards for training and assessment (see page 32 for a discussion of the types of serious non-compliance and the regulatory action taken by ASQA).

KPI: Number of applications to renew registration accepted and rejected

ASQA approved 556 applications to renew registration and rejected 63 applications to renew registration during the reporting period.

Change of scope applications

The qualifications that a provider is able to deliver are referred to as the provider's 'scope of registration'. Applications to add or remove courses from a provider's scope of registration are 'change of scope' applications.

Providers wanting to add new courses to this scope must apply to ASQA and be approved to deliver each qualification.

KPI: Number of change of scope applications accepted/rejected

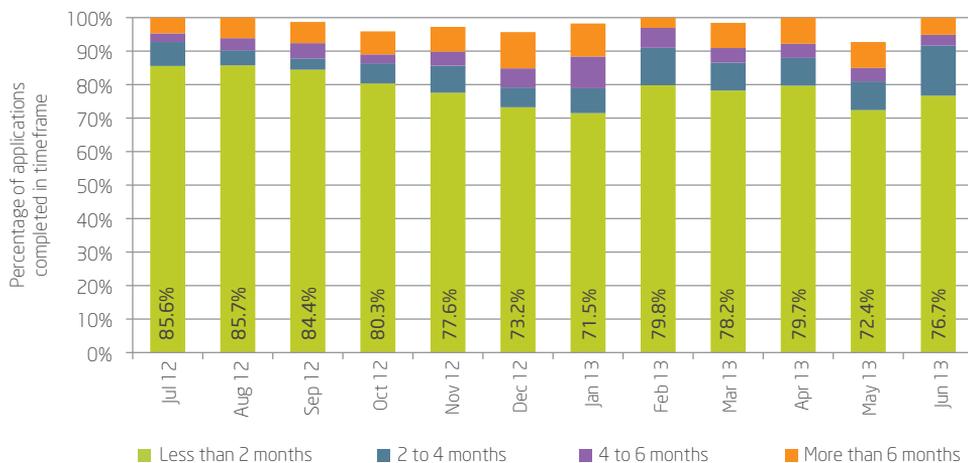
In 2012–13, ASQA approved 6613 change of scope applications and rejected 151 change of scope applications.

Timeframes for assessing applications

In 2012–13, ASQA completed 78.8 per cent of applications within two months of receipt, as shown in Figure 5.

Those applications that require an audit—all applications for initial registration, and those applications to renew registration or to change scope that ASQA considers higher risk—undergo a thorough assessment process, and may take several months to complete.

Figure 5: Application processing times, by month, 1 July 2012 - 30 June 2013



Accrediting courses that meet national standards

Vocational education and training in Australia is delivered through training packages and accredited courses.⁹

Accredited courses meet the training needs of new or changing industry sectors by addressing industry, enterprise, educational, legislative or community needs not covered in training packages.

An accredited course must be delivered by a registered training organisation for a graduate to be issued with a nationally recognised qualification.

Course accreditation is formal confirmation that the course:

- is nationally recognised
- meets an established industry, enterprise, educational, legislative or community need
- provides appropriate competency outcomes and a satisfactory basis for assessment
- meets national quality assurance requirements, and
- is aligned appropriately to the Australian Qualifications Framework (if the course leads to a qualification).

For a VET course to be accredited by ASQA, the course must comply with the *Standards for VET Accredited Courses 2012*.

Overview of accreditation activity, 1 July 2012 - 30 June 2013

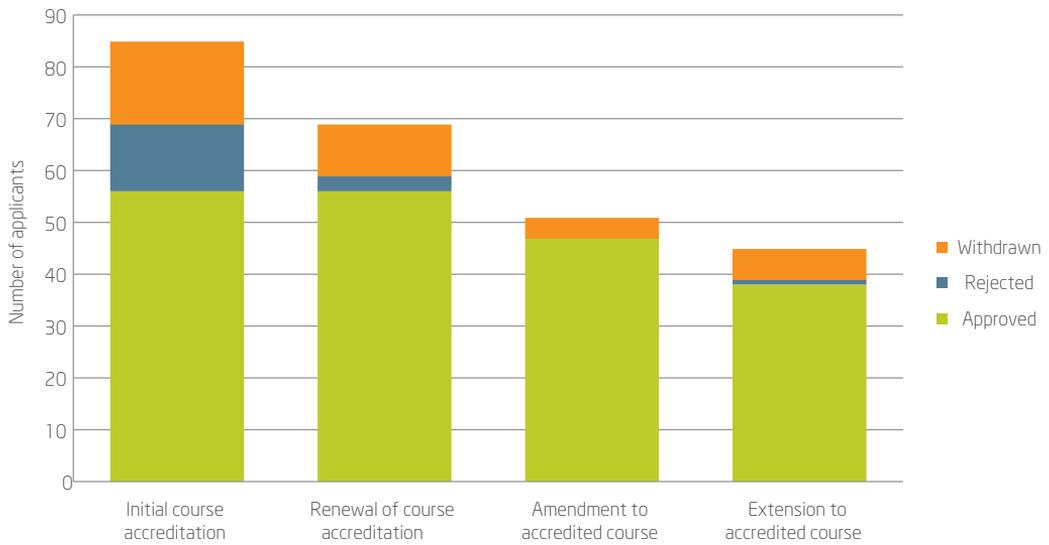
ASQA received 287 course accreditation-related applications between 1 July 2012 and 30 June 2013, a 32 per cent increase from the previous reporting year.¹⁰ Between 1 July 2012 and 30 June 2013, ASQA finalised 250 course accreditation applications (equivalent to 87 per cent of those received).

The outcomes of accreditation applications finalised during the reporting period are shown in Figure 6. During 2012–13, ASQA finalised initial course accreditation applications in an average of 103 days, and renewal of course accreditation applications in an average of 82 days.

⁹ Training packages are developed through extensive consultation with industry and prescribe the skills and competencies required for different VET qualifications (under the Australian Qualifications Framework) in different industries.

¹⁰ This increase should be considered in light of the increases to ASQA's jurisdiction that occurred throughout the previous reporting year.

Figure 6: Accreditation applications completed, 1 July 2012 - 30 June 2013, by outcome of application



The accreditation of a course may be cancelled on the initiative of ASQA or upon a request from the course owner. No courses were cancelled during this period.

KPI: Number of courses accredited

ASQA approved 112 applications to accredit VET courses in the reporting period:

- ASQA approved 56 applications for the accreditation of a new course.
- ASQA approved renewal of accreditation for 56 existing courses.

1.2 Implementing a risk-based approach to regulation

ASQA regulates according to a risk assessment model—meaning that the Authority applies proportionate regulatory intervention based on risk assessment. ‘Proportionate’ intervention means that regulatory focus is concentrated on providers of concern (those that are not delivering quality training outcomes). Similarly, regulatory interventions are minimised for providers that consistently deliver high-quality training outcomes.

This model:

- ensures risks to quality vocational education are well managed
- employs a strong compliance auditing and monitoring regime and a range of escalating sanctions, and
- recognises the need for innovation and flexibility in VET

In 2012–13, ASQA made significant progress towards implementing a risk-driven regulatory model, assigning risk ratings to 90 per cent of providers and beginning work on a new risk database.

ASQA’s risk management approach to regulation also addresses industry concerns relating to heightened risk across specified VET sectors. For instance, particular regulatory scrutiny is applied to:

- delivery to international students in Australia
- delivery in high-risk work licensing areas, and
- delivery in sectors identified as being high risk. (These sectors are also systematically targeted through the Strategic Review program—for example, in 2012–13 ASQA’s Strategic Reviews looked at training for aged and community care training, and entry-level training for the construction industry. Strategic reviews are discussed in detail on pages 43 – 45.)

Assigning risk ratings

ASQA assigns risk ratings to providers. These ratings determine the likelihood and potential consequences of a provider not delivering quality training and assessment services and outcomes.

Risk ratings influence the type and frequency of regulatory action ASQA undertakes in relation to each provider.

In 2012–13 ASQA has greatly increased the number of providers that are risk rated.

To assign risk ratings, ASQA uses its own data (for example, data generated through complaints about training providers or compliance information gathered from previous audits) and assesses data and intelligence from industry, governments and consumers.

Information about specific providers is sought from sources including:

- clients and employers
- occupational licensing bodies or other industry regulatory or representative bodies
- approved tuition assurance funds or financial institutions
- other VET regulators or the Tertiary Education Quality Standards Agency (TEQSA), and
- state, territory or other Australian Government agencies.

By 30 June 2013, 90 per cent of providers registered with ASQA had a risk rating assigned. Of these, approximately 35 per cent (around 1300) were assigned by ASQA according to ASQA’s risk assessment model. The remaining 65 per cent were based on ‘legacy’ organisational data provided by states and territory regulators, including their previous rating.

KPI: Number of providers categorised as 'high risk'¹¹

As at 30 June 2013, risk ratings had been assigned to more than 90 per cent of ASQA-registered providers for which ASQA had regulatory responsibility. As at the end of the reporting period, providers were assigned the following risk ratings:

- High risk—288 providers (7.1 per cent)
- Medium risk—1 553 providers (38.1 per cent)
- Low risk—1 854 providers (45.4 per cent)
- No rating assigned—382 providers (9.4 per cent)

Most of the registered training organisations without a risk rating are those that have been recently registered, for which there are insufficient performance data available to assign a valid rating.

Implementing the ASQA risk assessment model

In 2012–13, ASQA continued work on the application of the risk assessment model, including:

- developing the ASQA risk rating strategy and model, and risk rating methodology
- developing risk rating factors and weightings
- developing a risk database with rating algorithms, and
- increasing the amount of 'legacy' organisational data (registration type, risk rating and so on) from previous state/territory providers entered into ASQAnet.

Risk ratings are assigned through the analysis of data against risk indicators in three categories: performance, governance and profile.

Using risk ratings to inform regulatory activity

Providers with a history of non-compliance are considered to have a greater risk of delivering poor training and assessment outcomes.

Consequently, these providers are likely to experience an increase in performance monitoring.

A risk rating informs the type of regulatory action ASQA may undertake. Where a provider is considered high risk, ASQA may take action towards that provider including:

- compliance auditing (the risk rating profile will also recommend the standards or industries that should be the focus of the audit)
- applying conditions on registration, which prohibit delivery in defined contexts (for example, offshore delivery)
- requiring additional delivery activity data reporting or other data reporting
- imposing sanctions, such as written directions or suspension of all or part of a provider's registration, or
- disclosing information about the provider to other agencies (for example, the Department of Immigration and Citizenship).

A risk rating also informs the frequency of any such action. For instance, a provider rated as a higher risk may be scheduled for more frequent auditing, at its expense, than a provider rated as lower risk.

¹¹ The 2012–13 portfolio budget statements for ASQA phrase this requirement as 'Number of providers subject to high-risk monitoring'. Providers that receive a 'high risk' rating are subject to high risk monitoring, as discussed above.

Audit program—focusing on risk

During 2012–13, ASQA finalised 1364 audits of training providers.

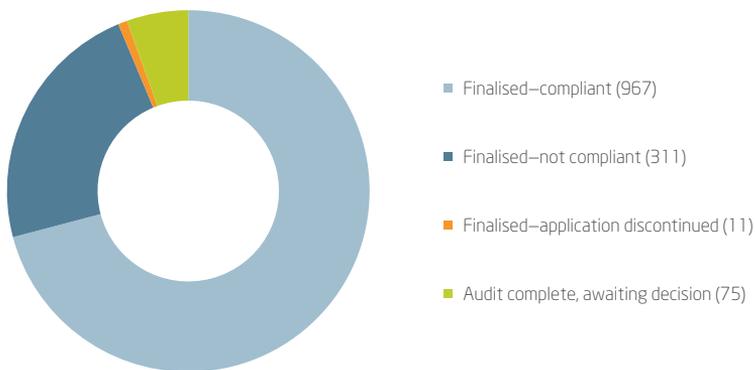
As at 30 June 2013, ASQA had either commenced (451) or earmarked (838) a further 1289 audits.

ASQA undertakes two distinct types of audit—registration audits and compliance audits:

- *Registration audits* assess whether an application submitted to ASQA complies with the relevant standards. All applications for initial registration as a new provider are audited. Applications to renew registration, or to add courses to a provider's scope of registration, are assessed for risk. Higher risk applications are more likely to lead to provider being audited.
- *Compliance audits* assess providers' delivery of quality training and assessment services and outcomes, and may be conducted at any time. (For new providers, a compliance audit is typically scheduled around 12 months after ASQA grants initial registration.) Compliance audits can be triggered by factors such as:
 - a risk assessment
 - information sourced through industry, government, or through an ASQA Strategic Review
 - the receipt of one or more serious complaints against the training provider, or
 - a recommendation by a Compliance Manager.

Audits finalised during the 2012–13 year are shown in Figure 7.

Figure 7: Outcomes of audits finalised, 1 July 2012 - 30 June 2013



In 2012–13, ASQA finalised 235 compliance audits. A further 17 audits were finalised as part of ASQA's Strategic Review program.

KPI: Number and type of non-compliant providers at audit¹²

ASQA found **183** providers to be non-compliant following a *registration audit* between 1 July 2012 and 30 July 2013. Of these:

- 40 resulted from audits undertaken to assess an application for initial registration
- 56 resulted from audits undertaken to assess an application to renew registration
- 87 resulted from audits undertaken to assess an application to change the scope of a provider's registration.

ASQA found a further **63** providers to be non-compliant following a *compliance audit* between 1 July 2012 and 30 July 2013.

Of these:

- 18 resulted from audits undertaken as part of the investigation of a complaint
- 24 resulted from a 'post-initial' audit—the audit typically scheduled within 12 months of ASQA granting initial registration to a new provider
- 21 resulted from other types of compliance audit.

Other audit types

- ASQA also found **one** provider to be non-compliant as a result of an audit undertaken as part of a Strategic Review.
- ASQA found **64** providers to be non-compliant as a result of 'evidence review audits'. Evidence review audits assess rectification evidence submitted (for example, evidence submitted to support an application for reassessment or reconsideration by ASQA, or review by the Administrative Appeals Tribunal).

¹² The indicator is worded as non-compliant 'applications' in the Strategic Plan 2011-14 and Operational Plan 2012-13. In reporting against this indicator, ASQA has corrected the terminology used; 'Applications' are not found compliant or non-compliant. Rather, the providers are found compliant or non-compliant.

Audit moderation—increasing audit quality and consistency

ASQA continued its audit moderation program to increase the quality and consistency of audits throughout 2012–13.

This program is designed to:

- promote a common understanding and interpretation of the VET Quality Framework between auditors
- ensure that consistent judgements are made about audit matters, including the scoping of audits; the nature and extent of evidence required to demonstrate compliance; how levels of non-compliance are determined; and the management of non-compliance, and
- support continuous improvement and good audit practice.

During the reporting period, ASQA used formal processes to minimise the potential for audit variation, including:

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

ASQA promotes transparency and accountability in its audit program through undertaking quarterly audit surveys each year. The 2012–13 results of these surveys is discussed on page 58 of this report.

1.3 Acting decisively to reduce non-compliance

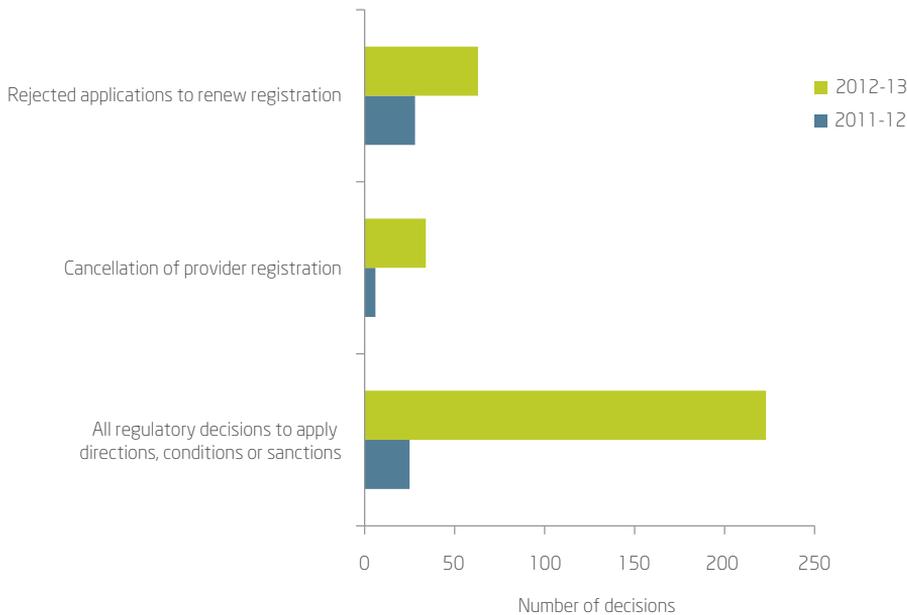
Applying proportionate and meaningful sanctions

During 2012–13, ASQA took decisive action to reduce non-compliance across the sector, making 223 regulatory decisions to apply written directions, conditions or sanctions to providers' registrations. This included the cancellation of 34 providers' registrations, compared to six such decisions in the previous reporting year.

In addition, ASQA refused applications to renew the registration of 63 providers, an increase of 132 per cent from 2011–12, in which the Authority rejected 28 applications to renew registration.

This represents a significant increase in such activity from ASQA's first year of operation, during which the Authority was focused on transition and establishment. In 2012–13, ASQA has been able to focus on using its risk assessment strategies to identify and take regulatory action against providers that fail to meet the basic requirements of the standards. This increase is illustrated in Figure 8.

Figure 8: Regulatory decisions to apply directions, cancel, suspend, or not renew provider registration, 2012–13 and 2011–12



KPI: Number of RTOs to which written directions, conditions, sanctions, offences and civil penalties were applied in financial year

The *National Vocational Education and Training Regulator Act 2011* provides a range of sanctions of increasing severity, escalating from enforceable undertakings and additional conditions on registration, through to suspending or cancelling the registration of a provider.

ASQA may:

- amend or shorten registration or accreditation
- impose conditions on a registration or a course's accreditation
- issue directions for an organisation to take specific steps
- suspend or cancel registration or accreditation
- prosecute organisations that breach the legislation.

During 2012–13 ASQA made 223 regulatory decisions to:

- give written notices of intention to cancel/suspend registration (134)
- impose another type of administrative sanction (24)
- suspend all or part of a providers registration (31)
- cancel all or part of a provider's registration (34).

Detailed information about these decisions can be found in Appendix 1 of this report.

Providers and course owners may seek a review of an ASQA decision. This review may be undertaken by ASQA itself or externally by the Administrative Appeals Tribunal. The outcomes of reviews are discussed in 'Review of decisions' on page 71 of this report.

Causes of critical non-compliance

'Critical non-compliance' is non-compliance that leads ASQA to apply sanctions, such as cancelling registration, to a provider. The decision to cancel, or refuse to renew, a provider's registration most frequently occurs when there is significant non-compliance with the standards relating to the core business of providers—training and assessment.

In most cases, where sanctions are applied, or a provider is refused renewal of registration, the provider demonstrated very poor delivery strategies and implementation, poor assessment, or has trainers without the appropriate qualifications.

In 2012–13, ASQA found that critical non-compliance most frequently resulted from:

- failure to comply with the standards relating to delivery of training packages or individual qualifications
- failure to have appropriate assessment methods or systems in place, and/or
- failure to have trainers employed with the appropriate competencies or the relevant industry experience.

Snapshot of ASQA's first two years—decisive action

In its first two years of operation, ASQA has finalised 1942 audits.

Of the 1942 completed audits, 1289 (66.4 per cent) found the provider to be compliant; 509 (26.2 per cent) were non-compliant; and in 144 cases (7.4 per cent) the audit was discontinued¹³ or the audit was complete but awaiting a decision from an ASQA Commissioner on 30 June 2013.

This audit activity led to ASQA making 458 decisions to refuse applications between 1 July 2011 – 30 June 2013, comprising:

- 90 refusals of applications for initial registration as a new provider
- 91 refusals of applications to renew the registration of existing provider, and
- 277 refusals to add a new course to a provider's registration.

This means that 10.2 per cent of applications from existing providers to renew registration are being refused by ASQA, and some 20.7 per cent of applications from people seeking to establish a new provider are being refused.

In the same period ASQA made 248 regulatory decisions to cancel (40), suspend (35), or give written notices of intention to cancel/suspend (146) provider registration. Of these, one was a decision to cancel part of a provider's registration, and 10 decisions were to partially suspend providers' registrations. ASQA also made 27 decisions to impose another type of administrative sanction.

This means that since ASQA's inception 312 decisions have been made to cancel/suspend reregistration, give written notice of intention to cancel/suspend registration or refuse to renew the registration of a provider.

In total, the decisions to refuse to renew the registration of an existing provider, or to cancel/suspend the registration of an existing provider, have affected some 171 individual providers (more than one decision can be made in relation to an individual provider).

Publishing information about sanctions and other regulatory decisions

During 2012–13, ASQA published information about certain decisions on its website. ASQA publishes information about decisions:

- to impose a sanction on a registered training organisation
- to impose a condition on a registered training organisation's registration
- to reject an application to renew a registered training organisation's registration.

This information informs VET consumers—who include students, industry, employers and government—about ASQA regulatory activity in relation to specific registered training organisations. ASQA publishes this information to assist VET consumers in making decisions about enrolling with a provider. The publication of information about regulatory decisions also provides employers and industry with clear information about sanctions and other regulatory decisions affecting training in their sector.

A key performance indicator for ASQA is how consumers view the 'timeliness, quality and scope' of this published information on regulatory decisions. ASQA assesses this consumer perception by surveying some of the consumers of this information in the annual stakeholder survey.

¹³ An audit may be discontinued if the provider withdraws the application prior to the audit being finalised.

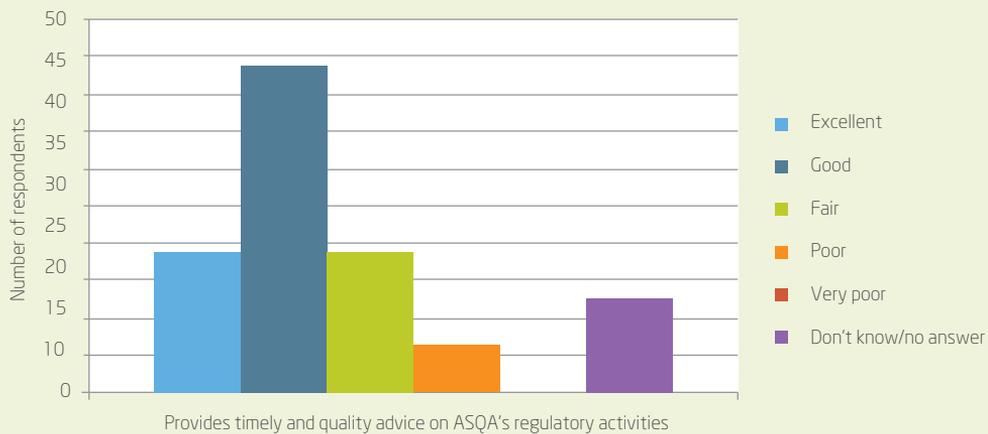
KPI: Consumer perception of ASQA’s performance in relation to the timeliness, quality and scope of published information

This indicator relates specifically to a particular kind of published information—ASQA’s published information **about sanctions and other regulatory decisions**. (How people perceive the full range of ASQA’s published information more generally is discussed on pages 53-57 of this report).

The consumers of ASQA’s published information on regulatory decisions are industry, government, and employers, as well as students and potential students.

The perception of industry, government and employers was canvassed through the ASQA stakeholder survey and is shown in Figure 9 below. ASQA did not survey students and potential students in 2012–13; however, these consumers may be surveyed in future years.

Figure 9: Stakeholder perception of ASQA’s advice on its regulatory activities (decisions), according to 2013 ASQA Stakeholder Survey (n=90)



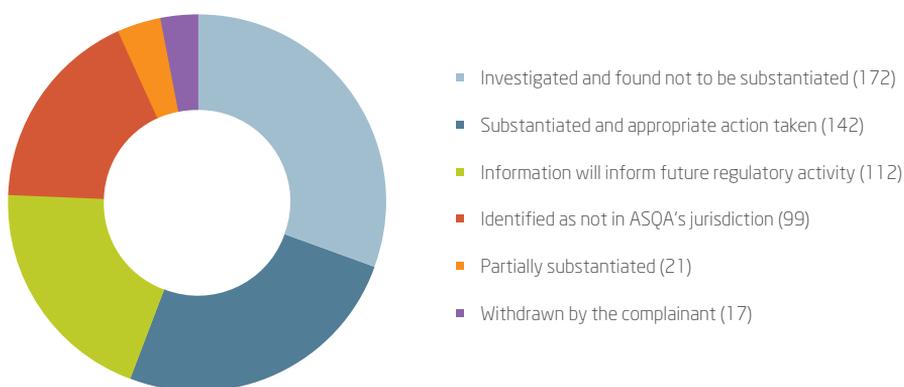
Addressing complaints about providers

ASQA accepts and manages complaints about training organisations as required by Standard 5.4 of the *Standards for VET Regulators 2011*. In 2012–13, ASQA received 1274 complaints about training organisations, of which 563 were closed during the year, while 695 were open as at 30 June 2013. (A further 16 complaints were cancelled due to duplication, or the complainant withdrawing the complaint.)

The information gathered from complaints investigation is a data source used by ASQA to inform its risk management of the VET system. Consistent with this objective, a risk-based approach is applied to complaints, so that greater priority and resources are allocated to those complaints which indicate the greatest potential risk to the achievement of high-quality vocational education and training.

The outcomes of complaints closed during the reporting year are shown in Figure 10.

Figure 10: Outcomes of complaints received by ASQA, 1 July 2012 - 30 June 2013



What happens when a complaint is substantiated?

Substantiated complaints will inform the risk rating of an RTO. ASQA will also take appropriate action.

The following are examples of action taken by ASQA in relation to substantiated complaints in 2012–13:

- A complaint from a licensing body raised serious allegations about the delivery and assessment of a qualification leading to a licence triggered an unannounced audit. This led to eventual cancellation of the provider's registration.
- A complaint regarding misleading marketing on an organisation's website (in which the organisation was claiming to provide nationally recognised training) led to ASQA requiring the organisation to amend its marketing.
- A complaint was received regarding a registered training organisation providing online courses to overseas students and failing to provide adequate training and to keep student records. (This is a breach of the students' visa conditions.) This complaint led to an unannounced audit. As a result, the provider's registration was cancelled. The overseas students affected were offered suitable alternative places with another provider.

Approximately one third of the complaints received by ASQA were from students, while the remaining two thirds were from non-student sources, such as providers, employers, state, territory or Australian

Government bodies and industry stakeholders.

ASQA categorises the issues raised within each complaint received about a provider. In 2012–13, the top five issues raised in complaints to ASQA were:

- 1 Training delivery, resources or materials
- 2 Assessment methods or processes, including recognition of prior learning
- 3 Fraud or criminal activity
- 4 Marketing undertaken by the organisation
- 5 Trainers and/or staff of a provider.

Significantly, the 2012–13 financial year saw a 75 per cent increase in the number of complaints received by ASQA about registered training organisations and other providers reflecting the first complete year of ASQA having responsibility in each referring jurisdiction. This significant increase in complaint numbers has proved a challenge to the Authority, with often complex issues raised (such as matters of jurisdiction) and high stakeholder expectations. Given these factors, the complaints process can be highly resource-intensive.

To meet these challenges and expectations, ASQA is working to improve its complaints handling processes and procedures. Over the last 12 months the Authority has further developed its training program for complaints officers. ASQA has also given consideration as to how the complaints function can be most effectively resourced moving forward and is working to develop systems to expedite the closure of complaints received.

1.4 Working with other regulators and industry bodies to ensure regulatory coherence

The national VET regulator operates as part of a complex regulatory landscape. ASQA seeks to work cooperatively with industry partners and other regulators to improve the quality of VET regulation.

In 2012–13, in order to work towards streamlined and consistent regulatory processes—and to reduce the burden of regulation on providers—ASQA collaborated with other regulatory and government bodies by developing formal information-sharing agreements and through forums, working groups and committees.

Collaborating with other regulators to ensure effective, streamlined regulation

State vocational education and training regulators

Prior to ASQA's 2011 establishment, Victoria and Western Australia did not refer their powers in the regulation of VET to the Commonwealth. As a result, VET providers operating in Victoria or Western Australia may be regulated by either their state regulator or by ASQA.¹⁴

In 2012–13, ASQA Commissioners met regularly with the Victorian Registration and Qualifications Authority and the WA Department of Education Services on matters of mutual interest.

ASQA also signed an agreement with the Victorian Registration and Qualifications Authority and the West Australian Training Accreditation Council, which covers:

- exchanging data and information
- ensuring the efficient and effective regulation of VET, and
- coordinating the transfer of provider registration.

State and territory education ministers and departments

During the reporting period, ASQA's Chief Commissioner wrote to each state and territory minister with responsibility for vocational education and training, offering to meet and provide an overview of ASQA's first 18 months of operation.

The Chief Commissioner then met with each of the state ministers responsible for vocational education and training, and with relevant senior government officials in the territories, to discuss the first 18 months of national vocational education and training regulation.

Tertiary Education Quality and Standards Agency (TEQSA)

ASQA has an agreement with the Tertiary Education Quality and Standards Agency for collaborative and joint regulation of multi-sector providers—providers that offer both VET and higher education courses. During the reporting period, ASQA and TEQSA collaborated on developing a joint strategy for implementing a 'whole of provider' approach to regulation.

¹⁴ The *National Vocational Education and Training Regulator Act 2011* sets out which providers operating in Victoria and / or Western Australia are subject to regulation by ASQA.

Agreements with other regulators and agencies

ASQA established or began establishing formal agreements with numerous state, territory and Australian Government departments and agencies during the reporting period:

- state and territory government departments with responsibility for vocational education and training
- Department of Health and Ageing (regarding the quality of aged care training)
- Department of Immigration and Citizenship (in relation to the provision of courses to overseas students)
- the Tuition Protection Service, and
- the Overseas Students Ombudsman.

Review of delegations to other authorities and institutes

In 2012–13, ASQA delegated a limited range of powers to state authorities and TAFE Institutes.

These delegations reflect arrangements established by previous state regulators that ASQA agreed to continue, for a limited period, as part of bilateral agreements with states and territories for the transition of regulatory responsibility to ASQA.

In 2012–13, ASQA completed a major review of these delegation arrangements to assess whether they should continue, and if so, how they could be improved. Following an evaluation of the review findings, ASQA decided to continue delegation arrangements, but also determined that these arrangements should be revised to improve transparency, consistency and efficacy and to strengthen compliance with the national VET Quality Framework.

Delegation arrangements were agreed with:

- 13 registered training organisations to change their own scope of registration
- two state authorities and five registered training organisations to accredit new courses to address a previous unidentified training need, and
- the Queensland Studies Authority to register secondary schools to deliver VET in schools programs.

ASQA has developed new administrative arrangements for the granting of external delegations—including an external audit requirement—that will take effect from 1 January 2014.

Industry Engagement—developing strong working relationships

Ongoing collaboration with regulators and industry bodies is managed by ASQA's Industry Engagement Team.

The core function of Industry Engagement is to establish and maintain mutually beneficial relationships with industry bodies in order to identify and mitigate risks to the quality of Australia's VET sector. The Industry Engagement team works collaboratively with industry representative bodies to ensure industry confidence in the outcomes delivered by providers.

In 2012–13, the Industry Engagement team focused on developing solid relationships with all Industry Skills Councils in order to manage potential issues when changes to training packages occur.

Throughout the reporting period, the team engaged with 211 organisations on 765 matters, including:

- *State and territory transport regulators*—in relation to the implementation of the heavy vehicle national licensing. NSW implemented the national scheme on 1 January 2013 and Victoria followed suit on 1 July 2013.
- *Health care organisations*—to establish relationships with National Health accreditation boards established under the Australian Health Practitioner Regulation Authority and to respond to concerns in the aged care, child care and massage industries
- *Workplace health and safety regulators*—in negotiating nationally consistent approaches to collaborative regulation and in dealing with providers of concern.
- *Licensing bodies*—in relation to the poor quality of delivery by providers including in the security industry.

Developing agreements with industry and regulators

ASQA works closely with industry bodies to ensure the Authority has access to relevant technical advice and subject matter expertise.

Between 1 July 2012 and 30 June 2013, ASQA's Industry Engagement Team had finalised 22 memoranda of understanding (MoUs) with Industry Skills Councils and industry bodies. MoUs were agreed with:

- Industry Skills Councils
 - Community Services & Health Industry Skills Council
 - Forestworks
 - Skills DMC
 - Transport & Logistics Industry Skills Council Ltd
- Industry bodies
 - ACT Office of Regulatory Services
 - Australian Children's Education and Care Quality
 - Australian Association of Massage Therapists
 - Australian Natural Therapists Association
 - Australian Traditional Medicine Society
 - Clean Energy Council

Objective 1: Assure the quality of vocational education and training outcomes through national regulation

- Department of Health and Ageing
 - Energy Safety Victoria
 - Health Information Management Association of Australia
 - The Hospitals Contribution Fund of Australia Ltd
 - Meat Industry Training Advisory Council Ltd
 - NSW Environment Protection Authority
 - NSW Food Authority
 - NSW Office of Fair Trading
 - Qld Office of Fair Trading
 - Victorian Building Commission and Plumbing Industry Commission
 - WA Department of Mines and Petroleum
 - Western Australia Police
- Industry Engagement also has MoUs with the other eight Industry Skills Councils, the Attorney-General's Department and the Australian Nursing and Midwifery Accreditation Council, all of which were finalised before 1 July 2012.

KPI: ASQA participation in relevant forums, working groups and committees

In the reporting period ASQA has, through various mechanisms, worked with the National Skills Standards Council, TEQSA, and state and territory regulators and industry peak bodies to improve the quality of VET regulation.

ASQA's work with other bodies is discussed further in the next section of this report, '*Objective 2—Improving the quality of the VET system through regulatory intelligence and advice*', which deals with ASQA's provision of advice to government and industry bodies.

OBJECTIVE 2: IMPROVE THE QUALITY OF THE VET SYSTEM THROUGH REGULATORY INTELLIGENCE AND ADVICE

ASQA's second objective under the *Strategic Plan 2011-14 and Operational Plan 2012-13* relates to the provision of intelligence and advice to the Minister for Tertiary Education and Skills, the National Skills Standards Council and other key stakeholder organisations.

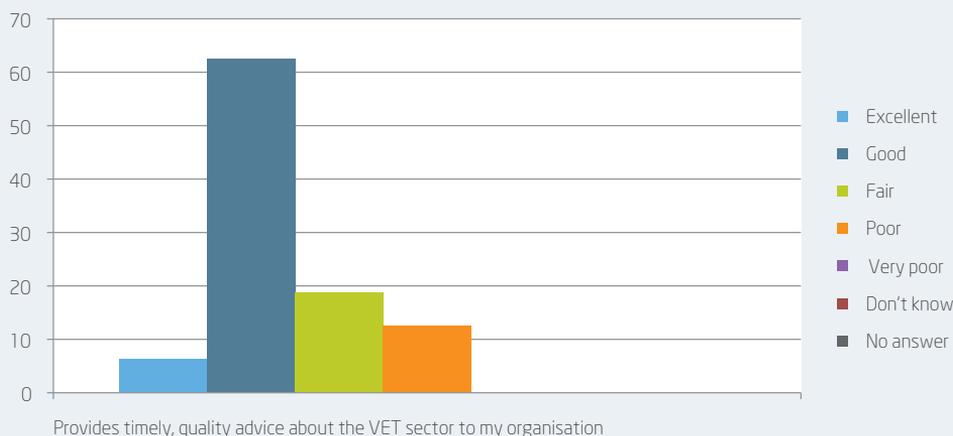
During the reporting period, ASQA implemented a range of strategies aimed at achieving this goal, including undertaking its first three Strategic Reviews and making major submissions to the National Skills Standards Council review of standards for the regulation of vocational education and training.

In 2012-13, ASQA provided information and advice to industry stakeholders, the Minister for Tertiary Education and Skills and the National Skills Standards Council and other stakeholders through formal submissions and briefings, as well as participation in relevant working groups and forums. The opinion of these stakeholders about the quality of this information and advice is a key performance indicator for ASQA.

KPI: Stakeholder perception of ASQA's performance in relation to the timeliness, quality, scope and dissemination of advice and information

Stakeholder perception of how ASQA provides them with information and advice was canvassed through the *2013 ASQA Stakeholder Survey*. Close to 70 per cent of 90 respondents rated ASQA as excellent or good in terms of the statement 'ASQA provides timely, quality advice about the VET sector to my organisation'.

Figure 11: Stakeholder perception of ASQA's advice and information, according to the 2013 ASQA Stakeholder Survey (n=90)



2.1 Identifying and communicating significant trends and emerging issues

Strategic reviews—targeting training and assessment ‘hot spots’

During the reporting period, ASQA commenced three Strategic Reviews. Strategic Reviews identify critical factors that must change to improve training outcomes in specific industry areas. These reviews draw on ASQA's strong partnerships with industry, regulators and employers.

Through these targeted reviews, ASQA can address emerging ‘hot spots’ within the training industry, where issues with the standard of training and assessment are affecting Australian workplaces and community.

ASQA received additional funding from the Australian Government in the 2012–13 Commonwealth Budget to undertake up to three strategic reviews each year. After discussion with the Tertiary Education Minister, ASQA's Commissioners determined that the three areas for review in 2012–13 would be:

- aged and community care training
- work safely in the construction industry (the unit of competency known as the ‘White Card’), and
- the marketing and advertising practices of registered training organisations.

Through these reviews, ASQA works cooperatively with industry partners and other regulators to improve the quality of vocational education and training regulation. To ensure the reviews focused on relevant industry and community concerns, for each review ASQA worked with a management committee comprising key stakeholders, including Industry Skills Councils; state, territory and Australian Government departments; employers; and unions. The management committees provided valuable advice on and oversight of the conduct of the reviews.

Each of the three reviews completed identified significant areas of concern and significant levels of non-compliance with the standards required of registered training organisations in Australia. The outcomes of these reviews demonstrate the importance of strong, proactive regulation in the vocational education and training sector. ASQA will work closely with relevant government and industry bodies, as well as with providers, to institute the recommendations of each of these reviews.

The reports and recommendations resulting from these reviews were due to be published shortly after the end of the reporting year. ASQA expects that these reviews will have a significant positive effect on the quality of vocational education and training in Australia.

Aged and community care review

The Strategic Review into training in the aged and community care training sector followed the 2011 Productivity Commission report, *Caring for Older Australians*, which identified a number of issues affecting the quality of care provided for older Australians, including issues relating to the quality of training in the sector.

Of particular concern was the variability in the quality of training provided by registered training organisations and fast-tracking of qualifications (for example, the delivery of a Certificate III qualification in less than a month). The Productivity Commission called for an independent and comprehensive review of aged care-related training courses and their delivery by registered training organisations.

The management committee for this review comprised representatives of the Community Services & Health Industry Skills Council; the Health Services Union; the Department of Health and Ageing; Department of Industry, Innovation, Science, Research and Tertiary Education; the Aged Care Standards and Accreditation Agency; and health care employer Feros Care.

ASQA's review focused on the provision of training for Certificates III and IV in Aged Care, and on training for Certificates III and IV in Home and Community Care.

To inform the review, ASQA undertook a survey of ASQA-registered providers offering these qualifications and conducted 73 audits of providers offering aged and community care qualifications.

This review was not yet finalised at the end of the 2012–13 reporting year.

'Work safely in the construction industry' review

'Work safely in the construction industry' is the unit of competency that provides entry-level occupational health and safety training for work on construction sites. This unit is known as the 'white card'.

Persistent stakeholder concerns have been raised with ASQA about this unit. These concerns include:

- the lack of a workplace context for training and assessment
- inadequate assessment of communication and comprehension skills, and
- inadequate procedures to ensure that the person issued with the statement of attainment is actually the person who completed the training (particularly where a course is delivered online).

The management committee for this review comprised representatives of the Construction & Property Services Industry Skills Council; the Construction, Forestry, Mining and Energy Union; Master Builders Australia; the Department of Innovation, Industry, Science, Research and Tertiary Education; and the Housing Industry Association.

To develop an understanding of the quality of training and assessment being delivered by providers offering this unit, ASQA:

- surveyed all providers registered to deliver the unit
- undertook audits of a random sample of providers delivering the unit
- audited an additional number of registered training organisations delivering the unit online, in response to serious concerns expressed by stakeholders about this method of delivery and assessment, and
- consulted with key stakeholders, including by meeting with employers and unions; seeking input from the management committee; inviting comment from providers during the audit process; and seeking feedback from national Work Health and Safety regulators and those in each state and territory.

The data gathered through the audit of randomly sampled providers was supplemented by data gathered through audits conducted as part of ASQA's usual compliance functions.

This review was not yet finalised at the end of the 2012–13 reporting year.

Marketing and advertising review

ASQA initiated a Strategic Review of registered training organisations' marketing and advertising practices in response to ongoing concerns that these providers (as well as other bodies) are providing misleading information when advertising and marketing training services.

These concerns had come to ASQA's attention through its complaints process and information line, as well as through audits.

This review examined the websites of 480 organisations advertising training (421 of these websites belonged to registered training organisations, and 59 belonged to organisations that were not registered).

The management committee for this review comprised representatives of the Shop, Distributive and Allied Employees Association; Construction, Forestry, Mining and Energy Union; Australian Industry Group; Australian Chamber of Commerce & Industry; and the Department of Innovation, Industry, Science, Research & Tertiary Education. The review identified marketing and advertising that was potentially in breach of:

- the national standards required for registration under the *National Vocational Education and Training Regulator Act 2011*
- Australian consumer law, and/or
- state and territory fair trading laws.

These potential breaches ranged from relatively minor concerns (which could be rectified quickly and easily) to more serious breaches (which could involve major sanctions being applied, including the cancellation of a provider's registration).

This review was not yet finalised at the end of the 2012–13 reporting year.

2.2 Influencing national VET policy through credible, timely and accessible information

NSSC Standards review

During 2012–13, the National Skills Standards Council commenced a broad-ranging review of the standards for the regulation of VET, focusing on issues of quality.

ASQA provided significant input into this review, with submissions to both the Discussion and Review papers put out by the NSSC.

ASQA recommended that the new standards should be:

- appropriate for ensuring quality outcomes, which are clearly documented by the standards
- capable of being consistently interpreted by registered training organisations and regulators, and
- capable of being effectively implemented through nationally consistent regulation.

ASQA's input into the review emphasised the need to:

- strengthen the arrangements for assessment (this is the key area of non-compliance, and requires immediate action to provide for quality-assured VET outcomes for students, employers, industry, government and the community)
- make the requirements of the Australian Qualifications Framework explicit in the standards for providers and in VET products
- write the standards in a manner that makes clear what a provider has to achieve
- remove confusion about trainer competence by making explicit the training and relevant industry vocational requirements
- strengthen fee protection for domestic students, and
- strengthen training package standards to address insufficient definition within and across industry sectors.

Biannual reports to National Skills Standards Council

ASQA reports twice each year to the National Skills Standards Council (NSSC) on the Authority's regulatory activities and any emerging issues with the interpretation and implementation of the standards for the regulation of VET.

The NSSC is a committee of the Standing Council on Tertiary Education, Skills and Employment, one of several Standing Councils that report to the Council of Australian Governments.

Review of arrangements for the regulation of multi-sector providers

During 2012–13, ASQA continued developing a joint strategy with the Tertiary Education Quality Standards Authority (TEQSA) to develop a 'whole of provider' approach to regulation of multi-sector providers—providers that offer both VET and higher education courses. This strategy aims to streamline regulatory processes for multi-sector providers.

Provider roundtables

ASQA held quarterly 'provider roundtable' meetings during 2012–13.

These meetings provided opportunities for peak bodies to engage with ASQA and discuss the Authority's ongoing regulatory approach, as well as high-priority emerging issues.

Over the reporting period, the roundtable considered issues such as:

- tuition assurance
- ASQA's fees and charges, and
- ASQA general directions.

ASQA views the provider roundtables a valuable forum, providing an opportunity for structured dialogue with providers. The roundtables are aimed at increasing provider understanding of regulatory issues and improving regulatory effectiveness.

ELICOS Regulator-Provider Forum

ASQA has established a Regulator-Provider Forum with English Australia (the national peak body for the English language sector of international education in Australia). In 2012–13 this forum met quarterly to discuss issues relating to ASQA and English language intensive courses for overseas students. The forum considers issues relating to the regulation of providers delivering to overseas students (including providers delivering intensive English language courses).

The forum is able to address a broad range of issues through the participation of the Tertiary Education Quality and Standards Agency (TEQSA), English Australia and the Australian Council for Private Education and Training (ACPET).

Regulatory activity briefings

During the reporting period ASQA provided the Minister for Tertiary Education and Skills with monthly 'Regulatory Activity Briefings'. These briefings summarise ASQA registration, accreditation and compliance activity, as well as emerging issues.

Transnational Regulation Strategy

Delivery of Australian Qualification Framework (AQF) qualifications and courses by Australian registered training organisations offshore has grown considerably in recent years. As such, in 2012–13 ASQA began developing a transnational regulatory strategy. The strategy will ensure ASQA's vision for Australian vocational education and training is upheld nationally and internationally.

ASQA's approach for both on-shore and transnational regulation is based on:

- a robust framework of legislation and standards
- a risk-assessment focus
- active engagement with industry
- a rigorous audit methodology
- fairness and transparency
- promoting informed consumer choice, and
- accountability and accessibility.

OBJECTIVE 3: ENSURE THAT ASQA IS A PROFESSIONAL AND INNOVATIVE REGULATOR

ASQA meets its third objective under the *Strategic Plan 2011–14 and Operational Plan 2012–13* –to operate as a professional and innovative regulator–through the following strategies:

- applying a Quality Management System across the organisation
- utilising information technology to manage a substantial proportion of regulatory business online, using online application systems, and a comprehensive online communication program, and
- communicating with, and seeking information from, providers and stakeholders through information sessions, consultation, and other feedback mechanisms.

3.1 Applying a Quality Management System

ASQA's Quality Management System has been designed to ensure that the Authority's processes and procedures are documented, adhered to and reviewed regularly.

Once the Quality Management System is fully implemented, a program of regular audits will commence to ensure that ASQA's quality processes remain current and effective.

KPI: Development of best practice quality management (governance) system finalised prior to 30 June 2013

In 2012–13, ASQA completed a gap analysis of its existing Quality Management System components and associated internal quality assurance functions. The Gap Analysis provides a road map to address the gaps identified and makes recommendations on how to further develop ASQA's quality systems.

The gap analysis builds on—and is informed by—other relevant ASQA documents including:

- ASQA Interim Quality Statement
- ASQA Governance Framework
- ASQA Risk Management Policy and Framework
- ASQA Financial Management and Accountability Act Gap Analysis
- ASQA Strategic and Operational Plans
- ASQA Business Continuity Plan
- ASQA Information and Communications Technology Strategic Plan
- ASQA Records Management Policy
- Considerations for International Standards' Organisation 9001 Implementation, and
- Gap Assessment Report.

During 2012–13, ASQA commenced the implementation of its Quality Management System in line with the gap analysis.

Responding to complaints about ASQA

In taking robust action to ensure a high-quality vocational education and training system, the regulatory activities of ASQA will sometimes lead to its clients being dissatisfied with the way ASQA discharges its legislative responsibilities.

In addition, as with any other organisation, there will be instances where ASQA does not meet stakeholder expectations. ASQA responds to complaints in accordance with the policy on *Processing complaints about ASQA*.

Complaints activity for the 2012–13 reporting period, as it relates to ASQA's key performance indicators, is discussed below.

KPI: Complaints are responded to in accordance with a documented procedure and responses tracked

ASQA implemented its policy on *Processing complaints about ASQA* on 6 December 2012. The policy states that responses to complaints should be provided within 30 working days of receipt of the complaint (this timeframe does not cover complaints received via ministerial correspondence. The timeframes for these responses are not set by ASQA).

Since the inception of this policy, ASQA has responded to 86 per cent of complaints within the 30-working-day timeframe. All complaints are acknowledged and tracked on ASQA's complaints register.

KPI: Number and type of complaints and the action taken

Number and type of complaints

Between 1 July 2012 and 30 June 2013, there were 90 complaints made about ASQA.

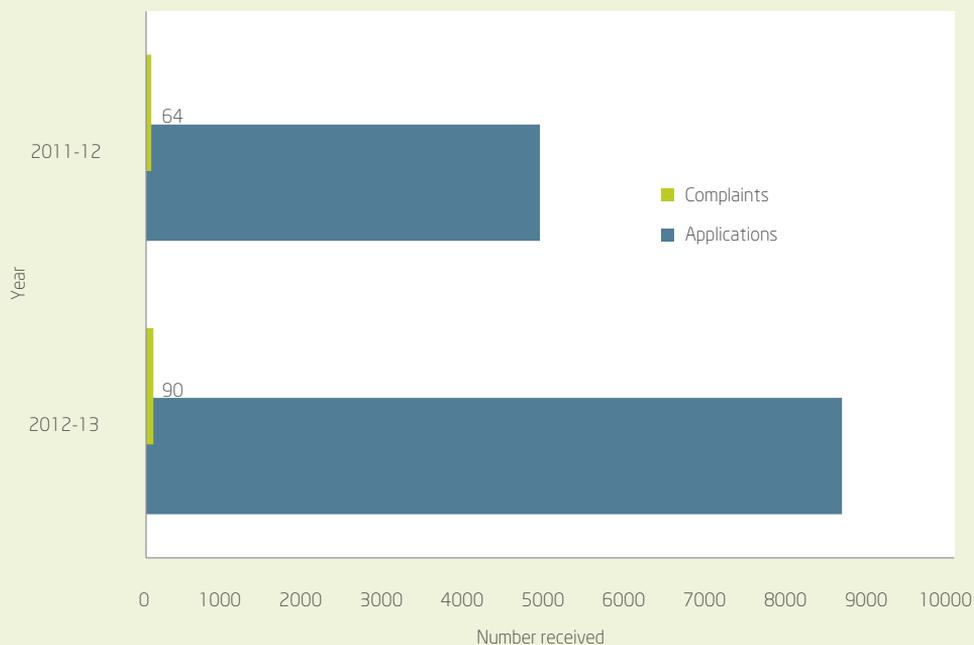
The majority of these were received from providers concerned about the outcome or conduct of an audit, the time spent assessing an application, or the outcomes or timeframe of an ASQA investigation into a complaint about a registered training organisation.

Complaints about ASQA were received through the following channels:

- 76 complaints were received using the 'Complaint about ASQA form' by post or email or via correspondence (e.g. a letter to the Chief Commissioner).
- ASQA received 14 complaints via ministerial correspondence.

Figure 12 shows complaints received, relative to applications received, for the 2011–12 and 2012–13 reporting years. Complaints about ASQA equate to one per cent of applications received.

Figure 12: Complaints received relative to applications received, 2011-12 and 2012-13



Action taken to address complaints

ASQA finalises complaints as quickly as possible. Complaints are handled by ASQA's Governance, Policy and Quality team.

Following receipt of a complaint, ASQA investigates the complaint and prepares a report, including recommendations and a response to the complainant. ASQA provides written responses to all complainants.

Where complaints are substantiated and require action (for example, in relation to staff performance, or where the complaint acts as a prompt for making changes to an existing ASQA system), this is included in the recommendations. The advice to the complainant provides details of the outcome of the investigation and any actions that will affect the complainant.

The findings of the complaint investigation may be provided to the Commissioner—Compliance and/or the Commissioner—Risk Analysis and Investigation for further action.

3.2 Leveraging information technology to maximise productivity, and streamline processes and data analysis

To ensure efficiency in operations, ASQA manages the vast majority of its regulatory and corporate business online. In 2012-13, ASQA utilised technology to streamline its processes through several major initiatives.

Key information technology developments in 2012-13

- **ASQAnet updates:** ASQAnet is an online regulatory management system used for application processing and audit services, which also interfaces with the national register (training.gov.au). During 2012-13, ASQA's Information and Communications Technology Team added several major new functions to ASQAnet, including training package management and a function allowing online submission and processing of complaints about providers.
- **Panel Auditor allocation system:** ASQA supplements its internal audit capacity with a panel of contract auditors. In 2012-13 ASQA developed an online system for managing the centralised allocation of audit activity requests for Panel Auditors. The system introduced a number of efficiencies into the process of allocating panel audit work. Such efficiencies include automating the completion of forms and templates associated with allocation, and automatically triggering online communication via email alerts as tasks are completed. The system has reduced the administrative burden associated with panel audit activity allocation from 90 minutes to nine minutes (average times).
- **Extranet updates:** ASQA conducted a 'needs analysis' in the 2012 - 2013 period. The results of the analysis led to ASQA reorganising the information architecture and overall design of the extranet in order to better meet user requirements. A key outcome of the redesign was the improved structure of the homepage, a key source of internal communication for ASQA employees.
- **Data analysis using ASQAnet:** ASQA collates data to understand trends in non-compliance and provider behaviour. This information helps the Authority identify potential risks to the quality of vocational education and training. In 2012-13, ASQA sourced much of the data required from ASQAnet, as well as through public databases and professional information-sharing relationships.

ASQAnet—improving the application process for providers

ASQAnet is ASQA's online application service; ASQA manages the vast majority of its regulatory business online through ASQAnet. ASQAnet allows providers to submit online applications and make online payments. This year, ASQA received 7689 applications relating to VET registration. Of these, 7358, or 96 per cent, were received through ASQAnet.

KPI: Number of RTOs utilising ASQAnet functionality to progress applications.

In 2012-13, 2730 ASQA providers submitted 7358 online applications.¹⁵ This equates to 96 per cent of all VET registration applications received. (Applications for registration on the Commonwealth Register of Institutions and Courses for Overseas Students are not currently submitted through ASQAnet.) This represents an increase in the number of applications submitted using ASQAnet of around 160 per cent when compared to 2011-12. In 2011-12, just over 2800 applications were submitted by approximately 1300 providers.

¹⁵ Some of these applications were submitted by entities that never became a provider (i.e. applications for initial registration that were rejected).

Implementing a strategic plan for Information and Communications Technology

During 2012–13, ASQA completed its Information and Communications Technology Strategic Plan, which provides the basis the Authority's long-term technology services approach. The Information and Communications Technology Strategic Plan will assist ASQA to build a technology architecture that will provide ASQA's stakeholders with a greater range of online applications and services, and improved access to existing information.

KPI: ASQA's ICT Strategic Plan developed prior to the end of the 2012-2013 financial year; ICT strategies developed which directly relate to ASQA's business strategies and quality management objectives

ASQA completed its first Information and Communications Technology Strategic Plan during the reporting period.

The vision of this plan is to deliver a 'single entity view'—a new core business system, integrated with a records management system. This will provide access to all provider, applicant and course owner data ASQA holds in a single technology environment. The development of this single entity view will support ASQA in further streamlining its regulatory and corporate processes to ensure operations are as efficient as possible.

Online communications

ASQA uses online communication channels to help providers, course owners and stakeholders stay up-to-date with VET sector developments and regulatory processes. In 2012–13, ASQA's e-newsletter was sent to more than 14,000 subscribers every month, including to all ASQA-registered providers. ASQA also sent email news alerts to providers when significant developments occurred (for example, when there were major developments in the cost recovery consultation process).

The Authority's primary communication channel is its comprehensive website. In 2012–13, the volume of users of ASQA's website increased considerably:

- there were more than 257,000 unique visitors to ASQA's website, and
- there were more than 2.3 million pageviews across the site as a whole.

ASQA's Communications Team made improvements to the site through the development of new fact sheets addressing key issues for providers. ASQA also commenced a review of the navigation and content of the site in response to information received through the Info line about provider and stakeholder user experiences. The revisions to the site, including a new range of videos on key topics of interest, will be launched in November 2013.

3.3 Consulting with other regulators, industry bodies, and registered training organisations

ASQA seeks to demonstrate accountability and transparency in its operations as a regulator. As such, the Authority values feedback, which helps it to evaluate the effectiveness of its regulatory approach and address the relevant concerns of providers and stakeholders.

ASQA sought feedback formally through several mechanisms in 2012–13:

- two major surveys (of providers and stakeholders) on ASQA's performance in 2012–13
- a quarterly audit survey
- surveying the owners of accredited courses (and applicants for the accreditation of a course), and
- consultation on the establishment of a new schedule of fees and charges to meet ASQA's cost-recovery requirements.

Seeking feedback through the ASQA Stakeholder Survey 2013 and ASQA Provider Survey 2013

Stakeholder and provider perception of ASQA's performance during the reporting period was canvassed shortly after the 2012–13 financial year through surveys of stakeholders and providers.

This is the second year in which ASQA has undertaken a stakeholder survey, and the first comprehensive survey of providers in relation to ASQA's performance.

Questions were designed to measure ASQA's performance in the 2012–13 reporting year against the *Strategic Plan 2011–2014 and Operational Plan 2012–13*, organisational values, and performance requirements under the *National Vocational Education and Training Regulator Act 2011*. Participation in the surveys was optional and responses were confidential.

Both the surveys covered topics including:

- the quality of service provided by ASQA employees
- the quality of information ASQA publishes, and
- ASQA's consultation and communication practices.

In addition, stakeholders were asked questions about regulatory decisions and the Strategic Review program, while providers were asked about their interactions with ASQA during the application process.

All providers registered with ASQA at 30 June 2013 were invited to participate. ASQA received feedback from 2581 providers (64 per cent of those invited).

Survey outcomes—stakeholder respondents

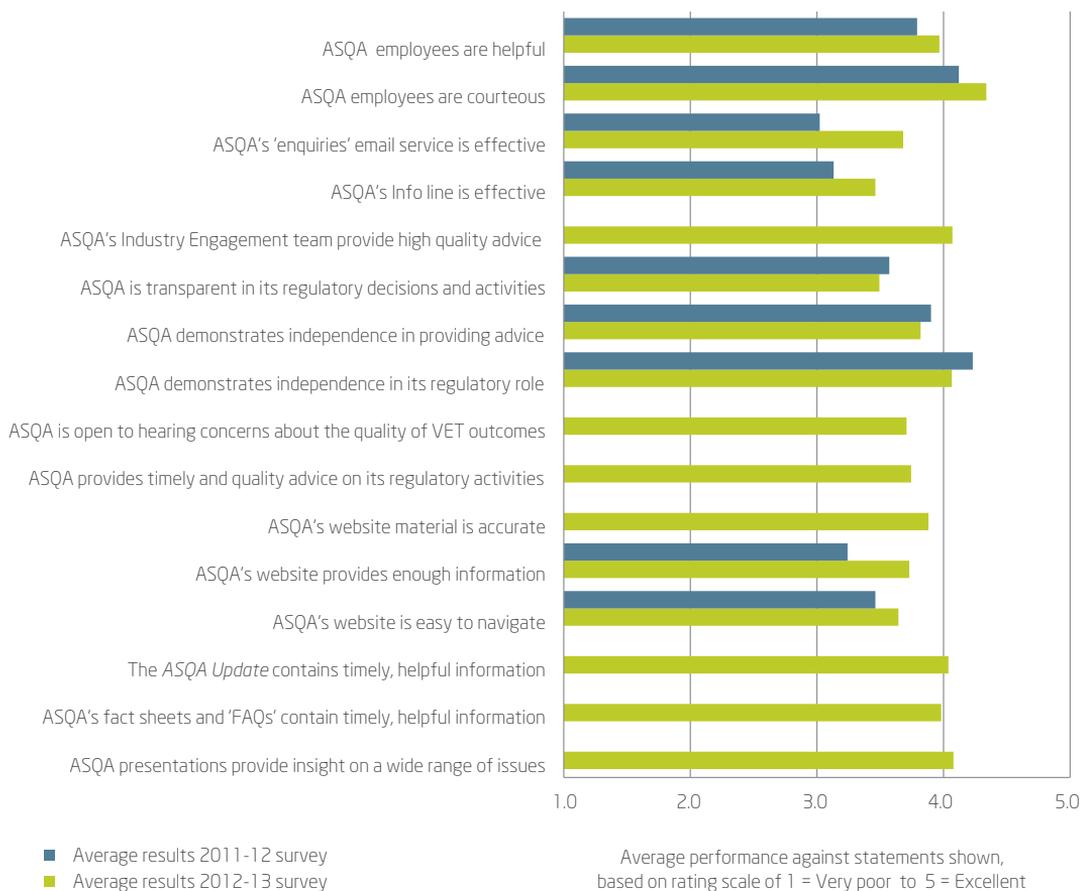
The following stakeholder groups were invited to respond to the *ASQA Stakeholder Survey 2013*:

- peak bodies representing the training sector
- Industry Skills Councils
- industry bodies
- industry regulators, and
- government departments with an interest in the regulation of the training sector.

ASQA received feedback from 90 stakeholders (45 per cent of those invited). Overall, the responses to the survey were very positive. Stakeholders were asked to rate ASQA's performance against certain statements from 'excellent' to 'very poor', and the average results are shown in Figure 13.

Where ASQA's performance against the same statement was surveyed in the 2011-12 Stakeholder Survey, a comparison against the result from that survey is shown in Figure 13.¹⁶

Figure 13: Overview of survey responses– stakeholder respondents (n=90)



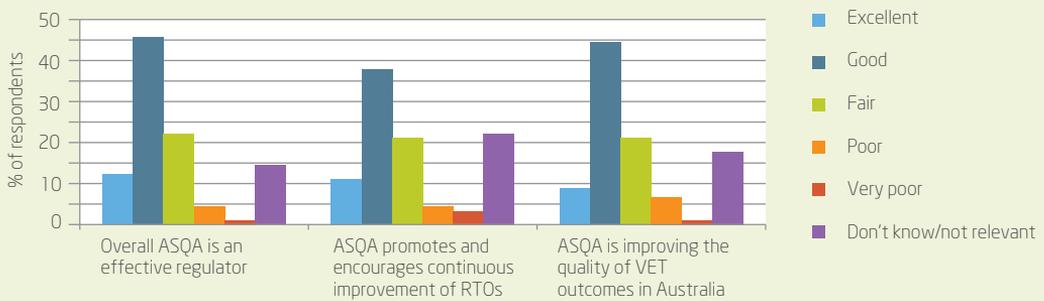
¹⁶ For some statements, a collated response to several questions is shown, in order to allow a comparison with responses to the 2011-12 survey. For example, this year, stakeholders were asked about the knowledge and courtesy demonstrated by Info line employees, as well as the speed and completeness of employee responses to enquiries. Stakeholder responses in these categories have been collapsed into 'effective Info line service'.

KPI: Stakeholder perception of ASQA's performance in relation to engagement with industry bodies and the effectiveness of ASQA's regulatory approach

Stakeholder perception of the effectiveness of ASQA's regulatory approach was largely positive, with the results showing a slight improvement from ASQA's first year of operation.

In total, 57.8 per cent of stakeholder respondents rated ASQA as either 'excellent' or 'good' against the statement 'Overall ASQA is an effective regulator', representing a slight increase from 2011-12, in which 55.5 per cent of stakeholders agreed or strongly agreed with the same statement. A similar percentage of respondents—53.3 per cent—rated ASQA as either 'excellent' or 'good' against the statement 'ASQA is improving the quality of VET outcomes in Australia'.

Figure 14: Stakeholder perceptions of ASQA as a regulator, according to the 2013 ASQA Stakeholder Survey (n=90)

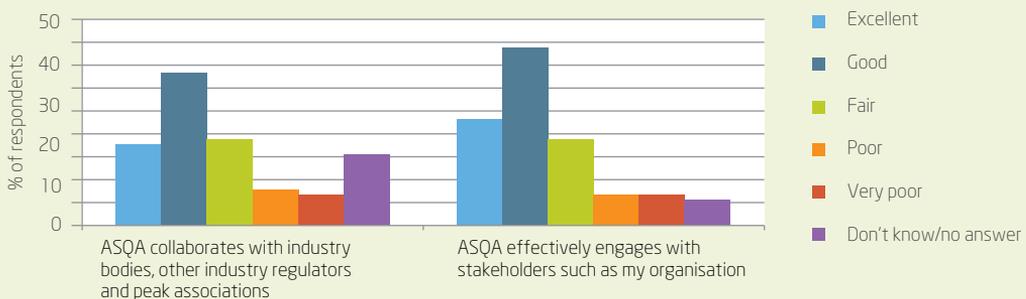


Stakeholder perception of ASQA's performance in relation to engagement with industry bodies is shown in Figure 15.

More than 50 per cent (51.1 per cent) of stakeholder respondents rated ASQA's collaboration with industry bodies, other industry regulators and peak associations as excellent or very good, which was on-par with the responses given in the 2011-12 survey.

ASQA expects to continue to improve levels of stakeholder satisfaction with its engagement. Developing strong working relationships with stakeholder bodies (as discussed in this report under Objective 2) is a cornerstone of the Authority's regulatory approach.

Figure 15: Stakeholder perceptions of ASQA's engagement with stakeholder organisations, according to the 2013 ASQA Stakeholder Survey (n=90)

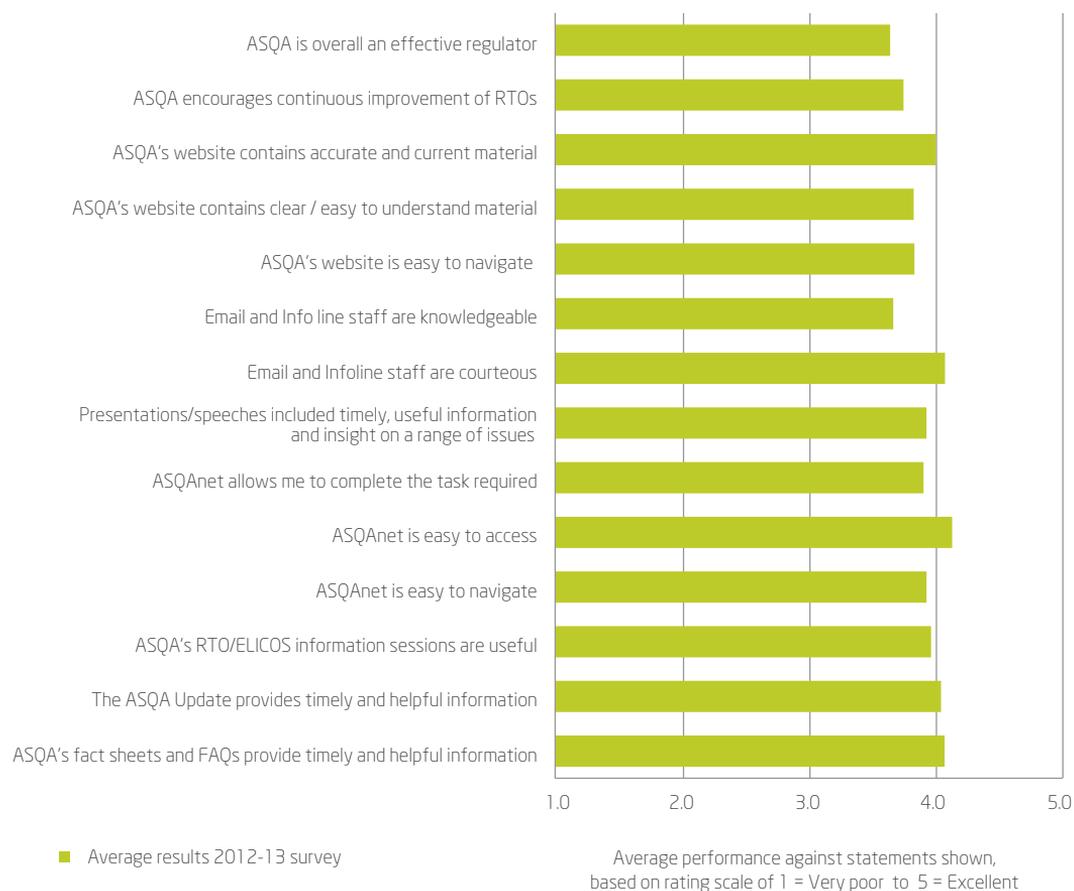


Survey outcomes–provider respondents

This year ASQA also undertook a comprehensive survey of providers. Responses from this survey will assist ASQA to further develop its processes and published information in 2013–14. The response rate to this survey was high, with 2581 provider responses, and the results were largely positive. Participation in the survey was optional and responses were anonymous.

A summary of average responses from the survey is shown in Figure 16. Provider respondents rated ASQA’s performance against a range of statements, based on a rating scale of 1=very poor to 5=excellent.¹⁷

Figure 16: Overview of provider responses to ASQA survey, averages (n=2581)



¹⁷ 'Don't know/not relevant' and 'No answer' responses are excluded from the calculation of the average. In some statements shown, the scores from multiple statements have been combined.

Survey outcomes—informing continuous improvement activity

Responses to the provider and stakeholder surveys were very positive (as shown in Figures 12 and 15), with providers and stakeholders rating ASQA's performance as 'excellent' or 'good' against most of the statements provided. These encouraging results indicate that many providers and other stakeholders have positive experiences of national VET regulation with ASQA.

As expected in any such survey, some provider and stakeholder respondents identified areas where they felt ASQA could perform more effectively:

- **Website**—While more than 70 per cent of stakeholders and providers rated the website as excellent or good for ease of navigation; provision of sufficient information; ease of understanding and accuracy; and currency and timeliness of the material provided, some five per cent of providers indicated the search function of the ASQA website could be easier to use and a further six per cent of providers indicated that they found the site difficult to navigate. ASQA commenced a review of its website in May 2013. Improvements to the navigation and search function of the site, including a user-friendly help centre, will be launched in late 2013.
- **Info line**—Many providers and stakeholders indicated their satisfaction with the work of the ASQA Info line, with the overwhelming majority of respondents indicating that they found Info line employees to be knowledgeable, courteous, and providing an effective service.

ASQA's Service Delivery team works to continually refine and improve the service provided by the Info line. In response to stakeholder feedback and the frequent changes which affect information about the VET sector, a formalised fortnightly 'training update' program now helps ASQA ensure Info line employees maintain current knowledge. This—along with a formal mentoring program for new Info line employees and monitoring the responses provided to a sample of calls and emails each month—informs the Info line moderation process, helping to ensure consistent responses.

Audit survey—encouraging transparency and accountability in ASQA’s auditing

In 2012–13, ASQA undertook quarterly audit surveys, inviting those providers that had an audit finalised in the most recent quarter to submit feedback about the audit process. Feedback is provided through a short, optional online survey.

ASQA requests providers’ feedback on five areas of the audit process:

1. Communication prior to the site visit
2. The site visit
3. Audit team competencies
4. The audit report
5. Transparency of the audit process.

In 2012–13, the survey results continued to be encouraging. Across the four surveys conducted, an average of more than 90 per cent of respondents reported that they found communication prior to the site visit to be clear and that the audit team was objective, well organised, knowledgeable and professional. Additional comment and feedback received through these surveys helps ASQA to continuously improve the consistency of its audit processes.

Key findings—with results collated across all four surveys—are shown in Figure 17 and Figure 18.

Figure 17: Summary of key results from four Audit Surveys conducted in 2012-13 (n=387)

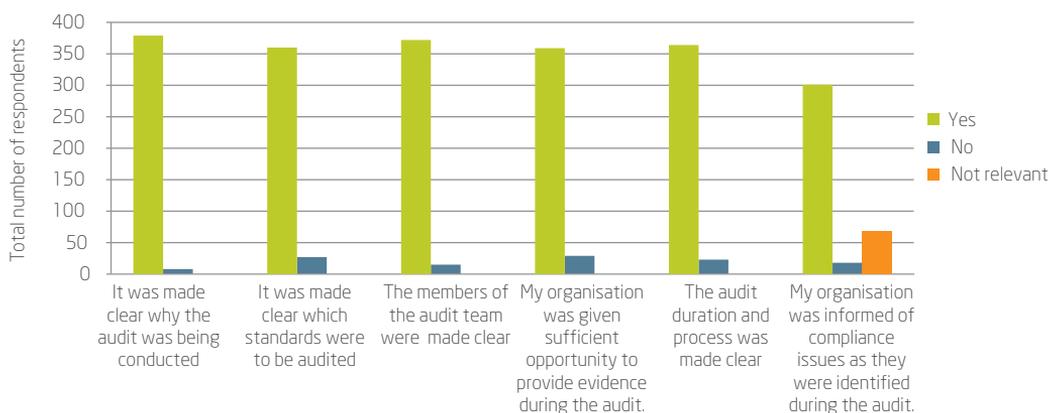
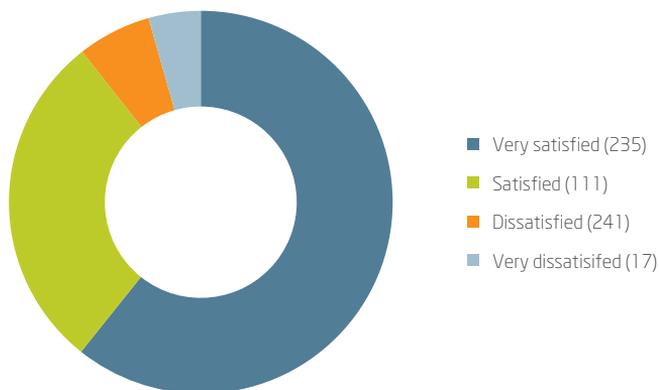


Figure 18: 2012-13 Audit Survey responses to the statement ‘How satisfied was your organisation with the fairness and transparency of the audit process?’ (n=387)



Course accreditation survey—enhancing ASQA’s accreditation process

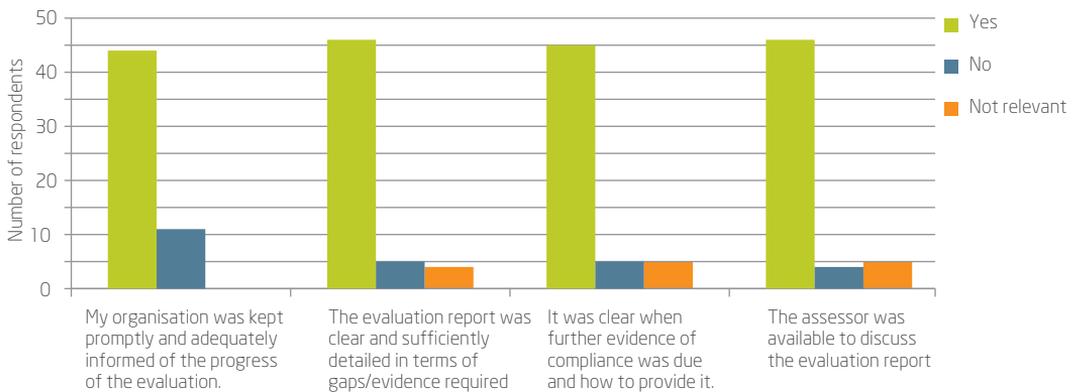
Shortly after the end of the reporting year, ASQA completed its first course accreditation survey.

Course owners who had a course accredited, renewed or amended between 1 July 2011 and 30 June 2013—as well as applicants that had applied for the initial accreditation of a course and not been successful—were surveyed by ASQA through a short online survey.

More than 80 per cent of the 55 respondents to the survey indicated they were adequately kept informed of the progress of the evaluation of their application, and that the evaluation report was clear and sufficiently detailed to enable them to understand the gaps in compliance and what further evidence was required. More than 75 per cent of respondents agreed or strongly agreed that the team was objective, professional, knowledgeable and well-organised.

A summary of key findings from the survey is shown in Figure 19.

Figure 19: Key findings / responses from 2012-13 course accreditation survey (n=55)



The survey gave participants the opportunity to make suggestions on how to improve the evaluation process. This feedback will be considered by the accreditation team in their ongoing efforts to enhance accreditation processes. The survey will now be conducted annually.

Communication and consultation

Public consultation on Cost Recovery Impact Statement (CRIS)–Exposure Draft

During 2012–13, ASQA consulted stakeholders and providers on its proposed fees and charges, which were outlined in the *2013 Cost Recovery Impact Statement (CRIS)–Exposure Draft*.

Providers and stakeholders were invited to make a written submission between 12 March and 8 April 2013. ASQA also met with provider peak bodies prior to the release of the proposed fees and charges and advised Industry Skills Councils, key government departments and industry bodies of the consultation. A total of 110 submissions were received.

ASQA reviewed all stakeholder submissions, and many possible adjustments to the fees and charges were considered. Changes were then made to ASQA's schedule of fees and charges, within the scope of:

- enabling an appropriate level of cost recovery revenue to be generated (to offset the cost of undertaking each regulatory activity), and
- maintaining compliance with Australian Government Cost Recovery Guidelines.

The key changes made in response to stakeholder submissions are:

- a reduced fee for some applications to transition from a superseded item on a provider's scope of registration¹⁸, and
- adjustments to the annual registration fees, in order to improve the equity of costs for smaller providers.

ASQA Info line–helping users navigate the VET regulatory system

During 2012–13, the ASQA Info line continued to provide an important service to ASQA-registered providers and other stakeholders. The Info line provides information on a wide range of issues (within ASQA's scope of operation).

The Info line responded to 44,443 calls and 14,307 emails in 2012–13. Most simple email enquiries are responded to within two business days. The Info line also provides information to the Authority regarding emerging trends in enquiries, to assist in developing information materials.

¹⁸ This reduced fee applies where the qualification or unit of competency being added is deemed 'equivalent' (as determined by the relevant training package) to a superseded item on a provider's scope of registration.

Objective 3: Ensure that ASQA is a professional and innovative regulator

The five most frequent enquiries responded to by the ASQA Info line during the reporting period are shown in Table 2.

Table 2: Most frequent enquiries responded to by the ASQA Info line, 1 July 2012 - 30 June 2013

Enquiry Types	%
1 Registration enquiries from existing VET providers (including queries about the change of scope application process, evidence requirements, risk assessment and audit procedures)	17
2 Queries about the <i>Standards for NVR Registered Training Organisations 2012</i> (including questions on ASQA's transition and teach out policy, retention of student assessment records and process for maintaining a current scope of registration)	10
3 Student enquiries (including complaints about providers and requests for copies of previously issued certificates)	10
4 Request for application status update	8
5 Changing provider details on the national register, training.gov.au	7

Information sessions—communicating with providers across Australia

During 2012–13, ASQA held a number of information sessions for recently transitioned Queensland providers, as well as briefings for providers of English Language Intensive Courses for Overseas Students (ELICOS).

Following the referral of powers in VET regulation to ASQA on 29 June 2012, in July and August 2012 ASQA held information sessions in Brisbane, Cairns and Townsville. The sessions covered information including transition arrangements and ASQA's approach to regulation and audit. More than 700 people, mainly representing providers, attended the sessions. A video information session is also available for viewing from the ASQA website—allowing providers that were unable to attend a session (for example, providers in regional areas) access to important information in a cost-effective, user-friendly way.

ASQA also held five joint briefings for ELICOS providers between October and December 2012 in collaboration with the Tertiary Education Quality Standards Agency.

The ELICOS briefing sessions were held in Melbourne, Brisbane, Sydney, Perth and Adelaide, and were attended by more than 270 provider representatives. The sessions provided clarification on the new regulatory arrangements for English-language providers.

Commissioner engagements

During 2012–13, ASQA's Commissioners engaged in a program of presentations to inform industry and providers about developments in VET regulation. As well as the information sessions discussed above, ASQA Commissioners presented at a range of industry events in the period 1 July 2012 – 30 June 2013.

Key forums and conferences which the Commissioners attended are also listed below. Throughout the year, senior ASQA employees also presented at numerous industry and provider events.

Christopher Robinson, Chief Commissioner

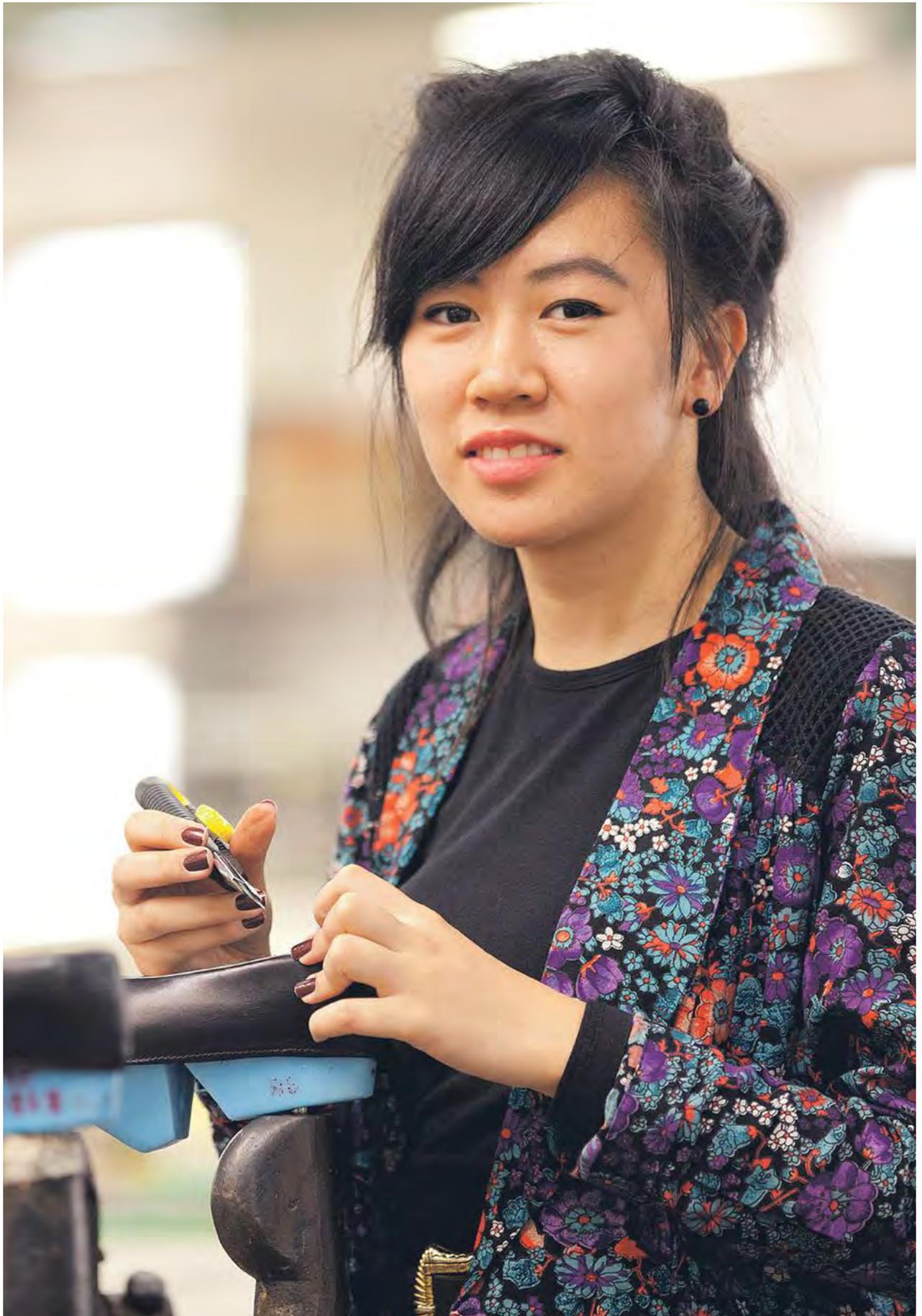
- Council of International Students Australia Conference, Brisbane, 10 July 2012
- ACPET 2012 National Conference, Melbourne, 30 August 2012
- English Australia Conference 2012, Sydney, 20 September 2012
- Australia International Education Conference, Melbourne, 5 October 2012
- 4th Annual Vocational Education Summit, Melbourne, 31 October 2012
- ACPET Victorian forum, Melbourne, 19 April 2013
- AEU National TAFE Council AGM, Melbourne, 21 April 2013
- Industry Training Provider Association, Adelaide, 23 May 2013
- Aged Care Training Conference, Sydney, 26 June 2013

Dianne Orr, Deputy Chief Commissioner and Commissioner–Compliance

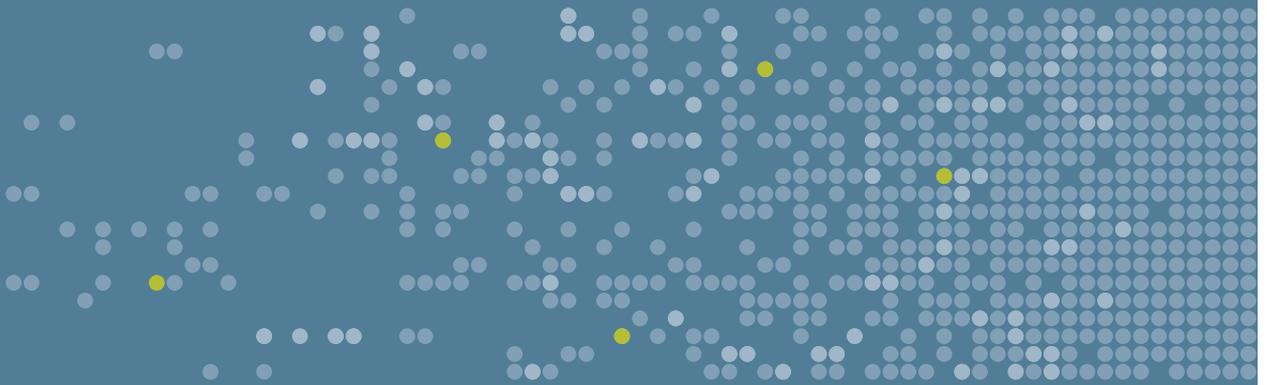
- Consultations on the 2012 National Workforce Development Strategy, Brisbane, 16 August 2012
- Skills Tasmania & ASQA workshop, Hobart, 30 Aug 2012
- Australian Training Awards, Canberra, 25 Oct 2012
- Regulator-Provider Forum for ELICOS/CRICOS, Melbourne, 12 November 2012
- Government Skills Australia National Conference, Melbourne, 19 November 2012
- Presentation on 'Quality in VET' to International Labour Organisation Bangladesh and Government of Bangladesh, Brisbane, 20 November 2012
- Parliament of Australia House of Representatives (Private Briefing on International Education), Canberra, 14 February 2013
- Transnational Education Counsellors Conference, Canberra, 26 February 2013
- Inaugural Commonwealth Regulators' Community of Practice (CoP) Forum, Canberra, 26 June 2013

Michael Lavarch, Commissioner–Risk Analysis and Investigation

- Association of Massage Therapists Forum, Sunshine Coast, 19 August 2012
- Transport Security Operations Leadership Conference, 13 November 2012
- ACPET NSW Private VET Provider Forum, Sydney, 16 April 2013
- NEAS Annual ELT Management Conference, Sydney, 16 May 2013



Management and accountability





CORPORATE GOVERNANCE

In 2012–13, ASQA's corporate governance framework and practices ensured that the Authority's operations were efficient, effective and accountable.

ASQA's corporate governance framework is realised through:

- the work of the Senior Management Group and its supporting committees
- the development and implementation of the Quality Management System
- maintaining ethical standards and upholding Australian Public Service (APS) values, and
- the implementation of agency-wide fraud control measures.

As part of this framework, ASQA's Commissioners also meet formally to make decisions about regulatory policy.

Commissioners' meetings

In 2012–13 ASQA's Commissioners met formally on 63 occasions to consider items including:

- regulatory decisions about provider registrations, and
- regulatory policy decisions.

Under the *National Vocational Education and Training Regulator Act 2011*, the Chief Commissioner is responsible for ensuring that Commissioners' Meetings are held 'as ... necessary for the efficient performance of [ASQA's] functions'.

In addition, in 2012–13:

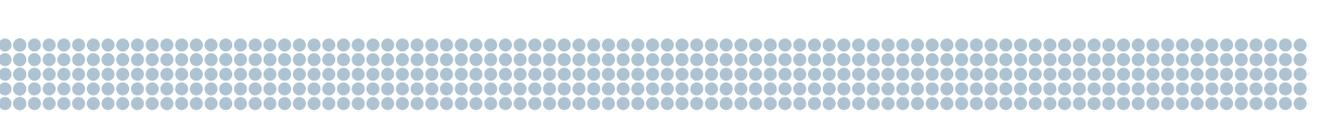
- ASQA held 56 compliance meetings at which the Commissioner–Compliance made regulatory decisions under the *National Vocational Education and Training Regulator Act 2011*, and
- ASQA held 34 reconsideration meetings, at which the two Commissioners who were not involved in making a decision (usually the Chief Commissioner and Commissioner–Risk Analysis and Investigation) consider applications for reconsideration of regulatory decisions made by ASQA (usually by the Commissioner–Compliance).

Senior Management Group

The Senior Management Group comprises the Chief Commissioner and Chief Executive Officer; the Commissioner–Compliance; the Commissioner–Risk Analysis and Investigation; the National Manager, Corporate; the National Manager, Human Resources and Transition; and the Manager, Governance, Quality and Policy.

In 2012–13 the Senior Management Group provided a forum for:

- cooperation and consistency across different business units to achieve organisational objectives
- effective communication across the leadership group on major issues and priorities
- progress in implementing corporate strategies and matters affecting ASQA business units, and
- discussion of specific strategic issues of relevance to the Authority as a whole.



The Senior Management Group oversees ASQA's corporate practices with support from the following committees:

- *Audit Committee*—The Chief Executive Officer has established the Audit Committee in compliance with section 46 of the *Financial Management and Accountability Act 1997* and the Financial Management and Accountability Orders 2.1.1 and 2.1.2. The Audit Committee reports directly to the Chief Executive Officer, providing independent assurance and assistance on the ASQA's risk, control and compliance framework and its external accountability responsibilities.
- *Health and Safety Committee*—The Chief Executive Officer has established the Health and Safety Committee under Section 75-79 of the *Work Health and Safety Act 2011*. The Health and Safety Committee reports directly to the Chief Executive Officer, providing advice on best practice and reports on incidents and compliance.
- *Security Committee*—The Chief Executive Officer has established the Security Committee to ensure that ASQA can meet the requirements of the Australian Government's Protective Security Policy Framework (PSPF). The Security Committee reports to the Chief Executive Officer through the National Manager Corporate (as Agency Security Adviser), providing advice on security compliance and reports on incidents. The Security Committee incorporates Business Continuity Management and oversight of accommodation.
- *Staff Consultative Committee*—This year, the Chief Executive Officer established a Staff Consultative Committee to represent the collective interests of ASQA's employees and to provide a forum for consultation on workplace matters, including the implementation of the Enterprise Agreement's provisions.

In 2012–13 the Senior Management Group guided and oversaw the completion of many important initiatives, including:

- the development and passage of the *National Vocational Education and Training Regulator (Charges) Act 2012*
- the development of ASQA's 2013 Cost Recovery Impact Statement, which facilitated the implementation of revised fees and charges from 31 July 2013
- the development of ASQA's first enterprise agreement
- the revision of policies for:
 - domestic travel
 - security
 - fraud control
 - records management
 - processing complaints about ASQA
 - procurement
- the completion of a review of ASQA's external delegation arrangements.



Internal reporting and audit

Internal reporting plays a vital role in enabling senior employees to monitor ASQA's operational and budget performance and the Authority's progress in meeting performance requirements.

During 2012–13 these reports included:

- Monthly reports on finance; regulatory business statistics; complaints, issues and incidents; communications (website and Info line statistics).
- Quarterly reports on operational plan progress (targets and budget); human resources profiles; health and safety.

Ethical standards

ASQA employees, as Australian Public Service (APS) employees, are required under the APS Code of Conduct to behave at all times in a way which upholds the APS Values. The APS Values include maintaining the highest ethical standards.

All ASQA ongoing and non-ongoing employees sign a 'Declaration of Interest' document on commencement with ASQA. Senior Executive Service employees are required to sign this document annually. By signing the declaration, employees confirm that they are aware of their responsibilities under the APS Code of Conduct.

ASQA's Human Resources team provides practical guidance on ethical standards to employees. ASQA's extranet provides links to the Ethical Standards Advisory Service on the Australian Public Service Commission website.

Agency heads are also bound by the APS Code of Conduct, and have an additional duty to promote the APS Values.

During 2012–13, ASQA was not required to undertake any formal code of conduct violation investigations.

Fraud control

During the reporting period ASQA developed the *Fraud Control Plan 2012–13*, in addition to other guidelines and policies which underpin fraud control in the agency. This plan meets the requirements of the *Commonwealth Fraud Control guidelines 2011* and the *Financial Management and Accountability Act 1997*. Collectively, these documents establish the framework for the management of fraud risks and the conduct of investigations.

ASQA commenced implementing the strategies for raising awareness and fraud prevention set out in the *Fraud Control Plan 2012–13* this year.

Fraud control certification is included in the letter of transmittal at the beginning of this report.

HUMAN RESOURCES

ASQA's Human Resources team is based in Melbourne and supports each of ASQA's offices around Australia in all areas of human resources.

In 2012–13, the Human Resources team focused on:

- recruitment activity to fill positions
- implementation of a new Performance Development Framework, and
- implementation of the ASQA Enterprise Agreement 2012–2014.

Payroll

ASQA outsources payroll and leave-recording functions to Department of Education, Employment and Workplace Relations on a fee-for-service basis.

Staff development

ASQA implemented a new Performance Development Framework on 1 July 2012. The Performance Development Framework focuses on building skill and capability and providing role alignment and clarity for all ASQA employees.

Reports

The location, gender, classification, and ratio of full- to part-time ASQA employees as at 30 June 2013 is shown in Tables 3 to 6.

Table 3: Number of ASQA employees by office location, as at 30 June 2013

ASQA office location	Number of employees at location
Melbourne	60
Sydney	45
Adelaide	10
Canberra	13
Brisbane	56
Perth	4
Hobart	3
Darwin	2
Total	193



Table 4: Number of ASQA employees by classification, as at 30 June 2013

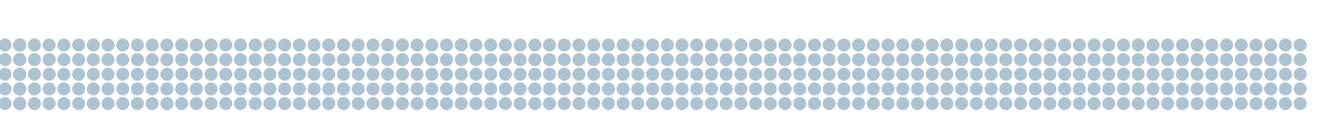
Classification	Number
SES Band 1	2 (1 SES position was fixed-term and ceased on 1 July 2013)
EL 2	20
EL 1	55
APS 6	51
APS 5	38
APS 4	10
APS 3	17
APS 2	0
APS 1	0
Total	193

Table 5: Number of ASQA employees by full-time/part-time status, as at 30 June 2013

Status	Number
Full-time	179
Part-time	14
Total	193

Table 6: Number of ASQA employees by gender, as at 30 June 2013

Gender	Number
Female	126
Male	67
Total	193



ASQA Enterprise Agreement 2012-2014

ASQA established its first enterprise agreement during the reporting period.

The terms and conditions of employment for ASQA employees are set out in the *ASQA Enterprise Agreement 2012-2014*. This agreement has a nominal expiry date of 30 June 2014, and will remain in effect until replaced by the next agreement.

At 30 June 2013, 191 ASQA employees were covered by the *ASQA Enterprise Agreement 2012-2014*. Two Senior Executive Service (SES) employees were covered by Individual S24 (1) Determinations.¹⁹ ASQA's three Commissioners were covered by Remuneration Tribunal Determinations.

In 2012-13, salaries for employees covered by the *ASQA Enterprise Agreement 2012-2014* ranged from \$42,386 (for an APS Level 1 employee at the lowest pay point) to \$130,399 (for an EL 2 Level employee at the highest pay point).

ASQA currently has 48 employees who are receiving a salary that is above the highest pay point for their classification level. These employees are those who have transitioned to ASQA from one of the state or territory regulators, or who have transferred to ASQA from another APS agency. Where these employees have transferred under an intergovernmental agreement to maintain the salaries of people transferring from a state or territory regulator, ASQA has maintained their previous salary.

Performance pay

The *ASQA Enterprise Agreement 2012-2014* does not provide access to performance pay.

Senior executive remuneration

Information on Commissioners' and SES employees' total remuneration is set out in Note 12A of the financial statements.

¹⁹ One SES position was fixed-term and ceased on 1 July 2013.



REVIEW OF DECISIONS

What is meant by 'reviewable decision'?

Reviewable decisions include those decisions listed in section 199 of the *National Vocational Education and Training Regulator Act 2011*.

Reviewable decisions may include decisions to cancel a provider's registration, or to impose sanctions upon a provider.

A person affected by a reviewable decision who is dissatisfied with the decision may request that ASQA reconsider the decision. If ASQA affirms or varies the original decision, the person may apply to the Administrative Appeals Tribunal for review of the decision.

Persons affected by an ASQA decision may, in certain circumstances, seek a review of that decision, or challenge the validity of an ASQA decision.

The review may be either:

- a formal ASQA internal reconsideration of a decision, or
- an external review by a Tribunal or Court.

Reconsideration of decisions by ASQA

ASQA has a two-tiered decision-making process, which allows internal reconsideration of some reviewable decisions.

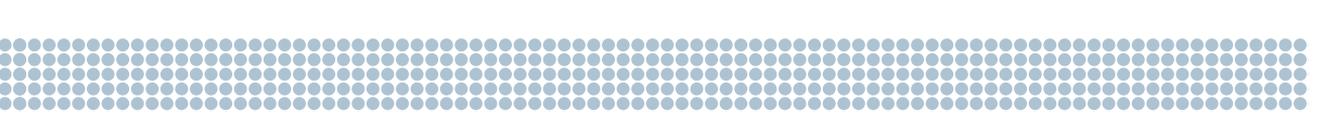
If a person affected by an ASQA decision applies for reconsideration, the person may submit new evidence. This evidence will then be assessed by an officer who was not involved in the original decision-making process.

The officer will recommend that the Commissioners affirm, vary or revoke the original decision.

In 2012–13, ASQA finalised 53 reconsideration applications. The results of these applications are shown in Table 7. ASQA can only undertake formal internal reconsideration of decisions made under the *National Vocational Education and Training Regulator Act 2011*. Decisions under the *Education Services for Overseas Students Act 2000* may only be reviewed by an external body.

Table 7: Outcomes of reconsideration applications, 2012-13

Outcome of reconsideration application	Number
Decision revoked (the organisation provided evidence that they had rectified the non-compliances identified at audit)	26
Decisions affirmed (ASQA reviewed the reconsideration application and any relevant evidence, and made a new decision which affirmed the original decision)	25
Applications did not proceed—i.e. the application was withdrawn by the applicant.	2
TOTAL	53



Review by a Tribunal or Court

If a person is dissatisfied with the outcome of a decision made by ASQA, they may apply for review of the decision by a Tribunal or Court.

This section provides details of the three kinds of review by a Tribunal or Court that were undertaken in 2012–13 in relation to ASQA decisions:

- a. A person may apply to the Administrative Appeals Tribunal for review of an ASQA decision, including the merits of such a decision.
- b. A person may apply for judicial review of ASQA's decision in the Federal Court.
- c. A former state regulator's decision in relation to a registered training organisation may be reviewed by a state administrative tribunal (ASQA assumed ownership of these decisions when states and territories transferred regulatory responsibility for vocational education and training to ASQA in several stages during 2011–12).

The total number of applications to a Tribunal or Court requesting review of a decision made by ASQA in the 2012–13 reporting year, and the status of these applications as at 30 June 2013, is shown in Table 8.

Table 8: Total Tribunal or Court matters open/closed as at 30 June 2013

Matter	Number
Open	20
Closed	51
TOTAL	71



The outcomes of applications for review to a Tribunal or Court that were closed during the reporting period are shown in Table 9.

Table 9: Outcomes of closed matters, 1 July 2012-30 June 2013

Outcome of Tribunal matters (AAT or state tribunal)	Number of matters
The application was withdrawn by provider/applicant—in this case, ASQA's decision stands	13
Dismissed by Tribunal as outside jurisdiction—in this case, ASQA's decision stands	2
Resolved between applicant and ASQA; new orders or decision—in this case, ASQA and the applicant have reached an agreement. The Tribunal will give effect to by issuing orders or remitting the decision back to ASQA	30
ASQA's decision affirmed by Tribunal—in this case, ASQA's decision stands	2
ASQA's Decision set aside by Tribunal	2
Outcome of Federal Court matters	Number of matters
Application discontinued with no orders	1
Decision set aside	1
TOTAL	51

Applications for review of decision resolved between ASQA and applicant

More than half of the closed tribunal matters in 2012-13 fell into this category.

What this means is that, prior to the application for review being heard by the Tribunal, ASQA and the applicant reached an agreement.

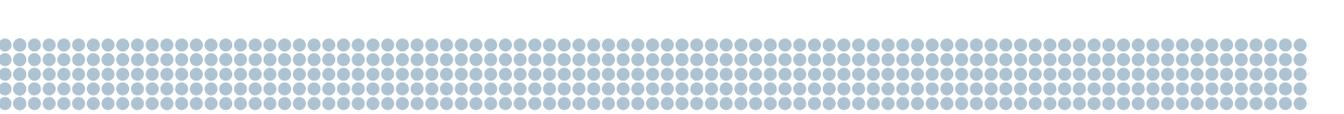
In most cases, this agreement results from the applicant:

- providing additional evidence (evidence that was not provided when ASQA made its original decision), and/or
- taking steps to rectify the non-compliance that ASQA has identified, and providing evidence showing that they have rectified this non-compliance.

Judicial review by the Federal Court

In total, two applications were made to the Federal Court for judicial review of an ASQA decision during the 1 July 2012 – 30 June 2013 period.

One led to ASQA's decision being set aside and the other was discontinued with no orders.



FINANCIAL MANAGEMENT

Purchasing

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

The Commonwealth Procurement Guidelines are applied to activities through the Chief Executive's 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.

Responsibility for procurement is devolved to individual business groups. ASQA supports 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, Finance's Chief Executive's Instructions and tendering processes, and
- standardised tendering and contracting documentation.

ASQA publishes its procurement activities and plans on AusTender, allowing the Authority's procurement activities to be readily communicated and accessible to all business enterprises.

Consultants

ASQA engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions.

Prior to engaging consultants, ASQA takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997* and related regulations including the Commonwealth Procurement Rules.

During the reporting period 23 new consultancy contracts were entered into, involving actual expenditure of \$866,199. There were three ongoing consultancy contracts from 2011–12.

Australian National Audit Office Access Clauses

The Australian Skills Quality Authority did not have any contracts over \$100,000 that did not provide for the Auditor-General to have access to the contractor's premises.



Exempt contracts

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

Assets management

The *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies (2013)* set out that 'where assets management ... is a significant aspect of the strategic business of the department, an assessment of the effectiveness of assets management is required'. Assets management does not form a significant aspect of ASQA's strategic business.

Financial performance

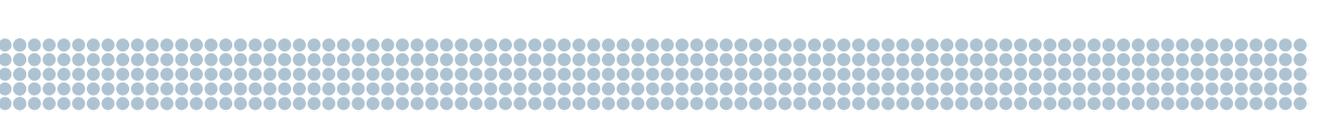
ASQA has reported an operating loss for 2012-13 of \$1.1 million (three per cent of departmental revenue). The operating loss is primarily due to the impact of unfunded depreciation and amortisation expenses (\$2.3 million).

ASQA obtained approval from the Finance Minister to carry an operational loss in the current and forward years primarily due to unfunded depreciation and amortisation expenses. The approved operating loss for 2012-13 was \$4.3 million.

ASQA's full departmental and administered results are shown in the audited financial statements.

Outcomes through purchaser-provider arrangements

ASQA had purchaser/provider arrangements with one Australian Government department, the Department of Education, Employment and Workplace Relations, in the reporting year. These arrangements related to the provision of corporate services, specifically, information technology and payroll services.

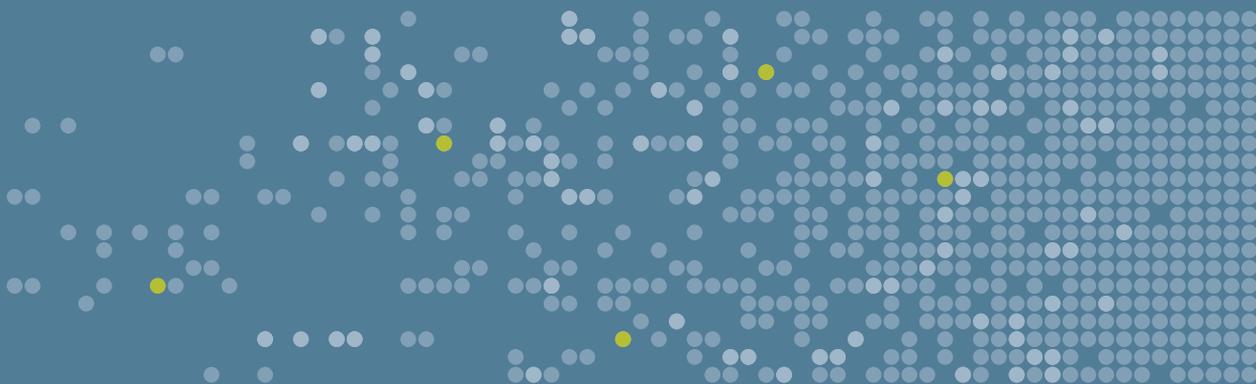


REPORTS ON OPERATIONS

During the 2012–13 financial year, there were no reports on ASQA's operations made by the Auditor General (other than the report on financial statements), a parliamentary committee, or the Commonwealth Ombudsman.



Financial statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for Skills and Training

I have audited the accompanying financial statements of Australian Skills Quality Authority for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Skills Quality Authority is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Skills Quality Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

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on the effectiveness of the Australian Skills Quality Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Skills Quality Authority, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

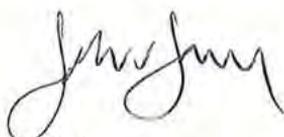
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian Skills Quality Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Skills Quality Authority's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



John Jones
Executive Director

Delegate of the Auditor-General

Canberra

6 September 2013



STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the Financial Management and Accountability Act 1997, as amended.

Christopher Robinson
Chief Executive

4 September 2013

Barbara Li
a/g Chief Financial Officer

4 September 2013

Australian Skills Quality Authority

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Employee benefits	3A	19,889	11,195
Supplier	3B	11,860	8,362
Depreciation and amortisation	3C	2,257	1,467
Write-Down and Impairment of Assets	3D	75	-
Total expenses		34,081	21,024
LESS			
OWN-SOURCE INCOME			
Own-source revenue			
Rental income	4A	-	138
Other revenue	4B	143	-
Total own-source revenue		143	138
GAINS			
Other gains	4C	45	28
Total gains		45	28
Total own-source income		188	166
Net cost of services		33,893	20,858
Revenue from Government	4D	32,795	26,565
Surplus (Deficit) attributable to the Australian Government		(1,098)	5,707
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation surplus		20	-
Total comprehensive income (loss) attributable to the Australian Government		(1,078)	5,707

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



Australian Skills Quality Authority

BALANCE SHEET

as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	258	251
Trade and other receivables	5B	14,387	12,881
Total financial assets		14,645	13,132
Non-Financial Assets			
Leasehold Improvements	6A,C	5,875	3,665
Property, plant and equipment	6B,C	262	232
Intangibles	6D,E	2,843	1,914
Total non-financial assets		8,980	5,811
Total assets		23,625	18,943
LIABILITIES			
Payables			
Suppliers	7A	1,964	3,346
Other payables	7B	1,273	548
Total payables		3,237	3,894
Provisions			
Employee provisions	8A	3,816	1,368
Other Provisions	8B	297	-
Total provisions		4,113	1,368
Total liabilities		7,350	5,262
Net assets		16,275	13,681
EQUITY			
Contributed equity		11,646	7,974
Revaluation of non-financial assets		20	-
Retained surplus		4,609	5,707
Total equity		16,275	13,681

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

Australian Skills Quality Authority

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2013

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	5,707	-	-	-	7,974	-	13,681	-
Comprehensive income								
Other Comprehensive income	-	-	20	-	-	-	20	-
Surplus (Deficit) for the period	(1,098)	5,707	-	-	-	-	(1,098)	5,707
Total comprehensive income	4,609	5,707	20	-	7,974	-	12,603	5,707
Transactions with owners								
Contributions by owners								
Equity injection	-	-	-	-	1,898	3,524	1,898	3,524
Restructuring	-	-	-	-	1,774	4,450	1,774	4,450
Sub-total transactions with owners	-	-	-	-	3,672	7,974	3,672	7,974
Closing balance as at 30 June	4,609	5,707	20	-	11,646	7,974	16,275	13,681

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



Australian Skills Quality Authority

CASH FLOW STATEMENT

for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		31,255	15,981
Sales of goods and rendering of services		177	99
Net GST received		159	444
Total cash received		31,591	16,524
Cash used			
Employees		17,462	9,462
Suppliers		13,102	5,575
Section 31 receipts transferred to OPA		1,852	-
Total cash used		32,416	15,037
Net cash used by operating activities	10	(825)	1,487
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		102	22
Purchase of leasehold improvements		1,612	3,384
Purchase of internally developed software		1,284	2,100
Total cash used		2,998	5,506
Net cash used by investing activities		(2,998)	(5,506)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		3,830	4,270
Total cash received		3,830	4,270
Net cash from financing activities		3,830	4,270
Net increase (decrease) in cash held		7	251
Cash and cash equivalents at the beginning of the reporting period		251	-
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period	5A	258	251

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

Australian Skills Quality Authority

SCHEDULE OF COMMITMENTS

for the period ended 30 June 2013

	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES		
Commitments receivable		
Net GST recoverable on commitments	736	828
Total commitments receivable	736	828
Commitments payable		
Capital commitments		
Property, plant and equipment ¹	-	457
Total capital commitments	-	457
Other commitments		
Operating leases ²	8,372	5,910
IT commitments ³	318	1,564
Other ⁴	2,658	1,174
Total other commitments	11,348	8,648
Total commitments payable	11,348	9,105
Net commitments by type	10,612	8,277
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	267	423
From one to five years	469	405
Total other commitments receivable	736	828
Total commitments receivable	736	828
Commitments payable		
Capital commitments		
One year or less	-	457
Total capital commitments	-	457



	2013	2012
	\$'000	\$'000
Operating lease commitments		
One year or less	2,566	1,450
From one to five years	5,806	4,460
Total operating lease commitments	8,372	5,910
Other Commitments		
One year or less	1,501	2,738
From one to five years	1,475	-
Total other commitments	2,976	2,738
Total commitments payable	11,348	9,105
Net commitments by maturity	10,612	8,277

1 Property, plant and equipment were primarily contract for building fitouts (2013: NIL, 2012: 457).

2 Lease payments are subject to percentage annual increases in accordance with lease agreements.

3 IT commitments relate to the development of ASQAnet and contract expenses with IT providers.

4 Other commitments include a range of other contracts, such as contractor and panel audit services. Note: Commitments are GST inclusive.

Australian Skills Quality Authority

SCHEDULE OF CONTINGENCIES

As at 30 June 2013

Contingent assets

At 30 June 2013, the Australian Skills Quality Authority estimates the value of contingent assets to be \$nil.

Contingent liabilities

At 30 June 2013, the Australian Skills Quality Authority estimates the value of contingent liabilities to be \$nil.

During 2012-13, the Australian Skills Quality Authority gave no financial guarantees.

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

SCHEDULE OF ADMINISTERED ITEMS

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Write-down and impairment of assets	16	215	179
Total expenses administered on behalf of Government		215	179
LESS			
OWN-SOURCE INCOME			
Own-source revenue			
Fees and fines	17	12,074	7,155
Total own-source revenue administered on behalf of Government		12,074	7,155
Total comprehensive income		11,859	6,976

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



Australian Skills Quality Authority

SCHEDULE OF ADMINISTERED ITEMS

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial assets			
Trade and other receivables	18	1,012	2,139
Total financial assets		1,012	2,139
Net assets		1,012	2,139

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

ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2013

	2013 \$'000	2012 \$'000
Opening administered assets less administered liabilities as at 1 July	2,139	-
Surplus (deficit) items:		
Plus: Administered income	12,074	7,155
Less: Administered expenses (non CAC)	215	179
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Payment return from OPA	193	50
Transfers to OPA	13,179	4,887
Closing administered assets less administered liabilities as at 30 June	1,012	2,139

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

SCHEDULE OF ADMINISTERED ITEMS

ADMINISTERED CASH FLOW STATEMENT for the period ended 30 June 2013

		2013	2012
		\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Sales of goods and rendering of services		13,179	4,887
Total cash received		13,179	4,887
Cash used			
Refunds to registered training organisations		193	50
Total cash used		193	50
Net cash flows from operating activities	19	12,986	4,837
Cash and cash equivalents at the beginning of the reporting period			
		-	-
Cash from Official Public Account for:			
-Appropriations		193	50
		193	50
Cash to Official Public Account for:			
- Appropriations		13,179	4,887
		(12,986)	(4,837)
Cash and cash equivalents at the end of the reporting period	19	-	-

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



Australian Skills Quality Authority

SCHEDULE OF ADMINISTERED COMMITMENTS

At 30 June 2013, the Australian Skills Quality Authority estimates the value of Administered commitments to be \$nil.

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

Australian Skills Quality Authority

SCHEDULE OF ADMINISTERED CONTINGENCIES

as at 30 June 2013

Contingent assets

At 30 June 2013, the Australian Skills Quality Authority estimates the value of Administered contingent assets to be \$nil.

Contingent liabilities

At 30 June 2013, the Australian Skills Quality Authority estimates the value of Administered contingent liabilities to be \$nil.

During 2012–13, the Australian Skills Quality Authority gave no financial guarantees.

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

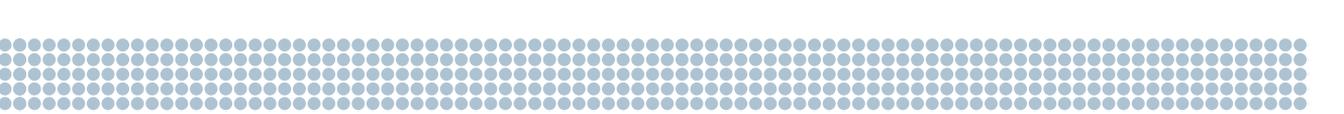


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Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Australian Skills Quality Authority

The Australian Skills Quality Authority (ASQA) is an Australian Government controlled entity. It is a not-for-profit entity.

ASQA is the national regulator for Australia's vocational education and training (VET) sector. ASQA regulates courses and providers to ensure nationally approved quality standards are met.

The objectives of ASQA are:

- a) to provide for national consistency in the regulation of VET
- b) to regulate VET using:
 - (i) standards-based quality framework, and
 - (ii) risk assessments, where appropriate
- c) to protect and enhance:
 - (i) quality, flexibility innovation in VET, and
 - (ii) Australia's reputation for VET nationally and internationally
- d) to provide a regulatory framework that encourages and promotes a VET system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population
- e) to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality VET, and
- f) to facilitate access to accurate information relating to the quality of VET.

ASQA is structured to meet one outcome:

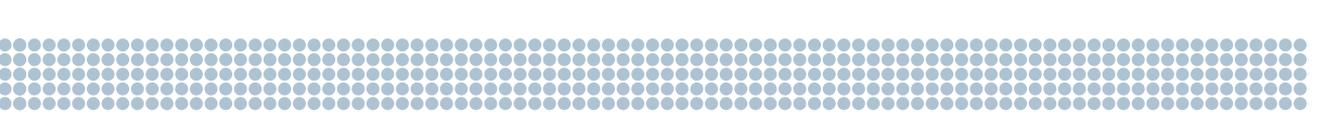
Contribute to a high quality VET sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of VET.

The continued existence of ASQA in its present form and with its present programs is dependent on Australian Government policy and on continuing funding by Parliament for ASQA's administration and programs.

ASQA's activities contributing toward this outcome are classified as either departmental or administered.

Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ASQA in its own right.

Administered activities involve the management or oversight by ASQA, on behalf of the Government, of items controlled or incurred by the Government.



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

- registering training organisations that meet national standards
- accrediting courses that meet national standards
- monitoring and enforcing compliance
- 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
- collecting, analysing, interpreting and disseminating information about VET and the performance of registered training organisations.

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- a) Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011, and
- b) Australian Accounting Standards and Interpretations 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 are 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 and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to ASQA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.



1.3 Significant accounting judgements and estimates

No significant departmental accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

No administered accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amount of assets and liabilities within the next accounting period.

1.4 New Australian accounting standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the respective standard.

There were no new standards, revised standards, interpretations, and amending standards that were issued prior to the signing of the statements by the Chief Commissioner and Chief Financial Officer that were applicable to the current reporting period and had a financial impact on the Agency.

Other new standards, revised standards, interpretations, and amending standards that were issued prior to the signing of the statements by the Chief Commissioner and Chief Financial Officer and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future material financial impact on the ASQA.

Future Australian Accounting Standard requirements

New standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, which are applicable to the ASQA for future reporting periods. It is anticipated that the new requirements will have no material financial impact on future reporting periods.

No other new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statements by the Chief Commissioner and Chief Financial Officer and are applicable to the future reporting period are not expected to have a future material financial impact on the ASQA.

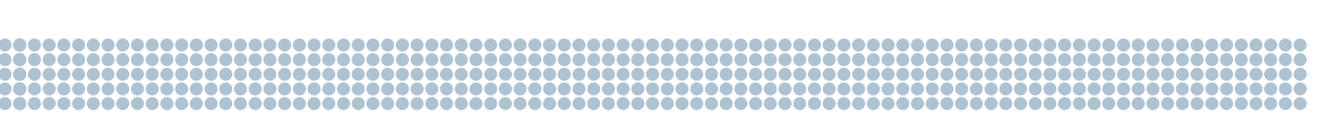
1.5 Revenue

Rendering of Services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and
- the probable economic benefits associated with the transaction will flow to ASQA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.



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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

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.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by ASQA not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$0.02m (2012 was nil).

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as owner

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.

Restructuring of administrative arrangements

Net assets received from or relinquished to, another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.



Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in *Australian Accounting Standards Board, 119 Employee Benefits*) and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of ASQA is estimated to be less than the annual entitlement for sick leave.

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

The liability for long service leave has been determined by the use of the Australian Government Actuary's shorthand method using the Standard Commonwealth sector probability profile. 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 those terminations of employment.

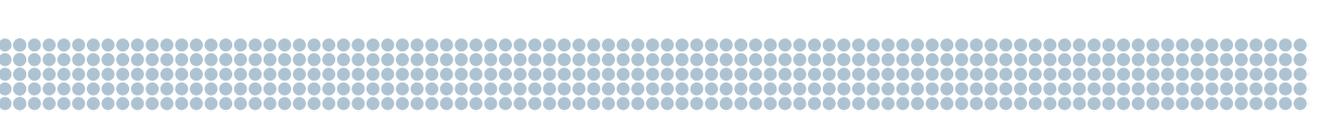
No provision has been made for separation and redundancy payments as ASQA has not formally identified any positions as excess requirements at 30 June 2013.

Superannuation

Staff of ASQA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other schemes as chosen by individual employees.

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 by the Department of Finance and Deregulation as an administered item.



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

The liability for superannuation recognised as at 30 June 2013 represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

ASQA does not have any finance leases.

Operating lease payments are expensed on a straight-line basis.

Lease incentives

Lease incentives taking the form of rent-free periods, lessor fit-out contribution or cash incentives are recognised as liabilities. These liabilities are amortised over the period of the lease on a straight line basis.

The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash means notes and coins held on hand and any deposits held at call with a financial institution. Cash is recognised at its nominal amount. All cash accounts are non-interest bearing.

1.12 Financial assets

ASQA classifies its financial assets in accordance with *AASB 139: Financial Instruments: Recognition and Measurement*.

It has the following categories:

- a) financial assets at fair value through profit or loss
- b) available-for-sale financial assets, and
- c) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. ASQA only holds financial assets of loans and receivables. Financial assets are recognised and derecognised upon trade date.



Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future
- are derivatives that are not designated and effective as a hedging instrument, or
- are a part of an identified portfolio of financial instruments that the Department manages together and has a recent actual pattern of short-term profit-taking.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss 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.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Trade receivables'.

Impairment of financial assets

Financial assets are assessed for impairment at the end of the reporting period.

Financial assets held at amortised cost—if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Accounting policy for administered financial assets is provided at Note 1.20.

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as Other Financial Liabilities. Financial liabilities are recognised and derecognised when contractual provisions of the instrument are established and fulfilled.

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.

Other Financial Liabilities

Other 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 yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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).

1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and 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.

1.15 Acquisition of assets

Assets are recorded at cost on acquisition, except for financial assets, which are initially measured at fair value plus any transaction costs. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken in bringing it to use.

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 or administrative arrangements. In the latter case, assets are initially recognised as contributions by owners in the Statement of Changes in Equity at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, 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 property leases taken up by ASQA where there exists an obligation to restore the property to its original condition. These costs are included in the value of ASQA's leasehold improvements with a corresponding provision for restoration obligations recognised.



Revaluations

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

	Fair value measured at	
Asset class	2012-13	2011-12
Leasehold improvements	Depreciated replacement cost	Depreciated replacement cost
Plant and equipment	Market selling price	Market selling price

Following initial recognition at cost, property, plant and equipment were carried at fair value less 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 were made on a class basis. Any revaluation increment was 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 or deficit. Revaluation decrements for a class of assets were recognised directly in the surplus or 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.

An independent qualified valuer undertook a valuation of the ASQA property, plant and equipment as at 30 June 2013.

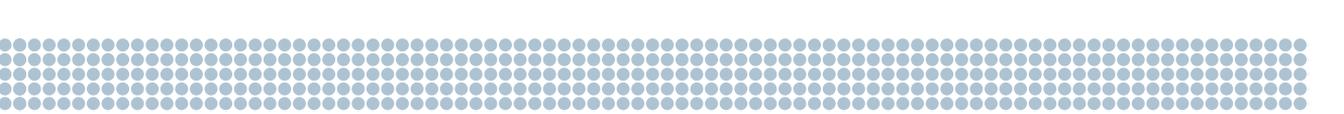
Depreciation

Depreciable property, plant and equipment are written-down to their estimated residual values over their estimated useful lives to ASQA 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:

Asset class	2012-13	2011-12
Leasehold improvements	Lesser of the lease term and useful life	Lesser of the lease term and useful life
Plant and equipment	Four to ten years	Three to ten years



Impairment

All assets were assessed for impairment at 30 June 2013. 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 to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ASQA were deprived of the asset, its value in use is taken to be its depreciated replacement cost. The review highlighted that no assets required impairment in 2012-13.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

ASQA's intangibles consist of internally developed software for internal use. These assets are carried at cost (except for purchases costing less than \$2,000, which are expensed in the year of acquisition) less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life of five years. The useful lives of ASQA's software are 3 to 10 years (2011-12: 5 to 10 years). These assets were assessed for indications of impairment as at 30 June 2013.

1.18 Taxation

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

Revenues, expenses and non-financial assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- for receivables and payables.

1.19 Insurance

ASQA has insured for risks through the Australian Government's risk management fund, Comcover. Workers compensation is insured through Comcare Australia.



1.20 Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedules of Administered Items and related notes.

Except where otherwise stated below, 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.

Administered cash transfers to and from the Official Public Account

Revenue collected by ASQA for use by the Australian Government, rather than ASQA, is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. 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 Australian Government and reported as such in the Administered Cash Flow Statement, and in the Administered Reconciliation Schedule.

Revenue

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 collection of fees and charges, for managing the registration of VET training providers and for accrediting courses. All revenue is recognised on a non-reciprocal basis, under Australian Accounting Standards; as such, revenue is recognised at the earlier of when an application is lodged with ASQA or when either ASQA or a provider (using ASQA's online registration system) generates an ASQA accounts receivable invoice.

ASQA issues fee invoices under authority of a legislative instrument that is approved under subsections 232(1) and (5) of the *National Vocational Education and Training Regulator Act 2011*. ASQA issues charges invoices under authority of a legislative instrument that is approved under subsections 9(2) and 12(2) of the *National Vocational Education and Training Regulator (Charges) Act 2012*.

Receivables

Administered receivables have 30-day credit terms and are recognised at the nominal amount due less any impairment allowance account. Impairment allowances are made when collectability of the debt is no longer probable. Collectability of the debt is reviewed at balance date.

Financial liabilities

ASQA does not administer any financial liabilities on behalf of the Australian Government.

1.21 Constitutional Assessments of Government Spending

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth (2012) 288 ALR 410*, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2: Events After the Reporting Period

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the entity.



Australian Skills Quality Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3: Expenses

	2013	2012
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	14,624	8,696
Superannuation:		
Defined contribution plans	925	913
Defined benefit plans	1,596	293
Leave and other entitlements	2,744	1,293
Total employee benefits	19,889	11,195

Note 3B: Supplier

Goods and services		
Consultants	787	615
Contractors	3,536	2,943
Travel	1,196	679
IT services	1,911	1,270
Legal Fees	575	371
Other	1,102	609
Total goods and services	9,107	6,487
Goods and services are made up of:		
Provision of goods-related entities	3	120
Provision of goods-external parties	150	-
Rendering of services-related entities	1,816	1,142
Rendering of services-external parties	7,138	5,225
Total goods and services	9,107	6,487
Other supplier expenses		
Operating lease rentals-related entities:		
Minimum lease payments	1,120	1,783
Operating lease rentals-external parties:		
Minimum lease payments	1,550	-
Workers compensation expenses	83	92
Total other supplier expenses	2,753	1,875
Total supplier expenses	11,860	8,362

Note 3C: Depreciation and Amortisation

Depreciation:

Property, plant and equipment	97	81
Leasehold Improvements	1,678	1,200
Total depreciation	1,775	1,281

Amortisation:

Intangibles	482	186
Total amortisation	482	186
Total depreciation and amortisation	2,257	1,467

Note 3D: Write-Down and Impairment of Assets

Asset write-downs and impairments from:

Revaluation decrement–Land and Buildings	75	-
Total write-down and impairment of assets	75	-



Note 4: Income

	2013 \$'000	2012 \$'000
Note 4A: Rental Income		
Operating lease:		
Other	-	138
Total rental income	-	138
Note 4B: Other Revenue		
Transfer of assets	5	-
Other revenue	138	-
Total other revenue	143	-
Note 4C: Other Gains		
Resources received free of charge - services	45	28
Total other gains	45	28
REVENUE FROM GOVERNMENT		
Note 4D: Revenue from Government		
Appropriations:		
Departmental appropriations	32,795	26,565
Total revenue from Government	32,795	26,565

Note 5: Financial Assets

	2013	2012
	\$'000	\$'000
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	258	251
Total cash and cash equivalents	258	251
Note 5B: Trade and Other Receivables		
Goods and Services:		
Goods and services - related entities	4	-
Goods and services - external parties	-	39
Total receivables for goods and services	4	39
Appropriations receivable:		
For existing programs	14,118	12,516
Total appropriations receivable	14,118	12,516
Other receivables:		
GST receivable from the Australian Taxation Office	265	326
Total other receivables	265	326
Total trade and other receivables	14,387	12,881
Receivables are expected to be recovered in:		
No more than 12 months	14,387	12,881
More than 12 months	-	-
Total trade and other receivables	14,387	12,881
Receivables are aged as follows:		
Not overdue	14,387	12,842
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	39
Total receivables (gross)	14,387	12,881



Note 6: Non-Financial Assets

	2013 \$'000	2012 \$'000
Note 6A: Land and Buildings		
Leasehold improvements:		
Fair value	5,875	4,893
Accumulated depreciation	-	(1,228)
Total leasehold improvements	5,875	3,665

No indicators of impairment were found for land and buildings.

No land or buildings were expected to be sold or disposed of within the next 12 months.

Note 6B: Property, Plant and Equipment

Fair value	262	346
Accumulated depreciation	-	(114)
Total property, plant and equipment	262	232

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2013

	Leasehold improvements \$'000	Plant and Equipment \$000	Total \$'000
As at 1 July 2012			
Gross book value	4,893	346	5,239
Accumulated depreciation	(1,228)	(114)	(1,342)
Net book value 1 July 2012	3,665	232	3,897
Additions:			
By purchase	1,612	102	1,714
Non-cash purchase	577		577
From acquisition of entities or operations (including restructuring)	1,774	5	1,779
Revaluations recognised in the operating result	(75)		(75)
Revaluations and impairments recognised in other comprehensive income	-	20	20
Depreciation expense	(1,678)	(97)	(1,775)
Net book value 30 June 2013	5,875	262	6,137

Net book value as of 30 June 2013 represented by:

Gross book value	5,875	262	6,137
Accumulated depreciation and impairment	-	-	-
Net book value 30 June 2013	5,875	262	6,137
Net book value 1 July 2011	-	-	-
Additions:			
By purchase or internally developed	3,384	22	3,406
From acquisition of entities or operations (including restructuring)	1,481	291	1,772
Depreciation expense	(1,200)	(81)	(1,281)
Net book value 30 June 2012	3,665	232	3,897

Net book value as of 30 June 2012 represented by:

Gross book value	4,893	346	5,239
Accumulated depreciation	(1,228)	(114)	(1,342)
Net book value 30 June 2012	3,665	232	3,897

Note 6D: Intangibles**Computer software:**

Internally developed – in progress	339	678
Internally developed – in use	3,172	1,422
Accumulated amortisation	(668)	(186)
Total computer software	2,843	1,914
Total intangibles	2,843	1,914

No indicators of impairment were found intangibles.

No intangibles are expected to be sold or disposed of within the next 12 months.



Note 6: Non-Financial Assets (Cont'd)

Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles 2013

	Internally Developed Software
	\$'000
As at 1 July 2012	
Gross book value	2,100
Accumulated amortisation and impairment	(186)
Net book value 1 July 2012	1,914
Additions:	
By purchase or internally developed	1,411
From acquisition of entities or operations (including restructuring)	-
Amortisation	(482)
Net book value 30 June 2013	2,843
Net book value as of 30 June 2013	
Gross book value	3,511
Accumulated amortisation and impairment	(668)
Net book value 30 June 2013	2,843
Net book value 1 July 2011	
Additions:	
By purchase or internally developed	2,100
Amortisation	(186)
Net book value 30 June 2012	1,914
Net book value as of 30 June 2012	
Gross book value	2,100
Accumulated amortisation and impairment	(186)
Net book value 30 June 2012	1,914

Note 7: Payables

	2013 \$'000	2012 \$'000
Note 7A: Suppliers		
Trade creditors and accruals	1,964	3,346
Total suppliers payables	1,964	3,346

Suppliers payables expected to be settled within 12 months:

Related entities	344	815
External parties	1,388	2,531
Total	1,732	3,346

Suppliers payables expected to be settled in greater than 12 months:

Related entities	126	-
External parties	106	-
Total	232	-
Total suppliers payables	1,964	3,346

Settlement was usually made within 30 days.

Note 7B: Other payables

Wages and salaries	457	327
Superannuation	66	38
Unamortised lease liabilities	750	170
Unearned income	-	13
Total other payables	1,273	548

Total other payables are expected to be settled in:

No more than 12 months	720	378
More than 12 months	553	170
Total other payables	1,273	548



Note 8: Provisions

	2013	2012
	\$'000	\$'000
Note 8A: Employee Provisions		
Leave	3,816	1,368
Total employee provisions	3,816	1,368

Employee provisions are expected to be settled in:

No more than 12 months	2,491	394
More than 12 months	1,325	974
Total employee provisions	3,816	1,368

Note 8B: Other Provisions

Provision for restoration obligations	297	-
Total other provisions	297	-

Other provisions are expected to be settled in:

No more than 12 months	-	-
More than 12 months	297	-
Total other provisions	297	-

	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2012		
Additional provisions made	297	297
Amounts used	-	-
Amounts reversed	-	-
Unwinding of discount or change in discount rate	-	-
Closing balance 2013	297	297

Note 9: Departmental Restructuring

	2013	Department of Innovation, Industry, Climate Change, Science, Research, and Tertiary Education ³	2012
	Department of Education, Employment and Workplace Relations ²		Department of Education, Employment and Workplace Relations ¹
	\$'000	\$'000	\$'000
FUNCTIONS ASSUMED			
Assets recognised			
Appropriation Receivable	-	142	2,678
Net Land and Buildings	1,774	-	1,481
Net Infrastructure, Plant and Equipment	-	-	291
Total assets recognised	1,774	142	4,450
Liabilities recognised			
Leave provisions	-	(142)	-
Total liabilities recognised	-	(142)	-
Net assets/(liabilities) assumed	1,774	-	4,450
Income			
Recognised by the receiving entity	-	1,244	-
Recognised by the losing entity	-	-	-
Total income	-	1,244	-
Expenses			
Recognised by the receiving entity	-	1,011	-
Recognised by the losing entity	-	-	-
Total expenses	-	1,011	-

1. As part of the Department of Education, Employment and Workplace Relations (DEEWR) 2010-11 capital appropriation, DEEWR was appropriated \$4.5 million in order to establish ASQA. As a result of the establishment of ASQA in July 2011, DEEWR transferred the responsibility of managing the \$4.5 million, including Property, Plant and Equipment purchased using these funds as well as unspent Appropriation receivable, to ASQA in February 2012. ASQA recognised net assets transferred as contributions by owners in the Statement of Changes in Equity.

2. A further \$1,774k of Property, Plant and Equipment was recognised by ASQA on 1 July 2012. ASQA recognised net assets transferred as contributions by owners in the Statement of Changes in Equity.

3. In November 2012 ASQA received funding for functions assumed in the 2011-12 financial year under the *Education Services of Overseas Students Act 2000* (ESOS). An amount of \$1,386k was transferred to ASQA via an agreement under s32 of the FMA Act from the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education appropriation for Outcome 3. ASQA recognised \$142k of leave provisions transferred. The remaining \$1,244k as appropriation revenue for the 2012-13 period in the Statement of Comprehensive Income.



Note 10: Cash Flow Reconciliation

	2013 \$'000	2012 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	258	251
Balance sheet	258	251
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(33,893)	(20,858)
Add revenue from Government	32,795	26,565
Adjustments for non-cash items		
Depreciation / amortisation	2,257	1,467
Net write down of non-financial assets	75	-
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(4,020)	(10,949)
Increase / (decrease) in employee provisions	2,448	1,368
Increase / (decrease) in other provisions	297	-
Increase / (decrease) in supplier payables	(1,509)	3,346
Increase / (decrease) in other payable	725	548
Net cash from operating activities	(825)	1,487

Note 11: Contingent Assets and Liabilities

Quantifiable Contingencies

At 30 June 2013, the Australian Skills Quality Authority had no quantifiable departmental contingencies.

Unquantifiable Contingencies

At 30 June 2013, the Australian Skills Quality Authority had no unquantifiable departmental contingencies.

Significant Remote Contingencies

The Australian Skills Quality Authority had no significant remote departmental contingencies.

Quantifiable Contingencies

At 30 June 2013, the Australian Skills Quality Authority had no quantifiable administered contingencies.

Unquantifiable Contingencies

At 30 June 2013, the Australian Skills Quality Authority had no unquantifiable administered contingencies.

Significant Remote Contingencies

The Australian Skills Quality Authority had no significant remote administered contingencies.

Note 12: Senior Executive Remuneration

Note 12A: Senior Executive Remuneration Expenses for the Reporting Period

	2013	2012
	\$	\$
Short-term employee benefits:		
Salary	1,004	765
Annual leave accrued	71	47
Motor vehicle and other allowances	216	169
Total short-term employee benefits	1,291	981
Post-employment benefits:		
Superannuation	220	123
Total post-employment benefits	220	123
Other long-term employee benefits:		
Long-service leave	30	10
Total other long-term employee benefits	30	10
Total senior executive remuneration expenses	1,541	1,114



Note 12: Senior Executive Remuneration (Cont'd)

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2013

Average annual reportable remuneration ¹	Substantive senior executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total reportable remuneration \$
Total reportable remuneration (including part-time arrangements):					
\$180,000 to \$209,999	1	159,220	24,403	26,283	209,906
\$210,000 to \$239,999	1	171,003	26,374	28,224	225,601
\$300,000 to \$329,999	1	237,064	40,815	51,661	329,540
\$330,000 to \$359,999	1	232,163	51,695	50,082	333,940
\$400,000 to \$439,999	1	273,266	76,966	59,938	410,170
Total	5				

Average annual reportable remuneration paid to substantive senior executives in 2012

Average annual reportable remuneration ¹	Substantive senior executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total reportable remuneration \$
Total reportable remuneration (including part-time arrangements):					
Less than \$180,000	1	63,406	-	-	63,406
\$180,000 to \$209,999	2	173,598	27,178	-	200,776
\$270,000 to \$299,999	1	254,569	40,487	-	295,056
\$360,000 to \$399,999	1	301,648	59,394	-	361,042
Total	5				

Note 12: Senior Executive Remuneration (Cont'd)

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes)
 - c) exempt foreign employment income, and
 - d) salary sacrificed benefits.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts as per individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. No bonus was paid to substantive senior executives during 2012 and 2013.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Note 12C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period

During the reporting period, there was no non-SES or non-director employee whose salary plus performance bonus was \$180,000 or more. This was calculated by reference to the gross payments line of the payment summary.

Note 13: Remuneration of Auditors

	2013	2012
	\$'000	\$'000
Fair value of the services provided		
Financial statement audit services	45	28
Total	45	28

Financial statement audit services were provided free of charge to the entity by the Australian National Audit Office.



Note 14: Financial Instruments

	2013	2012
	\$'000	\$'000
Note 14A: Categories of Financial Instruments		
FINANCIAL ASSETS		
Receivables		
Cash and cash equivalents	258	251
Trade and other receivables	4	39
Total	262	290
Carrying amount of financial liabilities	262	290
 Financial Liabilities		
At amortised cost:		
Trade Creditors	1,964	3,346
Total	1,964	3,346
Carrying amount of financial liabilities	1,964	3,346

There was no income or expenses for financial assets and liabilities.

The fair value of financial assets and liabilities approximate their fair value.

Note 14B: Credit Risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	258	251
Trade and other receivables	4	39
Total	262	290

The entity was exposed to minimal credit risk as loans and receivables were cash and trade receivables. At year end the total amount outstanding for trade receivables was \$4k. This amount was not past due date and no impairment allowance was required.

Note 14: Financial Instruments (Cont'd)

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	258	251	-	-
Trade and other receivables	4	-	-	39
Total	262	251	-	39



Note 14C: Liquidity Risk

The entity's financial liabilities were payables. The exposure to liquidity risk was based on the notion that the entity will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as the entity is appropriated funding from the Australian Government and the entity manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the entity has policies in place to ensure timely payments were made when due and has no past experience of default. All financial liabilities are settled within 30 days.

Maturities for non-derivative financial liabilities 2013

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade Creditors	-	1,964	-	-	-	1,964
Total	-	1,964	-	-	-	1,964

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade Creditors	-	3,346	-	-	-	3,346
Total	-	3,346	-	-	-	3,346

Note 14D: Market Risk

Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. ASQA is not exposed to foreign exchange currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ASQA is not exposed to interest rate risk.

Note 15: Financial Assets Reconciliation

		2013 \$'000	2012 \$'000
Financial assets	Notes		
Total financial assets as per balance sheet		14,645	13,132
Less: non-financial instrument components:			
Appropriations receivable	5B	14,118	12,516
Other receivables	5B	265	326
Total non-financial instrument components		14,383	12,842
Total financial assets as per financial instruments note		262	290

Note 16: Administered - Expenses

		2013 \$'000	2012 \$'000
Note 16: Write-Down and Impairment of Assets			
Impairments on Receivables		215	179
Total write-down and impairment of assets		215	179

Note 17: Administered - Income

		2013 \$'000	2012 \$'000
OWN-SOURCE REVENUE			
Note 17: Fees and Fines			
Fees		12,074	7,155
Total fees and fines		12,074	7,155



Note 18: Administered - Financial Assets

	2013	2012
	\$'000	\$'000

NOTE 18: TRADE AND OTHER RECEIVABLES

Receivables

Fees	1,406	2,318
Total Receivables	1,406	2,318
Total trade and other receivables	1,406	2,318

Less: impairment allowance account:

Fees	(394)	(179)
Total impairment allowance account	(394)	(179)
Total trade and other receivables	1,012	2,139

Receivables are expected to be recovered in:

No more than 12 months	1,012	2,139
More than 12 months	-	-
Total trade and other receivables	1,012	2,139

Receivables were aged as follows:

Not overdue	1,096	1,098
Overdue by:		
0 to 30 days	56	298
31 to 60 days	34	-
61 to 90 days	15	922
More than 90 days	205	-
Total receivables	1,406	2,318

The impairment allowance account is aged as follows:

Not overdue	(198)	-
Overdue by:		
0 to 30 days	(9)	-
31 to 60 days	(5)	-
61 to 90 days	(4)	(179)
More than 90 days	(178)	-
Total impairment allowance account	(394)	(179)

Credit terms for goods and services were within 30 days (2012: 30 days). No loans were made (2012: no loans).

Note 18: Administered - Financial Assets (Cont'd)

	Other receivables \$'000	Total \$'000
RECONCILIATION OF THE IMPAIRMENT ALLOWANCE ACCOUNT:		
Movements in relation to 2013		
Opening balance	(179)	(179)
Increase/decrease recognised in net surplus	(215)	(215)
Closing balance	(394)	(394)
Movements in relation to 2012		
Opening balance	-	-
Increase/decrease recognised in net surplus	(179)	(179)
Closing balance	(179)	(179)

Note 19: Administered - Cash Flow Reconciliation

	2013 \$'000	2012 \$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	11,859	6,976
Changes in assets / liabilities		
(Increase) / decrease in net receivables	1,127	(2,139)
Net cash from (used by) operating activities	12,986	4,837

Note 20: Administered - Financial Instruments



ASQA's administered receivables are imposed under ASQA's enabling legislation, the *National Vocational and Training Regulator Act 2011* and the *National Vocational and Training Regulator (Transitional Provisions) Act 2011*, so they are not considered as financial instruments. As at 30 June 2013, there are no Administered financial instruments for the agency.

Note 21: Appropriations

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

	2013 Appropriations				Appropriation applied in 2013 (current and prior years)	Variance
	Appropriation Act	FMA Act		Total appropriation		
	Annual Appropriation	Section 31	Section 32			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL						
Ordinary annual services¹	31,551	1,852	1,244	34,647	(30,564)	4,083
Other services						
Equity ²	1,898	-	-	1,898	(2,998)	(1,100)
Total departmental	33,449	1,852	1,244	36,545	(33,562)	2,983
	2012 Appropriations				Appropriation applied in 2012	
	Appropriation Act	FMA Act		Total appropriation	(current and prior years)	Variance
	Annual Appropriation	Section 31	Section 32			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL						
Ordinary annual services ³	26,565	2,174	2,678	31,417	(20,582)	10,835
Other services						
Equity ⁴	3,524	-	-	3,524	(1,592)	1,932
Total departmental	30,089	2,174	2,678	34,941	(22,174)	12,767

Notes:

1. There were no appropriations reduced under Appropriation Acts (No.1,3,5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
2. The balance of over spent Equity Injection appropriation in 2012-13 relates to internally developed software (ASQAnet) which is used as ASQA's database and registration billing system.
3. Unspent 2011-12 Appropriations were due to the deferral of the state regulators transitioning power and their related costs to ASQA. The result was a lower than expected FTE which had a direct impact on employment and other overhead costs for 2011-12.
4. The balance of unspent Equity Injection appropriation in 2011-12 related to internally developed software (ASQAnet).

Note 21: Appropriations (Cont'd)

Table B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

	2013 Capital Budget Appropriations			Capital Budget Appropriations applied in 2013 (current and prior years)			
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations	Payments for non-financial assets ³	Payments for other purposes	Total payments	Variance
	Annual Capital Budget	Section 32					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ¹	-	-	-	-	-	-	-
	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012 (current and prior years)			
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations	Payments for non-financial assets ³	Payments for other purposes	Total payments	Variance
	Annual Capital Budget	Section 32					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ¹	-	2,678	2,678	(2,678)	-	(2,678)	-

Notes:

1. There were no appropriations reduced under Appropriation Acts (No.1,3,5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.



Note 21: Appropriations (Cont'd)

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2013 \$'000	2012 \$'000
DEPARTMENTAL		
Appropriation Act (No.1) 2011-12	7,551	10,584
Appropriation Act (No.2) 2011-12	-	1,932
Appropriation Act (No.1) 2012-13	6,567	-
Cash at bank	258	251
Total	14,376	12,767

Table D: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2013 \$'000	2012 \$'000
<i>Financial Management and Accountability Act 1997</i> s.28(2), 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 apart from this section there is no specific appropriation for the repayment.	(193)	(50)
Total			(193)	(50)

Compliance with Statutory Conditions or Payments from Consolidation Revenue Fund

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. ASQA has reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. ASQA has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. ASQA is not aware of any specific breaches of Section 83 in respect of these items.

Note 22: Compensation and Debt Relief

	2013	2012
	\$	\$
Compensation and Debt Relief-Departmental		
No 'Act of Grace payments' were incurred during the reporting period. (2012: payments made).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2012: No waiver).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: No payments).	-	-
No ex-gratia payments were provided for during the reporting period. (2012: No payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2012: No payments).	-	-
Compensation and Debt Relief - Administered		
No 'Act of Grace payments' were incurred during the reporting period. (2012: No payments).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2012: No waiver).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: No payments).	-	-
No ex-gratia payments were provided for during the reporting period. (2012: No payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2012: No payments).	-	-



Note 23: Reporting of Outcomes

Note 23: Net Cost of Outcome Delivery

	Outcome 1	
	2013 \$'000	2012 \$'000
Departmental		
Expenses	34,081	21,024
Own-source income	188	138
Administered		
Expenses	215	179
Own-source income	12,074	7,155
Net cost/(contribution) of outcome delivery	(22,034)	(13,910)

Note 24: Competitive Neutrality and Cost Recovery

Note 24: Administered Receipts Subject to Cost Recovery Policy

	2013 \$'000	2012 \$'000
Significant cost recovery arrangements		
Australian Skills Quality Authority Cost Recovery Impact Statement	13,179	4,887
Total administered receipts subject to Cost Recovery Policy	13,179	4,887

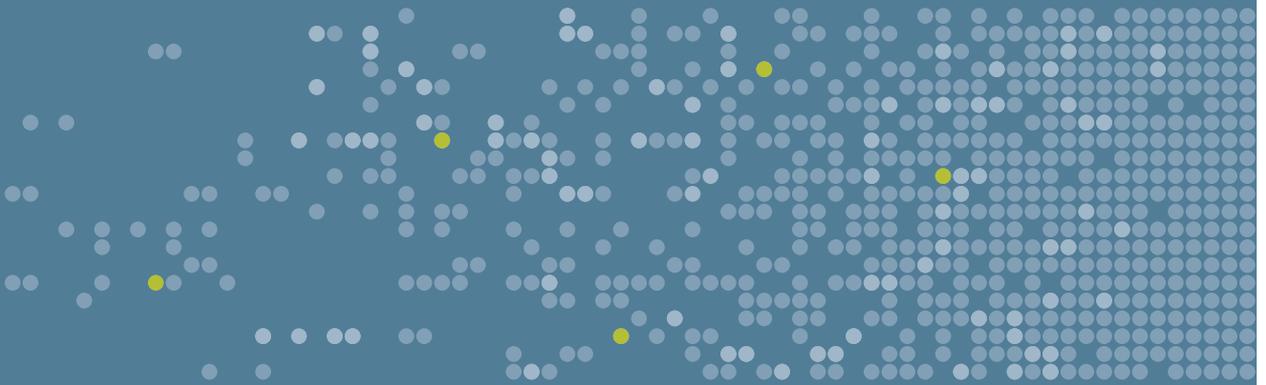
Note 25: Net Cash Appropriation Arrangements

	2013 \$'000	2012 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	1,179	7,174
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	2,257	1,467
Total comprehensive income - as per the Statement of Comprehensive Income	(1,078)	5,707

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive 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.



Appendices





APPENDIX 1 – REGULATORY DECISIONS OVERVIEW

Administrative sanctions

ASQA made 34 decisions to cancel the registration of a provider in accordance with paragraph 36(2)(f) and section 39 of the *National Vocational Education and Training Regulator Act 2011* as shown in Table 7. Note that a provider may have two decisions to cancel made in relation to it (ASQA may cancel both its CRICOS and VET registration). As such, fewer than 34 providers were affected by these decisions.

Table 10: Providers affected by ASQA decisions to cancel all or part of registration, 1 July 2012 - 30 June 2013

RTO number	Provider legal name
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT or ASQA process).
	# Decision to cancel part of the provider's registration
	†Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.
6889	Academy of Vocational Education Pty Ltd
91606	Apex Institute of Education Pty Ltd*
91354	Australian Academy of Management and Science Pty Ltd†
91198	Australian Education & Training Solutions Pty Ltd *
88215	Australian Workplace Education Pty Ltd
32032	BNB International Colleges Pty Ltd
22471	Caper Pty Ltd
40378	Cream of the Crop Recruitment P/L
31901	Daily Update Pty Ltd†
40153	Grow SA Ltd
21699	FIRA Pty Ltd#
1042	Hortus Pty Ltd*
91526	Ivy Education Group Pty Ltd
90977	J Bennati & R Garbutt
60023	John Peter Wicks & Mabelle Rose Wicks
N/A	Kassiani Pericleous
51570	Mater College Pty Ltd
91798	Merage Group Pty Ltd
21754	Professional Divers Group Pty Ltd†
32277	Queensland College of Technology
21564	Shajor Pty Ltd†

50619	Success Fast-Track
91538	Time Efficient Services Pty Ltd
121729	Training Australia Group Pty Ltd
90684	Williams Business College Ltd†
91205	Xcellence Pty Ltd†

ASQA made 31 decisions to suspend all or part of a registration of a provider in accordance with paragraph 36(2)(e) and section 38 of the *National Vocational Education and Training Regulator Act 2011*, as shown in Table 8. Note that a provider may have two decisions to suspend made in relation to it (ASQA may suspend both its CRICOS and VET registration). As such, fewer than 31 providers were affected by these decisions.

Table 11: Providers affected by ASQA decisions to suspend all or part of registration, 1 July 2012 - 30 June 2013

RTO number	Provider legal name
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT or ASQA process).
	# Decision to suspend part of the provider's registration
	†Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.
32002	Academy of Applied Business Pty Ltd#
32288	All Licenses.com Pty Ltd
91299	Ants Consulting Services Pty Ltd*
91606	Apex Institute of Education Pty Ltd*
121812	Ashmark Group Pty Ltd, The
91354	Australian Academy of Management and Science Pty Ltd†
90225	Australian Electrotechnology Industry Training Centre Pty Ltd#
88215	Australian Workplace Education Pty Ltd
5987	Cedar Centre Ltd*
40378	Cream of the Crop Recruitment P/L
21855	G Plus G Global Pty Ltd†
40153	Grow SA Ltd
2857	Holistic Group Pty Ltd*
1042	Hortus Pty Ltd*
90707	Independent Living Centre of NSW
90977	J Bennati & R Garbutt
N/A	Let's Australia Pty Ltd*
51570	Mater College Pty Ltd
121713	National Education Academy Pty Ltd*



RTO number	Provider legal name
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT or ASQA process). # Decision to suspend part of the provider's registration †Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.
30868	National Security Training Academy Pty Ltd [#]
21819	Pow Wow Training Pty Ltd [*]
91314	Procure Group Pty Ltd, The [#]
52288	RPS Energy Pty Ltd [#]
91229	Sailingworld Pty Ltd [*]
22331	Symbiosis Institute of Technical Education Pty Ltd [*]
90009	TAFE NSW–Western Institute ^{#*}
121729	Training Australia Group Pty Ltd
121814	Training Experts Australia Pty Ltd [*]

In 2012-13, ASQA gave a further 134 written notices of intention to cancel or suspend the registration of a provider.

ASQA made 24 decisions to impose another type of administrative sanction in accordance with paragraphs 36(2)(a)-(d) of the *National Vocational Education and Training Regulator Act 2011*, as shown in Table 12.

Table 12: ASQA decisions to impose administrative sanctions (other than cancellation or suspension of registration), 1 July 2012 - 30 June 2013

RTO Number	RTO Legal Name	Type of sanction
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT, or ASQA process).	
	†Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.	
31304	Ag Training Pty Ltd	Amend scope*
90966	Aurora Training & Professional Services Pty Ltd	Give a written direction*
90465	Australian Institute of Music, The	Give a written direction*
21368	Australian National Institute of Business & Technology Pty Ltd	Amend scope
21625	Australian National Institute Pty Ltd	Amend scope
21625	Australian National Institute Pty Ltd	Give a written direction
0145	Baptist Union of WA Inc	Give a written direction
110068	Blended Learning International Pty Ltd	Amend scope*
5987	Cedar Centre Ltd	Give a written direction
32512	Construction Training College Pty Ltd	Give a written direction
31901	Daily Update Pty Ltd	Give a written direction†
31928	Environment Australia Pty Ltd	Amend scope
3923	Macquarie Commercial College Ltd	Amend scope
90791	Map Training Pty Ltd	Amend scope
21943	Melbourne College of Hairdressing Beauty Therapy and Natural Medicine Pty Ltd	Amend scope†
2551	Parasol EMT Pty Ltd	Amend scope
21819	Pow Wow Training Pty Ltd	Amend scope*
21754	Professional Divers Group Pty Ltd	Amend scope†
91775	S&L Training Services Pty Ltd	Give a written direction
21122	Seluna Pty Ltd	Give a written direction*
90165	ST.A.T. Security Training and Tactics	Give a written direction
21760	Technical Education Australia Pty Ltd	Amend scope†
88133	Todd Read Investments Pty Ltd	Amend scope†



ASQA made decisions to impose other conditions on providers' registrations in accordance with sub-section 29(1) if the *National Vocational Education and Training Regulator Act 2011*, as shown in Table 10.

Table 13: ASQA decisions to impose conditions on providers' registrations, 1 July 2012-30 June 2013

RTO Number	RTO Legal Name	Condition
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT, or ASQA process).	
90955	Advanced Academy Pty Ltd	Comprehensively monitor students' attendance and report on PRISMS
40517	Australian Training and Trade Pty Ltd	Deliver training at one specific location and report to ASQA monthly on training activities
2857	Holistic Group Pty Ltd	Retain certain evidence until otherwise directed by ASQA*
40369	K & S Biddell	No new enrolments in two qualifications*
1042	Hortus Australia Pty Ltd	Restriction on employment or engagement of the services of a certain individual
4078	Service Industry Advisory Group Pty Ltd	No new enrolments or collections of fees, and must refund all fees for delivery beyond a certain date
21893	Victorian Independent Training and Assessment Group Pty Ltd	No new enrolments or collections of fees, and must refund all fees for delivery beyond a certain date
90396	Young Rabbit Pty Ltd	Retain certain evidence and maintain a register of students' work placements

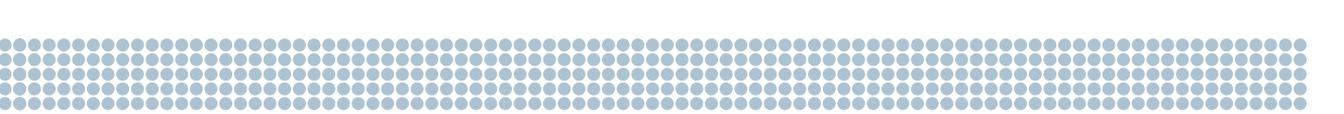
ASQA made 63 decisions to reject an application for renewal of registration in accordance with section 17 of the *National Vocational Education and Training Regulator Act 2011*, as shown in Table 14. One provider is not listed, as the relevant decisions are subject to a confidentiality order of the AAT. Note that a provider may have its applications for both CRICOS and VET registration renewal rejected. Where this has occurred, the provider is only listed once.

Table 14: Providers affected by ASQA decisions to rejection their application/s for renewal of registration, 1 July 2012-30 June 2013

RTO Number	RTO Legal name
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT, or ASQA process).
	†Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.
	#Partial rejection.
21175	Acacia Learning Solutions Pty Ltd
90535	Actors Centre Australia Pty Ltd*
21892	Additional Training Options Pty Ltd
21769	Airbrush Technologies Pty Ltd
91299	Ants Consulting Services Pty Ltd*
121812	Ashmark Group Pty Ltd, The
91354	Australian Academy of Management and Science Pty Ltd
91307	Australian Culinary Academy Pty Ltd
90465	Australian Institute of Music, The*
90013	Byron Region Community College †
21873	Camp Australia Proprietary Limited*
21120	CFT International Pty Ltd*
6984	Club Managers Association Australia, The*
31566	Collective Learning and Development Pty Ltd*
31546	Dalby, Terrence Marcus
91285	De Faye Training & Consultancy Pty Ltd
21945	Drake Australia Pty Ltd
60090	Echelon National Security Agency Pty Ltd*
21040	Emergency Healthcare Solutions Pty Ltd
21922	Ergosh Safety Management Services Pty Ltd
91256	Evolution Systems for Training & Development Pty Ltd
21940	Fernwood Learning Pty Ltd*
21855	G Plus G Global Pty Ltd†
21878	Goodyear and Dunlop Tyres (Australia) Pty Ltd
21985	Health Careers International Pty Ltd*
90707	Independent Living Centre of NSW*
21990	KAPS Institute of Management Pty Ltd*
N/A	Let's Australia Pty Ltd*
21037	Lifeaid Pty Ltd
91367	Magill College Pty Ltd*



RTO Number	RTO Legal name
	*Decision was subsequently varied, set aside or resolved by consent (e.g. via AAT, or ASQA process).
	†Decision subject to an application for reconsideration or review which had not been finalised at the time of reporting.
	#Partial rejection.
6980	MHM Australasia Pty Ltd*
21863	Modern Communications Australia Pty Ltd†
121713	National Education Academy Pty Ltd*
40241	National Risk Solutions
21956	Pepito Pty Ltd
21819	Pow Wow Training Pty Ltd*
91327	Prosell Pty Ltd*
30743	Queensland Institute of Commerce and Technology Pty Ltd*
91294	Regional Learning & Development Pty Ltd
6868	Restaurant & Catering NSW
91229	Sailingworld Pty Ltd*
21122	Seluna Pty Ltd#
4078	Service Industry Advisory Group Pty Ltd
7030	Sheila Baxter Training Centre Pty Ltd#
21994	Spice Telecom Australia Ltd†
121908	Sunshine College of Management Pty Ltd†
91344	Sydney Technical Institute Pty Ltd
21158	Tenix Australian Pty Ltd*
21920	Trade Institute of Victoria Pty Ltd*
121814	Training Experts Australia Pty Ltd*
21720	Transfield Services (Australia) Pty Ltd*
21893	Victorian Independent Training and Assessment Group Pty Ltd
51809	Winifred Helen Murphy†



APPENDIX 2—OTHER MANDATORY INFORMATION

Work health and safety

ASQA fulfils its responsibilities under the *Work Health and Safety Act 2011* and has an established Work Health and Safety Committee. This committee comprises ASQA employees and is responsible for developing and implementing strategies to protect all employees from risks to their health and safety. ASQA has Health and Safety Representatives in each state and territory office.

In 2012–13 ASQA used the service of an occupational therapist to provide onsite ergonomic support to all new employees and any employees experiencing pain or injury. Influenza vaccinations were available for all employees in May 2013. ASQA offers its employees and their families independent, confidential and professional counselling through the Employee Assistance Program. ASQA also offers all employees a healthy lifestyle allowance of up to \$300 per year for expenditure on healthy lifestyle activities or equipment.

There were no accidents or dangerous occurrences during the year that arose out of conduct of business or undertakings by ASQA that required notification to Comcare. There were no investigations conducted by Comcare during the year that related to undertakings conducted by ASQA.

ASQA has trained staff who undertake duties as first aid officers, fire wardens, harassment contact officers and workplace health and safety representatives.

Ecologically Sustainable Development and Environmental Performance Reporting

ASQA is committed to operating in accordance with the principles of ecologically sustainable development and adopting leading practice in the ecologically sustainable management of our operations.

ASQA has a number of environmental management initiatives that have already been implemented within its offices as part of the Authority's daily operation. These include programs to reduce:

- generation of waste
- consumption of energy
- storage, use and release of chemicals, hazardous materials and dangerous goods
- consumption of water, and
- consumption of goods.

ASQA is committed to monitoring progress and improving its ecological sustainability and performance against government policy requirements through the development of an Environmental Management System (EMS). ASQA's EMS will be based on the ANAO Public Sector Environmental Management Better Practice Guide of April 2012.

Environmental audits will be undertaken at all sites and the data obtained will be used to establish a baseline for ASQA environmental performance and to monitor environmental performance over time.

The audits will identify the environmental issues that need to be addressed by ASQA, including the need to comply with legal and regulatory requirements for the management of any hazardous materials.

ASQA will provide full reporting in the 2013–14 annual report.



Advertising and market research

During the 2012–13 financial year, the Australian Skills Quality Authority:

- paid Australian Survey Research Group Pty Ltd \$15,298.25 (inclusive of GST) to undertake the *ASQA Stakeholder Survey 2011-12*, and
- paid Australian Survey Research Group Pty Ltd \$12,100.00 (inclusive of GST) being the annual rental and hosting fee of Survey Manager, a web-based survey management application used by ASQA for smaller, targeted surveys.

Did not pay any monies to undertake any advertising campaigns, or any monies to:

- polling organisations
- direct mail organisations, or
- media advertising organisations.

Grant programs

The Australian Skills Quality Authority does not administer any government grants.

Disability reporting

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten-year national policy framework for improving life for Australians with disability, their families and carers. A high-level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au. The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular *How Australia is Faring* report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at:

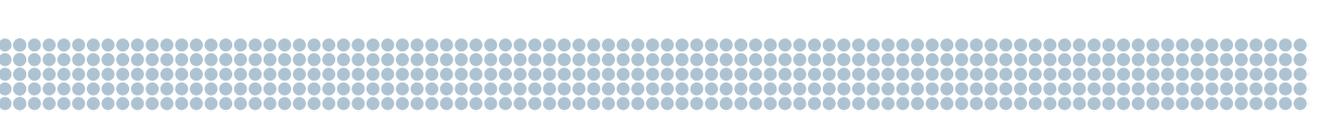
www.socialinclusion.gov.au.

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* are required to publish information to the public as part of the Information Publication Scheme. This requirement, in Part II of the *Freedom of Information Act 1982*, has replaced the former requirement to publish a 'Section 8 statement' in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

ASQA's Information Publication Scheme plan can be viewed at:

www.asqa.gov.au/about-asqa/accountability-and-reporting/information-publicationscheme.html



APPENDIX 3–ASQA ADDRESSES

ASQA has offices in each state and territory. The locations of these offices are shown in Table 15.

Table 15: List of ASQA office addresses as at 30 June 2013

Office	Address
Adelaide	Level 5, 115 Grenfell St, Adelaide, SA, 5000
Brisbane	Level 7, 215 Adelaide St, Brisbane, QLD, 4000
Canberra	Level 3, 64 Northbourne Ave, Canberra City, 2601
Darwin	Level 2, 39/41 Woods St, Darwin, NT, 0820
Hobart	Level 11, 188 Collins St, Hobart, TAS, 7000
Melbourne	Level 6, 595 Collins St, Melbourne, Vic, 3000
Perth	Level 11, 250 St Georges Terrace, Perth, WA, 6000
Sydney	Level 10, 255 Elizabeth St, Sydney, NSW, 2000



APPENDIX 4—AGENCY RESOURCE STATEMENT

The total resources from all sources is shown in Table 16. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 16: Australian Skills Quality Authority Resource Statement—Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts in available 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available Appropriation 2012-13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	7,917	-	7,917	7,917
Departmental appropriation	-	35,547	35,547	32,795
Total	7,917	35,547	43,464	40,594
Total ordinary annual services	7,917	35,547	43,464	40,594
Other services³				
Departmental non-operating				
Equity injections	-	2,236	2,236	1,898
Total	-	2,236	2,236	1,898
Total other services	7,917	2,236	2,236	1,898
Total available annual appropriations	7,917	37,783	45,700	42,492
Total resourcing				
A+B	7,917	37,783	45,700	42,492
Total net resourcing for ASQA	7,917	37,783	45,700	42,492

¹ Appropriation Bill (No.1) 2013-14.

² Estimated adjusted balance carried forward from previous year.

³ Appropriation Bill (No.2) 2013-14.

Note: All figures are GST exclusive.

APPENDIX 5—EXPENSES AND RESOURCES FOR OUTCOME

Table 17: Budgeted Expenses for Outcome 1

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.	2012-13 Estimated actual expenses	2013-14 Estimated expenses
	\$'000	\$'000
Program 1.1: Regulation and advice		
Departmental expenses		
Departmental appropriation ¹	32,795	35,547
Expenses not requiring appropriation in the Budget year ²	4,284	2,494
Total for Program 1.1	37,079	38,041
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	32,795	35,547
Expenses not requiring appropriation in the Budget year ²	4,284	2,494
Total expenses for Outcome 1	37,079	38,041
Average Staffing Level (number)	2012-13 193	2013-14 211

¹ Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

² Expenses not requiring appropriation in the Budget year² is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees and expenses funded from prior years appropriation.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

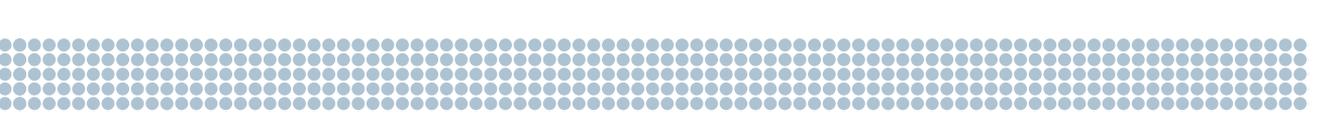


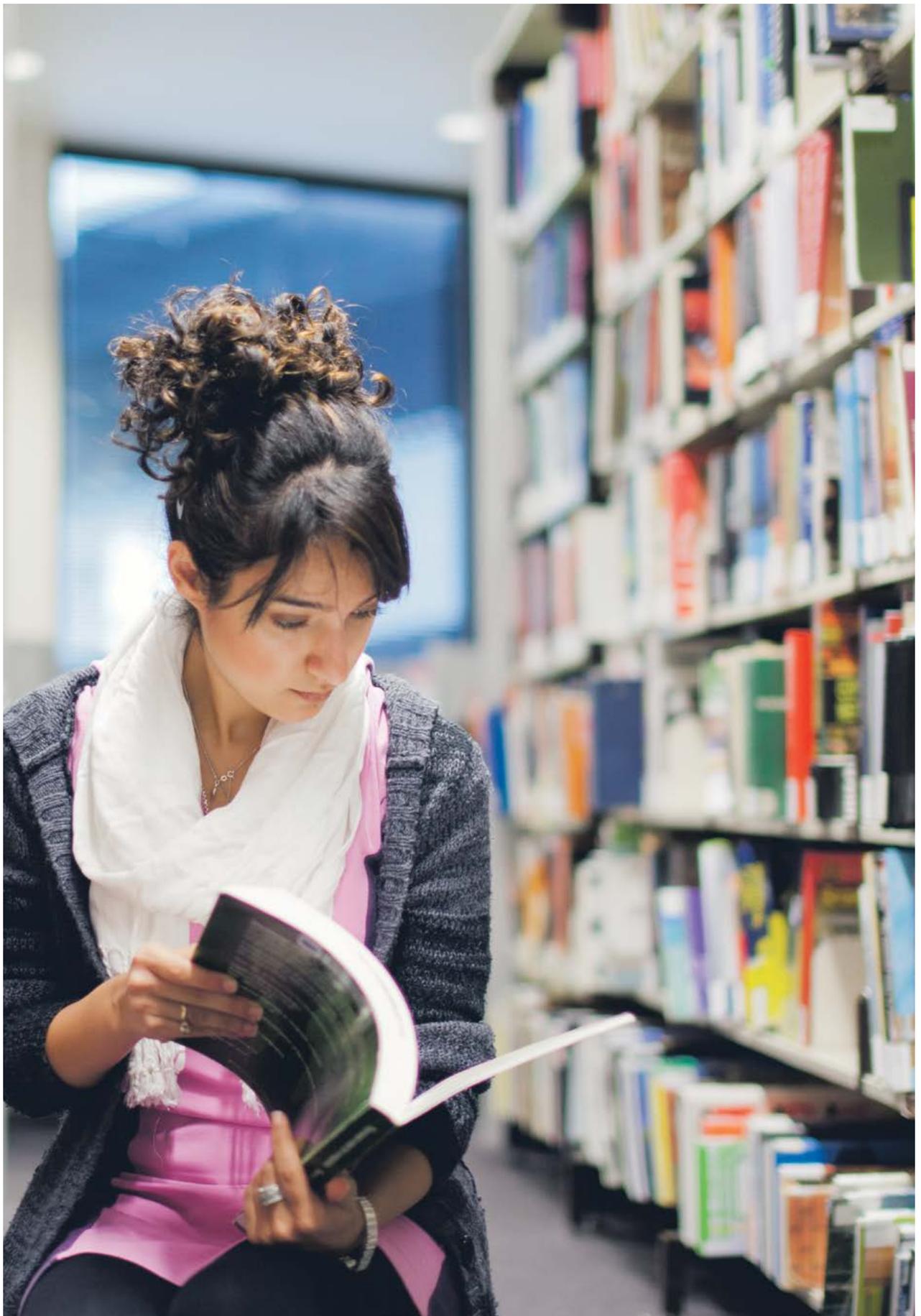
APPENDIX 6–NATIONAL VOCATIONAL EDUCATION AND TRAINING REGULATOR ACT 2011 INFORMATION REQUIREMENTS

Table 18 lists ASQA's activity in relation to matters referred or directed by the Minister or Ministerial Council in 2011–12, in line with the reporting requirements outlined in Part 10, Section 215 (3)(g)–(j) of the *National Vocational Education and Training Regulator Act 2011*.

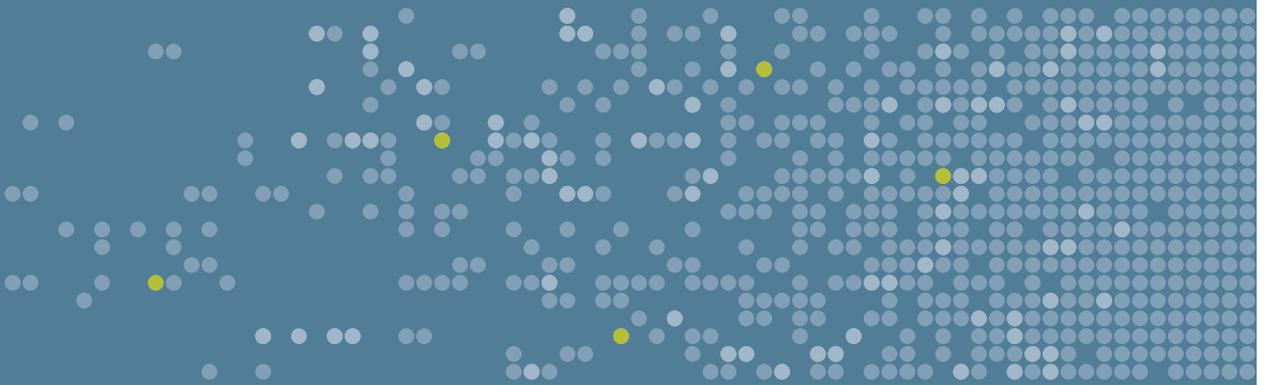
Table 18: Directions and matters referred, 1 July 2012 - 30 June 2013

Reporting requirement	
Number of Directions given by Minister	There were no formal directions to ASQA made by the Minister for Tertiary Education and Skills in the reporting period.
Number/type of matters referred by Ministerial council	There were no matters formally referred to ASQA by the Standing Council for Tertiary Education, Skills and Employment in the reporting period.
Number/type of matters referred by Minister	There were no matters referred to ASQA by the Minister for Tertiary Education and Skills in the reporting period.
Regulator's response to referred matters	Not applicable





References





LIST OF REQUIREMENTS

Information required under the *Requirements for annual reports for departments, executive agencies and FMA Act bodies 2013* can be found throughout this report, with the locations of specific information shown in Table 19 below.

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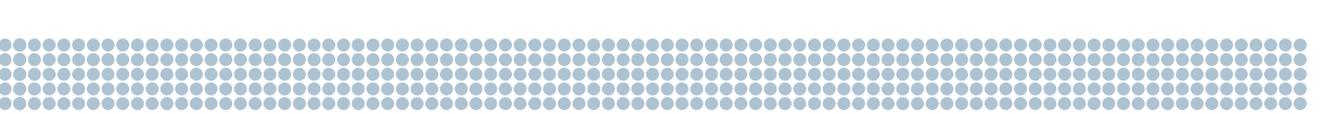
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GLOSSARY

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 Info line

ASQA's Melbourne-based contact centre.

ASQA providers

Organisations registered by ASQA to deliver training and/or conduct assessments and issue nationally recognised qualifications.

ASQAnet

ASQA's online application system for vocational education and training applications. ASQAnet is also the agency's internal business system for managing and maintaining application, registration and regulatory processes, decisions, activity and information.

audit, see compliance audit and registration audit

audit moderation

A process of collaborative discussion for compliance staff to achieve a consistent interpretation of relevant standards and legislative obligations to support decisions on provider compliance.

Australian Qualifications Framework (AQF)

A unified system of national qualifications in schools, vocational education and training (TAFEs and private providers) and the higher education sector (mainly universities).

Authority, the

In this report, refers to the Australian Skills Quality Authority.

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 task or skill.

compliance

Compliance is reached when requirements of the VET Quality Framework or Standards for VET Accredited Courses have been met.



compliance audit

The systematic and documented process used to assess a provider's ongoing compliance with the VET Quality Framework and other relevant standards.

Compliance audits are scheduled at ASQA's discretion with the authority of an ASQA Commissioner. The cost of ASQA undertaking a compliance audit of a registered training organisation is chargeable to that provider.

ASQA has the authority to undertake compliance audits of providers outside of Australia. ASQA does not currently have legislative authority to charge CRICOS providers for the cost of a compliance audit.

cost recovery

Cost recovery broadly encompasses fees and charges related to the provision of government goods and services (including regulation) to the private and other sectors of the economy.

As a cost recovery agency, ASQA must recover the costs of performing regulatory activities through fees and charges.

Cost Recovery Impact Statement (CRIS)

A document prepared for significant cost recovery arrangements to demonstrate compliance with the Australian Government Cost Recovery Guidelines.

Council of Australian Governments (COAG)

The peak intergovernmental forum in Australia. The members of COAG are the Prime Minister, State and Territory Premiers and Chief Ministers and the President of the Australian Local Government Association (ALGA). The Prime Minister chairs COAG.

course owner

The owner of an accredited vocational education and training course.

Data Provision Requirements 2011

A legislative instrument that outlines the requirements for providers to capture and provide data to ASQA.

Department of Education, Employment and Workplace Relations (DEEWR)

Australian Government department responsible for education and workplace training, transition to work and conditions and values in the workplace.

Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)

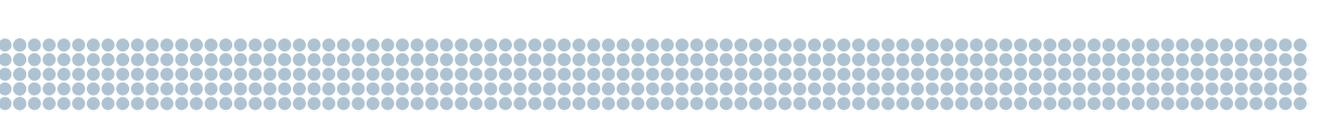
Australian Government department responsible for shaping Australia's future economy through skills, learning, discovery and innovation.

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 2011

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.

general direction

A direction given by the Australian Skills Quality Authority on the way in which the VET Quality Framework and other conditions defined in the *National Vocational Education and Training Regulator Act 2011* are to be complied with.

high risk

A high-risk has greater potential for non-compliance with the relevant standards, as determined by its history of compliance, the transparency and stability of its governance structures, and its scope of operational delivery.

industry

The bodies that have a stake in the training, assessment and client services provided by vocational education and providers.

industry organisation

An organisation representing an industry, including peak business and employer organisations and industry advisory bodies, such as the Industry Skills Councils.

Industry Skills Council(s)

National bodies recognised and funded by the Australian Government to develop and maintain training packages specific to particular industry areas.

low risk

A low-risk provider is deemed to have less potential for non-compliance with the national standards, as determined by the provider's history of audit compliance, the transparency and stability of its governance structures, and its scope of operational delivery.

multi-sector provider

Providers that offer courses in two or more sectors, e.g. providers that offer both VET and higher education courses

National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007 (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 Commonwealth Register of Institutions and Courses for Overseas Students.

national register

The official national register of information on training packages, qualifications, courses, units of competency and registered training organisations, online at training.gov.au.



National Skills Standards Council

Committee that provides advice to the Standing Council for Tertiary Education, Skills and Employment (SCOTESE) on national standards for regulation of vocational education and training.

National Standards for ELICOS Providers and Courses 2011 (ELICOS Standards)

Guidelines for designated authorities to make recommendations for acceptance of providers to be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

national VET regulator

The Australian Skills Quality Authority, the national body responsible for registering training providers and accrediting courses in Australia.

National Vocational Education and Training Regulator Act 2011

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.

non-referring state

States that did not transfer regulatory powers to the national VET regulator, i.e. Western Australia and Victoria.

overseas student

A person studying onshore only with visa subclasses 570 to 575, excluding students on Australian-funded scholarships or sponsorship or students undertaking study while in possession of other temporary visas.

Overseas Students Ombudsman

The Overseas Students Ombudsman investigates complaints about problems that overseas students have with private education and training in Australia.

provider

'Provider' may refer to:

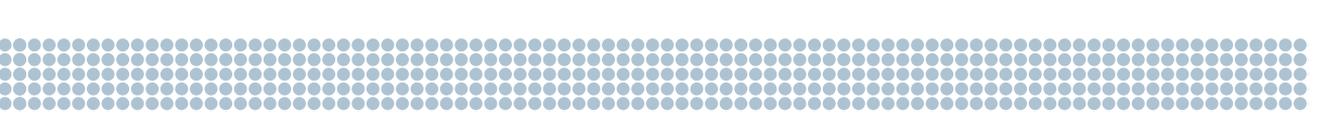
- a registered training organisation, or
- a vocational education and training provider that is also registered on the Commonwealth Register of Institutions and Courses for Overseas Students to deliver to overseas students, or
- a provider that is registered on the Commonwealth Register of Institutions and Courses for Overseas Students and delivers English Language Intensive Courses for Overseas Students.

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.

reconsideration

ASQA internal reconsideration of a reviewable decision.



referral of powers

States have the ability to give legislative control to the federal government in areas which have been deemed in the national interest.

referring state

States which have referred their powers relating to the regulation of VET providers to the national regulator.

registered training organisation (RTO)

An organisation, registered in accordance with the requirements of the VET Quality Framework, to provide specific vocational education and training and/or assessment services.

registration

ASQA registers both VET providers as 'registered training organisations' and providers wishing to enrol overseas students who are on student visas as Commonwealth Register of Institutions and Courses for Overseas Students ('CRICOS') providers.

VET registration is a nationally recognised indication that a training organisation can deliver, assess and issue qualifications or statements of attainment to a nationally agreed standard for the specific vocational education and training qualifications it is registered to provide.

Providers delivering training and assessment to overseas students who have Australian student visas must be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

registration audit

The systematic and documented process used to assess a provider's compliance with the standards that apply to a registration application (registration applications are applications for initial registration, renewal of registration or change to scope of registration). The cost of a registration audit is included in the relevant application or application assessment fee.

reporting period

In the context of ASQA's 2012–13 Annual Report, the reporting period is the period from 1 July 2012 until 30 June 2013.

reviewable decision

Reviewable decisions include those decisions listed in section 199 of the *National Vocational Education and Training Regulator Act 2011*. Reviewable decisions may include decisions to cancel or not a provider's registration, or to impose sanctions upon a provider.

risk assessment

Assessment conducted to gather data about operations of providers including through undertaking audits.



risk rating

A rating assigned to each provider by ASQA to indicate the potential effects and likelihood of a provider not complying with its legislative obligations. Risk ratings are developed following a risk assessment and determine the extent to which ASQA will monitor a provider.

scope of registration

The particular services and products that a provider is registered to provide.

Standards for NVR Registered Training Organisations 2012

The national standards against which applicants for registration as a VET provider, and existing VET providers, are assessed.

Standards for VET Accredited Courses 2012

A legislative instrument used to formally identify the requirements for accrediting VET courses.

Standards for VET Regulators 2011

A legislative instrument used to formally identify the standards for VET Regulators performing functions under the National Vocational Education and Training Regulator Act 2011.

Standing Council on Tertiary Education, Skills and Employment (SCOTESE)

Council with high-level policy responsibility for the national tertiary education, skills and employment system, including strategic policy, priority setting, planning and performance, and key cross-sectoral issues.

Strategic Review

Industry-wide reviews undertaken by ASQA to obtain information about areas of the training sector that may require targeted regulatory action.

training package

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 National VET Regulator Registered Training Organisations
- the Fit and Proper Person Requirements
- the Financial Viability Risk Assessment Requirements
- the Data Provision Requirements, and
- 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.

LIST OF ABBREVIATIONS

Abbreviation	Definition
ACPET	Australian Council for Private Education and Training
ACT	Australian Capital Territory
APS	Australian Public Service
ASQA	Australian Skills Quality Authority
CCA	Community Colleges Australia
CEIs	Chief Executive's Instructions
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CPSISC	Construction and Property Services Industry Skills Council
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
ELICOS	English Language Intensive Courses for Overseas Students
ERTOA	Enterprise Registered Training Organisation Association
FOI	Freedom of Information
FMA Act	Financial Management and Accountability Act
ICT	Information and Communications Technology
IPS	Information Publication Scheme
ISC	Industry Skills Councils
KPIs	key performance indicators
MoU	Memorandum of Understanding
NSSC	National Skills Standards Council
NSW	New South Wales
NT	Northern Territory
NVR	national VET regulator
PBS	Portfolio Budget Statements
QLD	Queensland
RPL	recognition of prior learning
RTO	registered training organisation
SA	South Australia
SCOTESE	Standing Council on Tertiary Education, Skills and Employment
SES	Senior Executive Service
TAFE	Technical and Further Education
TAS	Tasmania
TDA	TAFE Directors Australia
NVR Act	<i>National Vocational Education and Training Regulator Act 2011</i>
VET	vocational education and training
VIC	Victoria
WA	Western Australia

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