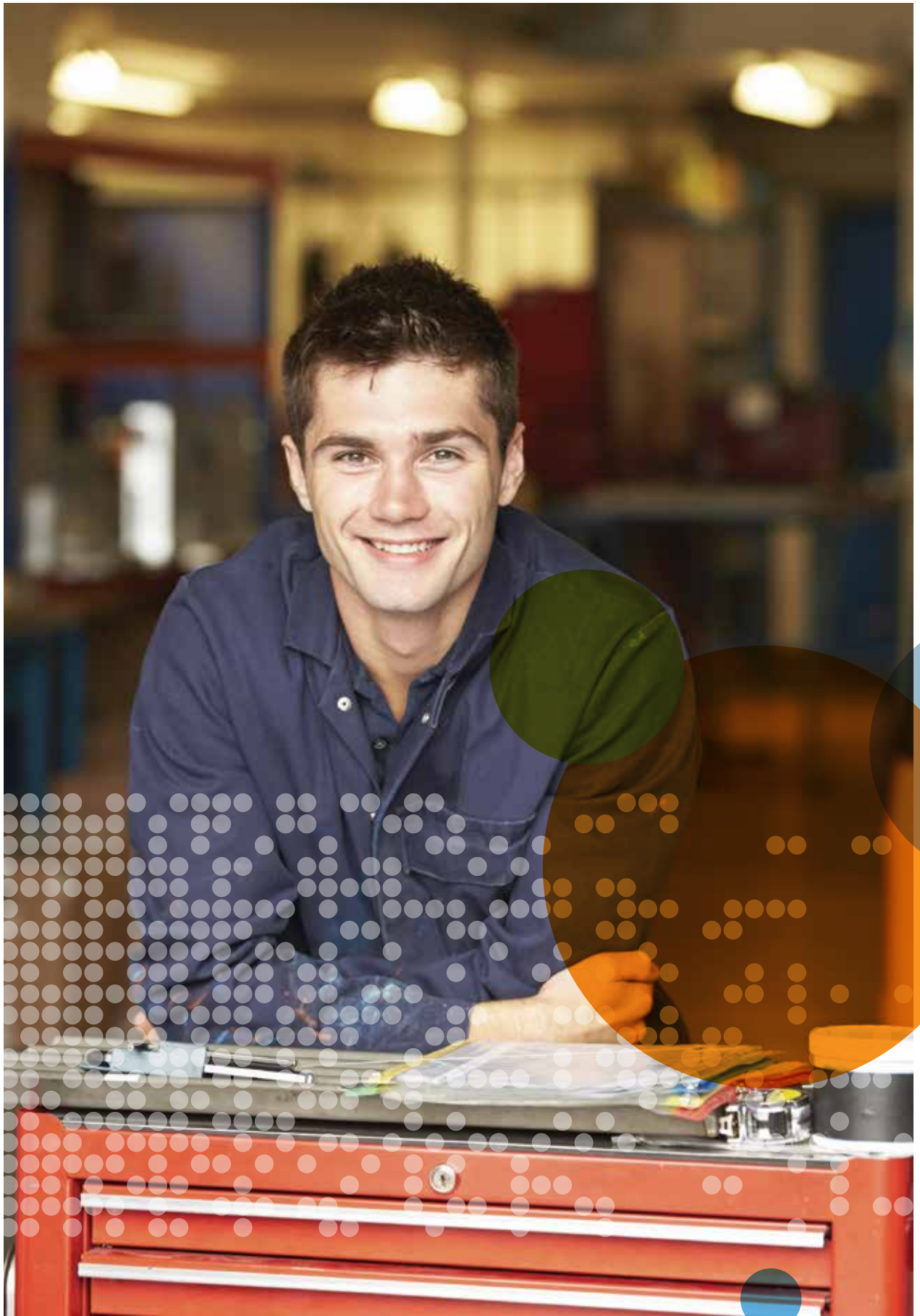




Australian Government
Australian Skills Quality Authority

Australian Skills Quality Authority Annual Report 2014-15

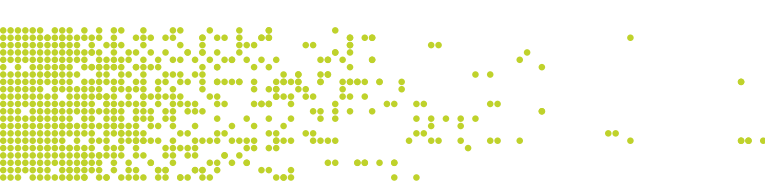




Australian Skills Quality Authority

Annual Report 2014–15





Australian Skills Quality Authority Annual Report 2014–15

Contact

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Email: feedback@asqa.gov.au

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

Online reports

The Australian Skills Quality Authority website is located at www.asqa.gov.au.

This report can be downloaded from the page [/www.asqa.gov.au/news-and-publications/publications/annual-reports.html](http://www.asqa.gov.au/news-and-publications/publications/annual-reports.html)

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Photo images with thanks to the staff and students at Sydney TAFE..



Letter of transmittal

21 September 2015
Senator the Hon Simon Birmingham
Assistant Minister Education and Training
Parliament House
CANBERRA ACT 2600

Dear Minister,

I am pleased to present you with the fourth annual report for the Australian Skills Quality Authority (ASQA), which covers 1 July 2014 – 30 June 2015.

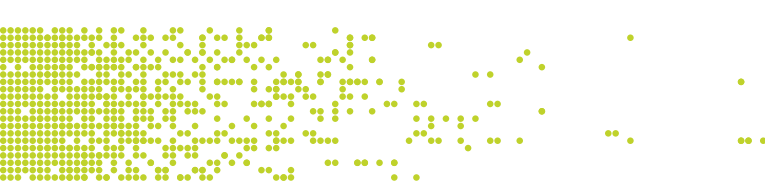
ASQA, as the national vocational education and training regulator, is required under section 215 (1) of the *National Vocational Education and Training Regulator Act 2011* to prepare and give to the Minister for presentation to Parliament a report relating to the performance of the regulator's functions 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, executive agencies and other non-corporate Commonwealth entities*, 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 to 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

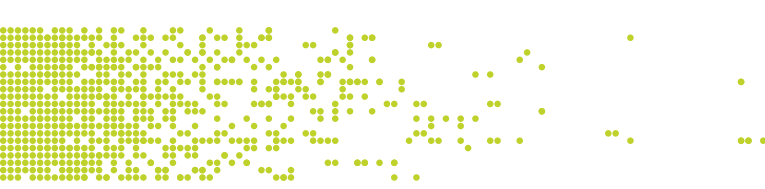


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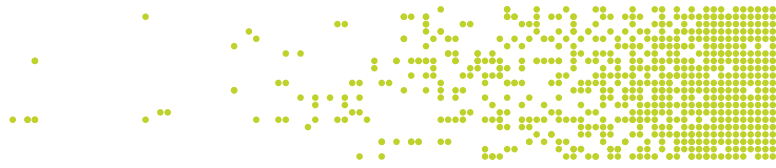


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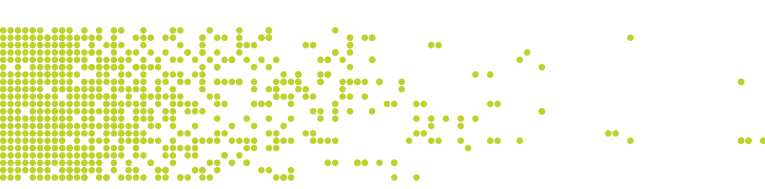
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About this report

This is the fourth annual report for ASQA, which was established on 1 July 2011. This report documents the activities and performance of ASQA from 1 July 2014 to 30 June 2015. The report is presented in seven parts:

Chief Commissioner's review

A review of ASQA 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 ASQA's performance in relation to the outcome and output framework described in the 2014–15 Portfolio Budget Statements for the Department of Education and Training 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 on each of the objectives set out in the *ASQA Strategic Plan 1 July 2013 to 30 June 2016 and Operational Plan 1 July 2014 to 30 June 2015* and the key performance indicators associated with each of these objectives.

Management and accountability

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

Financial statements

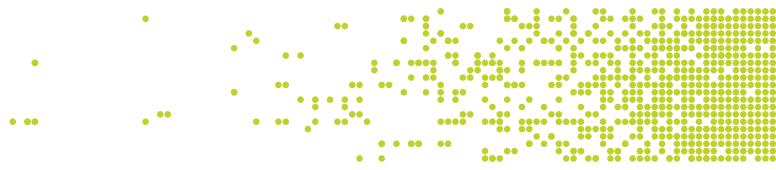
Includes the audited financial statements for 2014–15 and the audit report.

Appendices

Includes mandatory information and statistics.

References

Includes a glossary, a list of abbreviations and an index.



Chief Commissioner's review

The 2014–15 financial year was a period of continued evolution for the Australian Skills Quality Authority (ASQA). This year we were focused both on transforming the way we ensure quality in the vocational education and training (VET) sector and on changing our own internal structure so that we are well placed to meet the challenges of the future.

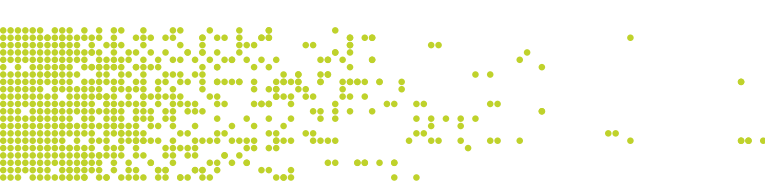
A key focus of the year was the implementation of VET Regulatory Reform—a suite of initiatives aimed at reducing the regulatory burden on providers that offer high quality training and assessment, while focusing scrutiny on providers that are unable—or unwilling—to provide quality training. These initiatives included offering high-quality providers a delegation; removing the need for providers to apply or pay for superseded 'equivalent' training packages; and enhanced information and guidance to assist providers to better understand and comply with the required Standards.

The Australian Government allocated a further \$68.8m in October 2014 over four years to support the VET Regulatory Reform Strategy. A key element of the strategy was a \$55.1m injection of revenue to enable ASQA to move away from becoming a full cost recovery regulator (which would have involved a doubling of ASQA fees). This is enabling ASQA to implement a more refined risk-based approach to regulation to deal with poor quality providers more quickly, while lowering regulatory burden and cost on good performing complying providers.

Coinciding with VET Regulatory Reform, the Australian Government implemented new national Standards for registered training organisations (RTOs). These Standards—the *Standards for Registered Training Organisations 2015*—represented a further evolution of the standards that RTOs have been required to meet in order to remain registered. ASQA took a lead role in informing the sector about the new Standards and helping RTOs to understand what is required to comply. To ease the transition to the new Standards, ASQA published a comprehensive users' guide and hosted a total of 31 information sessions for RTOs and other VET sector stakeholders. In total, around 4500 people attended the sessions, which were specifically about the standards and how to comply. The impact of the new Standards and the significant communication and education campaign that ASQA undertook to implement the Standards are reflected in improved levels of compliance by RTOs. ASQA is now finding that 33 per cent of RTOs are fully compliant at initial audit, with that number rising to 87 per cent following a 20-day period in which RTOs can address any non-compliance found.

The implementation of the next stage of ASQA's risk model was another of the initiatives under VET Regulatory Reform. ASQA's initial risk model was essentially based on the assessment of applications from new market entrants and existing providers. Using what it has learnt during its first four years, ASQA's new model of risk-based regulation considers risk on two levels—systemic risk and provider risk. As part of this new model, ASQA has implemented annual environmental scanning to identify sector-wide concerns and training products of greatest concern. We have also implemented biannual monitoring scans to identify new and emerging concerns. This work informs ASQA's regulatory strategy and its response to the concerns identified. ASQA's revised risk model represents best practice in contemporary risk management and provides a strong foundation for ASQA's regulation in the years ahead.

To ensure that ASQA is appropriately structured to meet its evolving regulatory role, the Authority undertook a review of its organisational structure in 2014–15. This work was informed by a review of ASQA's high-level organisational structure, which was undertaken by KPMG. The review recommended changes to allow ASQA's structure to reflect its revised regulatory approach. As a result, after undertaking internal consultation across the organisation, ASQA developed a revised organisational structure. We undertook considerable consultation with staff during the implementation of the new structure. Organisational change can be difficult and I thank all ASQA staff for their patience and cooperation during this process. ASQA's new organisational structure was officially implemented on 30 June 2015.



In addition to this substantial reform agenda, ASQA maintained its ongoing focus on regulating training providers to ensure they were delivering quality training and assessment. Between 1 July 2014 and 30 June 2015, ASQA received 6079 applications, finalising 6012 (99 per cent) of those received. In a pleasing result, only 80 applications (1.3 per cent) were rejected by the Commissioners. These included 25 applications to establish a new RTO, 25 applications to renew the registration of an existing RTO and 30 applications to change an RTO's scope of registration.

ASQA made a total of 256 regulatory decisions during the financial year. These included 27 decisions to cancel a provider's registration, 54 decisions to suspend all or part of a provider's registration, 158 written notices of an intention to cancel or suspend a provider's registration and 17 other administrative sanctions.

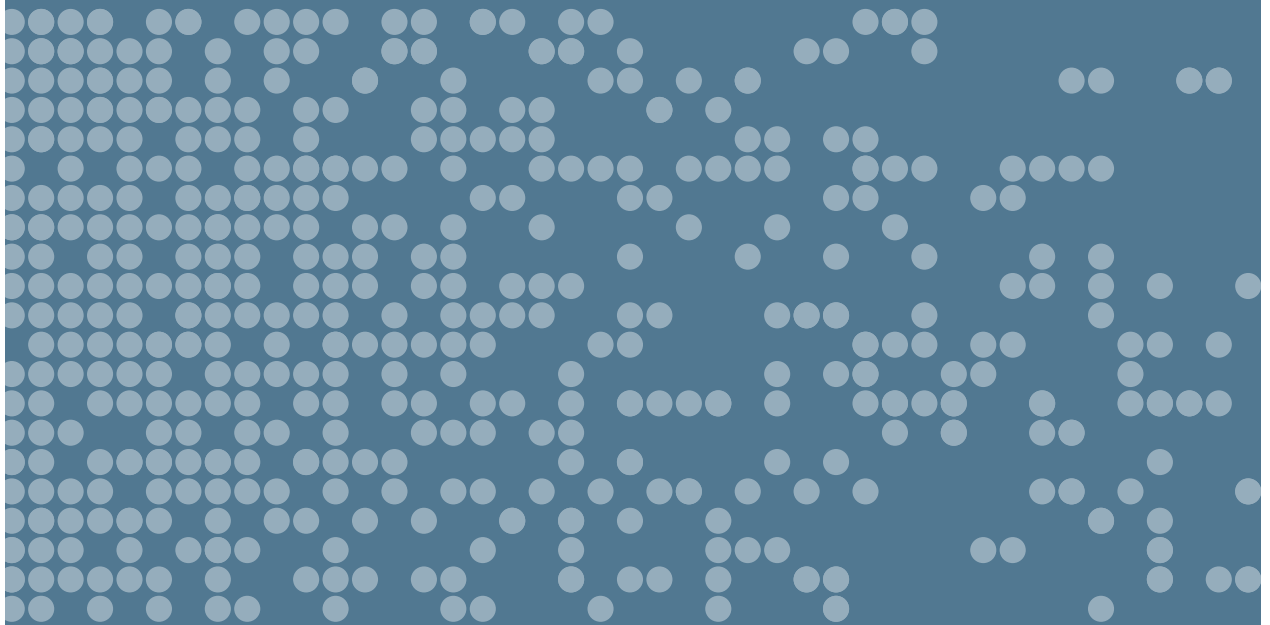
ASQA also secured its first criminal prosecution against the training manager of an RTO who used fraudulent documents in an attempt to demonstrate compliance with the national Standards. This prosecution, as well as the regulatory decisions taken, demonstrates that ASQA is a regulator that is not afraid to take tough action if required to ensure quality is maintained.

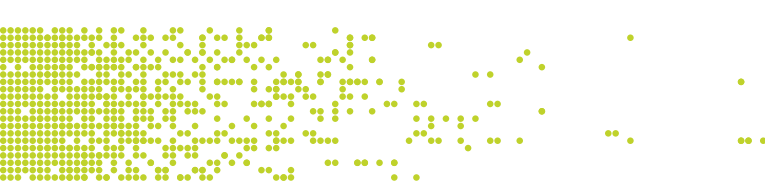
The 2015-16 financial year will see the finalisation of a number of initiatives which commenced in 2014-15. The first is the release of the next round of national strategic reviews into early childhood education and care training, equine training programs and training for the security industry. I am confident that ASQA's work in reviewing the delivery of training and assessment in these important skill areas will result in significant improvements. Secondly, it is likely that ASQA will undertake its first off-shore audits. Considerable work has been undertaken to finalise ASQA's transnational VET strategy and the development of a memorandum of understanding with the China Education Association for International Exchange (CEAIE). This was signed in July 2015 by me on behalf of ASQA and by the Deputy Secretary General on behalf of CEAIE.

In closing, I would like to thank my fellow Commissioners—Dr Dianne Orr and Professor Michael Lavarch—other members of the Senior Management Group, and all staff from across ASQA for their support and efforts during the year.

Christopher Robinson
Chief Commissioner and Chief Executive Officer

Agency overview





The VET sector plays a vital role in developing Australia's national workforce. Through the delivery of industry-developed training packages, the sector helps to ensure Australia has an educated and highly skilled population. Australia's VET sector has a reputation for delivering quality programs and quality outcomes. The Australian Skills Quality Authority (ASQA) was established in July 2011 to maintain the strength and reputation of the VET sector, both nationally and internationally.

ASQA is the national regulator for:

- registered training organisations (RTOs), providers that deliver VET qualifications and courses
- providers that deliver VET courses to overseas students
- accredited VET courses, and
- certain providers that deliver English Language Intensive Courses to Overseas Students (ELICOS).

As the national regulator, ASQA seeks to ensure that students and employers have confidence that providers are delivering good-quality programs:

- Employers can have confidence that VET graduates have the skills and competencies that they need for employment.
- Students can be confident that training will be of a high standard and will meet their needs.

ASQA regulates using a targeted, risk-based approach, which has evolved over its four years of operation.

Consistent with the Australian Government's policy to reduce the regulatory burden on providers and boost productivity in the economy, ASQA seeks to reward high-quality, low-risk providers by limiting the regulatory burdens they face.

In line with this approach, ASQA targets its resources towards ensuring non-compliant providers become fully compliant, or else are subject to the appropriate regulatory action. Where providers do not meet the required national Standards, ASQA can apply several enforcement options. These include a range of escalating sanctions (including suspension or cancellation of registration) as well as enforcement action.



Establishment

ASQA was established on 1 July 2011 by the enactment of the *National Vocational Education and Training Regulator Act 2011* and supplementary legislation.

Before the establishment of ASQA, 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 involved the referral of powers to the Commonwealth from all states (except 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 2011-12:

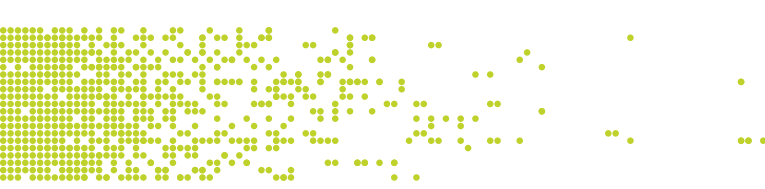
- On 1 July 2011, ASQA commenced regulating VET providers in New South Wales, the Northern Territory and the Australian Capital Territory. ASQA also became the regulatory body for VET providers in Victoria and Western Australia that provided training to international students, or that operated in a territory 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.

Our 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.

Our vision

Agile, responsive, risk-based regulation.



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.

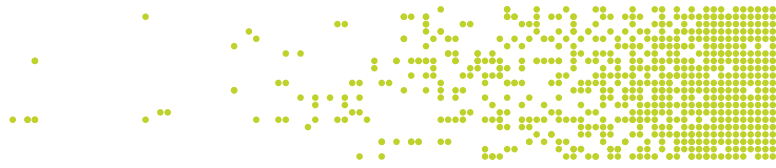
ASQA is able to do this by applying a rigorous risk-based proportionate approach to regulation, as well as a range of escalating sanctions, to manage the risks to quality vocational education and training.

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

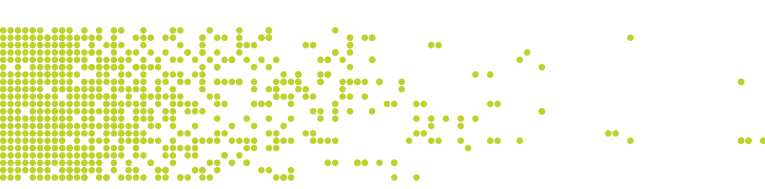
- to provide for national consistency in the regulation of vocational education and training
- to regulate VET using a standards-based quality framework and risk assessments
- to protect and enhance quality, flexibility and innovation in VET, and Australia's reputation for VET nationally and internationally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

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

- 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 Minister responsible for training 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 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 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.



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

ASQA is a designated authority under the *Education Services for Overseas Students Act 2000* (ESOS Act). During 2014–15 ASQA 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 for Overseas Students 2007*.

ASQA also registers providers on CRICOS to deliver English Language Intensive Course for Overseas Students (ELICOS). Providers delivering ELICOS must comply with the above ESOS legislation. In addition, ASQA monitors providers delivering ELICOS courses against the *ELICOS National Standards*.

Public Governance, Performance & Accountability Act 2013 (PGPA Act)

The PGPA Act, together with supporting instruments, came into effect on 1 July 2014 to replace the *Financial Management and Accountability Act 1997* (FMA Act) and the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The reforms associated with the Act are being progressively implemented, with stage one—establishing the base from which the reform objectives of the PGPA Act can be advanced—already completed.

During the reporting period ASQA, began preparing its *Corporate Plan 2015–19* under the new PGPA framework. This is an important step in implementing stage two of the PGPA reform, which focuses on



improving the quality of planning, performance information and evaluation within government to improve accountability to ministers, the Australian Parliament and the public.

ASQA's *Corporate Plan 2015–19* will provide a much greater emphasis on assessing the Authority's performance against qualitative measures, as well as the more traditional quantitative measures. As qualitative and quantitative information make different contributions to assessment of performance, this will facilitate nuanced and comprehensive performance evaluation.

ASQA will produce its first 'Annual Performance Statement' under the PGPA Act for inclusion in the 2015–16 Annual Report. The Statement will detail ASQA's performance against all of the measures included in its Corporate Plan 2015–19.

Legislative amendments during 2014-15

On 16 March 2015 legislative amendments to the *National Vocational Education and Training Regulator Act 2011* were passed by the Australian Parliament with the National Vocational Education and Training Regulator Amendment Bill 2015 (Amendment Bill).

The amendments:

- enable the Australian Government to make new standards that address emerging issues which affect the quality and integrity of training
- require anyone marketing a VET course, including brokers and other third parties, to clearly identify which RTO is providing the qualification, and
- extend the registration period for RTOs from five to seven years.

Infringement notice scheme

On 3 April 2015, the National Vocational Education and Training Regulator Regulations 2011 (NVR Regulations) were amended to introduce infringement notices.

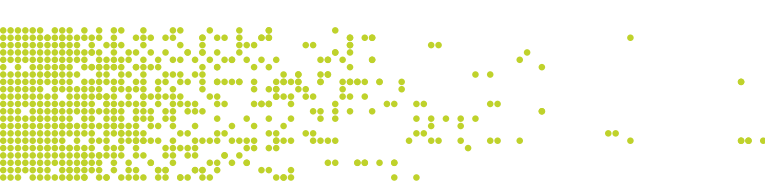
The amended NVR Regulations specify several matters, including:

- the provisions of the NVR Act that are subject to an infringement notice
- when an infringement notice may be given
- the content of an infringement notice, and
- how an infringement notice may be withdrawn.

An infringement notice may be issued by an ASQA officer, if they have reasonable grounds to believe that a person has contravened a civil penalty provision of the NVR Act.

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 must comply at all times with the standards prescribed in the legislative instruments, in order to be registered as a training provider in Australia.



ASQA applies a range of legislative instruments:

- *Standards for Registered Training Organisations (RTOs) 2015*, which ensure nationally consistent, high-quality training and assessment across Australia's VET system¹. *Financial Viability Risk Assessment Requirements 2011*, which relates to the financial viability risk assessment of registered and applicant training organisations
- *Data Provision Requirements 2012*, which sets out the requirement for providers to provide ASQA with data upon request and to submit annual quality indicator data.
- *Fit and Proper Person Requirements 2011*, which set out requirements for persons who have some control or influence over the management of providers.
- *Standards for VET Regulators 2015*,² which are standards for VET regulators performing functions under the *National Vocational Education and Training Regulator Act 2011*
- *Standards for VET Accredited Courses 2012*, which set out standards for accredited VET courses
- *Australian Skills Quality Authority Instrument Fixing Fees No. 1 of 2011*, which relates to the setting of fees and recovery of costs incurred by ASQA in performing its functions
- *National Standards for ELICOS Providers and Courses* (ELICOS Standards), which set out the requirements for providers delivering intensive English-language courses, 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) enables ASQA to charge RTOs 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.

ASQA commenced charging for compliance audits in November 2013. Charging for other activities is yet to commence.

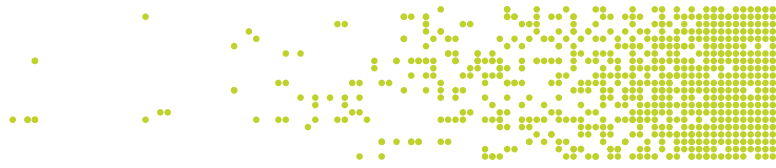
Regulator Performance Framework

The Australian Government released its Regulator Performance Framework (RPF) as part of the 2014 Spring Repeal Day. The RPF is an important part of the Government's commitment to reduce the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations by at least \$1 billion a year.

The RPF was developed following consultation with a range of stakeholders and consists of six

1 The *Standards for Registered Training Organisations (RTOs) 2015* replaced the *Standards for NVR Registered Training Organisations) 2012* on 1 January 2015 for applicant training organisations and 1 April 2015 for registered training organisations

2 The *Standards for VET Regulators 2015* replaced the former *Standards for VET Regulators 2011*



outcomes-based key performance indicators covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

During 2014–2015, ASQA developed a comprehensive suite of measures against each of the prescribed RPF key performance indicators and will undertake (and publish) its first annual self-assessment against these measures in the 2015–16 financial year.

Commissioners

Mr Christopher Robinson, Chief Commissioner

ASQA's Chief Commissioner also holds the position 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.

Other responsibilities and accountabilities of the Chief Executive Officer within the Australian Public Sector framework are set out in additional legislation, including the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013*.³ These accountabilities include the management of people, finance, 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 (NCVER).

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.

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

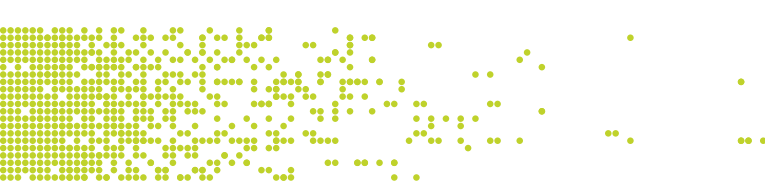
Mr Robinson held the role of Acting Chief Commissioner of ASQA from 1 July 2011, and was appointed as Chief Commissioner and Chief Executive Officer from 1 October 2011 for a period of five years.

Dr Dianne Orr, Deputy Chief Commissioner and Commissioner Regulatory Operations

In addition to the regulatory roles for Commissioners specified in the *National Vocational Education and Training Regulator Act 2011*, as Commissioner Regulatory Operations⁴, Dr Orr leads ASQA's regulatory operations program.

³ As of 1 July 2014, the *Public Governance, Performance & Accountability Act 2013* (PGPA Act) replaced the *Financial Management and Accountability Act 1997* (FMA Act).

⁴ As part of ASQA's organisational restructure the role 'Commissioner Compliance' became 'Commissioner Regulatory Operations' as at 30 June 2015.



This program is delivered through a national network of regional offices located in each capital city.

The Commissioner Regulatory Operations ensures that:

- regulatory operations 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
- regulatory operations are conducted efficiently, professionally, ethically and consistently.

The Commissioner of Regulatory Operations also holds the position of Deputy Chief Commissioner. The Deputy Commissioner acts as the Chief Commissioner in the absence of the Chief Commissioner as prescribed in the *National Vocational Education and Training Regulator Act 2011*.

Dr Orr has over 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—Intelligence and Regulatory Support

The Commissioner Risk, Intelligence and Regulatory Support 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 has oversight of the industry engagement process, which aims to build ASQA's relationship with industry, regulators and peak bodies to gather information useful to risk assessment. In 2014–15, ASQA's investigations, complaints and legal functions also reported to the Commissioner⁵.

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 QUT and was appointed Professor of Law in 2004. In 2012, he was awarded the title Emeritus Professor from QUT.

Mr Lavarch was appointed Commissioner in February 2012 for a period of five years. He commenced as a Commissioner of ASQA on 16 April 2012.

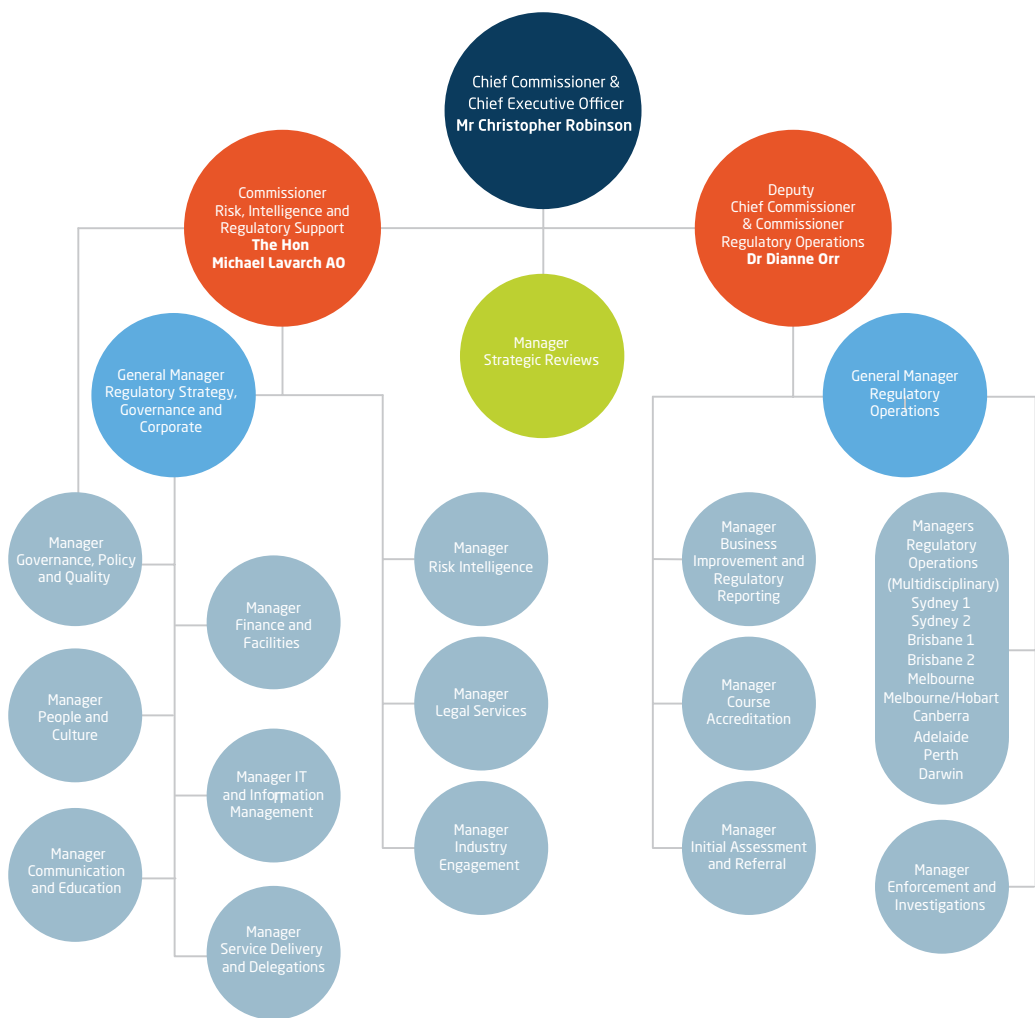
⁵ Due to an organisational review in 2015, the Commissioner Risk, Intelligence and Regulatory Support's responsibilities have changed. In 2014–15 (the period of this annual report), the Commissioner's title was 'Commissioner Risk Analysis and Investigation' with responsibilities as listed above.

Organisational structure

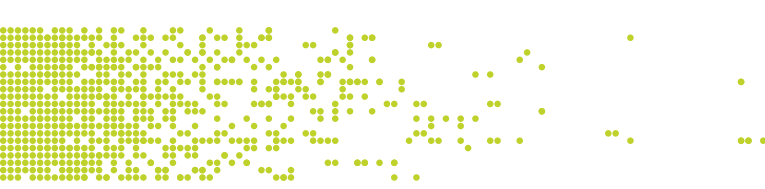
During 2014-2015, ASQA made substantial progress towards the redesign of its organisational structure and governance arrangements. The new structure will enable ASQA to move its regulatory effort from an application- based process to a risk-based model of regulation.

ASQA's new national organisational structure came into effect on 30 June 2015 and is shown in Figure 1. Some of the functions shown below are undertaken in multiple ASQA offices across Australia.

Figure 1: ASQA organisational structure as at 30 June 2015



Note: During 2014-15 ASQA undertook an organisational restructure to supports its transitioning regulatory role. ASQA's new structure was launched on 30 June 2015.



Outcome and program structure

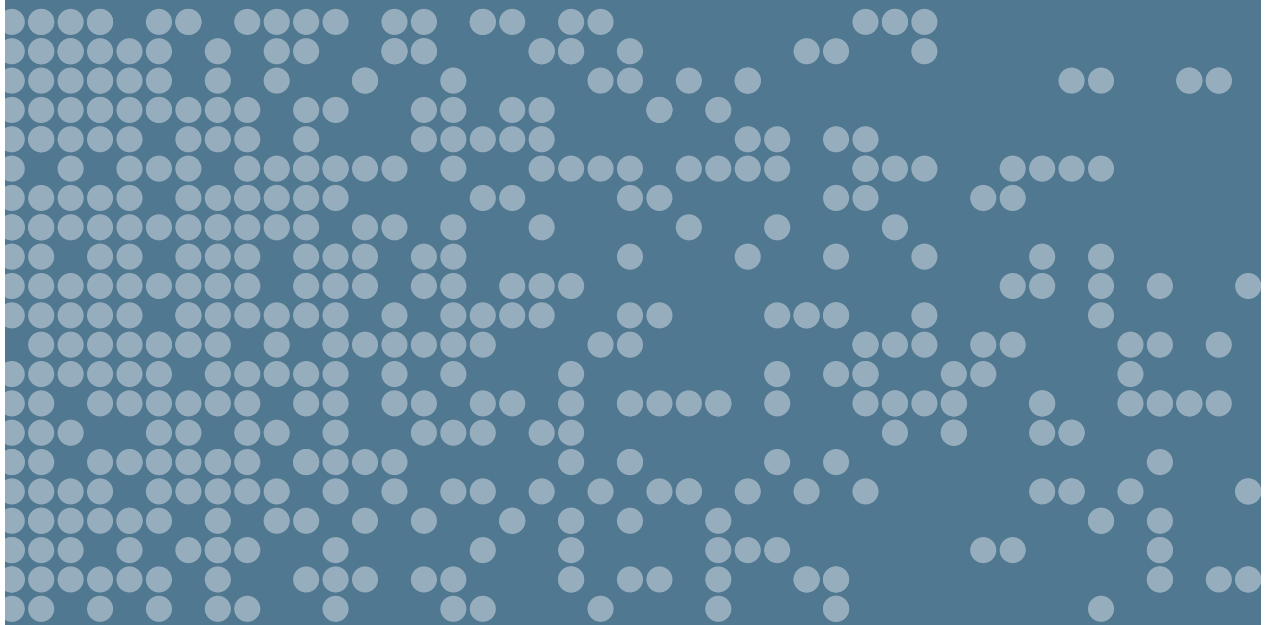
The 2014–15 Portfolio Budget Statements for the Department of Education and Training set out the planned outcome and program structure for ASQA shown in Table 1.

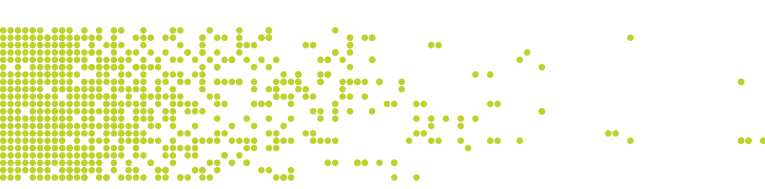
ASQA’s performance against this program is outlined in the ‘Report on performance’ section of this annual report.

Table 1: ASQA outcome and program structure

<p>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 education and training.</p>
<p>Program 1.1: Regulation and advice</p> <p>Program objective</p> <p>To assure the quality of VET outcomes through national regulation and the communication of advice on vocational education and training.</p> <p>Program 1.1 deliverables</p> <ul style="list-style-type: none">• Register training organisations (RTOs) 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 RTOs.

Report on performance





VET sector overview

The vocational education and training (VET) sector is crucial to Australia's economy, both for the development of the national workforce and as a major export industry. Vocational education and training enables students to gain qualifications for all types of employment and specific skills to help them in the workplace.

Vocational education and training providers include technical and further education (TAFE) institutes; adult and community education providers; agricultural colleges; private providers; community organisations; industry skills centres; and commercial and enterprise training providers.

The VET sector provides formal training for people across most jobs in the economy (with the exception of those requiring university qualifications). This includes training for skilled para-professional occupations, trades, and a range of skilled human services jobs.

This system of training covers adult workers seeking to upgrade their skills, school leavers entering tertiary study (except for university) and some technical and vocational education and training aimed at secondary school students.

The VET sector in 2014-15

Training packages are a key feature of Australia's VET system and are used as the basis for the delivery of most of the training programs⁶. As at 30 June 2015, there were 76 endorsed training packages (which contain 1672 qualifications, 1147 skill sets and 18,101 units of competency) and 1145 accredited courses. Qualifications in business, management and training and assessment are the most popular with providers. In October 2014, the VET Reform Taskforce (Department of Industry) commenced a comprehensive review of training packages and accredited courses. During the review period, no new training package products were endorsed.

ASQA regulates about 86 per cent of the provider market with 3929 ASQA-regulated providers as at 30 June 2015. Regulation of the remaining 14 per cent is split between the Victorian Registration and Qualifications Authority (VRQA) and the Training Accreditation Council (TAC) Western Australia, which each regulate 314 providers. (Victoria and Western Australia have maintained responsibility for regulating RTOs that only train domestic students and only operate in either or both of these states.)

Since ASQA's establishment on 1 July 2011, a significant number of providers have left the sector. (Prior to 2011, the number of RTOs had been increasing since the mid-90s, encouraged by the opening of the market to private providers). Nationally, the total number of providers has decreased by 7.9 per cent, or almost 400 providers since 2011. Some of these providers have left the training market due to competitive pressure and some have left as a result of regulatory decisions made by ASQA. It should also be noted that during this time 171 providers have transferred to ASQA from WATAC and the VRQA.

Key sector issues 2014-15

Key issues in the sector during this year included:

- ongoing issues with training programs delivered in very short timeframes with insufficient training for the full development of industry competencies

⁶ Training packages are nationally endorsed packages of standards and qualifications that are used to recognise and assess skills in a specific industry, industry sector or enterprise.



- ongoing concerns about the poor quality of assessment, and the skills of assessors, across the sector
- concerns regarding the marketing by approved VET FEE-HELP providers (see page 45)
- issues with the marketing and information provided to potential students, and the use of third parties such as brokers and recruitment agents, and
- concerns about the delivery of training in the security, equestrian and child care training sectors (see page 40).

VET Regulatory Reform

During 2014–15, ASQA continued to implement a significant program of VET Regulatory Reform.

This suite of seven reforms has allowed ASQA to increase the level of scrutiny on providers that do not provide quality training and lower the regulatory burden and cost on high-quality, fully compliant providers.

Equivalent training package updates

Training packages are regularly updated to ensure they reflect the needs of industry. This reform means that when a training package product is updated, and the new version is 'equivalent' to the previous product, ASQA automatically adds the new product to a provider's scope of registration without requiring an additional application or fee. This reform was implemented on 1 July 2014.

Financial viability

Until 30 June 2014, ASQA required most organisations to submit to an external financial viability assessment as part of an application to renew registration. Concern about the effectiveness of this approach combined with efforts to reduce unnecessary regulatory burden have resulted in ASQA repealing this operational policy.

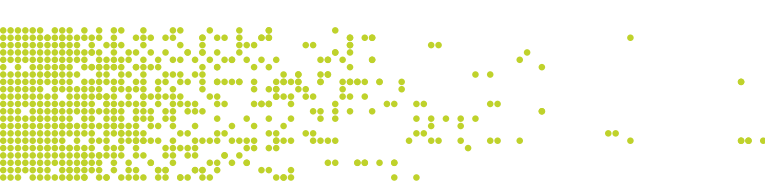
Since 1 July 2014, NVR registered training organisations or ESOS registered providers have no longer been required to undergo any financial viability risk assessment at the time of application submission or any other time-based schedule. In cases where ASQA receives credible information suggesting that a provider is not financially viable, ASQA may require the organisation to undergo a targeted risk assessment to determine whether its ongoing capacity to deliver quality training outcomes is compromised.

Delegation of authority to add courses

From October 2014, ASQA began inviting a carefully selected group of providers with a strong history of compliance to apply for a delegation. This delegation allows providers to add a course to their registration without submitting an application or paying a fee. These providers must pass a due diligence check before being granted this delegation.

Enhanced guidance and information

ASQA is keen to support those providers that struggle to understand their requirements. A key VET Regulatory Reform initiative has been enhancing the information and guidance ASQA provides in order to make it easier for RTOs and providers to deliver high quality training and assessment.



In 2014-15, ASQA updated Info line procedures to allow for more in-depth advice. The ASQA website was revised to provide more and better information, including videos and more information on compliance.

In addition, ASQA also developed a comprehensive suite of information to support the release of the new Standards, including a users' guide, responses to frequently asked questions, videos and a national program of information sessions.

Implementation of the new Standards

The *Standards for Registered Training Organisations (RTOs) 2015* were released in October 2014 and came into effect on 1 January 2015 for organisations applying to become RTOs and on 1 April 2015 for existing RTOs.

To help RTOs understand the requirements of the new Standards, ASQA developed a comprehensive communication and education strategy that included:

- producing a guide to assist RTOs to understand and incorporate the Standards into the operations of their organisations
- the development of website materials
- consultation with state and territory governments and other regulators concerning issues of consistency in the regulation of providers against the new Standards
- undertaking 31 information sessions and workshops—hosted by ASQA Commissioners—for RTOs and stakeholders in all states and territories throughout October and November 2014
- professional development for all regulatory staff, customised training for complaints, legal and risk, Info line, governance and corporate staff, and
- the revision of quality management system forms and procedures.

Changes in ASQA's risk model and regulatory approach

ASQA is currently transitioning to a risk-based regulatory approach. VET Regulatory Reform is enabling ASQA to achieve this. For more information about ASQA's risk-based regulation, refer to pages 38 to 39.

ASQA's organisational restructure

ASQA's new organisational structure came into effect on 30 June 2015.

The structure cements ASQA's risk-based approach, and allows ASQA to focus its regulatory effort on using data and intelligence to proactively target non-compliant and poor quality providers.

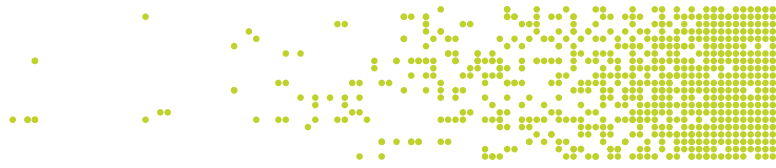
VET legislation reform

On March 2015, the National Vocational Education and Training Regulator Amendment Bill 2015 (Amendment Bill) passed through the Senate.

The amendments support VET reform by giving ASQA the capacity to respond quickly to emerging issues and facilitate more effective and efficient regulation.

The changes include:

- Brokers who offer and/or market VET courses are required to state which RTO will issue certification



in their communications and advertising. This means greater transparency in VET marketing, as previously it was unclear to students enrolling online exactly which RTO was responsible for their courses.

- ASQA now has the authority to extend the maximum period of registration from five to seven years. This will both improve efficiency and streamline the registration renewal process for providers that operate in multiple sectors (e.g. providers that also operate in the university sector, where registration is renewed on a seven-year cycle).
- The inclusion of a provision allowing Ministerial approval of additional quality standards, which would become part of the VET Quality Framework and a condition of RTO registration. Such standards would be developed by the Department of Education and Training in consultation with stakeholders.

VET Regulatory Reform package

In October 2014, the Australian Government endorsed ASQA's Regulatory Reforms with a \$68.8 million funding package over four years. The package included:

- \$55.1 million to alleviate the need for full cost recovery. This is a significant reform for ASQA-regulated providers, as this has meant that ASQA did not need to increase providers' fees in 2014-15.
- \$8.6 million for better information and support for providers. The funding package provided by the Australian Government has enabled ASQA to provide greater guidance and support for providers. This has included the development of the 'Users' Guide to the Standards for RTOs' and a dedicated Compliance Education Auditor role.
- \$5.1 million to improve ASQA's digital capacity. ASQA is implementing a major Information and Communications Technology (ICT) transformation project to deliver a range of benefits including more visibility on the status of applications and enabling a broader range of applications to be submitted and managed online.

Providers regulated by ASQA in 2014-15

ASQA is the regulator for the following providers:

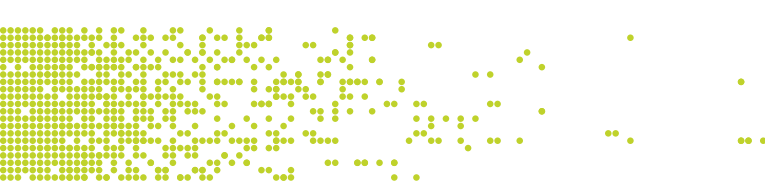
- registered training organisations
- providers delivering VET courses to overseas students studying in Australia on student visas, and
- providers that deliver intensive English language courses to overseas students.

RTOs regulated by ASQA

RTOs include technical and further education (TAFE) institutes, adult and community education providers and agricultural colleges, private providers, community organisations, industry skills centres, and commercial and enterprise training organisations.

ASQA regulates these providers against the VET Quality Framework, which includes the *Standards for Registered Training Organisations (RTOs) 2015*.

To become registered, organisations must demonstrate that they can comply with the requirements of the VET Quality Framework and deliver high-quality training. Once a provider is registered, ASQA applies a risk-based monitoring regime to ensure that they meet the national Standards throughout their period of registration. Providers that cannot demonstrate that they comply with the Standards face a range of regulatory actions, including cancellation of registration.



The number of RTOs that ASQA had regulatory responsibility for at the end of the 2011-12, 2012-13, 2013-14 and 2014-15 financial years are shown in Table 2. As at 30 June 2015, there were 4557 RTOs in Australia; ASQA was the regulator of 3929 of these RTOs. There has been a slight decrease in the number of ASQA-regulated RTOs over the four years. This is attributable to entry and exit patterns within the RTO market, including as a result of regulatory decisions taken by ASQA to grant registration to new providers, to refuse renewal applications from existing providers or to cancel/suspend the registration of providers.

Table 2: ASQA regulated RTOs, 2011-12, 2012-13, 2013-14 & 2014-15

Date	Number of ASQA-regulated RTOs	Total number of RTOs
30 June 2012	4018	4918
30 June 2013	4003	4825
30 June 2014	3938	4664
30 June 2015	3929	4557

Providers regulated by ASQA delivering VET courses to overseas students

ASQA registers providers delivering VET courses to overseas students studying in Australia on student visas as Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers. Providers registered on CRICOS can offer courses to overseas students studying in Australia on student visas.

Providers delivering courses to overseas students studying in Australia on student visas are required to comply with an additional framework of legislation and standards. The Education Services for Overseas Students (ESOS) framework is designed to ensure that Australia's reputation for delivering quality education services is maintained, and that the interests of overseas students are protected.

To deliver VET courses, a CRICOS provider must first be registered as an RTO. In addition to meeting the requirements for RTO registration, CRICOS providers must demonstrate that they comply with additional requirements for delivering courses to overseas students.

As at 30 June 2015, ASQA had regulatory responsibility for 433 CRICOS providers.

ELICOS providers regulated by ASQA

ASQA also regulates some CRICOS providers that deliver English Language Intensive Courses for Overseas Students (ELICOS) to overseas students studying in Australia on student visas. Some of these providers are RTOs; however, a provider does not need to be an RTO to offer an ELICOS course but must instead meet national standards for ELICOS.

ASQA is responsible for the approval and registration of ELICOS providers on CRICOS, except where the ELICOS course is delivered:

- by the provider in the capacity as a school
- by the provider in its capacity as a higher education provider, and
- under an 'entry arrangement' with at least one higher education provider.

As at 30 June 2015, ASQA had regulatory responsibility for:

- 115 CRICOS providers with ELICOS and VET courses on scope
- 66 CRICOS providers with standalone ELICOS courses on scope.

Applications overview

During 2014-15, ASQA received 6079 applications relating to registration as an RTO or as a CRICOS provider. These included applications for initial registration as a training provider as well as applications to add courses, applications to renew registration and applications to withdraw registration.

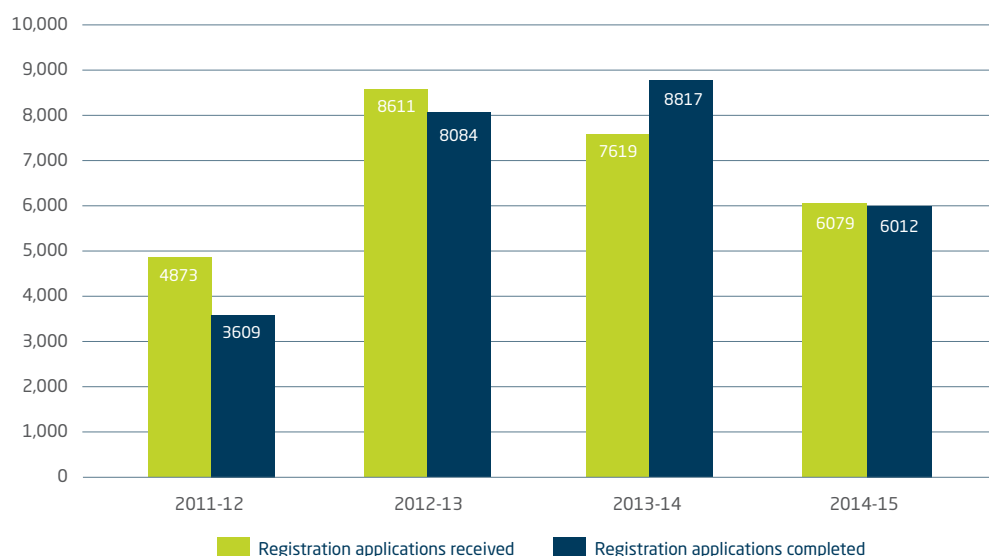
This represents a decrease of 20.2 per cent in the total number of applications received by ASQA compared with 2013-14. For the most part, this decrease was attributable to a significant fall in the number of applications received by ASQA from providers to change their scope of registration; a decrease which in turn resulted from training package equivalency reforms (see page 17) and ASQA's delegation initiative (see page 17).

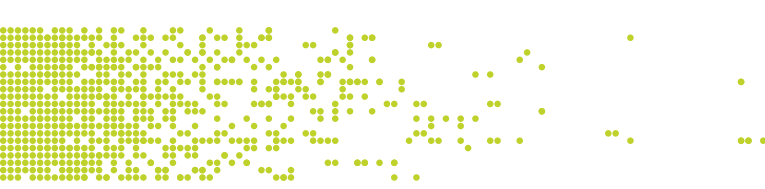
ASQA completed 6012 applications—equivalent to 98.9 per cent of the applications received during the year.

In the first year of operation (2011-12), ASQA completed 74.1 per cent of applications received; in 2012-13 ASQA completed 93.9 per cent of applications received; and in 2013-14 ASQA completed the equivalent of 115.7 per cent of applications received, as this included the completion of some of the applications received the previous year.

Applications received and completed by ASQA in each year since establishment are shown in Figure 2.

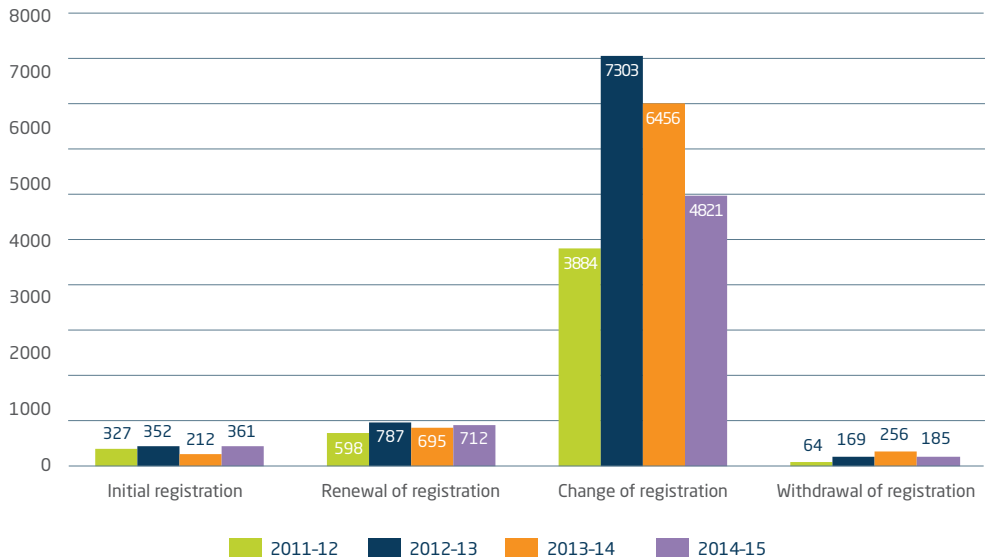
Figure 2: Applications received and completed by ASQA, 2011-12, 2012-13, 2013-14 & 2014-15





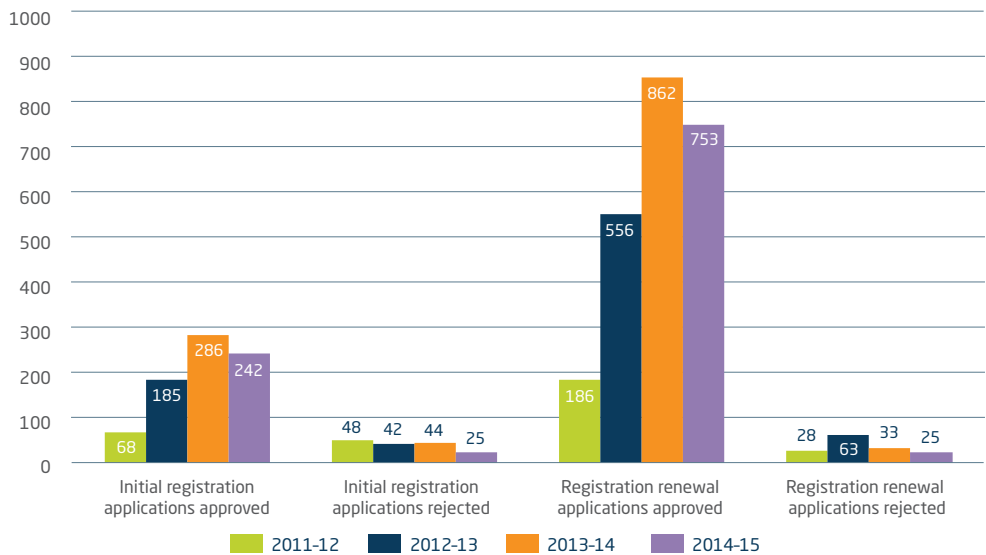
Applications fall into four categories: applications for initial registration, applications to renew registration, applications to make changes to registration (for example by adding or removing courses from a provider's scope of registration) and applications to withdraw registration. The number of applications received in each of these categories over the last four financial years is shown in Figure 3.

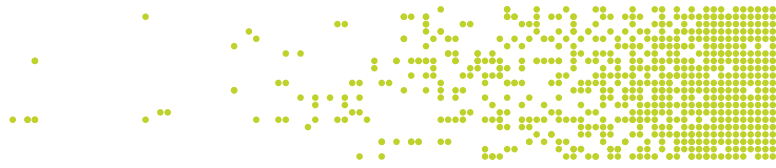
Figure 3: Applications received by type 2011-12, 2012-13, 2013-14 & 2014-15



The number of approved and rejected applications for registration—both applications to register as a new provider and applications to re-register—for all four years of ASQA's operation is shown in Figure 4.

Figure 4: Applications for registration approved and rejected by ASQA 2011-12, 2012-13, 2013-14 & 2014-15





Rejected applications

During 2014–15, ASQA completed 273 applications from organisations seeking initial registration as a new provider. Of these 242 were approved, 25 were rejected, and six were withdrawn by the applicant. This means that 9.2 per cent of applicants did not meet the required standards.

During 2014–15, ASQA also finalised 789 applications to renew provider registration. Of these, 753 were approved, 25 were rejected and 11 were withdrawn by the applicant. This means that approximately 3.2 per cent of previously registered providers were not able to meet the required national Standards.

In addition, ASQA finalised 4768 applications to change provider registration during the reporting year. Of these, 4658 were approved, 30 were rejected and 80 were withdrawn by the applicant, meaning approximately 0.6 per cent of providers were not able to meet the requirements for adding the requested new course or courses to their registration.

An analysis of ASQA decisions to reject applications is shown in Table 3, which shows rejected applications as a percentage of applications completed within each category across ASQA's first four years of operation.

Decisions to reject applications (as a percentage of applications completed) in all categories have decreased across each financial year. This trend reflects an improvement by existing and prospective providers in compliance with the national Standards.

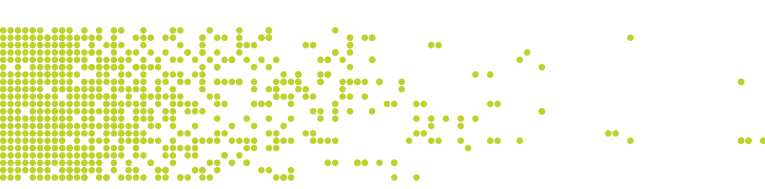
Key performance indicator—Number of initial and renewal applications accepted/rejected

ASQA approved 242 applications for initial registration and 753 applications to renew registration during 2014–15.

ASQA rejected 25 applications for initial registration as a new provider during 2014–15 and rejected another 25 applications to renew registration from existing providers.

Table 3: Decisions to reject applications as a percentage of applications completed, 2011–12, 2012–13, 2013–14 & 2014–15

Application type	% rejected 2011–12	% rejected 2012–13	% rejected 2013–14	% rejected 2014–15
Application for initial registration	31.4	14.9	12.2	9.2
Application to renew registration	12.1	9.5	3.5	3.2
Application to change scope of registration	3.9	2.2	1.4	0.6



Ensuring providers meet regulatory requirements—audit

ASQA finalised 1399 audit activities during 2014–15. This represents a slight decrease (7.7 per cent) when compared with 2013–14, during which ASQA finalised 1515 audit activities. Such fluctuations result from numerous factors, including the number of providers regulated and the number of applications received. An audit is ‘finalised’ when a regulatory decision is made by a Commissioner or delegate.

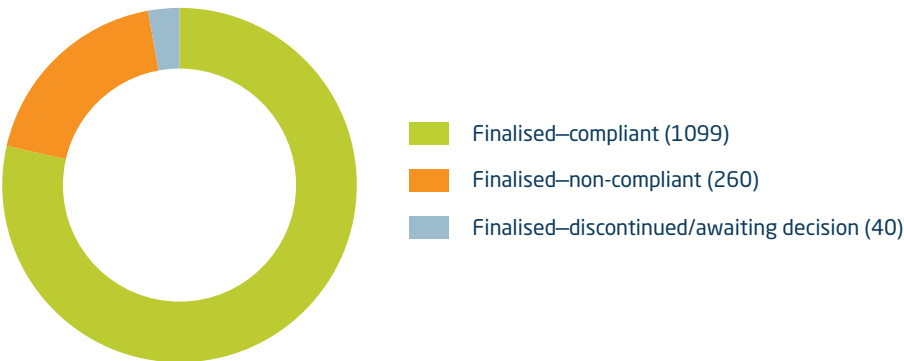
As at 30 June 2015, ASQA had also either commenced (120) or earmarked (752) a further 872 audits.

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 a provider being audited.
- **Compliance audits** assess providers’ delivery of quality training and assessment services and outcomes, and may be conducted at any time. For providers, a compliance audit can be triggered by factors such as:
 - previous poor performance
 - 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.

The outcomes of all audits (registration and compliance audits) finalised during 2014–15 are shown in Figure 5.

Figure 5: Outcomes of all audit activities finalised 1 July 2014 - 30 June 2015





Key performance indicator—High proportion of providers are audited over the registration cycle

ASQA has been in operation for four years. A provider's registration cycle has been five years; following the passage of the National Vocational Education and Training Regulator Amendment Bill 2015, a registration cycle is now seven years. Approximately 61 per cent of providers have been subject to an audit in this four year period.

Increased targeted audits of providers

Compliance audits are targeted audits that ASQA conducts when analysis of data and intelligence indicates that a provider may be breaching the required Standards. During 2014–15, ASQA finalised 532 compliance audits, which equates to 38.0 per cent of finalised audits for the period.

This represents an increase in the number of compliance audits of 29.4 per cent compared to 2013–14 during which 411 of these audits were finalised. In 2013–14, compliance audits represented 27.1 per cent of all audits undertaken; in 2012–13, this figure was 17.2 per cent.

ASQA's increasing focus on compliance audits is indicative of the evolving regulatory approach that is discussed throughout this report. As ASQA continues to move from largely 'transaction-based' regulation (where most regulatory action is triggered by an application) to more fully risk-based regulation (where regulation is targeted at high-risk areas) this trend toward a greater number and percentage of compliance audits will continue.

Ensuring consistency at audit

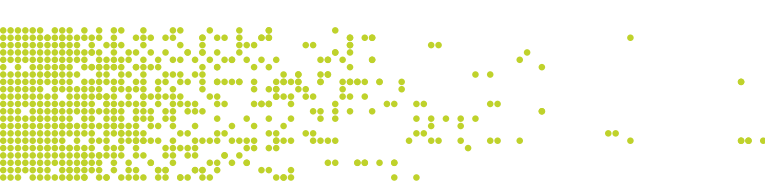
ASQA constantly seeks to ensure consistency among its auditors and employs several ongoing formal processes to minimise the potential for audit variation, including:

- **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 list:** To ensure consistency in audit report content, auditors refer to the examples in this list, which focuses on reasons for non-compliance, rectification required, and analysis of rectification evidence.
- **Moderation meetings:** Monthly regulatory operations meetings and inclusion of moderation in regulatory team meetings
- **Quality assurance of audit reports** including peer review of reports.

As part of the transition to the *Standards for Registered Training Organisations 2015*:

- ASQA auditors attended a two-day workshop on the new Standards, and a two-day moderation workshop on the new Standards.
- The audit report was revised to include extensive guidance on evidence.

ASQA continuously promotes transparency and accountability in its auditing by seeking feedback through quarterly audit surveys. The outcomes of the quarterly audit surveys are discussed in the section of this report about how ASQA engages its stakeholders and providers, beginning on page 51.



Regulatory decisions

In the 2014–15 financial year, ASQA took regulatory action where necessary to ensure that providers and courses met the relevant requirements.

During 2014–15, ASQA made 80 decisions to reject applications:

- 25 initial registration applications were rejected
- 25 renewal of registration applications were rejected, and
- 30 change of registration applications were rejected.

This means that ASQA refused 9.2 per cent of applications from organisations seeking to establish a new provider; 3.2 per cent of applications from existing providers seeking to re-register; and 0.6 per cent of applications from providers seeking to change the scope of their registration, for example by adding a new course.

ASQA may also take action in relation to a provider as a result of a risk assessment triggered by other data received, for example, a serious complaint by a learner about their training provider. As ASQA continues to move from application-focused regulation to more fully risk-based regulation, it is increasingly implementing targeted (non-application based) regulatory action.

Key performance indicator—Number of RTOs to which written directions, conditions, sanctions, offences and civil penalties were applied

During 2014–15, ASQA made 256 decisions to apply sanctions, cancel or suspend registration, or notify a provider of intention to cancel/suspend registration:

- 27 decisions to cancel registration
- 54 decisions to suspend registration
- 158 written notices of intention to cancel/suspend registration, and
- 17 other administrative sanctions.

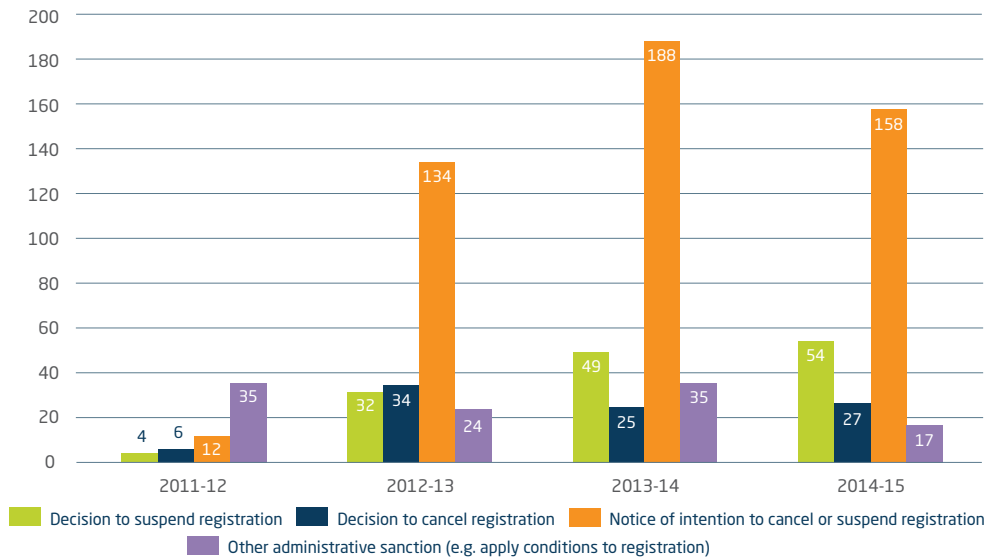
This is a decrease of 13.8 per cent compared with 2013–14, during which 297 such decisions were made.

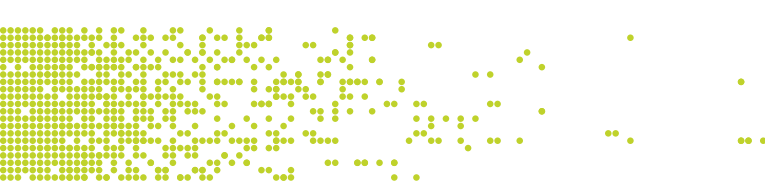
For the most part, this decrease results from ASQA's issuing fewer written notices of intention; the number of these notices issued had spiked in the 2013–14 financial year in relation to the non-payment of fees.

However, the number of the most serious regulatory decisions (i.e. to cancel and suspend registration) increased by 9.5 per cent in the 2014–15 financial year as compared to 2013–14.

A detailed comparison of these decisions for the first four years of ASQA's operation is shown in Figure 6.

Figure 6: Number of RTOs to which written directions, conditions, sanctions, offences and civil penalties were applied, 2011-12, 2012-13, 2013-14, 2014-15





Provider compliance with the Standards

The 2014–2015 financial year saw the phased introduction of new *Standards for Registered Training Organisations 2015*. The new Standards commenced on 1 January 2015 for new applicants and from 1 April for existing RTOs. Prior to 1 April 2015, existing ASQA-regulated RTOs were required to comply with the *Standards for NVR Registered Training Organisations 2012* (the former Standards). In addition, Clause 3.6 of the new Standards, which relates to the Unique Student Identifier scheme, applied to all ASQA-regulated RTOs from 1 January 2015.

The practical implication of this staged introduction was that ASQA auditors were auditing providers against both the former standards and the new Standards through the reporting period.

Former Standards

The levels of provider compliance with each of the *Standards for NVR RTOs 2012* (before and after the submission of rectification evidence) are shown in Figure 7.

At the time of being audited, 72.0 per cent of existing providers were unable to demonstrate compliance with Standard 15. After the submission of rectification evidence, 18 per cent of providers remained unable to demonstrate compliance with this Standard.

The high level of non-compliance with Standard 15 remains a concern for ASQA, as the Standard governs training and assessment—the core business of a registered training organisation and the most critical Standard for ensuring the delivery of quality training and assessment outcomes.

However, these results are an improvement on 2013–14, in which 75 per cent of existing providers were unable to demonstrate compliance with Standard 15 at the time of being audited, and 21 per cent remained non-compliant following the submission of rectification evidence.

What does each Standard address? (former standards)

The Standards shown in Figure 7 address the following aspects of a registered provider's operation:

- Standard 15—Quality training and assessment
- Standard 16—Training and student information meeting student needs
- Standard 17—RTO is responsive to clients and stakeholders
- Standard 18—Governance
- Standard 19—Cooperation with regulator
- Standard 20—Compliance with legislation
- Standard 21—Insurance
- Standard 22—Financial arrangements
- Standard 23—Proper certification
- Standard 24—Accurate and ethical marketing
- Standard 25—Transition from superseded courses.



What is the rectification process?

If ASQA identifies non-compliances, providers are given up to 20 working days to provide evidence that these have been rectified.

ASQA will then consider this evidence.

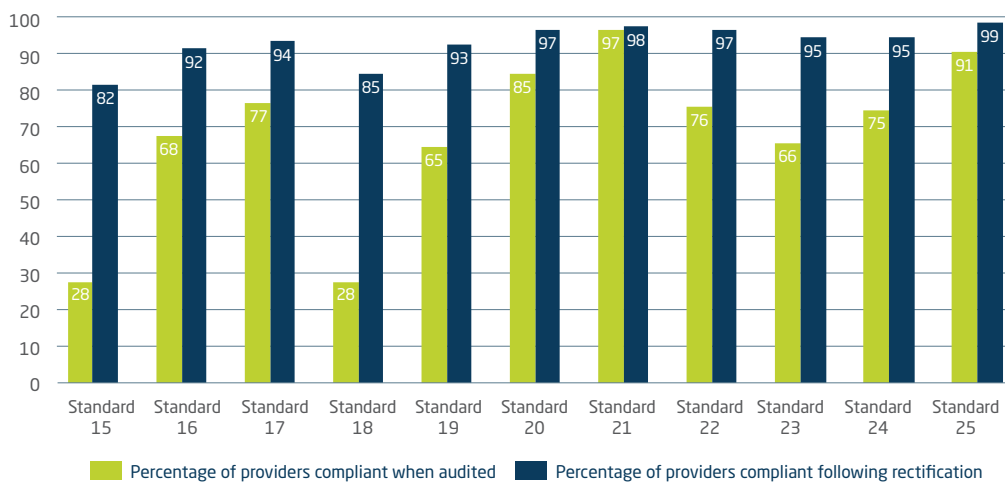
If the provider remains non-compliant with the required standards, ASQA will make a decision about what actions to take next. In making this decision, ASQA will consider the provider's history of compliance and the risks associated with the non-compliance.

Actions might include:

- applying a sanction or condition to the provider's registration, and/or
- rejecting the provider's application.

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 an RTO.

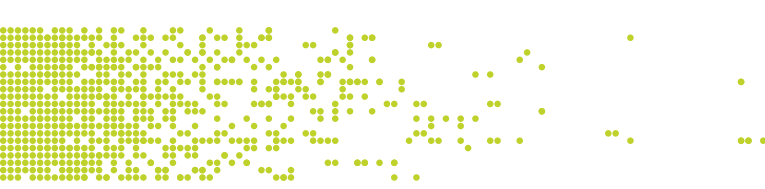
Figure 7: Levels of compliance, by standard, found at audits of existing RTOs, 1 July 2014 to 30 June 2015 (former Standards)⁷



Current Standards

The levels of provider compliance with each of the new Standards (before and after the submission of rectification evidence) are shown in Figure 8.

⁷ Non-compliance figures for the new Standards are based on audits of existing RTOs finalised between 1 January 2015 and 30 June 2015.



Significantly, the new Standard 1 closely aligns with the former Standard 15. As such, the audit result for this Standard—some 65 per cent of existing providers were unable to demonstrate compliance at the time of being audited, while 13 per cent remained non-compliant following the submission of rectification evidence—are a further improvement on the 2013–2014 levels.

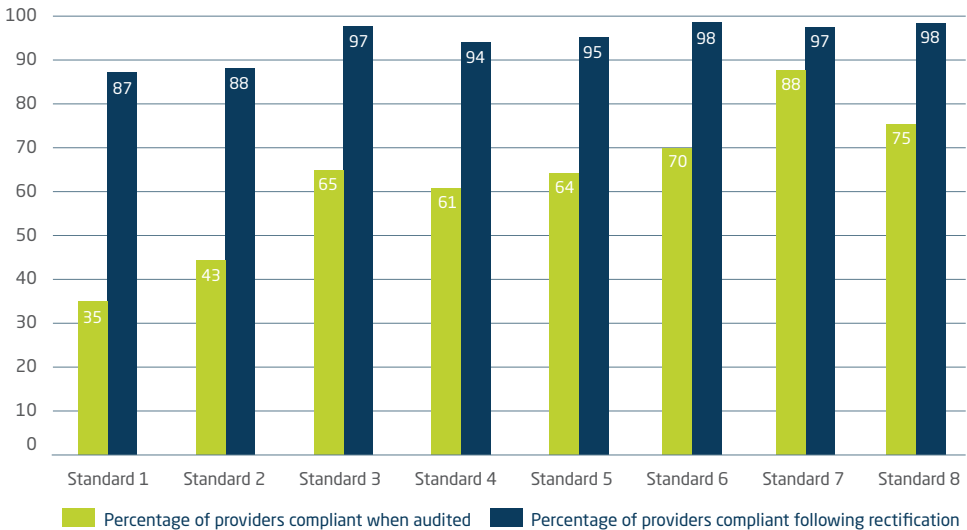
While this continued improvement is encouraging, these results are only based on six months’ of audit activity, as the new Standards commenced on 1 January 2015 for organisations applying to become an RTO and on 1 April 2015 for existing RTOs.

What does each Standard address (current Standards)?

The Standards shown in Figure 8 address the following aspects of a registered provider’s operation:

- Standard 1—Responsive to industry and learner needs
- Standard 2—Quality assurance
- Standard 3—Secure and accurate certification
- Standard 4—Accessible information about services
- Standard 5—Informed and protected learners
- Standard 6—Fair complaints handling
- Standard 7—Effective governance and administration
- Standard 8—Legal compliance.

Figure 8: Levels of compliance, by standard, found at audits of existing RTOs, 1 July 2014–30 June 2015 (new Standards)





Key performance indicator—High levels of provider compliance

While too many RTOs are not compliant with all the Standards, levels of compliance are improving, especially since the commencement of the new Standards.

If any non-compliance is found, the provider is given up to 20 working days to take action to rectify the non-compliance and to submit evidence of this rectification to ASQA. ASQA will then make a decision about whether the provider is compliant or remains non-compliant. Most providers are able to achieve compliance during the rectification period, and this percentage is increasing, as shown in Table 4.

Table 4: Levels of provider compliance with the required Standards 2012-13, 2013-14 and 2014-15

	2012-13	2013-14	2014-15 (with former Standards)	2014-15 (with new Standards)
Percentage of providers fully compliant at audit	19.6	23.9	26.4	33.1
Percentage of providers fully compliant after rectification period	72.9	77.8	83.4	87.0

These improved levels of compliance reflect both the effectiveness and clarity of the new Standards, and the considerable communication and education resources ASQA has provided to assist RTOs to meet the new Standards.

How ASQA has developed improved information for providers is discussed in the section of this report on ASQA's VET Regulatory Reforms on pages 17-19.

Ensuring courses meet regulatory requirements

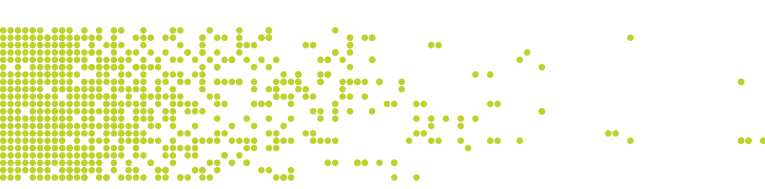
While most VET in Australia is delivered to meet the skill and competency requirements specified in training packages⁸, some VET is also delivered through skills and competencies specified in accredited courses (which fall outside the coverage of training packages).

An accredited course must be delivered by an RTO for a graduate to be issued with a nationally recognised qualification. Accredited courses allow providers to meet the training needs of new or changing industry sectors. For a VET course to be accredited by ASQA, the course must comply with the *Standards for VET Accredited Courses 2012*.

Course accreditation is formal confirmation that a 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).

⁸ Training packages are developed by Industry Skills Councils to reflect the skills and competencies that employers require from people in different occupations across industries in the economy. Therefore, the framework for the delivery of most VET is set out in training packages.



Key performance indicator—Number of courses accredited

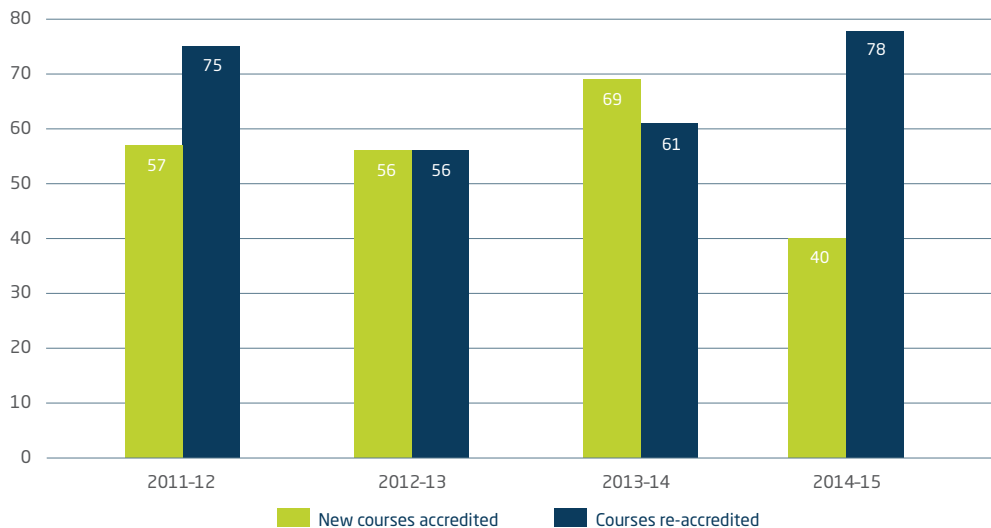
In total, ASQA accredited 118 courses in 2014–15, including:

- 40 applications to accredit a new course, and
- 78 applications to renew the accreditation of a course.

This represents a decrease of 9.2 per cent compared to 2013–14 in which 130 courses were accredited and a 42 per cent decrease in the number of new courses accredited.

Courses accredited since ASQA commenced operation in 2011 are shown in Figure 9.

Figure 9: Number of courses accredited by ASQA, 2011-12, 2012-13, 2013-14, 2014-15



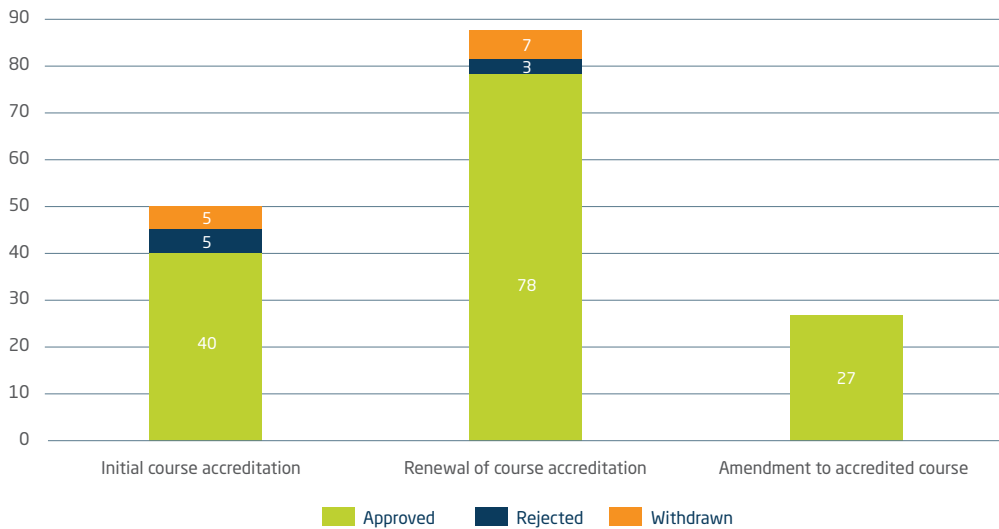
The outcomes of accreditation applications finalised during 2014–15 are shown in Figure 10.

During 2014–15 ASQA approved:

- 40 applications to accredit a new course (equivalent to 80 per cent of finalised applications)
- 78 applications to renew course accreditation (equivalent to 86 per cent of finalised applications)
- 27 applications to amend an accredited course (equivalent to 100 per cent finalised applications).

During 2014-15 ASQA received 115 requests from course owners to cancel the accreditation of VET accredited courses. All requests were approved.

Figure 10: Accreditation applications completed, 1 July 2014 to 30 June 2015, by outcome of application.



Compliance with accreditation standards

Throughout the last four years of operation, ASQA has found most courses are not fully compliant with the *Standards for VET Accredited Courses 2012* at initial evaluation stage.

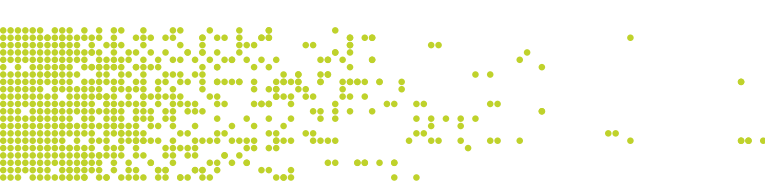
If non-compliance is found at initial evaluation the course developer has an opportunity of 20 working days to take action to rectify this non-compliance and submit evidence of this rectification to ASQA. ASQA will then make a decision about whether the course is compliant or remains non-compliant. Most course developers are able to achieve compliance during the 20-day rectification period.

ELICOS course applications

During 2014-15, ASQA received 92 applications from providers to register an English Language Intensive Course for Overseas Students (ELICOS) on CRICOS for delivery to overseas students studying in Australia on student visas. Prior to approval for registration to deliver the course an assessment is undertaken against the ELICOS Course Standards (C1). During 2014-15, ASQA approved 90 applications (98 per cent) of the 92 applications received.

Timeframes

During 2014-15, on average it took 93 working days to finalise an application (once it was assessed as complete) to have a new course accredited and 107 working days for an application to renew the accreditation of a course.



Accountable and transparent regulation

ASQA operates as an open, transparent and accountable regulator and demonstrates this through several formal reporting mechanisms:

- ASQA reports annually to the Australian Government Minister responsible for vocational education and training and the COAG Industry and Skills Council.
- ASQA's performance was examined by the Australian Parliament at Senate Estimates Committee meetings in October 2014, February 2015, and June 2015.
- ASQA is also required to undertake regular self-assessment in relation to its performance against measures developed for the *Regulator Performance Framework*.

Key performance indicator—ASQA is compliant with the national standards

The *Standards for VET Regulators 2015* were approved in October 2014 and came into effect on 1 January 2015 (these new Standards replaced the *Standards for VET Regulators 2011*).

The purpose of these Standards is to ensure:

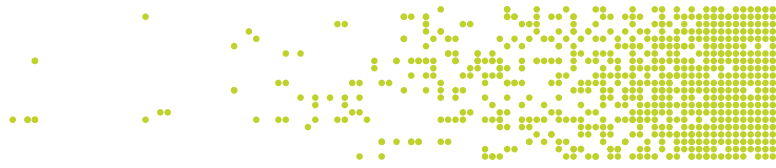
- the integrity of nationally recognised training by regulating RTOs and VET accredited courses using a risk-based approach that is consistent, effective, proportional, responsive and transparent;
- consistency in the VET Regulator's implementation and interpretation of the Standards for RTOs and Standards for VET Accredited Courses; and
- the accountability and transparency of the VET Regulator in undertaking its regulatory functions.

Under the Standards, ASQA provides quarterly reports to the Minister in relation to its handling of reports / complaints about RTO non-compliance with the Standards for RTOs.

Due to an administrative oversight associated with ASQA's implementation of new requirements under the *Standards for VET Regulators 2015*, ASQA unintentionally breached one of those new requirements. Specifically, ASQA has identified two breaches of clause 1.5(a) of the new Standards in that ASQA granted registration for an AQF qualification from the Training and Education Training package to an organisation that had not held registration for at least two years. ASQA quickly recognised this error and has adjusted its systems to avoid a reoccurrence of the issue and is acting to correct the breaches that have occurred (it is noteworthy that these two cases represent less than 0.1 per cent of applications processed during the reporting period). Apart from that matter, ASQA has complied with the Standards for VET Regulators.

ASQA's risk-based approach is discussed throughout this report, with a detailed summary of risk-based regulation beginning on page 37. How ASQA meets the needs of its stakeholders is set out in the responses to ASQA's stakeholder, provider and audit surveys, which are discussed on pages 51-53.

During the reporting period, ASQA also began developing further guidance on the costs and timeframes associated with regulation of providers and courses.



Timely regulatory processes

ASQA endeavours to process applications in as timely a manner as possible and publishes average application processing times for each type of application on its website. These published timeframes for the completion of an application are based on long-term averages where an applicant has provided a quality, complete application; and are based on the applicant being found compliant at audit (where an audit is required). ASQA publishes these average timeframes in order to manage applicants' expectations and help providers undertake appropriate business planning.

However, in general, the processing time for each application is largely driven by factors relating to the application and applicant. The key factors that influence application processing times include:

- the type of application (for example, applicants seeking to add high-risk training products or to offer courses offshore are likely to be subject to an audit, increasing application processing time)
- the quality and completeness of the application (that is, organisations are often given 20 working days to provide outstanding evidence or information), and
- the particular circumstances, including governance and ownership arrangements of the organisation submitting the application, can also affect the time taken to complete an application.

Key performance indicator—Timely regulatory processes

For the period 1 July 2014–30 June 2015, 82.7 per cent of all applications were completed within two months of receipt.

Applications to add or remove courses ('change of scope' applications) to providers' VET or CRICOS registration are the great majority of applications received by ASQA. During 2014–15, these accounted for almost 80 per cent of the applications received. ASQA has made significant progress towards refining the assessment process for these applications, and this is reflected in substantially shorter processing times:

- In 2014–15, the average time to complete a change of scope application (VET)* was six working days. This represents a significant improvement since 2013–14 when the average was 17 days.
- In 2014–15, the average time to complete a change of scope application (CRICOS)* was 20 working days. This represents a considerable decrease since 2013–14 when the average was 48 days.

* An approved application that did not go to audit.

Regulatory accountability—reasonable cost to regulate the industry

As part of the program of VET Regulatory Reform, ASQA has sought to reduce the cost of regulation for good quality, high performing providers through several initiatives.

These include:

- Providers are no longer required to apply and pay a fee when 'equivalent' upgrades are made to training packages.
- Providers that successfully apply for a delegation are able to add courses to their registration without applying and paying a fee.

In addition, the National Vocational Education and Training Regulator Amendment Bill 2015 has shifted the registration cycle from five to seven years, reducing the frequency with which providers need to apply to ASQA to re-register and pay the associated application fee.

Key performance indicator—Reasonable cost to regulate the industry

ASQA's program of VET Regulatory Reform includes seven key aspects, which are discussed in detail on pages 17-19.

These reforms will deliver an estimated \$33.3 million in deregulation cost savings to industry.

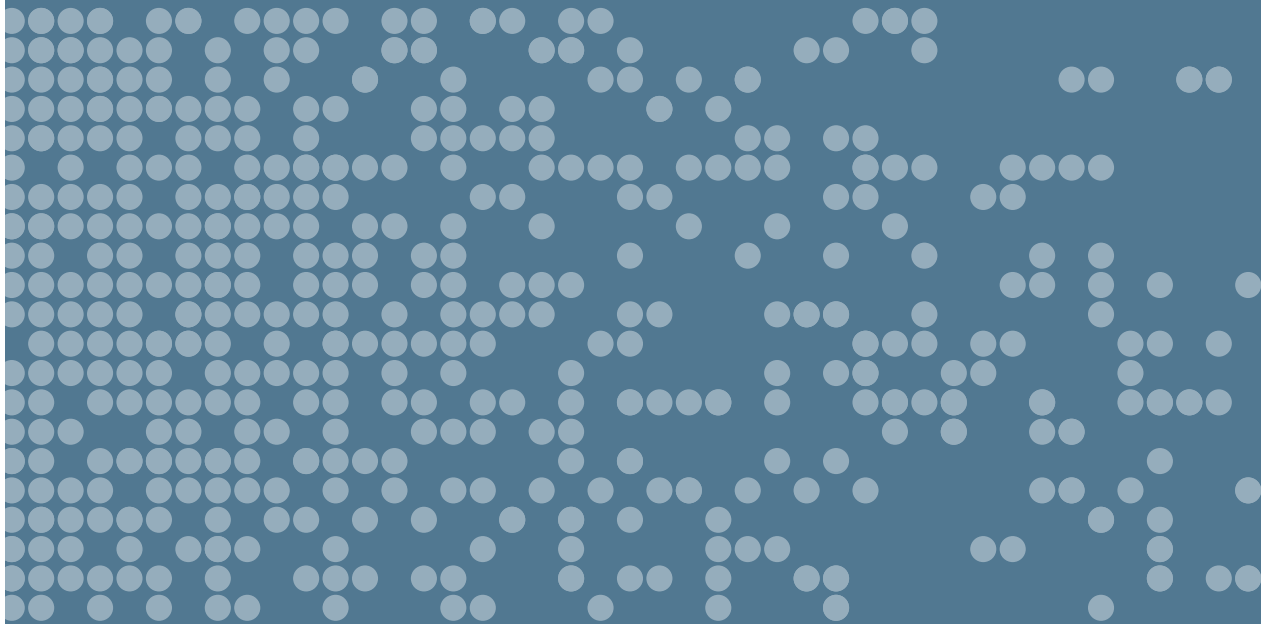
On 8 October 2014, the Minister for Industry and Science, the Hon Ian M Macfarlane announced a \$68.8 million funding package for ASQA, to be delivered over a period of four years. The package includes:

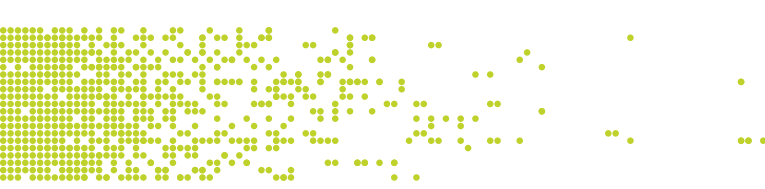
- \$8.6 million for ASQA to implement VET regulatory reform initiatives
- \$55.1 million to replace fee income (as ASQA has moved from cost-recovering 100 per cent to 50 per cent of the cost of its operations), and
- \$5.1 million to establish an agency capital budget and to supplement the cost of ASQA's Information and Communications Technology (ICT) development project.

This funding package has meant that ASQA is no longer required to fully cost recover its operations.

For providers, the move to partial cost-recovery and ASQA's VET Regulatory Reform program have meant that the planned increase to ASQA's fees did not occur in 2014-15. Full cost recovery would have required ASQA's fees to increase significantly.

Risk-based regulation





From 2011–2014, ASQA's regulatory strategy focused on the development of nationally consistent regulation. Now that nationally consistent regulation has been successfully implemented, ASQA is moving its regulatory focus towards data-driven, risk-focused regulation.

Risk-based regulation allows ASQA to more effectively target poor performers in the sector, while streamlining the regulatory process and cost of compliance for those providers that are willing and able to run good quality training programs that lead to positive outcomes for students.

During the 2014–15 financial year, ASQA undertook significant steps towards the successful implementation of the risk-based regulatory model outlined below.

ASQA's risk model

The primary risk

The primary risk that ASQA must manage relates to the potential for adverse effects on students, employers, industry, governments, and the Australian community from the delivery of sub-standard training and assessment.

In broad terms, this is the risk that an individual is certified by an RTO as possessing competencies that do not accurately reflect his/her true ability to apply the associated skills and knowledge.

ASQA also has responsibility for monitoring providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to deliver VET and ELICOS courses to ensure they collect and report information relevant to the administration of the law relating to student visas.

Strategic priorities of ASQA's regulatory approach

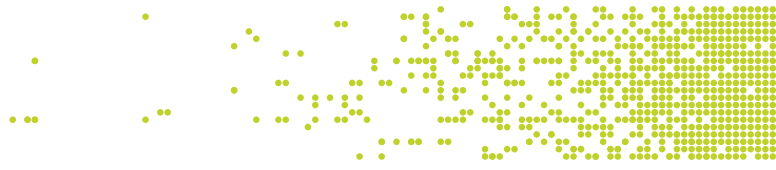
There are seven key strategic priorities in ASQA's regulatory model.

These are to:

1. Reduce the regulatory burden on high-quality, consistently compliant providers
2. Implement a modern, risk-based regulatory approach
3. Provide more support for those providers that genuinely try to comply (but do not always meet the Standards)
4. Implement more rigorous regulation of seriously non-compliant, poor quality providers
5. Use intelligence and data analytics to identify and evaluate information
6. Enhance business systems to enable efficient regulatory operations, and
7. Utilise a broader suite of regulatory tools to address sector and provider risk.

What will ASQA's risk-based regulation look like?

Through annual environmental scans, ASQA will use data and intelligence from a range of internal and external sources to identify those risks that present the greatest threat to quality outcomes for the VET sector. ASQA's resource investment and regulatory effort will be directed towards treating priority risks identified by environmental scanning to maintain confidence in the Australian VET system.



At the provider level, ASQA will use data and intelligence to identify providers at greatest risk of not meeting their regulatory obligations. A move away from reliance on a provider risk rating to a system of provider profiling will better inform decisions about regulatory responses proportionate to an RTO's compliance posture and the likely impact of their behaviour on students, industry and the wider community. This means that ASQA will continue to apply a greater regulatory focus to poor quality RTOs not meeting the required standards; providing more education and guidance to the providers that want to be compliant but need more information; and allowing greater autonomy for high quality providers. ASQA will develop a set of relevant graduated responses to test and address non-compliance which utilise the full suite of available regulatory responses and reduce the level of dependence on audits and investigations.

Investigations of training providers

ASQA undertook its first formal investigations during 2013–14. During 2014–15, there were significant developments to ASQA's investigations program. These developments included the building of an investigations case management system, which has enabled ASQA to manage investigations in accordance with the *Australian Government Investigations Standards*. The Organisational Review and restructure included the recruitment of specialist investigation employees in early 2015.

This year saw amendments to the *National Vocational Education and Training Regulator Act 2011*, which supported ASQA to issue infringement notices. The decision to issue an infringement notice is one of a range of enforcement actions ASQA can take in order to enforce compliance with the law. ASQA expects to begin issuing infringement notices in the 2015–16 financial year.

During 2014–15, ASQA also sought to further strengthen its working relationships with key Australian Government and state/territory agencies through investigations activities involving the VET and overseas student sectors.

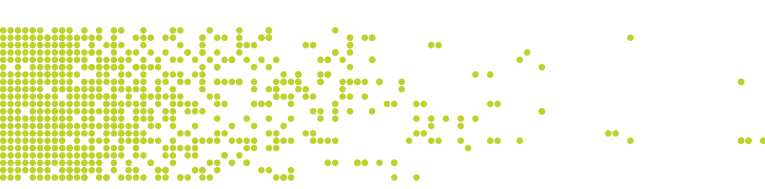
Investigations undertaken during 2014–15

Between 1 July 2014 and 30 June 2015, there were 47 matters referred to ASQA's Investigations Team. Of these:

- 17 matters have been closed
- 18 of these matters were tasks that required the Investigations Team to support other agencies, ASQA compliance, or the making of administrative decisions
- 26 of these matters were formal investigations where civil or criminal contraventions need to be considered.
- Three of these matters were formal investigations where an infringement notice could be considered.

Of the investigations completed in the reporting year:

- One investigation resulted in criminal action being taken against a provider, with a conviction and fine being recorded.
- Three matters have been referred to the Australian Government Solicitor for Civil Pecuniary Penalty proceedings to be considered.
- Two matters resulted in persons being given formal warnings regarding their contraventions.



Strategic Industry Reviews

A key part of ASQA's regulatory approach is to undertake strategic industry reviews when a significant risk to the quality of training and assessment has been identified. These reviews involve in-depth analysis of a particular issue, sector or method of delivery. The reviews focus on examining systemic poor practice and identifying appropriate actions to address the poor practice across the system.

Outcomes of 2013 reviews

Reports on ASQA's first three strategic industry reviews were published in December 2013: *Training for aged and community care in Australia*; *Training for the 'white card' for Australia's construction industry*; and *Marketing and advertising practices of Australia's registered training organisations*.

The reports identified systemic issues with training that needed to be addressed. The reviews identified several key concerns:

- the poor quality of assessment undertaken by many RTOs
- training programs were often too short with insufficient time in a workplace for skills development
- online assessment made it difficult to verify student identity, and
- the marketing practices of many RTOs were misleading.

ASQA continued to work closely with other agencies to implement the recommendations of these three reports throughout 2014–15. Both the Construction and Property Services Industry Skills Council (white card) and the Community Services and Health Industry Skills Council (aged and community care) accepted the recommendations that related to the training packages they have responsibility for and are working to revise the training packages.

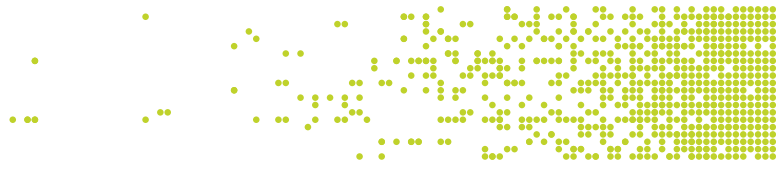
ASQA has also:

- undertaken a national round of RTO information sessions on the new Standards. The sessions included workshops to ensure RTOs gained an understanding of their obligations around assessment, marketing and advertising practices and third party arrangements
- included aged and community care qualifications in every audit where they are on an RTO's scope
- included the white card unit of competency in every audit where they are on an RTO's scope, and
- reviewed the websites of all applications received by ASQA and taken regulatory action where appropriate.

The *Standards for RTOs 2015* that came into effect on 1 April 2015 addressed certain concerns identified in the 2013 reviews. For example, the Standards now include explicit requirements for providers' marketing and advertising and around providers working with third parties. They also list specific definitions of the 'principles of assessment' and the 'rules of evidence'.

Three national strategic reviews

Three reviews were commenced in 2014–15: training for early childhood education and care; training for the security industry; and training for the equine industry. The review of early childhood education and care training was recommended by the Productivity Commission in its 2011 *Early Childhood Development Workforce* report; concerns about security training have been ongoing, including through coroners' reports; and the review of equine training was recommended by a NSW coroner.



The research and analysis for each of these reviews have been completed and it is expected the reports for each will be released in late 2015.

Complaints about training providers

ASQA accepts complaints about training providers from students, their representatives, and other members of the community.

ASQA investigates complaints and uses information gathered through complaints to inform its risk assessments of providers and applications, and therefore, to inform how those providers are regulated.

When ASQA accepts a complaint, the ASQA Complaints Team reviews the information provided and conducts a risk assessment.

ASQA may then:

- use the information provided in the complaint to inform future regulatory activity
- contact the provider to request a specific action (for example, provide a student with a certificate), and/or
- undertake a formal investigation (in the most serious cases).

The outcomes of a formal investigation can include:

- a compliance audit of a provider's registration, which may lead to
- a decision to suspend, cancel or place conditions on a provider's registration
- civil penalty proceedings/infringement notices.

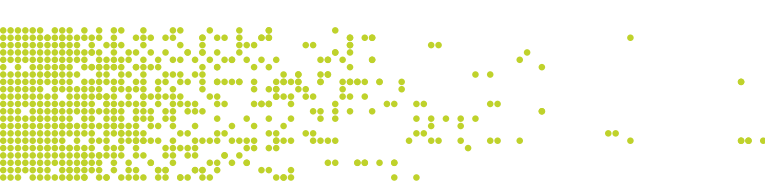
In 2014–15, ASQA received 1512 complaints about training organisations. ASQA finalised 1733 complaints during 2014–15, an increase of 104.8 per cent compared to 2013–14 (in which ASQA finalised 846 complaints).

This significant increase in the number of complaints finalised each year since ASQA commenced operating in July 2011, as shown in Table 5 can be attributed to ongoing improvements in ASQA's complaints-handling process. In line with changes occurring across ASQA as a whole, the complaints process has become increasingly risk focused. 2014–15 saw the introduction of an improved communication approach for both providers and complainants; strategies to improve the complaint lifecycle timeframes such as review and streamlining the complaints handling procedures; and improved data reporting and analysis.

If a complaint is **substantiated**, ASQA requires rectification of the issues raised in that complaint, or takes other appropriate action in relation to the provider.

Where the outcome of a complaint is **information will inform future regulatory activity**, this means that the data gathered through the complaint may inform a provider's risk rating; be added to a provider's record; or be noted for possible consideration at the provider's next audit.

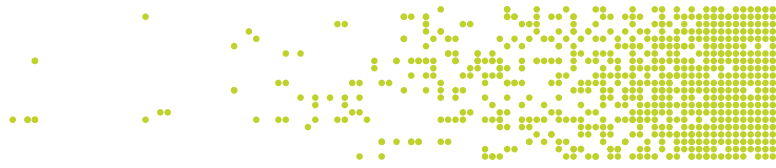
Where a complaint is partially substantiated, ASQA may require the organisation to rectify some of the issues raised in the complaint. If a complaint is identified as being outside ASQA's jurisdiction, ASQA will refer the complainant to the appropriate body.



What types of action does ASQA take in response to complaints?

The following are examples of how ASQA has responded to complaints about training providers during the reporting year:

- A complaint was received regarding misleading marketing on an organisation's website - the organisation was claiming to provide nationally recognised training. After inspecting the website, ASQA informed the organisation that its marketing was misleading and a breach of the *National Vocational Education and Training Regulator Act 2011*. ASQA required the organisation to amend its marketing and provide evidence that the amendment had been made. The organisation made the required amendments.
- A complaint was received regarding an RTO 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. A Commissioners' brief was written and an unannounced audit recommended. The audit found that the complaint was substantiated and the RTO was given an opportunity to rectify the non-compliances. The RTO failed to do so and its registration was cancelled. The overseas students were offered suitable alternative places with another RTO.



Complaints received

From commencement on 1 July 2011 to 30 June 2015 ASQA had received 4915 complaints. Complaint figures were lower for the 2011-12 financial year as ASQA did not have regulatory responsibility for Tasmania, South Australia and Queensland for all of this period. Complaint figures for the subsequent three financial years (to 30 June 2015) have been trending slightly upward year on year.

Table 5: Complaints for 2011-12, 2012-13, 2013-14 & 2014-15

2011-12	2012-13	2013-14	2014-15	TOTAL
731	1274	1398	1512	4915

Source of complaints

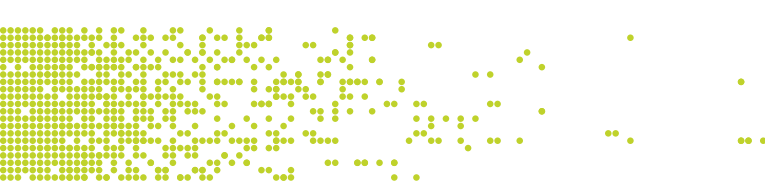
Where information is provided in relation to the source of the complaints that ASQA receives, half (50.2 per cent) are made by students. Another 21.2 per cent of complaints came from training providers and employees, while government bodies (both state/territory and Australian Government) also contributed 16.6 per cent.

Industry stakeholders contributed 9.0 per cent of complaints, while the remainder (2.9 per cent) were from other educational institutions, as shown in Table 6.

Table 6: Source of complaints received 1 July 2014 to 30 June 2015

Source of complaints (2014-15 FY)	Total	%
Student	590	50.2%
Other training provider/RTO	186	15.8%
Industry stakeholder (including employers, ACPET, Industry Skills Council)	106	9.0%
Department of Immigration and Border Protection (DIBP)	91	7.7%
Employee	63	5.4%
ASQA	44	3.7%
Government licensing authority (Fair Trading, Security Licensing and Enforcement Directorate NSW Police)	37	3.1%
Other educational institution	34	2.9%
State Training Authority	21	1.8%
Overseas Student Ombudsman (OSO)	3	0.3%
Total Complaints (that disclosed source as of 1 July 2014 to 30 June 2015)	1175	

* 337 complainants either did not identify source or did identify but this was different from established categories.



Complaint categories

ASQA's complaint form enables a complainant to nominate a broad category or categories describing their complaint. It is important to note that a single complaint may touch on several issues, with an average single complaint involving more than four complaint categories. Further, a complainant's self-categorisation of their complaint may not align with the actual circumstances upon examination. Table 7 shows that 38.2 per cent of the issues raised in the 1512 complaints received during 2014-15 related to Training (15.3 per cent); Assessment (13.0 per cent); and Trainers and assessors (9.9 per cent). Further, another 21.9 per cent of the issues raised in the complaints received related to Marketing (13.9 per cent) and Dishonest conduct or behaviour (8.0 per cent).

Table 7 Categories of complaints received 1 July 2011 to 30 June 2015*

Complaint category	Total	%
Training	1253	15.3%
Marketing	1138	13.9%
Assessment	1067	13.0%
Trainers and assessors	810	9.9%
Dishonest conduct or behaviour	654	8.0%
Other	597	7.3%
Student information and enrolment	584	7.1%
Provider administration and management	570	6.9%
Certification	430	5.2%
Fees and refunds	421	5.1%
Course progress / attendance by student	413	5.0%
Caring and support for students	277	3.4%
Total	8214	100.0%

* A single complaint can cover multiple categories.



Issues in complaints received in 2014-15

Certain key issues were identified in complaints data during 2014-15. Some of these were new, and some were ongoing from the previous year. ASQA received high numbers of complaints where the complaint related to one or more of the following issues:

- the marketing of providers and courses to vulnerable individuals, including courses paid for through government funding and courses where the student incurs a debt
- courses where the amount of training delivered to achieve the qualification did not allow the student to gain the necessary skills and knowledge
- training relating to childcare
- the marketing practices of third parties, such as brokers, recruitment agents, and non-registered training organisations.

VET FEE-HELP targeted audit project

To support its risk-based regulatory approach, ASQA undertakes environmental scans to identify broader risks facing the VET sector. The 2014 scan identified diploma-level qualifications from the Business Services Training Package as products of concern. An analysis of complaints associated with these diplomas identified that many were related to VET FEE-HELP.

ASQA subsequently analysed VET FEE-HELP related complaints and confirmed that there was an increase in these complaints in 2014. Further analysis of these complaints found allegations about a range of behaviours exhibited by approved VET FEE-HELP providers. While some of these complaints were within ASQA's jurisdiction, other allegations were not. In response, ASQA mapped the behaviours to their legal jurisdiction and shared this work with other relevant regulators, notably the Department of Education and Training (as the VET FEE-HELP program owner) and the Australian consumer law regulators, for example, the Australian Competition and Consumer Commission (ACCC).

In February 2015, ASQA formally initiated the VET FEE-HELP Targeted Audit Project which involved:

- audits of approved VET FEE-HELP RTOs—some with a high number of VET FEE-HELP related complaints—along with audits of a control group of RTOs. (The control group were providing training under the program, and had not attracted any complaints)
- interviews of vulnerable students that were enrolled in the VET FEE-HELP Program and were training with these RTOs, and
- liaison with other relevant authorities, including the ACCC, and the Department of Education and Training, to share relevant information.

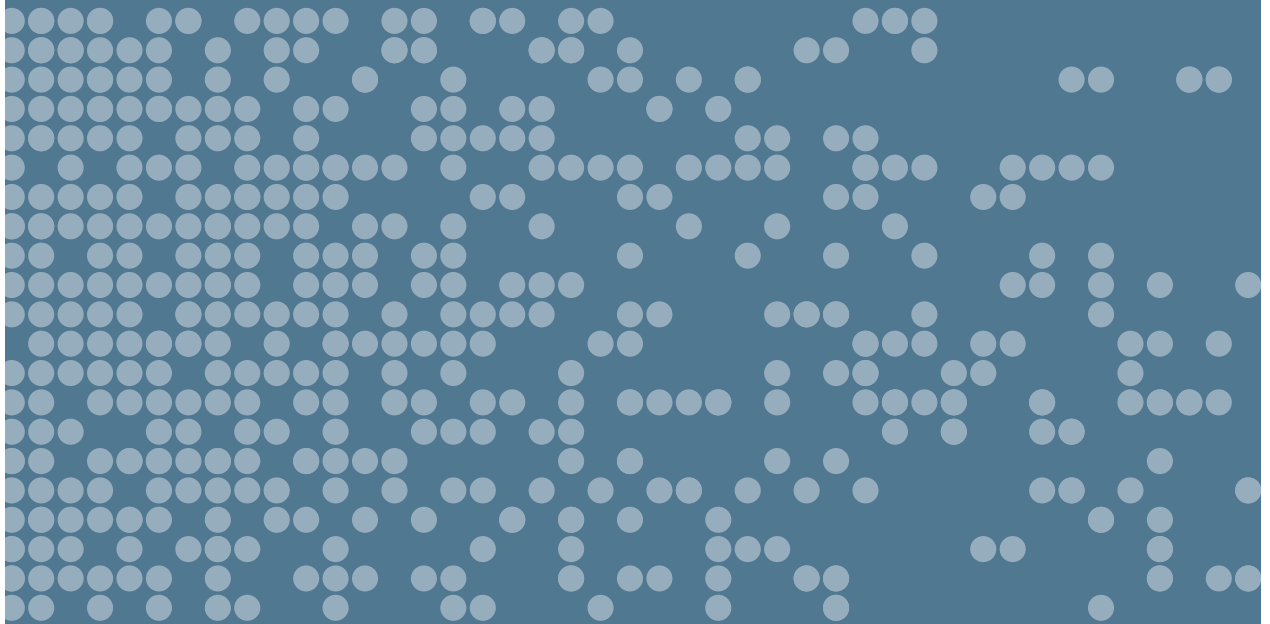
The primary aim of the project was to influence concerning behaviour by ASQA-regulated RTOs that were also approved VET FEE-HELP providers, by testing compliance with the relevant Standards.

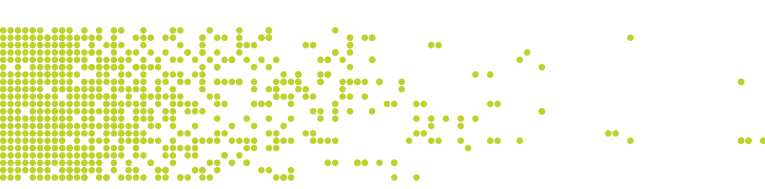
A secondary aim was to better understand the relationships between providers and the brokers that act on their behalf to recruit students—to ensure the regulatory framework governing these relationships is clear and sufficiently robust to protect the quality of VET delivery. The project also aimed to improve the outcomes for students, industry and the community by adopting a 'joined up' approach to the regulatory task facing ASQA, the consumer law agencies and the Department of Education and Training.

The project is expected to be finalised in the first quarter of the 2015-16 year, at which point ASQA will issue a public statement about its findings.



Stakeholder relationships





Developing meaningful and constructive relationships with its stakeholders is a key focus for ASQA. ASQA has a wide variety of stakeholders, all of whom have an interest in ensuring appropriate regulation and continued confidence in Australia's VET sector.

These stakeholders include federal, state and territory government departments responsible for training, peak training industry groups, business and employer groups and other VET sector and industry regulators. Through this engagement, ASQA is able to gather data and intelligence and identify trends and issues in the VET sector and work with its stakeholders to address them.

Communications

ASQA considerably enhanced its communications activities during 2014–15 as part of the deregulation reforms aimed at reducing the regulatory burden on providers.

The ASQA website continued to be the Authority's primary communications channel. A re-branded website was launched in early July 2014 and a new sub-site was launched in November 2014 to coincide with the release of the *Standards for Registered Training Organisations 2015*. This sub-site is a 'one-stop-shop' for information and guidance about the new Standards and how to comply with them. The sub-site was also used to communicate the answers to questions asked by providers about the Standards during the RTO information sessions and through the Info line and email enquiries service. In 2014–15 there were more than 330,000 visitors to the ASQA website, an increase of 10 per cent on the previous year, and more than 2.4 million page views across the site as a whole.

To further assist informing and guiding providers, ASQA published its first *Users' Guide to the Standards for Registered Training Organisations 2015*.

During October and November 2014, ASQA hosted 31 information sessions focused on the new Standards in 16 cities across Australia. In total, close to 4500 people attended the sessions either in person or by accessing one of the three web-based broadcasts. As well as presentations about the new Standards, the sessions included a series of interactive workshops on key topics such as assessment, marketing and third-party arrangements. A survey conducted by ASQA following the sessions found that attendees responded positively to the events, with satisfaction ratings for many indicators above 70 per cent.

ASQA continues to use its email newsletter, *ASQA Update*, as a way of communicating with providers and other key stakeholders in the VET sector. The look and feel of the newsletter was refreshed in July 2014 to make it easier to read and more visually appealing. *ASQA Update* is sent to a database of around 24,000 people on a regular basis.

Key performance indicator—High levels of stakeholder satisfaction with the quality of the VET system

The NCVER Student Outcomes Survey 2014 is an annual survey of students (in the publicly funded sector only) who completed their VET during 2013. In 2014, 87.6 per cent of graduates were satisfied with the overall quality of their training, which was similar to 2013.

The NCVER undertakes a biannual survey to gauge use and views of the vocational education and training (VET) system. The most recent survey was undertaken in 2013 and found that 83.1 per cent of employers were satisfied with nationally recognised training.



Commissioner engagement with stakeholders

ASQA's Commissioners engage with stakeholders in a range of ways. The Commissioners meet with federal, state and territory government ministers and senior officials from government departments to discuss ASQA's regulatory activity and issues in the sector. The Commissioners also meet with peak training industry bodies and peak industry employer groups to discuss ASQA's regulatory activity as well as seek their feedback about the VET sector. This engagement raises awareness of ASQA's activities and enhances the quality of the sector through shared information and intelligence.

Provider roundtables

ASQA held quarterly 'provider roundtable' meetings during 2014–15. These meetings provided opportunities for peak bodies to engage with ASQA and discuss ASQA's ongoing regulatory approach, as well as high-priority emerging issues.

The provider roundtables are a valuable forum for ASQA to have a structured dialogue with provider organisations, which are able to bring the concerns of their members to ASQA's attention.

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), TAFE Directors Australia, the Australian Council for Private Education and Training and the Tertiary Education Quality and Standards Agency (TEQSA).

This forum met twice in 2014–15 to discuss issues relating to the regulation of English Language Courses for Overseas Students (ELICOS).

Commissioner engagements

The Commissioners had more than 70 meetings with ministers and senior officials from federal, state and territory departments of training and other regulators to discuss regulatory issues and changes to international education.

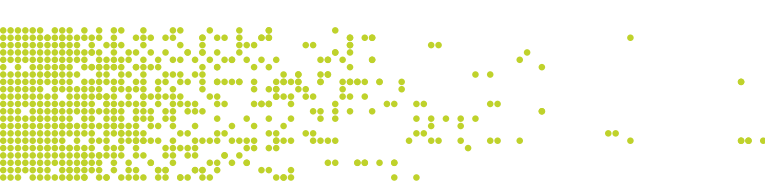
ASQA Commissioners presented at more than 15 industry and stakeholder events throughout 2014–15.

In October and November 2014, ASQA Commissioners also presented at 31 provider information sessions that focused on the new Standards. The information sessions took place in venues across Australia including: Melbourne, Bendigo, Sydney, Coffs Harbour, Adelaide, Perth, Hobart, Devonport, Launceston, Brisbane, Gold Coast, Cairns, Darwin, Alice Springs and Canberra.

In addition to the presentations made by ASQA Commissioners, senior ASQA staff presented at approximately 150 industry events throughout 2014–15.

RTO information sessions

To support the introduction of the *Standards for Registered Training Organisations (RTOs) 2015*, ASQA hosted 31 information sessions across Australia in October and November 2014. The information sessions on the new Standards attracted more than 3000 VET professionals and sector stakeholders. An ASQA Commissioner presented at each of these sessions.



Service delivery

During 2014–15, the ASQA Info line continued to provide an important service to ASQA providers and other stakeholders. The Info line has access to internal provider records and frequently liaises with ASQA's risk and regulatory teams to obtain information about specific provider issues.

The Info line responded to 39,304 calls and 14,649 emails in 2014–15. This represents an 8.75 per cent increase in the total number of enquiries (53,953) when compared to 2013–14, in which there were 49,612 enquiries in total. This increase is mainly attributed to the release of the new *Standards for Registered Training Organisations (RTOs) 2015*. Most simple email enquiries were responded to within two business days.

The Info line also provides information to ASQA regarding emerging trends in enquiry type/subject matter, to assist in developing information materials for providers.

The Info line team works to continually refine and improve the service it provides. This includes reviewing Info line information resources, implementing formal staff training and mentoring and a 'call quality' monitoring program.

ASQA implemented the following initiatives in 2014–15 to contribute to ASQA's objective of continually improving stakeholder relationships:

- the creation of a Compliance Education Auditor role to enable the provision of enhanced information and guidance for providers to assist them in complying with the Standards
- an additional Info line role to ensure the continued provision of timely and effective information on VET sector enquiries, despite increased call and email volumes resulting from the introduction of the new *Standards for Registered Training Organisations (RTOs) 2015*.

ASQA also has a dedicated line for calls relating to ELICOS. Providers delivering these courses have a specific set of requirements and concerns; a dedicated line for these calls allows ELICOS provider enquiries and concerns to be quickly and effectively resolved.

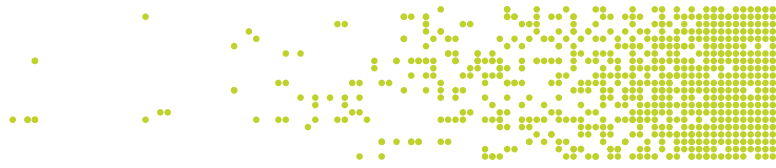
Industry engagement

Through the Industry Engagement team, ASQA works collaboratively with regulators and industry representative bodies to ensure student, employer, and government confidence in the outcomes delivered by Australian RTOs.

The Industry Engagement team establishes and maintains mutually beneficial relationships with industry bodies, in order to identify and mitigate risks to the quality of Australia's VET sector.

ASQA Industry Engagement stakeholders include:

- Industry Skills Councils (former) and Industry Reference Committees and Skills Service Organisations
- industry regulators
- enterprise/industry clients
- unions
- group training organisations
- industry organisations
- industry training advisory bodies
- other government agencies.



During 2014–15, the Industry Engagement team liaised with 75 organisations.

Discussions with stakeholders this year focused on:

- strategic review areas – security, aged care, equine and white card
- short course duration
- trainer currency
- high-risk work training
- the impact of the new *Standards for Registered Training Organisations (RTOs) 2015*.

Industry Engagement works with stakeholders to ensure that ASQA has access to relevant technical advice and subject matter expertise. These arrangements are articulated within the Memoranda of Understanding (MoUs) which ASQA has with relevant stakeholders. During this financial year one additional MoU was finalised by Industry Engagement. Additional technical advice for audit was also arranged on three occasions during the year.

Stakeholder and provider satisfaction

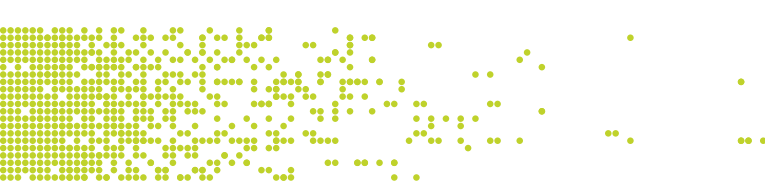
As a modern and proactive regulator, ASQA seeks feedback from a wide range of stakeholders—including the training providers it regulates—in an effort to identify ways to improve its policies and procedures and reduce its regulatory burden.

In 2014–15, ASQA sought feedback through surveys of its providers and key stakeholder organisations. Providers were asked to provide feedback about their experience when audited by ASQA through a series of quarterly audit surveys.

As with previous years, ASQA also undertook a major annual survey of providers and VET sector stakeholders to assess its performance against the objectives stated in the Portfolio Budget Statement, the ASQA *Strategic Plan 2013–16* and *Operational Plan 2014–15*, organisational values and other performance requirements under the *National Vocational Education and Training Regulator Act 2011*. Participation in the survey was optional and responses were confidential.

The survey asked both providers and key stakeholders to rate ASQA's performance in areas such as consultation and the quality of information made available through its various communication channels. In 2014–15, providers and stakeholders were also asked to provide feedback on ASQA's handling of the implementation of the *Standards for Registered Training Organisations 2015* and the level to which the VET regulatory reform initiatives had reduced the regulatory burden on the sector.

In addition, providers were asked to rate the way in which ASQA handles the variety of applications it receives and VET sector stakeholders were asked to rate ASQA's overall contribution to the sector. Close to 2100 providers and course owners (or 56 per cent of those invited) and around 111 VET sector stakeholders completed the survey.



Key performance indicator—High levels of stakeholder satisfaction with ASQA's regulatory work

Key performance indicator—Stakeholder perception of ASQA's performance of its statutory functions

The 2014–15 survey of VET sector stakeholders showed that satisfaction with ASQA's regulatory work and perception of ASQA's performance of its statutory function remained generally positive.

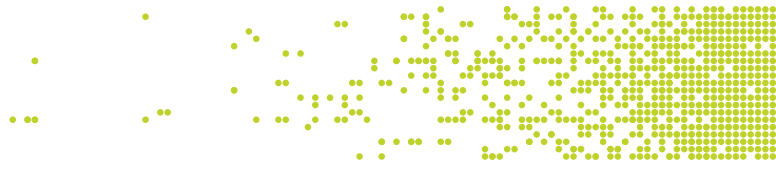
When asked to rate ASQA's application of appropriate and proportional sanctions for non-compliant training organisations, 56.4 per cent of respondents answered excellent or good, which was similar to the result in 2013–14. When asked to rate ASQA's consistency in applying sanctions for similar breaches, 64.6 per cent of survey respondents answered excellent or good. This result was also similar to 2013–14.

As with previous years, VET sector stakeholders continued to show high levels of satisfaction with ASQA's communication channels – for example, its website, Info line, fact sheets – and ASQA's employees.

Survey outcomes—provider respondents

ASQA's strong focus during 2014–15 on providing enhanced information and guidance to training providers— one of the VET regulatory reform initiatives— contributed to an increase in satisfaction levels amongst providers. Satisfaction with the quality of the information contained in ASQA's fact sheets, frequently asked questions (FAQs), General Directions and in ASQA's online newsletter, ASQA Update, all increased in 2014–15 compared to 2013–14. Similarly satisfaction with the quality of the service and advice provided through ASQA's Info line and email enquiries also increased in 2014–15. This can be attributed to changes to the way in which ASQA officers respond to enquiries which were made as a direct result of feedback received in the 2013–14 survey. Satisfaction with the ASQA website—the Authority's primary communications channel— and ASQAnet also increased as feedback received from providers was used to further enhance both portals.

The survey of providers also recorded high levels of satisfaction with the way in which ASQA implemented the new national Standards. More than 85 per cent of survey respondents rated the quality of the information provided about the new Standards and how they would be regulated as excellent or good. Similarly, 86.2 per cent of respondents rated the timeliness of the information provided as excellent or good while the adequacy of the support provided to training providers requiring additional assistance was rated at 81.3 per cent. Providers also welcomed the implementation of VET regulatory reforms initiatives as a way to reduce ASQA's regulatory burden on them. Overall, 72.1 per cent of survey respondents strongly agreed or agreed that the reform initiatives had reduced the regulatory burden on their training provider.



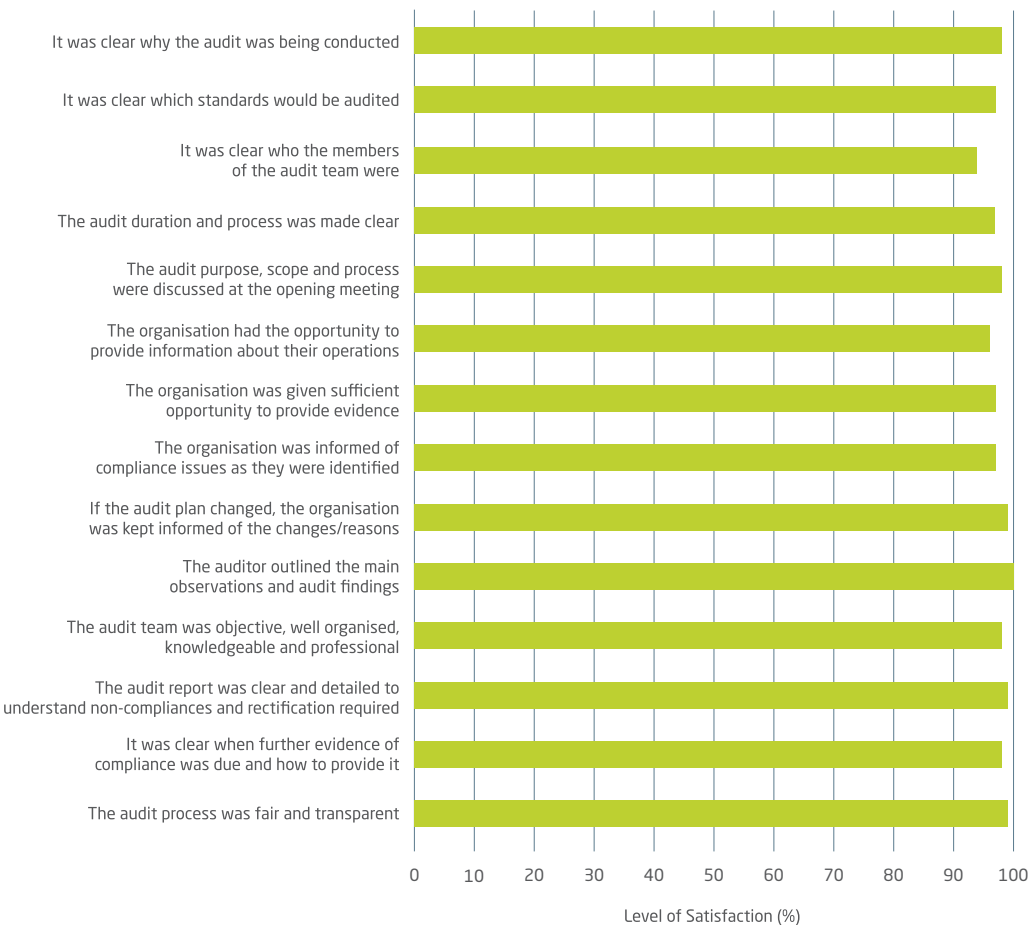
ASQA site audit surveys

ASQA seeks feedback about its audit processes as part of ensuring that the audit process is consistent and transparent. Providers that have an ASQA site audit finalised are invited to provide feedback on their experience through a site audit survey. The survey is conducted four times each year.

During the reporting period, ASQA invited audited providers to give feedback on communication prior to the site visit, the site visit, audit team competencies, the audit report and the transparency of the audit process. There were 537 respondents across the four surveys.

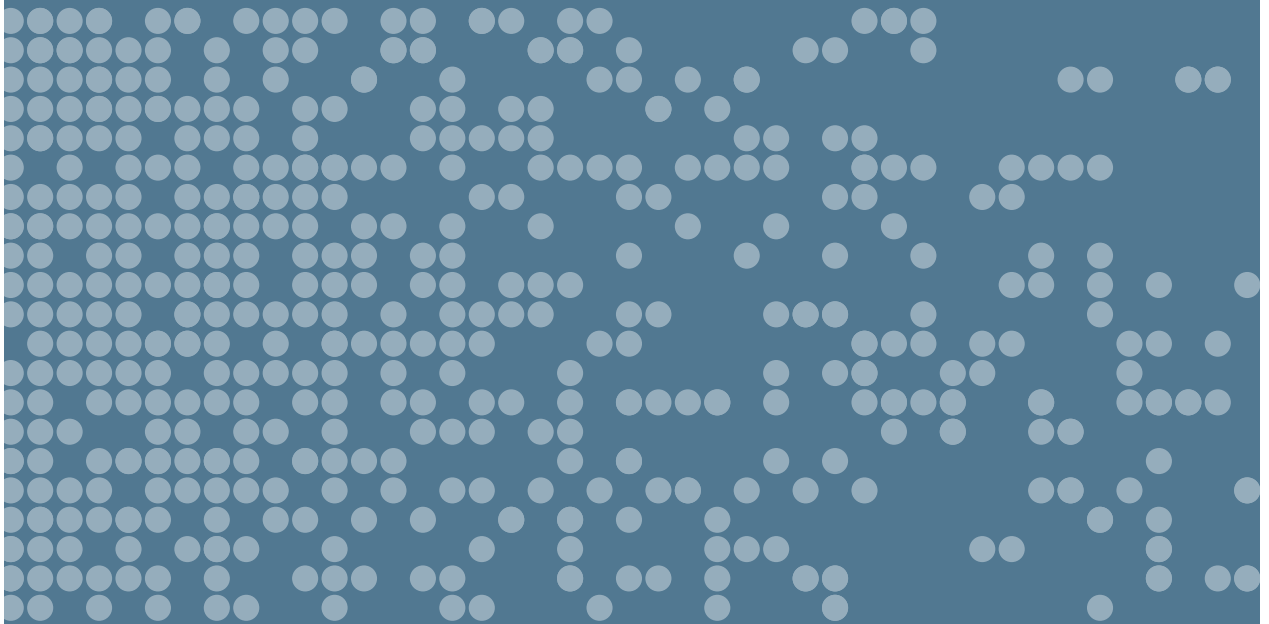
As shown in Figure 11, responses were positive, with each question receiving positive responses from more than 94 per cent of respondents. This level of satisfaction is an increase on previous years.

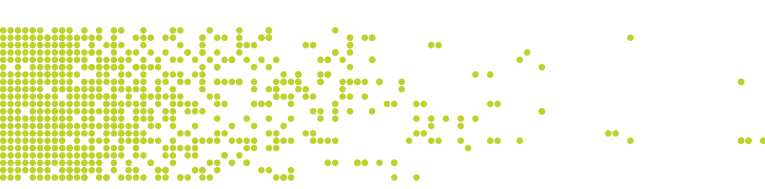
Figure 11: Satisfaction levels - average results of four ASQA site audit surveys conducted 1 July 2014 - 30 June 2015





Business processes





Improvements to ASQA's Information and Communications Technology (ICT) systems

ASQA is investing in an enhanced Information and Communications Technology (ICT) system that will benefit providers and improve the efficiency of ASQA's regulatory operations.

In recognition of the importance of an integrated ICT system, the Australian Government approved additional capital funding of \$5.1 million dollars over four years as part of the VET Regulatory Reform package. When combined with previously allocated capital funding, the added funding will assist ASQA in delivering a new IT system with added functionality that benefits both providers and ASQA.

The new system will integrate additional business processes, including records management and application processing workflows⁹; it will also manage CRICOS applications, allow providers to track the status of their applications, provide enhanced complaint handling and reporting, and offer a greater range of payment options.

During 2014–15, ASQA's Information Management and Technology (IMT) team delivered two new business systems to support ASQA's continuous improvement and streamlining of its business processes:

- an Electronic Document and Records Management System, and
- an accounts receivable system.

In addition, ASQA commenced development of the core business system which will provide automated workflow and consistent business processes across ASQA. This system is a key deliverable of ASQA's 2013–14 ICT Strategic Initiative.

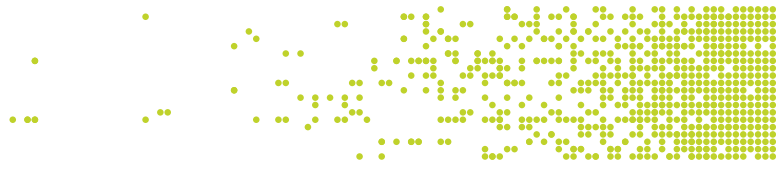
Key performance indicator—High levels of consistency and low levels of duplication in business processes

As part of its ICT Strategic Initiative in 2013–14, ASQA completed a detailed Business Process Model comprising 11 unique regulatory business functions and approximately 30 business processes.

This Business Process Model has been maintained throughout 2014–15 to cater for changes to the Standards for RTOs 2015 and Standards for VET Regulators 2015; ASQA's Organisational Structure Review; and design considerations in the development of its new core business system, which is scheduled for implementation by February 2016.

Once the new system is implemented, the Business Process Model will be used across ASQA to guide the management and review of regulatory processes and directly support core business processes—ensuring consistency and preventing duplication. The Business Process Model is being incorporated into the new system and will be the measure of success against this indicator. Effective reporting on this indicator will be possible after the system's implementation in February 2016 and is a key measurement within the benefits realisation plan for its delivery.

9 The need for this improved IT system was a key finding of the PricewaterhouseCoopers (PwC) process review of ASQA completed in July 2014.



Key performance indicator—Internal users are satisfied with ICT systems and business processes

ASQA conducts an annual survey of internal users of its ICT services. In 2014–15, this survey had a response rate of 55.0 per cent.

Users were asked about a range of ASQA ICT services and systems. On average, users were more satisfied across all survey categories in comparison to 2013–14, with users providing the following feedback on the two key internal systems:

- ASQAnet (online registration and compliance management system)—almost 90 per cent of respondents rated ASQAnet as either 'very easy' or 'moderately easy' to use; more than 72 per cent of respondents were 'highly satisfied' or 'moderately satisfied' that ASQAnet meets their business needs; and almost 95 per cent of respondents who had used ASQAnet support found it 'very helpful' or 'moderately helpful'.
- Intranet—more than 87 per cent of respondents rated it as either 'very easy' or 'moderately easy' to use; almost 74 per cent were 'highly satisfied' or 'moderately satisfied' that it meets their business needs; and more than 84 per cent of respondents who requested support for the intranet found it 'very helpful' or 'moderately helpful'.

ASQA's IMT team employs user feedback to inform the ongoing development and provision of internal ICT systems and services.

Key performance indicator—Projects meet end-user requirements

In 2014–15, IMT delivered the following new business systems, developed under the ICT Strategic Initiative, to ASQA staff:

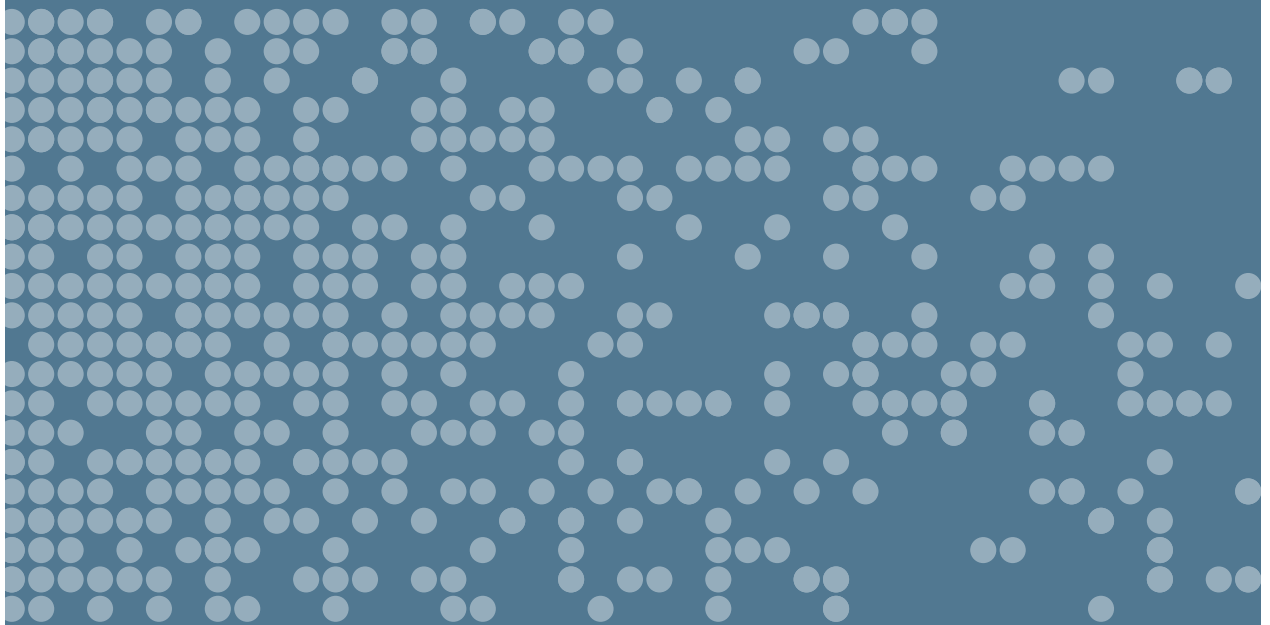
- 'Objective' Electronic Document and Records Management System
- 'Microsoft Dynamics NAV' Accounts Receivable System.

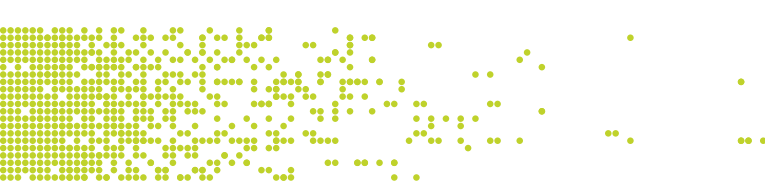
ASQA classifies its information in these systems in a way that supports the requirement for delivery of a single view of RTO and course owner information, regardless of where the information is held.

Internal quality audits form part of the day to day operational procedures used by the Information Management team to identify documents that have not been stored according to this classification scheme. Action is taken to rectify non-compliance in collaboration with affected business units.



Management and accountability





Governance

In 2014-15, ASQA's corporate governance framework and practices ensured that ASQA'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 ASQA Quality Management System
- maintaining ethical standards and upholding Australian Public Service (APS) values, and
- ASQA-wide fraud control measures.

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

Commissioners' meetings

During the reporting period ASQA's Commissioners met formally on 121 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'.

Senior Management Group

The Senior Management Group comprises the Chief Commissioner/CEO; the Commissioner—Regulatory Operations; the Commissioner—Intelligence and Regulatory Support; the National Manager—Corporate; the National Manager—Human Resources; and the Manager—Governance, Policy and Quality (This does not reflect the changes made in the new organisational structure which took effect on 30 June 2015).

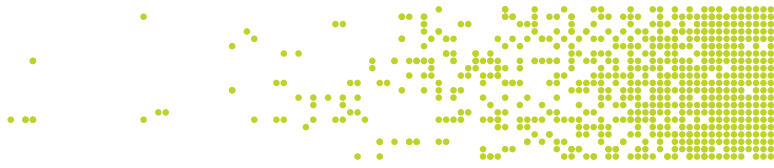
In 2014-15 the Senior Management Group provided a forum for ensuring:

- cooperation and consistency across ASQA business units, in order to achieve organisational objectives
- effective communication across the leadership group on major issues and priorities, and
- progress in implementing corporate strategies.

ASQA has established all relevant mandatory committees. These are:

Audit Committee—the Chief Executive Officer has established the Audit Committee in compliance with section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Audit Committee reports directly to the Chief Executive Officer, providing independent assurance and assistance on 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.

In addition to these mandatory committees, the Senior Management Group is also supported by the following advisory committees:

- Finance Committee
- Communications Committee
- Quality Committee
- Staff Consultative Committee
- Information Management and Technology Committee
- Regulatory Managers Group
- ASQA Managers Forum.

In 2014–15 the Senior Management Group oversaw the completion of many important initiatives including:

- the implementation of the revised national Standards
- the implementation of a suite of VET Regulatory Reforms
- the development of ASQA's new organisational structure, and
- the development of the revised risk model.

The Senior Management Group met 62 times in 2014–15.

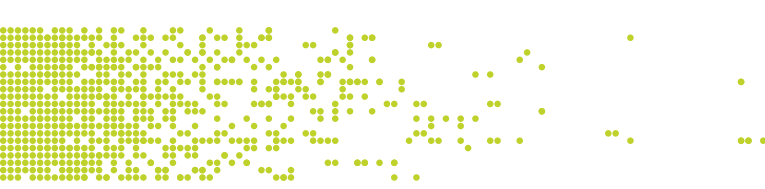
Input into policy

During the reporting year, ASQA provided policy and regulatory advice.

The development of ASQA's response to the Regulator Performance Framework

ASQA has developed a suite of new performance measures in response to the requirements of the Australian Government's new Regulator Performance Framework (RPF). The measures developed are both quantitative and qualitative in nature and represent a significant shift in the way that ASQA has previously reported on its performance, where the focus was very much on quantitative transactional measures.

ASQA has presented its RPF measures to a Departmental Deregulation Committee and ASQA's Chief Commissioner provided other regulators with an overview of ASQA's approach to the RPF via a Commonwealth regulator community of practice. ASQA has received positive feedback to the approach it has taken, with recognition that the inclusion of qualitative measures will allow the Authority to tell a more nuanced performance story.



The Senate inquiry into *The operation, regulation and funding of private vocational education and training (VET) providers in Australia*

ASQA made a submission to this inquiry which noted that:

- ASQA is not involved in the design; management or regulation of government guidelines related to the operation of VET funding schemes (such as the VET FEE-HELP scheme)
- ASQA has no legislative authority to oversee the prices RTOs charge for their services
- ASQA has, however, developed a strategy responding to concerns (and complaints it has received) about some training services provided by RTOs funded through VET FEE-HELP.

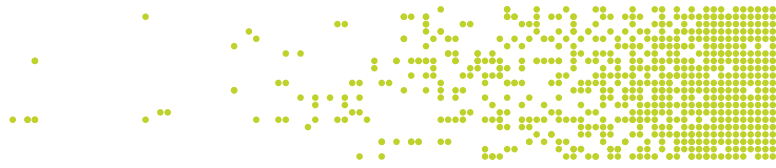
ASQA has provided information relating to:

- an overview of VET regulation in Australia and the role of ASQA
- ASQA's regulatory approach and outcomes, including:
 - ASQA's risk-based approach to regulation
 - government and ASQA's efforts to reduce the regulatory burden on RTOs
 - ASQA's regulatory activity
 - ASQA's regulatory decisions
 - complaints about RTOs
 - ASQA actions related to VET FEE-HELP
 - ASQA comments related to 'Volume of Learning'
 - ASQA comments about brokers of training
 - ASQA's strategic review of training for aged and community care in Australia.

VET Reform Taskforce Review of Training Packages and Accredited Courses

ASQA provided a response to the VET Reform Taskforce *Review of Training Packages and Accredited Courses—Discussion Paper* on 11 March 2015. ASQA's response acknowledged the key role training packages play in linking VET qualifications to the skills employers need. ASQA's response proposed some significant reforms, including:

- identification of all of the jobs in the Australian labour market that require VET qualifications through a systemic analysis of all occupations at the four digit level in the Australian and New Zealand Classification of Occupation Codes
- a 'root and branch' analysis of all of the skills that people need to do each of these jobs encompassing underlying theoretical and conceptual knowledge and generic skills, in addition to technical competencies that have been traditionally covered by training packages
- a systematic and rigorous approach to examining actual workplaces involving 'job design' experts where these occupations occur to ensure comprehensive 'unpacking' of all of the skills required in each occupation
- identification of all skills needed for each occupation to include generic skills and theoretical knowledge/cognitive skills in addition to the technical competencies traditionally covered by training packages.



- replacing the training package system with a new system of national occupational standards to keep the focus on the skills needed for each job
- an assignment of an Australian Qualifications Framework (AQF) level to each qualification needed for each occupation only after all of the skills and competencies needed for each occupation have been identified.

Review of Education Services for Overseas Students

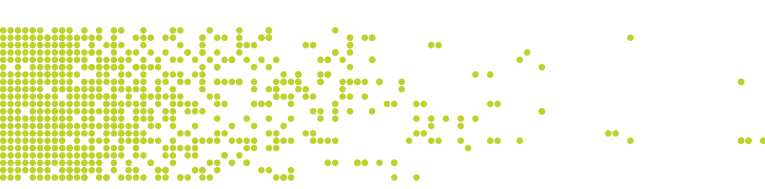
On 1 October 2014, the Australian Government released a discussion paper on the Education Services for Overseas Students (ESOS) Review.

The Reform of the ESOS framework discussion paper is based on Department of Education and Training stakeholder consultations, including with ASQA.

ASQA has met with Department of Education and Training officers on numerous occasions to discuss ESOS reform and has also provided its views in writing. ASQA co-ordinates a regulator provider forum and this has also provided an opportunity for ESOS and ELICOS issues to be discussed between peak stakeholder bodies, ASQA and the Department of Education and Training.

The discussion paper sets out proposed changes to the ESOS framework that ASQA sought and supports. Key proposed changes include:

- simplifying decision-making powers and responsibilities so that ASQA is provided powers directly and not through delegation
- allowing ASQA to deem compliance with ESOS standards if equivalent domestic standards are met
- amending the registration period in the ESOS Act to allow flexibility, including extensions.
- allowing registration timeframes to be aligned under the ESOS Act and the *National Vocational Education and Training Regulator Act 2011* (NVR Act)
- amending the ESOS Act and National Code to enable ASQA to consider additional material gathered through other registration processes in assessing CRICOS registration
- amending the ESOS Act to increase consistency in compliance and enforcement powers under ESOS and domestic legislative frameworks
- amending the ESOS Act to allow an education institution to seek an internal review of decisions made by ASQA (where available) as an alternative to application to the Administrative Appeals Tribunal (AAT)
- removing redundant items from the Provider Registration and International Students Management System (PRISMS) and CRICOS
- amending the National Code to increase flexibility to use online and distance learning, within visa requirements.



Key performance indicator—Recipients of governance policy advice find the evidence credible and useful

During the reporting year, ASQA provided credible and useful policy and regulatory advice in relation to the:

- development of ASQA's response to the Regulator Performance Framework
- Senate inquiry into The operation, regulation and funding of private vocational education and training (VET) providers in Australia, and
- review of Education Services for Overseas Students.

In addition, as part of its stakeholder survey, ASQA asked two questions relating to the advice it provides:

- 65.6 per cent of survey respondents described ASQA's provision of timely and quality advice about the VET sector as 'excellent' or 'good'.
- 60.4 per cent of survey respondents described ASQA's provision of timely and quality advice on its regulatory activities as 'excellent' or 'good'.

Internal reporting and audit

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

During 2014-15 these reports included:

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

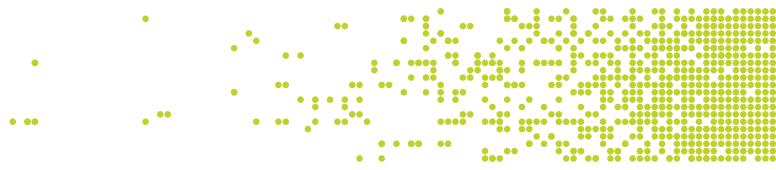
These reports promote better practice within ASQA and improve controls and governance within a risk management environment.

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 2014–15, ASQA undertook one formal investigation into a suspected breach of the Code of Conduct.

Fraud control

ASQA has in place a Fraud Control Plan as well as other guidelines and policies which underpin fraud control in the agency. The plan meets the requirements of the *Commonwealth Fraud Control Policy* and Resource Management Guide 2011 – *Preventing, Detecting and Dealing with Fraud*. Collectively, these documents establish the framework for the management of fraud risks and the conduct of investigations. ASQA actively seeks to raise awareness of the fraud prevention measures set out in the Fraud Control Plan throughout ASQA. Fraud control certification is included in the letter of transmittal at the beginning of this report.

Key performance indicator—Internal and external audits demonstrate that legal and best practice requirements are fully satisfied

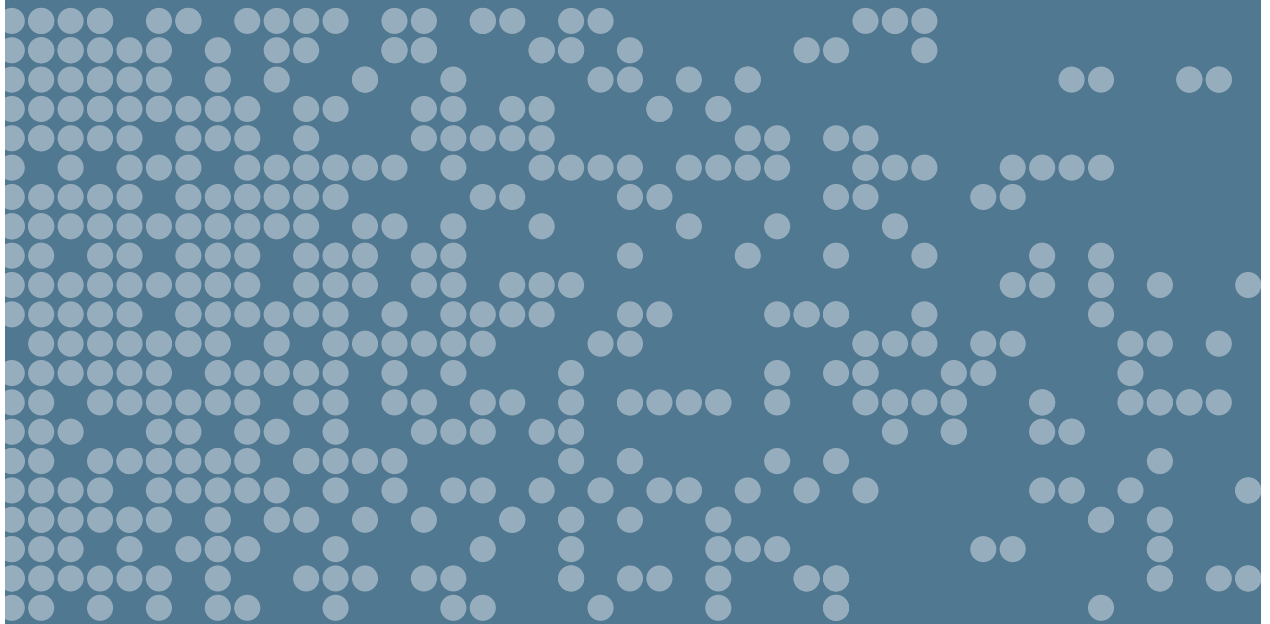
ASQA has commenced a program of internal audits as part of its Quality Management System. These audits are focused on promoting continuous improvement throughout ASQA and will help work areas identify where systems and processes can be enhanced, are lacking or are redundant.

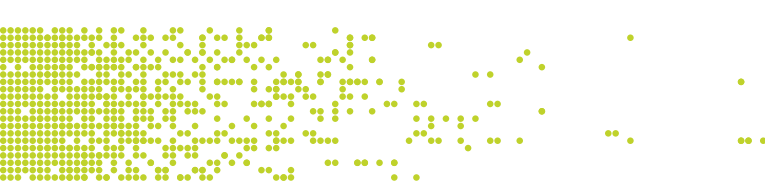
In line with Australian Government policy the Productivity Commission has developed a Regulator Audit Framework that will be used by the Office of Best Practice Regulation to audit the performance of Australian Government regulators at least once each parliamentary term.

ASQA, in anticipation of the Office of Best Practice Regulation audit, is working to ensure that its systems and processes meet the requirements set out in the Regulator Audit Framework. The first such audit is expected to occur within the next parliamentary term.



Budget and finance





Financial management and financial performance

During the reporting period, ASQA's operations were managed within the allocated budget and in accordance with the Commonwealth financial framework.

ASQA reported an operating loss for 2014–15 of \$1.770m (4.6 per cent of departmental revenue). The operating loss is primarily due to unfunded depreciation and amortisation expenses of \$3.726 million. In lieu of receiving funding for depreciation and amortisation, ASQA received a departmental capital budget for 2014–15 of \$1.632m to fund for assets replacement. As a result, ASQA is approved to an operating loss capped at the unfunded depreciation and amortisation amount.

ASQA's full departmental and administered results are shown in the audited financial statements beginning on page 83.

Key performance indicator—Percentage of revenue target achieved

This objective requires ASQA to achieve the cost recovery targets that are set by the Australian Government.

To achieve its cost recovery targets, ASQA worked closely with the Department and the Minister on deregulation and regulatory reform for the VET sector.

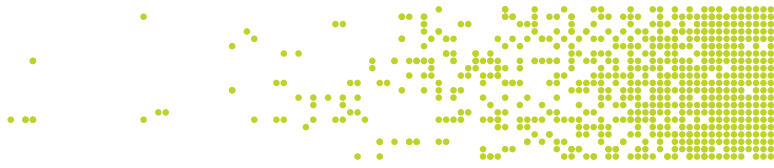
Following that cooperative effort, the Minister announced a package of regulatory reforms for the VET sector, including a significant reduction in ASQA's revenue target to around 50 per cent of ASQA's costs. The reduction enabled ASQA to provide fee relief during 2014–15 and still exceed the revenue target.

After the Australian Government's regulatory reforms were ratified in the 2014–15 Portfolio Additional Estimates Statements, ASQA's revenue target decreased from the original target of \$34.611m to a revised target of \$20.153m from fees and charges.

ASQA's actual total net cost recovery was \$23.787m, a surplus of \$3.634m.

The surplus predominantly resulted from:

- \$2.9m from annual fee revenue and registration renewal revenue, both reflecting a higher than expected rate of retention of registered providers
 - registration renewal rates of 81 per cent for RTOs and 80 per cent for CRICOS providers, while budgeted rates (based on the previous year) were only 71 per cent for RTOs and 60 per cent for CRICOS providers
- \$1.4m from higher than expected levels of new registration applicants (i.e. new market entrants)
 - 122 new RTO registration applications amounting to a 22 per cent increase over the previous two year average
 - 45 new CRICOS registration applications amounting to a 96 per cent increase over the previous two year average.



Key performance indicator—No category A or B findings by Australian National Audit Office

Category A rating applies to audit findings that pose a significant risk to ASQA and that should be addressed as a matter of urgency.

Category B rating applies to audit findings that pose a moderate risk and should be addressed by ASQA within the next 12 months.

Category C rating applies to findings that are procedural in nature or reflect relatively minor administrative shortcomings.

ASQA received no category A, B or C findings in 2014–15.

There were also no such findings in 2013–14.

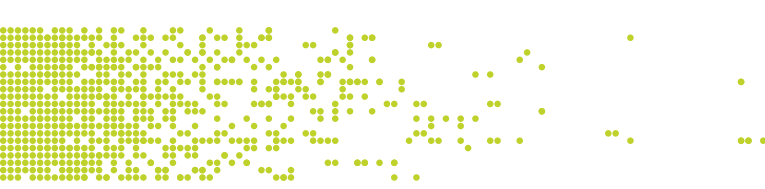
Key performance indicator—All non-compliances identified by internal audit are addressed within 12 weeks

In 2014–15, ASQA conducted internal audits on the following key areas:

- implementation of the *Public Governance, Performance and Accountability Act 2013*
- review of information technology security
- examine the effectiveness of disaster recovery
- evaluate governance committees and reporting, and
- follow up review of work health and safety and rehabilitation management.

Due to an internal restructure, the internal audit for 2014–15 was deferred and completed in June 2015. As a result, all non-compliances identified through the internal audits have either been addressed or were still within the 12 week response period at the time of this report.

In comparison, in 2013–14 ASQA had one non-compliance that was not addressed within 12 weeks relating to ASQA Work Health and Safety and Rehabilitation Management. The non-compliance was specific in nature and required a number of months to address. Within 12 weeks of the audit, a project plan to engage specialist Work Health and Safety resources to assist in addressing non-compliances was developed and approved.



Key performance indicator—ASQA's expenditure is managed within budget

During the reporting period, ASQA's expenditure was managed within the budget appropriation by the Commonwealth Government. ASQA is reporting a surplus which is represented by:

- A surplus of \$0.682m (three per cent) against its employee expenses PBS budget and a surplus of \$2.422m (10 per cent) against the PAES budget, predominantly due to the government recruitment freeze for APS employees and a deferment of some VET Reform activities to the following year.
- A deficit of \$1.632m (14 per cent) against its suppliers' expense PBS budget and a deficit of \$0.273m (2 per cent) against the PAES budget. The increased expenditure related to implementing the VET Reform initiatives, including public relations activities to raise awareness of the new reform and an internal restructure and set up (including information technology, security and training).

Purchasing

ASQA's procurement policies and practices are consistent with all relevant Australian Government laws, the Commonwealth financial framework (including the Commonwealth Procurement Guidelines), 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 its 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 *Public Governance Performance and Accountability Act 2013* and related regulations including the Commonwealth Procurement Rules.

During 2014-15, ASQA entered into 18 new consultancy contracts involving actual expenditure of \$1.251m (inclusive of GST). In addition, 15 ongoing consultancy contracts were active during 2014-15, involving an actual expenditure of \$0.640m. The majority of consultancy contracts were to develop ASQA's IT capability.

Assets management

Section 12(11-12) of the Requirements for Annual Reports for Departments, Executive Agencies and Other Non-Corporate Commonwealth Entities (2014-15) issued by the Department of Prime Minister and Cabinet sets out the requirement for an assessment of the effectiveness of assets management where it is a significant aspect of the strategic business of ASQA. Assets management does not form a significant aspect of ASQA's strategic business.

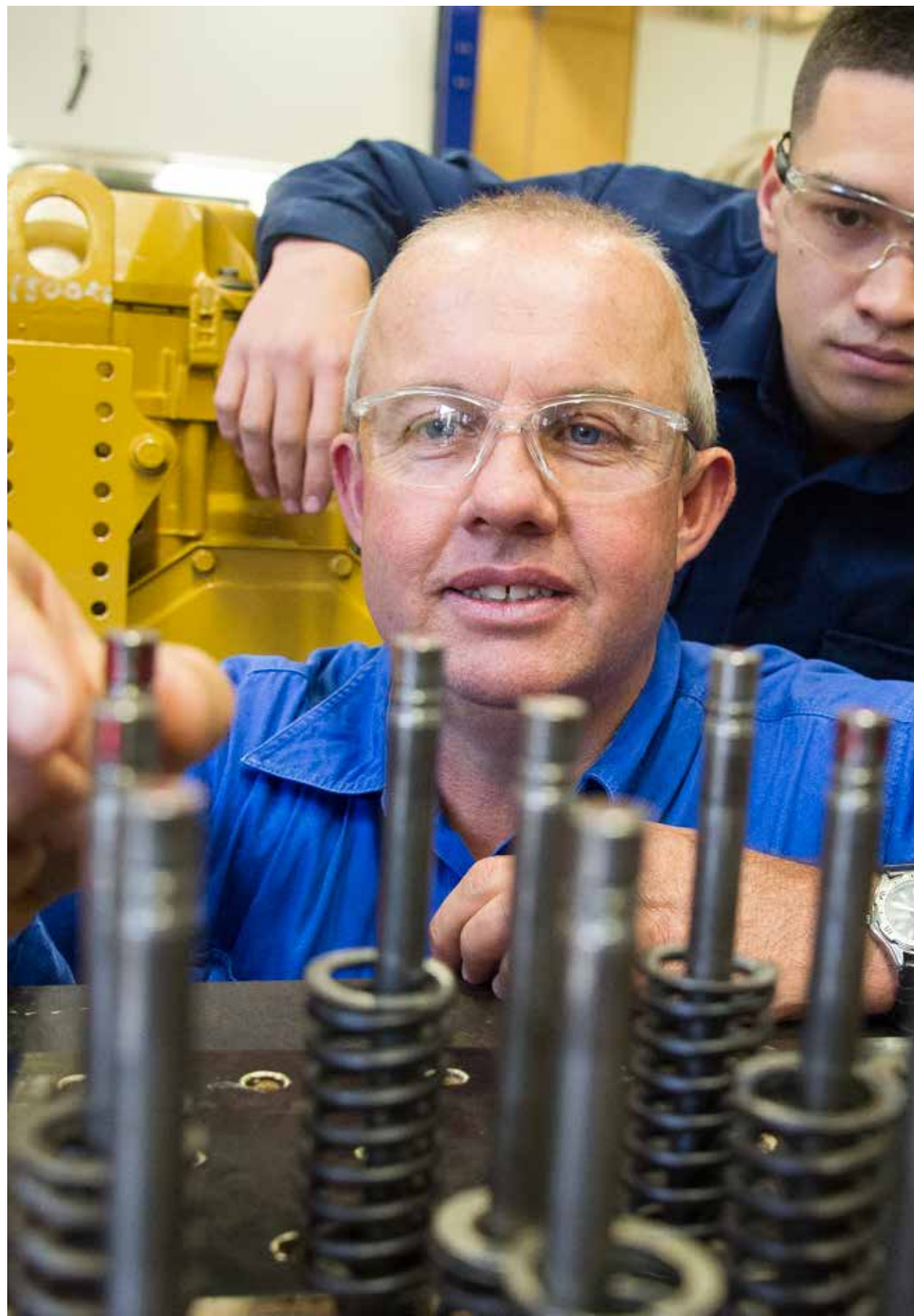
Australian National Audit Office access clauses

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

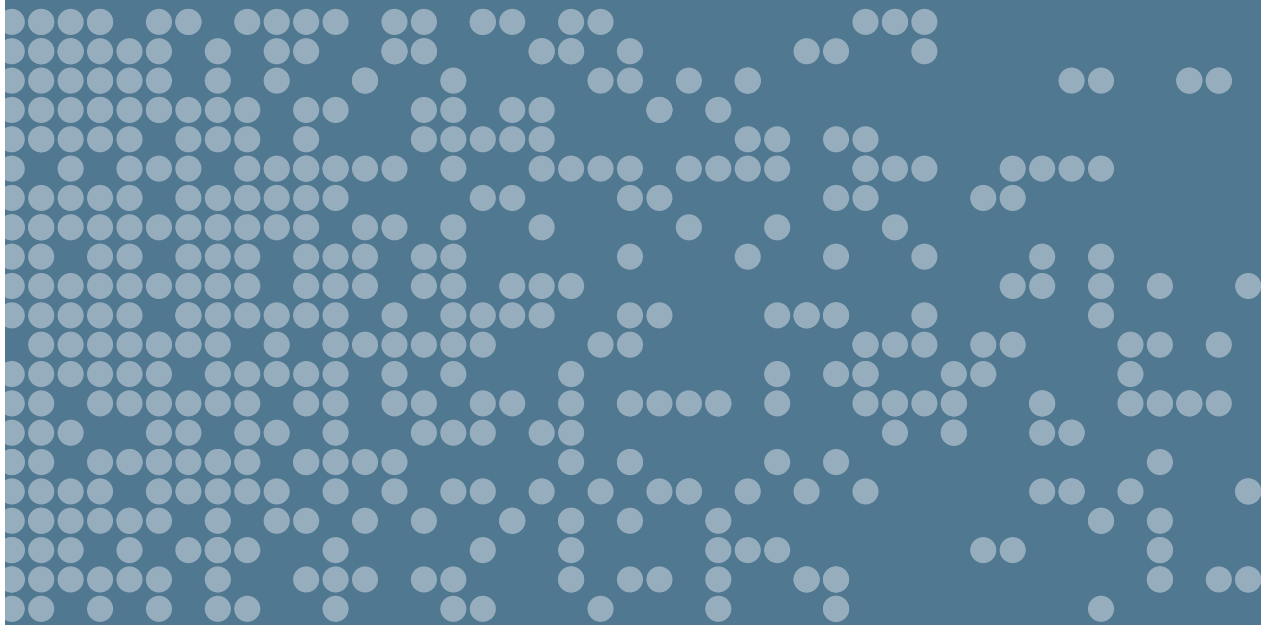
ASQA did not have any contracts over \$100,000 that did not provide the clause for the Auditor-General to have access to the contractor's premises.

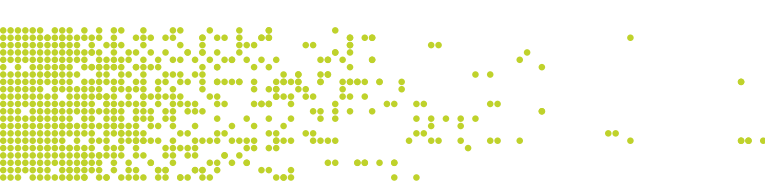
Exempt contracts

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



People and culture





The ASQA Performance Development Framework fosters a culture of high performance ensuring that all ASQA employees are aware of the expectations placed on them and how these expectations align with ASQA's strategic and operational goals. Individual employee performance agreements are directly linked to team plans which are developed from the objectives of the strategic and operational plans.

Recent employee census results showed that 83 per cent of employees have a clear understanding of how their work group's role contributes to the Agency's strategic direction.

All ASQA leaders participate in a managers' forum three times per year. This forum provides an opportunity for the Commissioners to engage all senior managers as a group and to promote discussion on organisational priorities, strategic issues, regulatory performance and corporate governance issues.

Senior regulatory employees participate in monthly Regulatory Operations Meetings and all regulatory employees participate in auditor moderation workshops twice per year.

Key performance indicator—Staff have enhanced skills that are applied in the workplace

ASQA actively supports and provides all employees with relevant training and development opportunities to enhance their skills and capabilities.

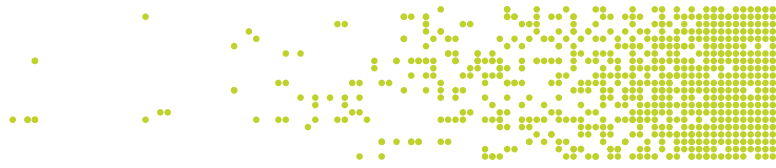
During 2014–15, 150 employees participated in external training courses. Examples of training courses include Certificate IV in Training and Assessment; Certificate IV in Government Investigations; project management; data analytics; facilitation and presentation skills; and advanced Microsoft Excel.

In addition to training courses, ASQA provided study assistance to 16 employees to support them to undertake a course of study to enhance their specific skills and knowledge. Examples of the study courses include Diploma of Quality Auditing; Masters of Law; Certificate of Accounting; and Certificate IV in Workplace Health and Safety.

Results from a recent employee engagement census shows that 88 per cent of ASQA employees felt prepared for most of the demands of their job.

ASQA has an active Staff Consultative Committee which provides a structured means of consulting with employees about employment related matters that may have an effect on employees. The Committee meets quarterly and provides advice to ASQA management on work matters of interest and concern to employees, as well as suggestions for improvements to increase ASQA's operational efficiency and ensure employee wellbeing.

ASQA actively encourages employees to participate in working parties, focus groups and steering committees with a view to seeking input, feedback and ideas from employees across all areas of the Agency to help inform decision-making.



Key performance indicator—High levels of staff satisfaction

The most recent employee census results showed that ASQA employees have high levels of satisfaction with their managers—when asked if they had a good immediate supervisor 71 per cent of respondents said yes.

Key performance indicator—Staff who currently underperform are managed effectively and within agreed processes

ASQA has an underperformance management policy which was applied for all employee underperformance in the reporting period. Any employee identified as underperforming was managed in accordance with the policy. (Information on the performance of individual employees is confidential.)

Work Health and Safety (WHS)

ASQA fulfils its responsibilities under the *Work Health and Safety Act 2011* by actively promoting Work Health and Safety messages across the organisation. During the reporting year, ASQA partnered with the National Work Health and Safety Regulator, Comcare to deliver WHS training to all ASQA employees.

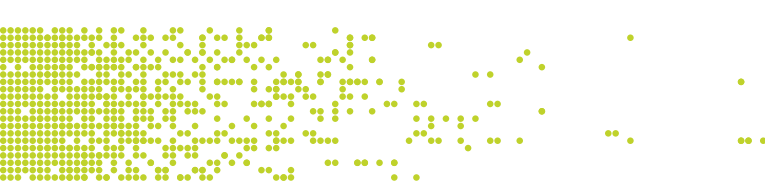
Key performance indicator—Compliance with occupational health and safety requirements

ASQA has an established Work Health and Safety Committee. This committee comprises employee representatives who are consulted in the development and implementation of strategies to protect employees from risks to their health and safety. ASQA has Health and Safety Representatives in each state and territory office. ASQA also has trained employees who undertake duties as first aid officers, fire wardens, harassment contact officers and health and safety representatives.

During the reporting year ASQA developed and implemented an Early Intervention, Return to Work and Rehabilitation Policy. This Policy outlines the procedures for injury management and rehabilitation to ensure safe, early and meaningful return to work of ill and injured employees. Workplace rehabilitation is a carefully managed process involving early intervention with appropriate, adequate and timely services based on assessed needs.

ASQA provides onsite ergonomic support to all new employees and any employees experiencing pain or injury. Influenza vaccinations were available for all employees in April 2015. 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.



Payroll

ASQA outsources payroll and leave recording functions to the Shared Services Centre within the Department of Education and the Department of Employment on a fee-for-service basis.

Reports

Overall there have been no significant changes in ASQA's employee profile in 2014-15 compared to 2013-14. There has been a slight increase in ASQA's staff numbers in 2014-15 (212) from 2013-14 (204). This increase was due to seven additional non-ongoing positions and a new SES Band 1 position. In 2014-15 the number of fulltime staff (196) has increased slightly from 2013-14 (187) while the number of female employees increased slightly (147) from 2013-14 (140). Tables 8, 9 10, 11 and 12 show the number of ASQA employees by location, classification, status (i.e. ongoing/non-ongoing; full-time/part-time) and gender as at 30 June 2015.

As at 30 June 2015, ASQA had no employees who identified as indigenous in the current or preceding year.

Table 8: ASQA employees by location as at 30 June 2015

ASQA office location	Number of employees at location
Melbourne	65
Sydney	39
Adelaide	14
Canberra	13
Brisbane	69
Perth	5
Hobart	5
Darwin	2
Total	212¹⁰

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

10 ASQA has three Commissioners as well as 212 employees

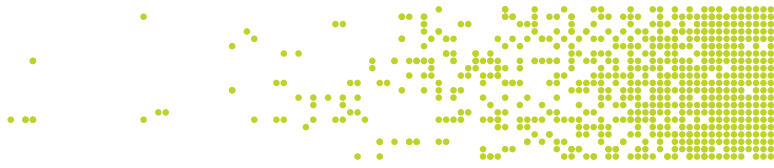


Table 9: ASQA employees by classification as at 30 June 2015

Classification	Number
SES Band 1	2
EL 2	21
EL 1	57
APS 6	55
APS 5	40
APS 4	23
APS 3	14
APS 2	0
APS 1	0
Total	212

Table 10: ASQA employees by status as 'ongoing/non-ongoing' as at 30 June 2015

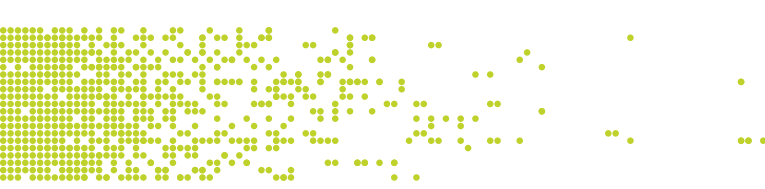
Status	Number
Ongoing	170
Non-ongoing	42
Total	212

Table 11: ASQA employees by 'full-time/part-time' status as at 30 June 2015

Status	Number
Full-time	196
Part-time	16
Total	212

Table 12: ASQA employees by gender as at 30 June 2015

Gender	Number
Female	147
Male	65
Total	212



ASQA Enterprise Agreement

The terms and conditions of employment for ASQA employees are set out in the ASQA Enterprise Agreement 2012 – 2014. The ASQA Enterprise Agreement 2012 – 2014 had a nominal expiry date of 30 June 2014; however, it will remain in effect until replaced by the next ASQA Enterprise Agreement. ASQA commenced negotiations for the next Enterprise Agreement in July 2014. These negotiations are continuing.

At 30 June 2015, 212 ASQA employees were covered by the ASQA Enterprise Agreement 2012 – 2014, two SES employees were covered by an Individual S24 (1) Determination and three Commissioners were covered by Remuneration Tribunal Determinations.

The salaries for employees covered by the ASQA Enterprise Agreement 2012 – 2014 range from \$47,039 for an APS level 1 employee at the bottom pay point to \$134,543 for an EL 2 level employee at the top pay point.

At 30 June 2015, ASQA had seven employees with an individual flexibility agreement that varied the effect of the terms of the ASQA Enterprise Agreement 2012 – 2014.

Performance Pay

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

Information on Commissioners' and SES employee total remuneration is set out in Note 13 of the financial statements.



External scrutiny

Review of decisions

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 the Administrative Appeals Tribunal or Court.

Reconsideration of decisions by ASQA

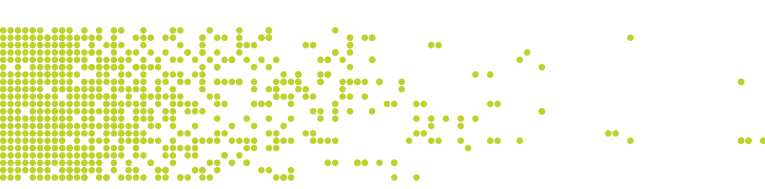
ASQA has a two-tiered decision-making process, which allows internal reconsideration of some reviewable decisions.

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 2014-15, ASQA finalised 43 reconsideration applications. The results of these reconsiderations are shown in Table 13. ASQA can only undertake formal internal reconsideration of decisions made under the *National Vocational Education and Training Regulator Act 2011* (NVR Act). Decisions under the *Education Services for Overseas Students Act 2000* may only be reviewed by an external body.

Table 13: Outcomes of reconsideration applications finalised by ASQA in 2013-14

Outcome of reconsideration application	Number
Decision revoked:	
• Evidence provided to ASQA that non-compliance had been rectified	15
Decisions affirmed (ASQA reviewed the reconsideration application and any relevant evidence, and found that the provider remained non-compliant)	21
Decision varied (ASQA original decision revoked and new decision put in its place)	6
No decision made (procedural issues meant no decision required)	1
TOTAL	43



Review by the Administrative Appeals Tribunal or Federal Court

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

This section discusses the two kinds of review by Administrative Appeals Tribunal or Court that were undertaken in 2014–15 in relation to ASQA decisions.

1. A person may apply to the Administrative Appeals Tribunal for review of an ASQA decision, including the merits of such a decision
2. A person may apply for judicial review of ASQA's decision in the Federal Court.

In 2014–15 ASQA received forty applications in which training providers or applicants requested a review of a decision made by ASQA to a Tribunal or Court – eleven of these were carried over from the previous financial year. Twenty-five of these matters were dealt with and closed during 2014–15 and 15 have been carried into 2015–16. These details are shown in Table 14.

Table 14: Total Tribunal and Court review applications received, closed and carried over as at 30 June 2015

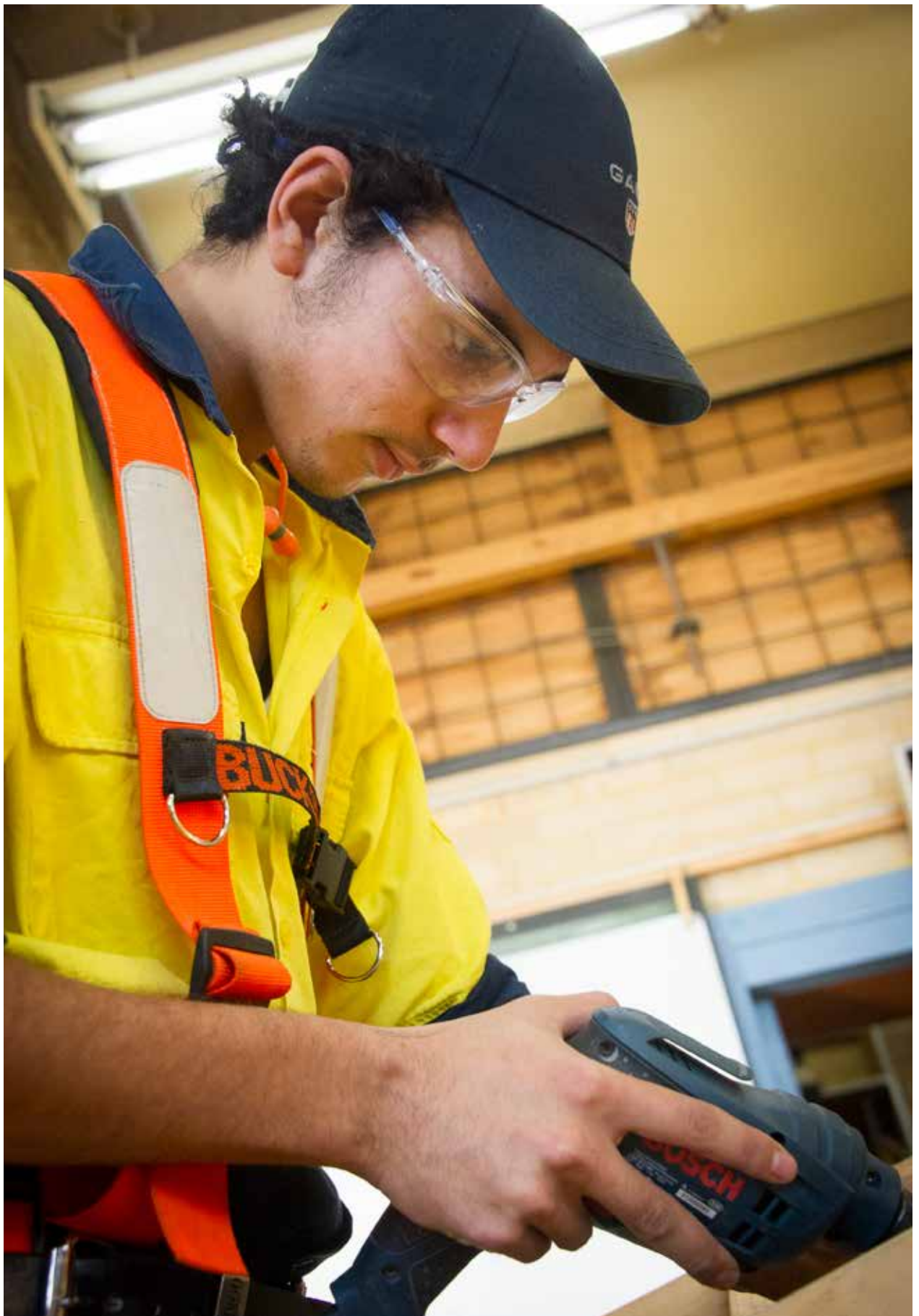
Matter	Number
Carried into 2014-2015	11
Opened	29
Total received	40
Total closed	25
Carried over to 2015-2016	15

The outcomes of applications for review to a Tribunal or Court that were closed during the reporting period are shown in Table 15.

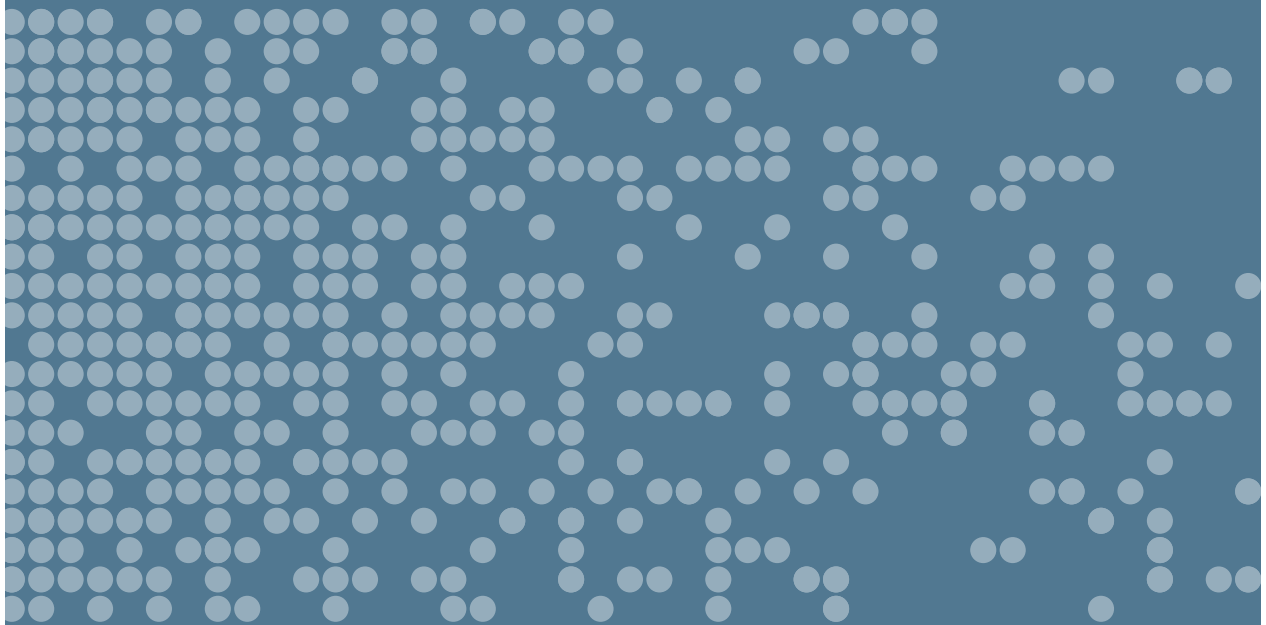


Table 15: Outcomes of closed Tribunal matters, 1 July 2014 - 30 June 2015

Closed Matter Outcome	Number
ASQA's decision affirmed	5
ASQA's decision set aside	1
Dismissed on jurisdiction	2
Resolved between Applicant and ASQA	12
Withdrawn by Applicant	5
Total closed	25



Financial statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for Education and Training

I have audited the accompanying annual financial statements of the Australian Skills Quality Authority for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement;
- Schedule of Administered Commitments; and
- Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

Accountable Authority's Responsibility for the Financial Statements

The Chief Commissioner of the Australian Skills Quality Authority is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Chief Commissioner is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that 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

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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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Accountable Authority 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:

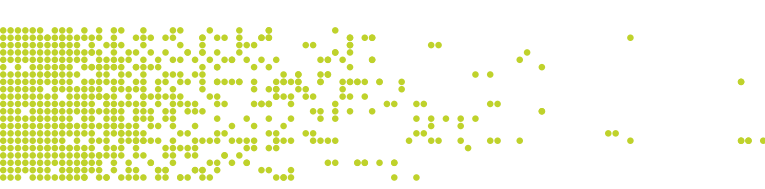
- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Skills Quality Authority as at 30 June 2015 and its financial performance and cash flows for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

Australian National Audit Office

John Jones
Executive Director

Delegate of the Auditor-General
Canberra

9 September 2015



STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed... 

Christopher Robinson
Accountable Authority

8 September 2015

Signed... 

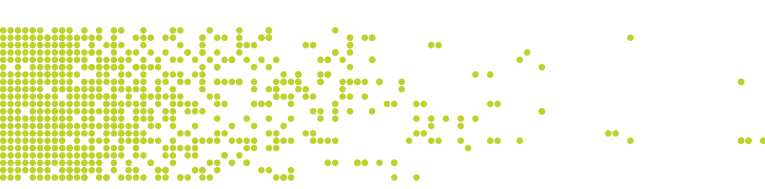
Jonella Welsh
Chief Financial Officer

8 September 2015

Australian Skills Quality Authority
Statement of Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	22,718	22,283
Suppliers	4B	13,675	10,372
Depreciation and amortisation	4C	3,726	3,166
Finance costs	4D	8	9
Write-down and impairment of assets	4E	230	-
Total expenses		40,357	35,830
Own-Source Income			
Own-source revenue			
Other revenue	5A	50	104
Total own-source revenue		50	104
Total own-source income		50	104
Net cost of services		(40,307)	(35,726)
Revenue from Government	5B	38,586	35,547
Deficit attributable to the Australian Government		(1,721)	(179)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		(49)	49
Total comprehensive loss attributable to the Australian Government		(1,770)	(130)

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



Australian Skills Quality Authority
Statement of Financial Position
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	7A	186	295
Trade and other receivables	7B	21,773	18,062
Total financial assets		21,959	18,357
Non-financial assets			
Leasehold improvements	8A,C	2,697	4,148
Property, plant and equipment	8B,C	164	199
Intangibles	8D,E	5,428	3,880
Other non-financial assets	8F	127	5
Total non-financial assets		8,416	8,232
Total assets		30,375	26,589
LIABILITIES			
Payables			
Suppliers	9A	1,775	1,950
Other payables	9B	1,208	1,232
Total payables		2,983	3,182
Provisions			
Employee provisions	10A	5,356	4,769
Other provisions	10B	319	257
Total provisions		5,675	5,026
Total liabilities		8,658	8,208
Net assets		21,717	18,381
EQUITY			
Contributed equity		18,988	13,882
Revaluation of non-financial assets		20	69
Retained earnings		2,709	4,430
Total equity		21,717	18,381

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

Australian Skills Quality Authority
Statement of Changes in Equity
for the year ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance								
Balance carried forward from previous period	4,430	4,609	69	20	13,882	11,646	18,381	16,275
Opening balance adjustment	-	-	-	-	1	-	1	-
Adjusted opening balance	4,430	4,609	69	20	13,883	11,646	18,382	16,275
Comprehensive income								
Surplus/(Deficit) for the period	(1,721)	(179)					(1,721)	(179)
Other comprehensive income	-	-	(49)	49	-	-	(49)	49
Total comprehensive income	(1,721)	(179)	(49)	49	-	-	(1,770)	(130)
Transactions with owners								
Contributions by owners								
Equity injection	-	-	-	-	3,473	2,236	3,473	2,236
Departmental capital budget	-	-	-	-	1,632	-	1,632	-
Total transactions with owners	-	-	-	-	5,105	2,236	5,105	2,236
Closing balance attributable to Australian Government	2,709	4,430	20	69	18,988	13,882	21,717	18,381

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

Australian Skills Quality Authority

Cash Flow Statement

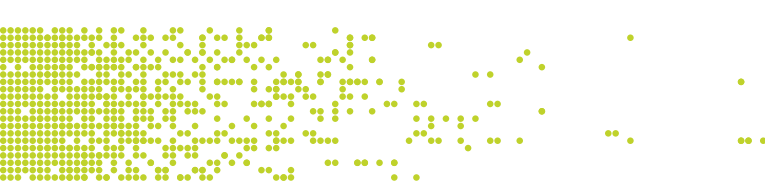
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		34,945	33,316
Sale of goods and rendering of services		25	29
Net GST received		11	84
Total cash received		34,981	33,429
Cash used			
Employees		22,031	21,183
Suppliers		13,991	10,640
Section 31 receipts transferred to Official Public Account		113	1,441
Total cash used		36,135	33,264
Net cash from/(used by) operating activities	11	(1,154)	165
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		89	-
Purchase of leasehold improvements		683	136
Purchase of intangible software		3,288	2,228
Total cash used		4,060	2,364
Net cash from investing activities		(4,060)	(2,364)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		5,105	2,236
Total cash received		5,105	2,236
Net cash from/(used by) financing activities		5,105	2,236
Net increase/(decrease) in cash held		(109)	37
Cash and cash equivalents at the beginning of the reporting period		295	258
Cash and cash equivalents at the end of the reporting period	7A	186	295

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

Australian Skills Quality Authority
Schedule of Commitments
as at 30 June 2015

	2015	2014
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	770	699
Total commitments receivable	770	699
Commitments payable		
Capital commitments		
Intangibles	3,226	3,667
Total capital commitments	3,226	3,667
Other commitments		
Operating leases	3,853	6,153
Other	1,815	130
Total other commitments	5,668	6,283
Total commitments payable	8,894	9,950
Net commitments by type	8,124	9,251
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	514	213
Between 1 to 5 years	256	486
Total other commitments receivable	770	699
Total commitments receivable	770	699
Commitments payable		
Capital commitments		
Within 1 year	3,066	673
Between 1 to 5 years	160	2,994
Total capital commitments	3,226	3,667
Operating lease commitments		
Within 1 year	2,176	2,756
Between 1 to 5 years	1,677	3,397
Total operating lease commitments	3,853	6,153



Australian Skills Quality Authority

Schedule of commitments (continued)

as at 30 June 2015

	2015	2014
	\$'000	\$'000
Other Commitments		
Within 1 year	799	130
Between 1 to 5 years	1,016	-
Total other commitments	1,815	130
Total commitments payable	8,894	9,950
Net commitments by maturity	8,124	9,251

Notes:

1. Commitments were GST inclusive where relevant.
2. IT commitments relate to the development of ASQAnet and NIMBUS.
3. Lease payments are subject to percentage annual increases in accordance with lease agreements.
4. Other commitments include a range of contracts for software licensing, maintenance and support service, consultants and contracted panel arrangements.

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

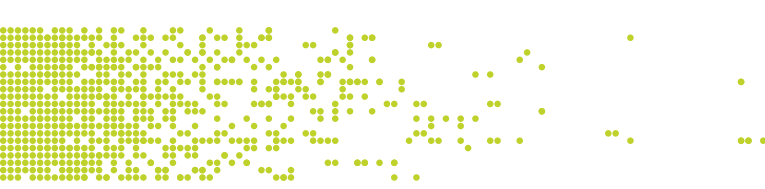
Australian Skills Quality Authority

Administered Schedule of Comprehensive income

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Write-down and impairment of assets	16	119	50
Total expenses		119	50
Income			
Non-taxation revenue			
Fees and fines	17A	23,566	19,568
Other revenue	17B	339	64
Total non-taxation revenue		23,907	19,632
Total revenue		23,907	19,632
Gains			
Reversals of previous asset write-downs	17C	-	196
Total gains		-	196
Total income		23,906	19,828
Net contribution by services		23,787	19,778
Total comprehensive income		23,787	19,778

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



Australian Skills Quality Authority

Administered Schedule of Assets and Liabilities

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Trade and other receivables	19	43	247
Total financial assets		43	247
Total assets administered on behalf of Government		43	247
LIABILITIES			
Provisions			
Other provisions	20	10	235
Total provisions		10	235
Total liabilities administered on behalf of Government		10	235
Net assets		33	12

Administered Reconciliation Schedule

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Opening assets less liabilities as at 1 July		12	1,012
Net contribution by services			
Income		23,907	19,828
Expenses		(119)	(50)
Transfers (to)/from the Australian Government			
Appropriation transfers from OPA			
Special appropriations (limited)		459	417
Appropriation transfers to OPA			
Transfers to OPA		(24,226)	(21,195)
Closing assets less liabilities as at 30 June		33	12

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



Australian Skills Quality Authority
Administered Cash Flow Statement
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services		23,951	21,160
Charges		275	35
Total cash received		24,226	21,195
Cash used			
Refunds to registered training organisations		459	417
Total cash used		459	417
Net cash from/(used by) operating activities	21	23,767	20,778
Cash and cash equivalents at the beginning of the reporting period			
Cash from Official Public Account			
Appropriations		459	417
Total cash from official public account		459	417
Cash to Official Public Account			
Appropriations		24,226	21,195
Total cash to official public account		24,226	21,195
Cash and cash equivalents at the end of the reporting period		-	-

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

Australian Skills Quality Authority
Schedule of Administered Commitments
as at 30 June 2015

ASQA estimates the value of Administered commitments to be \$nil (2014:\$nil)

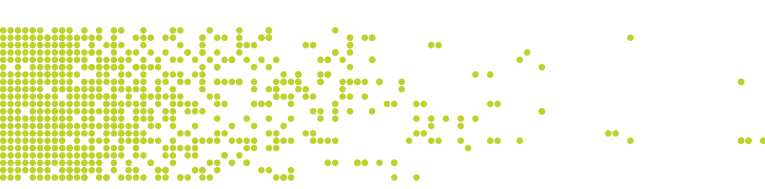


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Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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 training 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) a standards-based quality framework, and
 - (ii) risk assessments, where appropriate
- c) to protect and enhance:
 - (i) quality, flexibility and 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 the following outcome:

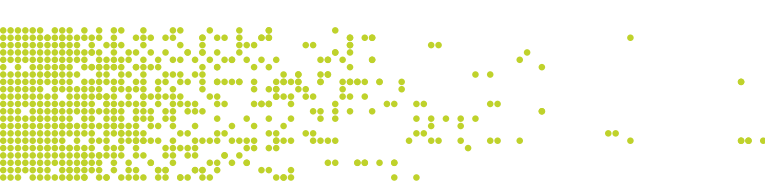
Outcome 1: To contribute to a high quality VET sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of VET.

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



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

- 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 subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) The *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2014, 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 FRR, 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 Schedules of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, ASQA has made a judgement that has the most significant impact on the amounts recorded in the financial statements:

- the fair value of non-financial assets has been taken to be the market value of similar assets as determined by an independent valuer.
- Intangible assets are carried at cost with the useful life of 3-10 years based on management's judgement.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

- the estimated present value of long service leave provision has been based on the Australian Government shorthand method.
- the provision for administered impairment of receivables is based on historical results on the recoverability of receivables in different ageing categories.

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 amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The following revised standard has been adopted earlier than the application date as stated in the standard:

- AASB 13 *Fair Value Measurement* – this standard has been approved effective 1 July 2016 for simplified disclosures for not-for-profit public sector entities where non-financial assets are held for use rather than for earning revenue. The Department of Finance, however, has allowed for early adoption in the 2014-15 financial statements.

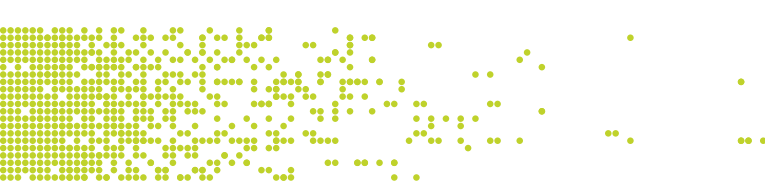
The following new standards, revised standards, interpretations, and amending standards were issued prior to the signing of the statements by the Chief Commissioner and Chief Financial Officer that were applicable to the current reporting period and had a financial impact on the Agency:

- AASB 1055 *Budgetary Reporting* – this new standard is applicable from 1 July 2014 and requires disclosure of ASQA's budget and commentary on significant variances in the financial statements. Comparative budgetary information in relation to the previous reporting period is not required to be disclosed.

All 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 ASQA's financial statements.

Future Australian Accounting Standard Requirements

All 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 ASQA.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

1.5 Revenue

Rendering of Services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts (and service agreements) 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 (and service agreements) 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.

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.

1.6 Transactions with the Government as Owner

Equity Injections

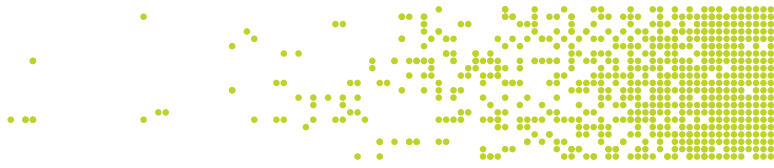
Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

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 FRR's require that distributions to owners be debited to contributed equity unless in the nature of a dividend.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

1.7 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 Employee Benefits*) and termination benefits expected 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 2015.

Superannuation

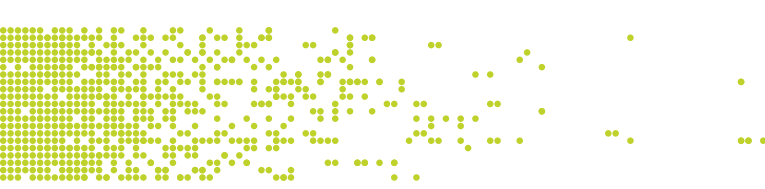
Staff of ASQA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other schemes as chosen by individual employees.

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 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 2015 represents outstanding contributions for the final fortnight of the year.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

1.8 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. With 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 which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

Lease incentives taking the form of rent-free periods, lessor fitout contributions 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.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

1.10 Fair Value Measurement

ASQA deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalent includes cash on hand and any deposits held at call with a financial institution. 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; and
- b) 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.

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.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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

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:

- a) have been acquired principally for the purpose of selling in the near future;
- b) are derivatives that are not designated and effective as a hedging instrument; or
- c) are parts 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.

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'. Receivables are measured at amortised cost using the effective interest method less impairment.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each 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.

1.13 Financial liabilities

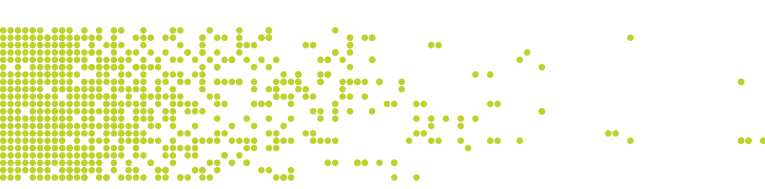
Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

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.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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 statement of financial position 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

Following initial recognition at cost, property, plant and equipment are 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.

ASQA plans for a valuation every 3 years and a materiality review of the carrying value at fair value every other year. An independent qualified valuer undertook a valuation of the ASQA property, plant and equipment as at 30 June 2015.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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 asset revaluations reserve 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.

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

	Fair value measured at	
Asset class	2014-15	2013-14
Leasehold improvements	Depreciated replacement cost	Depreciated replacement cost
Plant and equipment	Market price	Market price

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	2014-15	2013-14
Leasehold improvements	Lesser of the lease term & useful life	Lesser of the lease term & useful life
Plant and equipment	Four to ten years	Four to ten years

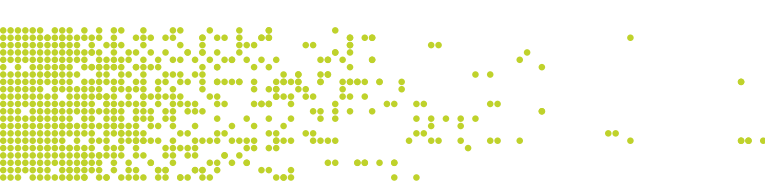
Impairment

All assets were assessed for impairment at 30 June 2015. 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.

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.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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 (2013-14: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.18 Taxation

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

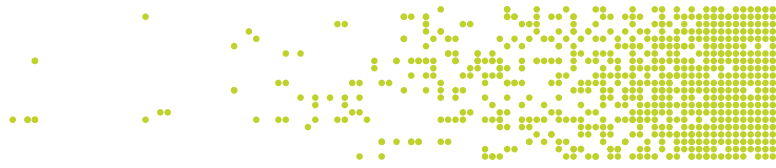
Administered cash transfers to and from the Official Public Account

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) and maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by ASQA on behalf of the 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. As such, administered appropriations are not revenues of ASQA that oversees distribution or expenditure of the funds as directed.

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



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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 some annual fees in accordance with fee schedules of former regulators and are issued under authority of section 5 of the *National Vocational Education and Training Regulator (Transitional Provisions) Act 2011*.

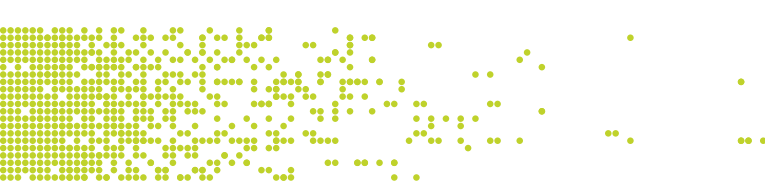
ASQA issues charges invoices under authority of a legislative instrument that is approved under subsections 9(2) and 12(2) of the *National Vocational Education and Training Regulator (Charges) Act 2012*. These charges are considered taxes for purposes of section 55 of the Constitution, which provides that a law imposing a tax can only deal with taxation. For accounting purposes, these charges are recognised as non-taxation revenue the same as administered fees.

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

Administered financial liabilities comprise of a provision for refunds that ASQA expects to pay in regard to fees already received. Registration assessment fees are refundable if applications do not proceed to the assessment phase. A component of annual fees may be refundable if registration ceases.




Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

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

for the year ended 30 June 2015

Note 3: Net Cash Appropriation Arrangements

	2015	2014
	\$'000	\$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations¹	2,005	3,036
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(3,726)	(3,166)
Total comprehensive income - as per the Statement of Comprehensive Income	(1,721)	(130)

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.

Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 4: Expenses

2015	2014
\$'000	\$'000

Note 4A: Employee Benefits

Wages and salaries	16,389	15,841
Superannuation		
Defined contribution plans	2,380	2,143
Defined benefit plans	649	746
Leave and other entitlements	3,300	3,553
Total employee benefits	22,718	22,283

Note 4B: Suppliers

Goods and services supplied or rendered

Consultants	1,719	809
Contractors	1,648	1,148
IT services	2,585	2,380
Legal fees	295	361
Office	1,203	398
Panel auditors	767	638
Property	643	399
Travel	1,501	1,269
Other	648	292

Total goods and services supplied or rendered

11,009	7,694
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Goods supplied in connection with

Related parties	27	5
External parties	295	272

Total goods supplied

322	277
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Services rendered in connection with

Related parties	1,854	1,628
External parties	8,833	5,789

Total services rendered

10,687	7,417
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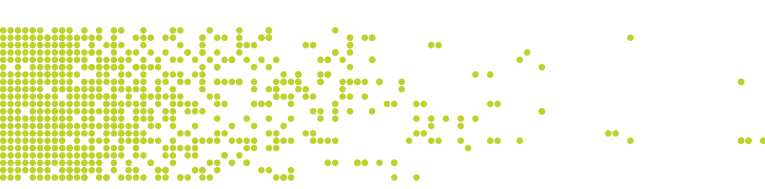
Total goods and services supplied or rendered

11,009	7,694
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Notes to and forming part of the financial statements

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 4B: Suppliers (continued)		
Other suppliers		
Operating lease rentals in connection with		
Related parties		
Minimum lease payments	1,240	1,398
External parties		
Minimum lease payments	1,130	1,037
Workers compensation expenses	296	243
Total other suppliers	2,666	2,678
Total suppliers	13,675	10,372
Note 4C: Depreciation and Amortisation		
Depreciation		
Property, plant and equipment	116	112
Leasehold improvements	1,869	1,863
Total depreciation	1,985	1,975
Amortisation		
Intangibles	1,741	1,191
Total amortisation	1,741	1,191
Total depreciation and amortisation	3,726	3,166
Note 4D: Finance Costs		
Unwinding of discount	8	9
Total finance costs	8	9
Note 4E: Write-Down and Impairment of Assets		
Revaluation decrements	230	-
Total write-down and impairment of assets	230	-



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 5: Own-Source Income

	2015	2014
Own-Source Revenue	\$'000	\$'000

Note 5A: Other Revenue

Resources received free of charge

Remuneration of auditors	45	45
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Other Revenue	5	59
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Total other revenue	50	104
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Note 5B: Revenue from Government

Appropriations

Departmental appropriations	38,586	35,547
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Total revenue from Government	38,586	35,547
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Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

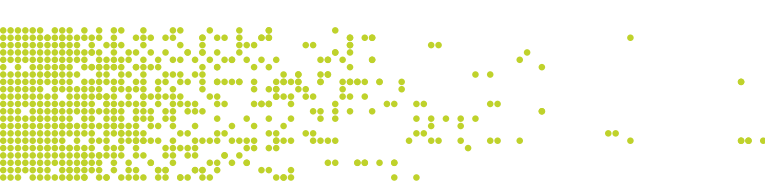
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 6A: Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period using			For Levels 2 and 3 fair value measurements	
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3 ⁴)	Valuation technique(s) ²	Inputs used
Non-financial assets³					
Leasehold Improvements	2,697	4,148	Level 3	Depreciated Replacement Cost (DRC) and Net present Value	- Replacement Cost New (price per square metre) - Consumed economic benefit/Obsolescence of asset - Indexation rate - Discount rate
Plant and equipment	164	199	Level 2	Market Approach	Adjusted market transactions
Total non-financial assets	2,861	4,347			



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

1. ASQA did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015 (2014:nil).

2. There were no changes in valuation technique from the previous reporting period (2014:Nil).

3. Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)

ASQA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all NFAs is considered their highest and best use.

4. Recurring and non-recurring Level 3 fair value measurements - valuation processes

ASQA tests the procedures of the valuation model as an internal management review / asset materiality review at least once every 12 months. If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. ASQA engaged Australian Valuation Solutions to undertake a comprehensive revaluation of all non-financial assets at 30 June 2015.

There have been no transfers between level 1 and level 2 of the hierarchy during the year.

Leasehold Improvement - Consumed economic benefit / Obsolescence of asset

Leasehold Improvement assets have been measured utilising the Depreciated Replacement Cost (DRC) approach. Under the DRC approach, the estimated cost to replace the asset is calculated and then adjusted to take into account the consumed economic benefit/asset obsolescence. Consumed economic benefit/asset obsolescence deductions have been determined based on the asset lease term.

Leasehold Improvement - Current restoration costs, indexation rates and discount rates

The make good component of a leasehold improvement asset with a restoration obligation has been determined in accordance with Resource Management Guide No. 114 Accounting for Decommissioning, Restoration and Similar Provisions ('make good') as issued by the Department of Finance. Current restoration cost has been established based on available market evidence. The current restoration cost of an obligation has been index to the obligation date (generally the expiry of the lease term) using a published building cost index relevant to the capital city where the asset is located and then discounted, where the time value of money is material, using an appropriate Australian government bond rate.

5. ASQA has chosen to early adopt AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value

Disclosures of Not-for-Profit Public Sector Entities at 30 June 2015. The future economic benefits of the authority's non-financial assets are not primarily dependent on their ability to generate cash flows. ASQA has not disclosed qualitative information about the significant unobservable inputs or a narrative description of the sensitivities of the fair value measurements to changes in the unobservable inputs.

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 6B: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-Financial assets			
	Leasehold Improvements		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
As at 1 July	4,148	5,875	4,148	5,875
Total gains/(losses) recognised in the Statement of Comprehensive Income ¹	(2,143)	(1,863)	(2,143)	(1,863)
Purchases	692	136	692	136
Total as at 30 June	2,697	4,148	2,697	4,148

1. These gains/(losses) are presented in the Statement of Comprehensive Income.

2. There have been transfers into or out of level 3 during the year.

ASQA's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 7: Financial Assets

2015	2014
\$'000	\$'000

Note 7A: Cash and Cash Equivalents

Cash on hand or on deposit	186	295
Total cash and cash equivalents	186	295

Note 7B: Trade and Other Receivables

Goods and services receivables in connection with

Related parties	-	12
External parties	-	20
Total goods and services receivables	-	32

Appropriations receivables

For existing programs	21,603	17,849
Total appropriations receivables	21,603	17,849

Other receivables

GST from Australian Taxation Office	170	181
Total other receivables	170	181
Total trade and other receivables (gross)	21,773	18,062

Trade and other receivables (net) expected to be recovered

No more than 12 months	21,773	18,062
Total trade and other receivables (net)	21,773	18,062

Trade and other receivables (gross) aged as follows

Not overdue	21,773	18,062
Total trade and other receivables (gross)	21,773	18,062

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 8: Non-Financial Assets

	2015 \$'000	2014 \$'000
Note 8A: Land and Buildings		
Leasehold improvements		
Fair value	2,705	6,011
Accumulated depreciation	(8)	(1,863)
Total leasehold improvements	2,697	4,148
Note 8B: Property, Plant and Equipment		
Other property, plant and equipment		
Fair value	389	310
Accumulated depreciation	(225)	(111)
Total other property, plant and equipment	164	199

No property, plant or equipment was under finance lease.

Other than the revaluation detailed below, there were no indicators of impairment for property, plant and equipment.

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

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 6. On 30 June 2015, an independent valuer conducted the revaluations.

Revaluation decrement for leasehold improvements was \$262,000 (2014: Nil) and nil for plant and equipment (2014: Nil).

All decrements were expensed after \$49,170 was offset against the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2015

	Leasehold improvements \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2014			
Gross book value	6,011	310	6,321
Accumulated depreciation and impairment	(1,863)	(111)	(1,974)
Total as at 1 July 2014	4,148	199	4,347
Additions			
Purchase or internally developed	638	89	727
Non-cash purchase	54	-	54
Revaluations and impairments recognised in other comprehensive income	(49)	-	(49)
Revaluations recognised in net cost of services	(213)	-	(213)
Depreciation	(1,869)	(116)	(1,985)
Disposals	(12)	(8)	(20)
Total as at 30 June 2015	2,697	164	2,861
Total as at 30 June 2015 represented by			
Gross book value	2,705	389	3,094
Accumulated depreciation and impairment	(8)	(225)	(233)
Total as at 30 June 2015	2,697	164	2,861

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Leasehold improvements \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2013			
Gross book value	5,875	262	6,137
Accumulated depreciation and impairment	-	-	-
Total as at 1 July 2013	5,875	262	6,137
Additions			-
Purchase or internally developed	136	49	185
Non-cash purchase	(49)	-	(49)
Revaluations and impairments recognised in other comprehensive income	49	-	49
Depreciation	(1,863)	(112)	(1,975)
Disposals:			
Other-gross value	-	(1)	-
Other-accumulated depreciation	-	1	-
Total as at 30 June 2014	4,148	199	4,347
Total as at 30 June 2014 represented by			
Gross book value	6,011	310	6,321
Accumulated depreciation and impairment	(1,863)	(111)	(1,974)
Total as at 30 June 2014	4,148	199	4,347

Notes to and forming part of the financial statements

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 8D: Intangibles		
Computer software		
Internally developed – in progress	2,788	1,642
Internally developed – in use	5,584	4,097
Purchased	656	-
Accumulated amortisation	(3,600)	(1,859)
Accumulated impairment losses	-	-
Total computer software	5,428	3,880
Total intangibles	5,428	3,880

No indicators of impairment were found for intangible assets.

The internally developed software ASQAnet with a carrying amount of \$0.761m as at 30 June 2015, is expected to be disposed of within the next 12 months.

Note 8E: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the opening and closing balances of intangibles for 2015

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2014			
Gross book value	5,739	-	5,739
Accumulated amortisation and impairment	(1,859)	-	(1,859)
Total as at 1 July 2014	3,880	-	3,880
Additions			
Purchase or internally developed	2,632	656	3,288
Amortisation	(1,548)	(193)	(1,741)
Total as at 30 June 2015	4,965	463	5,428
Total as at 30 June 2015 represented by			
Gross book value	8,372	656	9,027
Accumulated amortisation and impairment	(3,407)	(193)	(3,599)
Total as at 30 June 2015	4,965	463	5,428

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2013			
Gross book value	3,511	-	3,511
Accumulated amortisation and impairment	(668)	-	(668)
Total as at 1 July 2013	2,843	-	2,843
Additions			
Purchase or internally developed	2,228	-	2,228
Amortisation	(1,191)	-	(1,191)
Other movements			
Total as at 30 June 2014	3,880	-	3,880

Total as at 30 June 2014 represented by

Gross book value	5,739	-	5,739
Accumulated amortisation and impairment	(1,859)	-	(1,859)
Total as at 30 June 2014	3,880	-	3,880

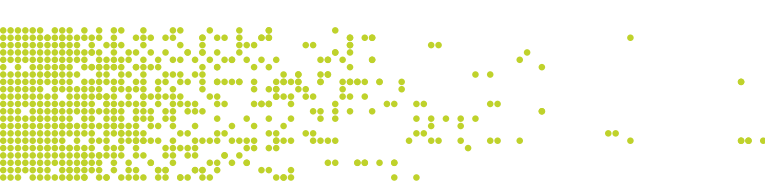
Note 8F: Other Non-Financial Asset

	2015 \$'000	2014 \$'000
Prepayments	127	5
Total Other non-financial assets	127	5

Other non-financial assets expected to be recovered

No more than 12 months	127	5
Total Other non-financial assets	127	5

No indicators of impairment were found for other non-financial assets.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 9: Payables

2015	2014
\$'000	\$'000

Note 9A: Suppliers

Trade creditors and accruals	1,775	1,950
Total suppliers	1,775	1,950

Suppliers expected to be settled

No more than 12 months	1,738	1,683
More than 12 months	37	267
Total suppliers	1,775	1,950

Suppliers in connection with

Related parties	935	580
External parties	840	1,370
Total suppliers	1,775	1,950

Settlement was usually made within 30 days.

Note 9B: Other Payables

Wages and salaries	677	590
Superannuation	103	89
Unamortised lease liabilities	428	553
Total other payables	1,208	1,232

Other payables expected to be settled

No more than 12 months	1,049	876
More than 12 months	159	356
Total other payables	1,208	1,232

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 10: Provisions

	2015	2014
	\$'000	\$'000

Note 10A: Employee Provisions

Leave	5,356	4,769
Total employee provisions	5,356	4,769

Employee provisions expected to be settled

No more than 12 months	3,820	3,299
More than 12 months	1,536	1,470
Total employee provisions	5,356	4,769

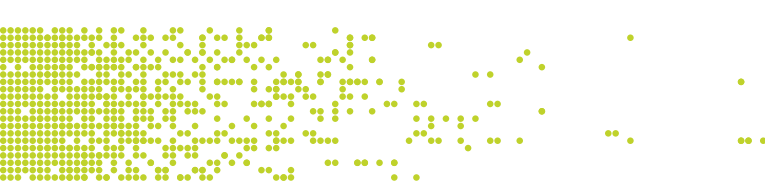
Note 10B: Other Provisions

Provision for restoration	319	257
Total other provisions	319	257

Other provisions expected to be settled

No more than 12 months	43	
More than 12 months	276	257
Total other provisions	319	257

	Provision for restoration \$'000	Total \$'000
As at 1 July 2014	257	257
Additional provisions made	54	54
Unwinding of discount or change in discount rate	8	8
Total as at 30 June 2015	319	319



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 11 : Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000

Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement

Cash and cash equivalents as per

Cash flow statement	186	295
Statement of financial position	186	295

Discrepancy

-	-
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Reconciliation of net cost of services to net cash from/(used by) operating activities

Net cost of services	(40,307)	(35,726)
Revenue from Government	38,586	35,547

Adjustments for non-cash items

Depreciation/amortisation	3,726	3,166
Net write down of non-financial assets	230	-

Movements in assets and liabilities

Assets

(Increase)/Decrease in net receivables	(3,711)	(3,675)
(Increase)/Decrease in other non-financial assets	-	(5)
(Increase)/Decrease in prepayments	(122)	-

Liabilities

Increase/(Decrease) in employee provisions	587	953
Increase/(Decrease) in suppliers payables	(181)	(14)
Increase/(Decrease) in other payables	(24)	(41)
Increase/(Decrease) in other provisions	62	(40)

Net cash from/(used by) operating activities

(1,154)	165
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Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 12 : Contingent Assets and Liabilities

Quantifiable Contingencies

ASQA had no quantifiable departmental contingencies at 30 June 2015 (2014: nil).

Unquantifiable Contingencies

ASQA had a number of legal matters against third parties as at 30 June 2015, however it is not possible to estimate the amounts of any eventual payments in relation to these legal matters.

Significant Remote Contingencies

ASQA had no significant remote departmental contingencies at 30 June 2015 (2014: nil).

Quantifiable Contingencies

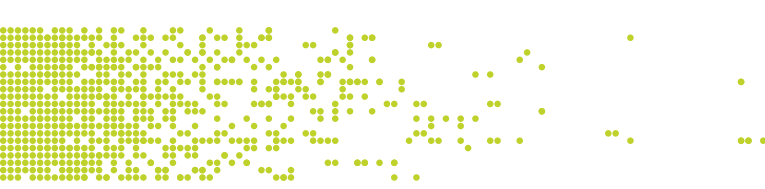
ASQA had no quantifiable administered contingencies at 30 June 2015 (2014: nil).

Unquantifiable Contingencies

ASQA had no unquantifiable administered contingencies at 30 June 2015 (2014: nil).

Significant Remote Contingencies

ASQA had no significant remote administered contingencies at 30 June 2015 (2014: nil).



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 13 : Senior Management Personnel Remuneration

	2015 \$'000	2014 \$'000
Short-term employee benefits		
Salary	915	881
Performance bonuses	-	5
Motor vehicle and other allowances	193	191
Total short-term employee benefits	1,108	1,077
Post-employment benefits		
Superannuation	173	172
Total post-employment benefits	173	172
Other long-term employee benefits		
Annual leave	91	78
Long-service leave	50	20
Total other long-term employee benefits	141	98
Total senior executive remuneration expenses	1,422	1,347

The total number of senior management personnel that are included in the above table is 6 individuals (2014: 4 individuals).

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 14 : Financial Instruments

	2015 \$'000	2014 \$'000
Note 14A: Categories of Financial Instruments		
Financial Assets		
Receivables		
Cash and cash equivalents	186	295
Trade and other receivables	-	32
Total receivables	186	327
Total financial assets	186	327
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	1,775	1,950
Total financial liabilities measured at amortised cost	1,775	1,950
Total financial liabilities	1,775	1,950

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

The financial assets and liabilities are a reasonable approximation of their fair value

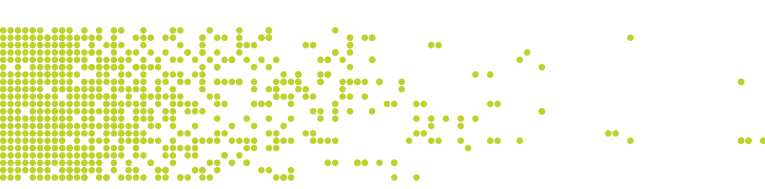
Note 14B: Credit Risk

ASQA was exposed to minimal credit risk as loans and receivables were cash and trade receivables. The maximum exposure to credit risk was the risk from potential default of debtors. At year end the total amount of trade receivables was Nil (2014: \$32k). This amount was not past due date and no impairment allowance was required. In addition, ASQA has policies and procedures in place to manage its debtors.

ASQA held no collateral to mitigate against credit risk due to the minimal risk exposure.

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

	Not past due nor impaired 2015 \$'000	Not past due nor impaired 2014 \$'000
Cash and cash equivalents	186	295
Receivables for goods and services	-	32
Total	186	327



Australian Skills Quality Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2015

Note 14C: Liquidity Risk

ASQA's financial liabilities were payables. The exposure to liquidity risk was based on the notion that ASQA will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as ASQA is appropriated funding from the Australian Government and ASQA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, ASQA 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 in 2015

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000		\$'000	\$'000	\$'000	\$'000
Trade creditors	-	1,738	37	-	-	1,775
Other payables	-	1,049	159	-	-	1,208
Total	-	2,787	196	-	-	2,983

Maturities for non-derivative financial liabilities in 2014

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000		\$'000	\$'000	\$'000	\$'000
Trade creditors	-	1,950	-	-	-	1,950
Total	-	1,950	-	-	-	1,950

The entity had no derivative financial liabilities in either 2015 or 2014.

Note 14D: Market Risk

Currency risk

Currency risk refers to the risk that the fair value of 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.



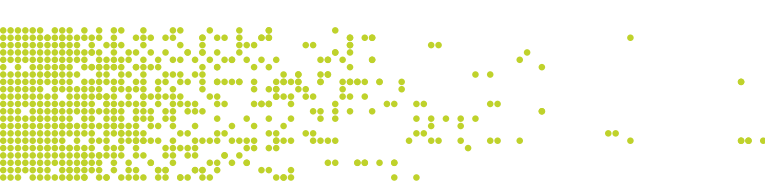
Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 15 : Financial Assets Reconciliation

	Notes	2015 \$'000	2014 \$'000
Total financial assets as per statement of financial position		21,959	18,357
Less: Non-financial instrument components			
Appropriation receivables		21,603	17,849
Other receivables		170	181
Total non-financial instrument components	7B	21,773	18,030
Total financial assets as per financial instruments note		186	327



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 16 : Administered - Expenses

	2015	2014
	\$'000	\$'000

Note 16: Write-Down and Impairment of Assets

Impairment/(reversal) on receivables	119	50
Total write-down and impairment of assets	119	50

Note 17 : Administered - Income

	2015	2014
	\$'000	\$'000

Revenue

Non-Taxation Revenue

Note 17A: Fees and Fines

Fees	23,566	19,568
Fines	2	-
Total fees and fines	23,568	19,568

Note 17B: Other Revenue

Charges	339	64
Total other revenue	339	64
Total revenue	23,907	19,632

Note 17C: Reversals of Previous Asset Write-Downs and Impairments

Reversal of previous asset write down	-	196
Total reversals of previous asset write-downs and impairments	-	196

Note 18 : Administered - Fair Value Measurements

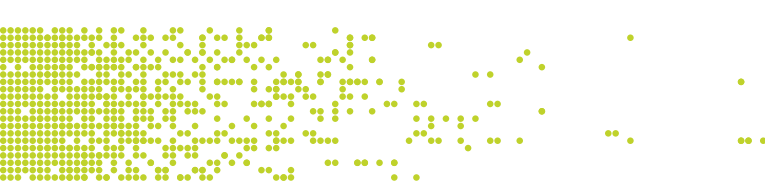
ASQA's administered assets and liabilities are related to fees and charges imposed under ASQA's enabling legislation, the *National Vocational Education and Training Regulator Act 2011*; the *National Vocational Education and Training Regulator (Transitional Provisions) Act 2011* and the *National Vocational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

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 19 : Administered - Financial Assets

	2015	2014
	\$'000	\$'000
Other receivables		
Fees	240	416
Charges	52	29
Total other receivables	292	445
Total trade and other receivables (gross)	292	445
Less impairment allowance		
Fees	(202)	(198)
Charges	(47)	-
Total impairment allowance	(249)	(198)
Total trade and other receivables (net)	43	247
Trade and other receivables (net) expected to be recovered		
No more than 12 months	43	247
Total trade and other receivables (net)	43	247
Trade and other receivables (gross) aged as follows		
Not overdue	23	178
Overdue by		
0 to 30 days	47	49
31 to 60 days	-	2
61 to 90 days	-	4
More than 90 days	222	212
Total trade and other receivables (gross)	292	445
Impairment allowance aged as follows		
Not overdue	-	(1)
Overdue by		
0 to 30 days	(27)	(7)
More than 90 days	(222)	(190)
Total impairment allowance	(249)	(198)



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 19 : Administered - Financial Assets (continued)

Reconciliation of the Impairment Allowance

Movements in relation to 2015

	Other receivables \$'000	Total \$'000
As at 1 July 2014	198	198
Amounts written off	(68)	(68)
Increase in Impairment Allowance, recognised in net cost of services	119	119
Total as at 30 June 2015	249	249
Movements in relation to 2014		
	Other receivables \$'000	Total \$'000
As at 1 July 2013	394	394
Amounts recovered and reversed	(196)	(196)
Total as at 30 June 2014	198	198

Note 20 : Administered - Provisions

	2015 \$'000	2014 \$'000
Other Provisions		
Provision for refunds	10	235
Total other provisions	10	235
Other provisions expected to be settled		
No more than 12 months	10	235
Total other provisions	10	235

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 21 : Administered - Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement		
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net (cost of)/contribution by services	23,788	19,778
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	204	765
Liabilities		
Increase/(Decrease) in other provisions	(225)	235
Net cash from/(used by) operating activities	23,767	20,778

Note 22 : Administered - Financial Instruments

ASQA's administered receivables are imposed under ASQA's enabling legislation, the *National Vocational Education and Training Regulator Act 2011*; the *National Vocational Education and Training Regulator (Transitional Provisions) Act 2011* and the *National Vocational Education and Training Regulator (Charges) Act 2012*, so they are not considered as financial instruments. As at 30 June 2015, there are no Administered financial instruments for ASQA.

Note 23 : Administered - Financial Assets Reconciliation

		2015	2014
	Notes	\$'000	\$'000
Total financial assets as per administered schedule of assets and liabilities		43	247
Less: Non-financial instrument components			
Non Taxation receivables	19	43	247
Total non-financial instrument components		43	247
Total financial assets as per administered financial instruments note		-	-

Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 24 : Appropriations**Note 24A: Annual Appropriations ('Recoverable GST exclusive')****Annual Appropriations for 2015**

	<i>Appropriation Act</i>		<i>PGPA Act</i>		Total appropriation	Appropriation applied in 2015 (current and prior years)	Variance
	Annual Appropriation ¹	AFM	Section 74	Section 75			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental							
Ordinary annual services	40,218	-	299	-	40,517	37,034	3,483
Other services							
Equity	3,473	-	-	-	3,473	3,311	162
Total departmental	43,691	-	299	-	43,990	40,345	3,645

1. There were no appropriations reduced under Appropriation Acts (No.1 or 3) for 2014-15.

Annual Appropriations for 2014

	<i>Appropriation Act</i>		<i>FMA Act</i>		Total appropriation	Appropriation applied in 2014 (current and prior years)	Variance
	Annual Appropriation ¹	AFM	Section 31	Section 32			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental							
Ordinary annual services	35,547	-	210	-	35,757	31,850	3,907
Other services							
Equity	2,236	-	-	-	2,236	2,230	6
Total departmental	37,783	-	210	-	37,993	34,080	3,913

1. There were no appropriations reduced under Appropriation Acts (No.1 or 3) for 2013-14. However, \$40,000 of the Appropriation Act 1 for 2013-14 was quarantined by the Department of Finance as part of an efficiency measure (\$6k) and a parameter adjustment (\$34k).

Note 24 : Appropriations (continued)**Note 24B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')**

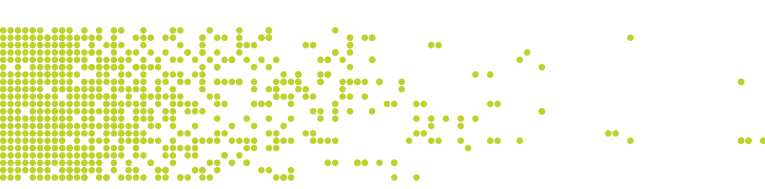
	2015 Capital Budget Appropriations			Capital Budget Appropriations applied in 2015 (current and prior years)			
	<i>Appropriation Act</i>	<i>PGPA Act</i>	Total capital Budget Appropriations	Payments for non-financial assets ²	Payments for other purposes	Total payments	Variance ³
	Annual Capital Budget	Section 75					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental							
Ordinary annual services - Departmental Capital Budget ¹	1,632	-	-	749	-	749	883

1. Departmental Capital Budget is appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see note 24A.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition.

3. In 2014-15, the unspent appropriation of \$0.9m was mainly due to the delay in replacement of information and communications technology assets.

For comparative purposes, the Departmental and Administered Capital Budgets are not included for 2013-2014 as there was none received by ASQA in the 2013-2014 financial year.



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 24 : Appropriations (continued)

Note 24C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2015 \$'000	2014 \$'000
Departmental		
Appropriation Act (No. 1) 2012-13	-	2,633
Appropriation Act (No. 1) 2013-14	40	15,505
Appropriation Act (No. 2) 2013-14	-	6
Appropriation Act (No. 1) 2014-15	17,414	-
Appropriation Act (No. 2) 2014-15	168	-
Appropriation Act (No. 3) 2014-15	4,167	-
Total departmental	21,789	18,144

Note 24D: Special Appropriations ('Recoverable GST exclusive')

			Appropriation applied	
			2015 \$'000	2014 \$'000
Authority	Type	Purpose		
Public Governance, Performance and Accountability Act 2013 s.77, Administered	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and the Finance Minister is satisfied that, apart from this section, there is no specific appropriation for the repayment.	459	417
Total special appropriations applied			459	417

Australian Skills Quality Authority

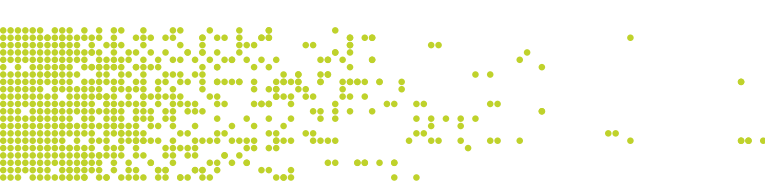
Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 25 : Reporting of Outcomes

Note 25: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Departmental				
Expenses	40,357	35,830	40,357	35,830
Own-source income	50	104	50	104
Administered				
Expenses	119	50	119	50
Income	23,907	19,632	23,907	19,632
Net cost/(contribution) of outcome delivery	(16,519)	(16,144)	(16,519)	(16,144)



Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 26 : Cost Recovery Summary

Note 26: Net Cost of Outcome Delivery

	2015	2014
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations	40,345	34,080
Total amounts applied	40,345	34,080
Expenses		
Departmental	40,357	35,830
Administered	119	50
Total expenses	40,476	35,880
Revenue		
Administered	23,907	19,632
Total revenue	23,907	19,632
Receivables		
Not overdue	23	178
Overdue by		
0 to 30 days	47	49
31 to 60 days	-	2
61 to 90 days	-	4
More than 90 days	222	212
Total receivables	292	445

Cost Recovered Activity:

- Regulation and advice, including regulation of vocational education and training (VET) organisations, accreditation of VET courses and advice in regard to VET regulation.

Documentation (Cost Recovery Impact Statement) for the above activities is available at http://www.asqa.gov.au/verve/_resources/ASQA_2013_Cost_Recovery_Impact_Statement.pdf.

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 27 : Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

Note 27A: Departmental Budgetary Reports

Statement of Comprehensive Income for Australian Skills Quality Authority

for the year ended 30 June 2015

	Actual	Budget estimate	Variance ²
	2015	Original ¹	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	22,718	23,400	(682)
Suppliers	13,675	11,747	1,928
Depreciation and amortisation	3,726	2,985	741
Finance costs	8	-	8
Write-down and impairment of assets	230	-	230
Total expenses	40,357	38,132	2,225
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	-	-	-
Other revenue	50	-	50
Total own-source revenue	50	-	50
Total own-source income	50	-	50
Net cost of services	(40,307)	(38,132)	2,175
Revenue from Government	38,586	35,147	(3,439)
Surplus/(Deficit) attributable to the Australian Government	(1,721)	(2,985)	(1,264)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	(49)	-	(49)
Total comprehensive income/(loss) attributable to the Australian Government	(1,770)	(2,985)	(1,215)

1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Australian Skills Quality Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 27 : Budgetary Reports and Explanations of Major Variances (continued)

Statement of Financial Position for Australian Skills Quality Authority

as at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	186	258	(72)
Trade and other receivables	21,773	13,995	7,778
Total financial assets	21,959	14,253	7,706
Non-financial assets			
Land and buildings	2,697	2,379	318
Property, plant and equipment	164	164	-
Intangibles	5,428	5,870	(442)
Other non-financial assets	127	-	127
Total non-financial assets	8,416	8,413	3
Total assets	30,375	22,666	7,709
LIABILITIES			
Payables			
Suppliers	1,775	1,964	(189)
Other payables	1,208	476	732
Total payables	2,983	2,440	543
Provisions			
Employee provisions	5,356	4,221	1,135
Other provisions	319	297	22
Total provisions	5,675	4,518	1,157
Total liabilities	8,658	6,958	1,700
Net assets	21,717	15,708	6,009
EQUITY			
Contributed equity	18,988	16,558	2,430
Revaluation of non-financial assets	20	20	-
Retained earnings/(Accumulated deficit)	2,709	(870)	3,579
Total equity	21,717	15,708	6,009

1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 27 : Budgetary Reports and Explanations of Major Variances (continued)**Statement of Changes in Equity for Australian Skills Quality Authority**

for the year ended 30 June 2015

	Retained earnings			Asset revaluation surplus			Contributed equity/capital			Total equity		
	Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate	
		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	4,430	2,115	2,315	69	20	49	13,882	13,882	-	18,381	16,017	2,365
Adjustment for opening balance	-	-	-	-	-	-	1	-	-	1	-	1
Adjusted opening balance	4,430	2,115	2,315	69	20	49	13,883	13,883	-	18,382	16,017	2,365
Comprehensive income												
Surplus/(Deficit) for the period	(1,721)	(2,985)	1,264							(1,721)	(2,985)	1,264
Other comprehensive income	-	-	-	(49)	-	(49)	-	-	-	(49)	-	(49)
Total comprehensive income	(1,721)	(2,985)	1,264	(49)	-	(49)	-	-	-	(1,770)	(2,985)	1,215
Transactions with owners												
Contributions by owners												
Equity injection	-	-	-	-	-	-	3,473	2,676	797	3,473	2,676	797
Departmental capital budget	-	-	-	-	-	-	1,632	-	1,632	1,632	-	1,632
Total transactions with owners	-	-	-	-	-	-	5,105	2,676	2,429	5,105	2,676	2,429
Closing balance attributable to Australian Government	2,709	(870)	3,579	20	20	-	18,988	16,558	2,430	21,717	15,708	6,009

1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 27: Budgetary Reports and Explanations of Major Variances (continued)

Cash Flow Statement for Australian Skills Quality Authority

for the year ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	34,945	35,657	(712)
Sale of goods and rendering of services	25	-	25
Net GST received	11	1,187	(1,176)
Total cash received	34,981	36,844	(1,863)
Cash used			
Employees	22,031	23,773	(1,742)
Suppliers	13,991	11,884	2,107
Other	113	1,187	(1,074)
Total cash used	36,135	36,844	(709)
Net cash from/(used by) operating activities	(1,154)	-	(1,154)
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	89	84	5
Purchase of leasehold improvements	683	-	683
Purchase of intangible software	3,288	2,592	696
Total cash used	4,060	2,676	1,384
Net cash from investing activities	(4,060)	(2,676)	(1,384)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	5,105	2,676	2,429
Total cash received	5,105	2,676	2,429
Net cash from/(used by) financing activities	5,105	2,676	2,429
Net increase in cash held	(109)	-	(109)
Cash and cash equivalents at the beginning of the reporting period	295	258	37
Cash and cash equivalents at the end of the reporting period	186	258	(72)

1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Note 27 : Budgetary Reports and Explanations of Major Variances (continued)

Note 27B: Departmental Major Budget Variances for 2015

Explanations of major variances

Affected line items (and statement)

Employees

The variance is immaterial against the PBS budget but is material against the PAES budget which ASQA received additional funding to implement the VET Reform initiatives. The underspend against PAES of \$2.718m (11%) was predominantly due to the recruitment freeze and some deferment of the VET Reform activities to the following year.

Employee benefits expense (Statement of Comprehensive Income), Employee provisions (Statement of Financial Position), Operating cash used - employees (Cash Flow Statement)

Suppliers

Suppliers expenses show an overspend of \$1.928m (16%) against the PBS budget but is immaterial against the PAES budget (4%). The increased expenses were related to implementing the VET Reform initiatives, including raising awareness of the new reform through roadshows, publications and online forums; and internal restructure and setups including IT, training, risk and security.

Suppliers expense (Statement of Comprehensive Income), Suppliers payable (Statement of Financial Position), Operating cash used - suppliers (Cash Flow Statement)

Depreciation and amortisation

Depreciation and amortisation increased by \$0.741m (25%) against both the PBS and PAES budgets as the existing software ASQAnet's useful life was reduced and being replaced by a new software with enhanced capabilities for the VET Reform initiatives.

Depreciation and amortisation expense (Statement of Comprehensive Income), Intangibles non-financial assets (Statement of Financial Position)

Write-down and impairment of assets

Write-down and impairment of assets expense was \$0.278m but was not budgeted for the year, resulting in 100% variance. The main factor contributing to the expense was a result of leaseholds being written off or impaired due to the end of lease term and other leasehold conditions.

Write-down and impairment of assets expense (Statement of Comprehensive Income), Land and Buildings non-financial asset (Statement of Financial Position),

Rendering of services

ASQA received an additional appropriation of \$3.439m (10%) against the PBS to implement the VET Reform initiatives and activities as a result of the agency moving to a more robust and risk focussed VET regulator.

Revenue from Government (Statement of Comprehensive Income), Trade and other receivables (Statement of Financial Position), Operating cash received - appropriation (Cash Flow Statement)

Non-financial assets

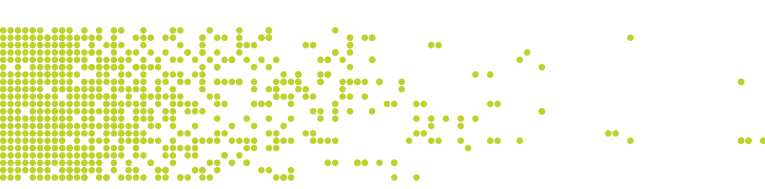
The variance for purchases of non-financial assets was immaterial against the PBS but is underspend against the PAES by \$1.761m (24%) due to postponement of certain components of internally developed information communications and technology to the following year and recognition of certain expenditure as expenses rather than capital.

Suppliers expense (Statement of Comprehensive Income), Intangibles (Statement of Financial Position), Contributed equity (Statement of Financial Position), Investing Activities cash used - purchase of intangible assets (Cash Flow Statement)

Contributed equity

At the PAES budget round, ASQA received an additional capital injection of \$0.797 (30%) and departmental capital budget of \$1.632m (100%) for acquiring new assets and replacing existing assets to enable implementing the VET Reform initiatives.

Contributed equity (Statement of Financial Position), Contributed equity - equity injection and departmental capital budget (Statement of Changes in Equity), Financing cash received - contributed equity (Cash Flow Statement)



Australian Skills Quality Authority
Notes to and forming part of the financial statements
 for the year ended 30 June 2015

Note 27 : Budgetary Reports and Explanations of Major Variances (continued)			
Note 27C: Administered Budgetary Reports			
Administered Schedule of Comprehensive Income for Australian Skills Quality Authority for the year ended 30 June 2015			
	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Other expenses	119	-	119
Total expenses	119	-	119
Income			
Revenue			
Non-taxation revenue			
Fees and fines	23,568	31,195	(7,627)
Other revenue	339	3,416	(3,077)
Total non-taxation revenue	23,907	34,611	(10,704)
Total revenue	23,907	34,611	(10,704)
Total income	23,907	34,611	(10,704)
Net (cost of)/contribution by services	23,788	34,611	(10,823)
1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS. 2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.			

Notes to and forming part of the financial statements

for the year ended 30 June 2015

Note 27 : Budgetary Reports and Explanations of Major Variances (continued)

Administered Schedule of Assets and Liabilities for Australian Skills Quality Authority

as at 30 June 2015

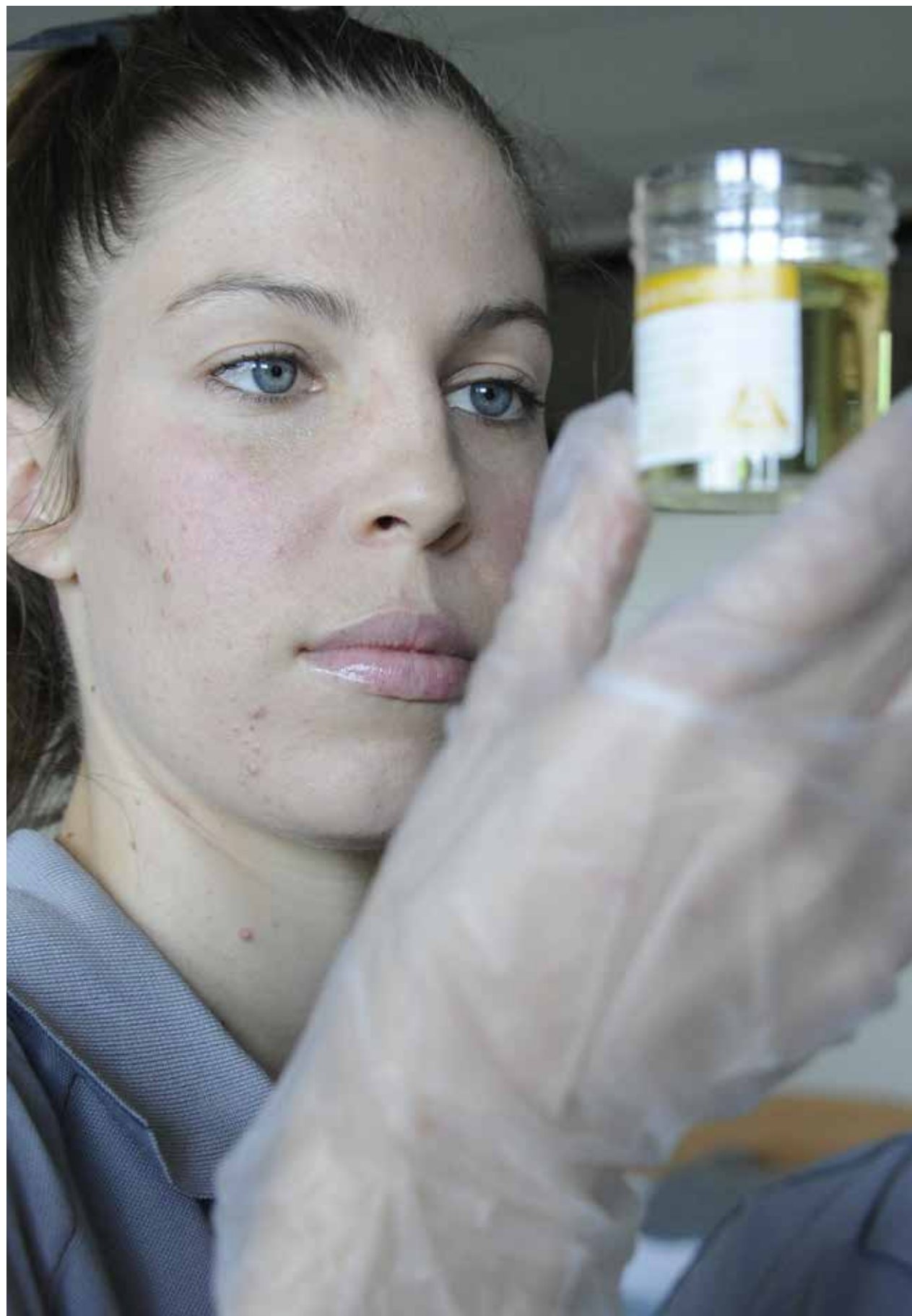
	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Trade and other receivables	43	1,012	(969)
Total financial assets	43	1,012	(969)
Total assets administered on behalf of Government	43	1,012	(969)
LIABILITIES			
Provisions			
Other provisions	10	-	10
Total provisions	10	-	10
Total liabilities administered on behalf of Government	10	-	10
Net assets	33	1,012	(979)

1. ASQA's original budgeted financial statement that was first presented to parliament in respect of the reporting period as per the 2014-15 PBS.

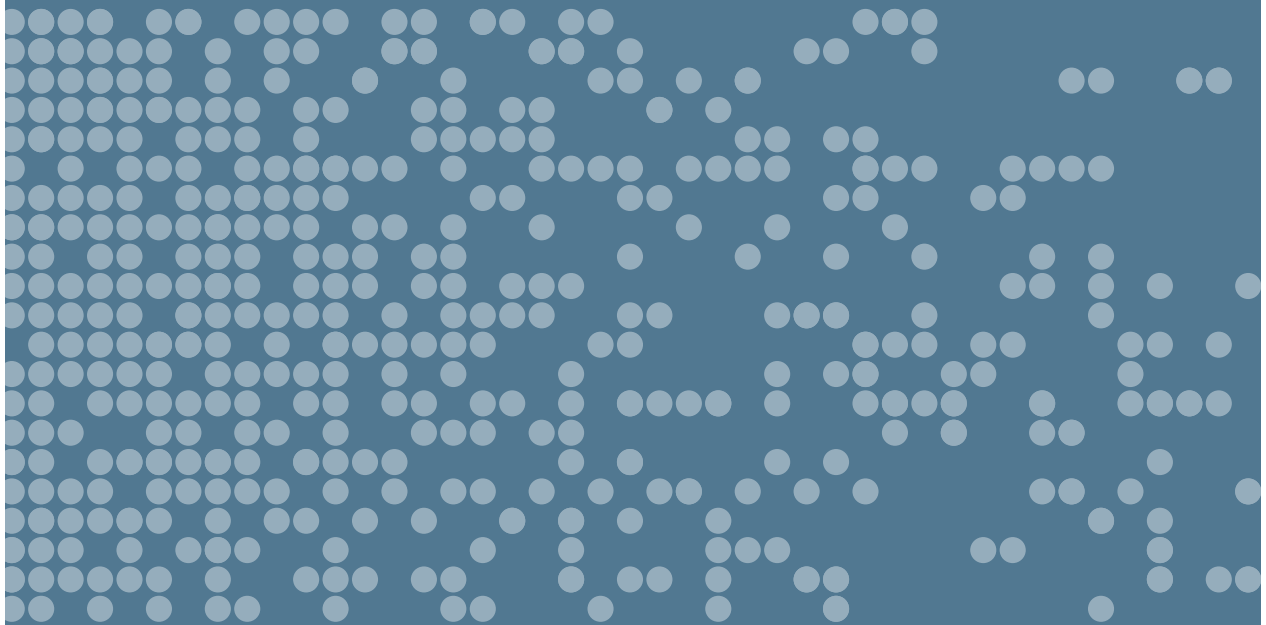
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

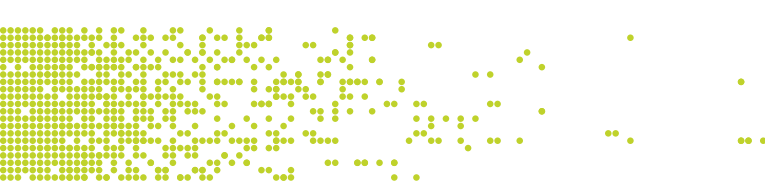
Note 27D: Administered Major Budget Variances for 2015

Explanations of major variances	Affected line items (and schedule)
<p>Total Revenue</p> <p>As reported in the 2014-15 Education and Training Portfolio Additional Estimates Statements, Government reduced ASQA's revenue target by \$14.458m, as part of a regulatory reform package. Actual revenue was \$3.634m higher than the revised budget target. The increased revenue reflects higher than expected levels of retention of registered providers, and of new entrants to the market.</p>	<p><i>Total Revenue (Administered Schedule of Comprehensive Income)</i></p>
<p>Trade and Other Receivables</p> <p>The \$1.012m budget target reflects the actual amount in 2013. In 2014, after ASQA had fully established invoicing arrangements, receivables dropped to \$0.247m. Further improvements - both in invoicing processes and in debt collection procedures - has resulted in receivables reducing to only \$0.043m in 2015.</p>	<p><i>Trade and other receivables (Administered Schedule of Assets and Liabilities)</i></p>



Appendices





Appendix 1—Regulatory decisions overview

Administrative sanctions

ASQA made 27 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 Regulatory Act 2011*.

Where these decisions can be published, they are shown in Table 16.

Table 16: ASQA publishable decisions to cancel registration, 1 July 2014 - 30 June 2015*

RTO ID	RTO name
31348	A.M. Augustine & I.J. Augustine
32270	Australian Vocational Driving Institute PtyLtd
91170	Australian Vocational Education College Pty Ltd
60043	Esset Group Pty Ltd
91251	Grafton Community College Inc
91119	Guru Training Pty Ltd
32482	Jicate Pty Ltd atf Ashmore Family Trust
21990	KAPS Institute of Management Pty Ltd as trustee for KAPS Institute of Management Unit Trust
91858	Lorraine Carol Judd
21819	Pow Wow Training Pty Ltd as trustee for Pow Wow Training Unit Trust
51944	Supplies & Services Australia Pty Ltd
70226	Total Accounting Pty Ltd
32245	Training and Resources International Group Pty Ltd
21675	Training Sense Pty Ltd
31901	Daily Update Pty Ltd

* This list does not include the details of:

- decisions that were subsequently varied, set aside or resolved by consent (e.g. via Administrative Appeals Tribunal [AAT], or ASQA process)
- decisions subject to an application for reconsideration or review which had not been finalised at the time of reporting
- decisions that were still eligible for review process at the time of reporting.



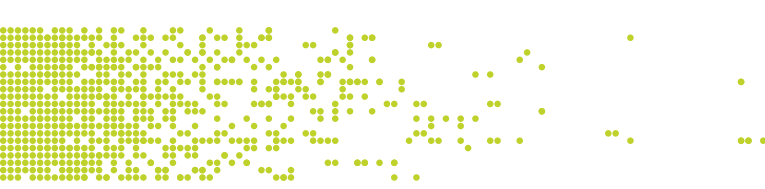
ASQA made 54 decisions to suspend all or part of a registration of a provider in accordance with paragraph 36(2)(e) and section 38 of the *National Vocational Education and Training Regulatory Act 2011*. Where these decisions can be published, they are shown in Table 17.

Table 17: ASQA publishable decisions to suspend registration, 1 July 2014 - 30 June 2015*

RTO ID	RTO name
2129	Advanced Training International Inc
22400	Australian College of Tertiary Studies Pty Ltd
4988	Castle Personnel Services Ltd
70049	Eagle Training Services NT Pty Ltd
32092	Garwen Education Pty Ltd
31930	Global Medical Education Online Pty Ltd
40625	Imagineering Training Pty Ltd
32498	Indigenous and Mainstream Accredited Training Pty Ltd as Trustee for the Tipo Trust
91156	JACTO Australia Pty Ltd
90014	Logistics Training International (Asia Pacific) Pty Ltd
91798	Merage Group Pty Ltd
40394	Mervat Zrba
32477	Milbi Incorporated
1707	Next Training Pty. Ltd.
20664	Quantec Solutions Pty Ltd
31598	Ridgebend Pty Ltd
32140	Simpson OHS & Training Pty Ltd
31349	Statewood Pty Ltd
40482	Structural Group Pty Limited
31114	The College of Somatic Studies Pty Ltd
70226	Total Accounting Pty Ltd
32082	Workplace Health and Safety Pty Ltd
31183	Zieland Australia Pty Ltd as sole Trustee of the Zieland Australia Unit Trust
91286	Zypcom International Pty Ltd

* This list does not include the details of:

- decisions that were subsequently varied, set aside or resolved by consent (e.g. via Administrative Appeals Tribunal [AAT], or ASQA process)
- decisions subject to an application for reconsideration or review which had not been finalised at the time of reporting
- decisions that were still eligible for review process at the time of reporting.



ASQA gave a further 158 written notices of intention to cancel or suspend the registration of a provider.

ASQA made 17 decisions to impose another type of administrative sanction in accordance with paragraphs 36(2)(a)-(d) of the *National Vocational Education and Training Regulatory Act 2011*. Where these decisions can be published, they are shown in Table 18.

Table 18: ASQA publishable decisions to impose administrative sanctions (other than cancellation or suspension of registration)*

RTO ID	RTO name
21524	Mint Training Pty Ltd
91350	Unique International College Pty Ltd

* This list does not include the details of:

- decisions that were subsequently varied, set aside or resolved by consent (e.g. via Administrative Appeals Tribunal [AAT], or ASQA process)
- decisions subject to an application for reconsideration or review which had not been finalised at the time of reporting
- decisions that were still eligible for review process at the time of reporting.

ASQA made 25 decisions to reject an application for renewal of registration in accordance with section 17 of the *National Vocational Education and Training Regulatory Act 2011*. Where these decisions can be published, they are as shown in Table 19. (A provider may have its application for CRICOS and/or VET registration renewal rejected. Where this has occurred, a provider is only listed once.)

Table 19: ASQA publishable decisions to reject re-registration applications, 1 July 2014 - 30 June 2015*

RTO ID	RTO name
91579	Flowers by Mercedes Pty Ltd
40286	RAMC Pty Ltd
51944	Supplies & Services Australia Pty Ltd
31723	SvB Technologies Pty Ltd
2545	John Geoffrey Kirwan & Sandra Mary Kirwan

* This list does not include the details of:

- decisions that were subsequently varied, set aside or resolved by consent (e.g. via Administrative Appeals Tribunal [AAT], or ASQA process)
- decisions subject to an application for reconsideration or review which had not been finalised at the time of reporting
- decisions that were still eligible for review process at the time of reporting.



Appendix 2—Other mandatory information

Ecologically Sustainable Development and Environmental Performance Reporting

ASQA reports under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the Act) on how our activities accord with and contribute to the principles of ecologically sustainable development.

ASQA's operations reflect ESD principles by:

- Operating a waste, landfill and organic recycling program where possible in each state office
- Paper and toner cartridge recycling
- The use of energy efficient computer monitors
- Using low wattage, energy efficient lights throughout office areas
- Operating lighting in office areas via motion sensors to reduce energy consumption
- Reducing paper usage by centralising printers and setting them to double-sided printing as a default. Print on demand is mandatory for all employees to also reduce the use of paper across ASQA offices as well as the number of individual printers.

Environmental performance

The environmental performance of ASQA is aggregated by the Shared Services Centre of the Department of Education and Training (SSC) due to the nature of the services provided exclusively and variously by SSC to ASQA under the current Memorandum of Understanding (MOU) arrangement. These services include ICT services (including ICT procurement services), HR payroll services, SAP/Connect services and security access.

In the ASQA Annual Report 2013 – 2014, a commitment was made to undertake environmental audits in all ASQA offices with the objective of providing recommendations to establish a baseline standard for environmental performance.

Desktop audits were undertaken for three tenancies occupied by ASQA – Level 6, 595 Collins Street, Melbourne; Level 7, 215 Adelaide Street, Brisbane; and Level 13, 115 Grenfell Street, Adelaide. The tenancies were selected for comparison based on Net Lettable Area (NLA), number of staff and refit works undertaken. The audits used a range of indicators for data collection to establish baseline performance. A summary of the audit outcomes in the ASQA Melbourne, Brisbane and Adelaide offices is provided in Table 20.

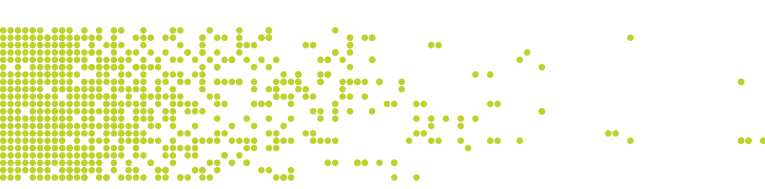


Table 20: Audit outcome summary for the ASQA Melbourne, Brisbane and Adelaide offices

INDICATOR	Melbourne	Brisbane	Adelaide
Total power consumption (kWh)	143656.3	54038.6	24192.0
Total power consumption (Mj)	517162.7	194538.6	87091.2
Power use per FTE* (Mj)¹	6895.5	3537.1	6220.8
Power use psm p.a.²	279.5	210.3	248.8
NABERS Building rating	4.5 stars	5.0 stars	3.5 stars ³
Greentrac installed to PC's⁴	Yes	Yes	Yes
Desktop PC to printer ratio	25:1	27:1	14:1
% copy paper - recycled content⁵	100%	100%	100%
Total copy paper purchased (reams)	135	175	47
Copy paper per FTE (reams)	1.8	2.33	3.35

Notes

* FTE – Full time equivalent

1 Energy Efficiency in Government Operations Policy target is 7500MJ per person per annum

2 Energy Efficiency in Government Operations Policy target is 400MJ per square metre per annum

3 Expected NABERS rating with higher building occupancy is 4.5 – 5.0 stars

4 Greentrac - PC Energy Consumption statistics

5 Recycled content equal to or greater than 50 per cent

ASQA continues to evaluate and improve its operational efficiency to ensure that its activities contribute to successful long-term outcomes and to increase its understanding of sustainability beyond the environmental scope.

Procurement practices supporting Small to Medium Enterprises (SMEs)

ASQA's procurement practices support SMEs and are consistent with paragraph 5.4 of the Commonwealth Procurement Rule. The following processes are followed when undertaking procurement:

- the use of Whole of Government procurement panels
- the use of multi-agency panel arrangements for procurement services
- best practice of seeking three quotes from suppliers when a panel arrangement is not available to use
- a simple form contract for small procurement. ASQA will be introducing the use of the Commonwealth Contracting Suite for low-risk procurement valued under \$200,000 in the 2015 –16 financial year
- the SAP Financial Management Information System (FMIS) identifies invoices that are due for payment within the 30 day payment terms from the receipt of the correctly rendered invoice
- increasing the use of purchasing cards to enable payments to suppliers up to the value of \$10,000 in the 2015 –16 financial year.



Advertising and market research

During the 2014–15 financial year, ASQA paid:

- Australian Survey Research Group Pty Ltd—\$19,078.95 (inclusive of GST) to undertake the 2013–14 ASQA survey of stakeholders, training providers and course owners and produce a report of the findings
- Australian Survey Research Group Pty Ltd—\$8,025.19 (inclusive of GST) as a pre-payment to undertake the 2014–15 ASQA survey of stakeholders, training providers and course owners
- Quintessential Marketing - \$1485.00 (inclusive of GST) being the licence fee for the online survey software used to undertake the ASQA Strategic Reviews
- Vision6 Pty Ltd—\$5,083.79 (inclusive of GST) being the cost of distributing ASQA's e-newsletter, ASQA Update, to subscribers

During 2014–15, ASQA did not pay any monies to undertake any advertising campaigns, or any monies to polling 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 Australia 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.

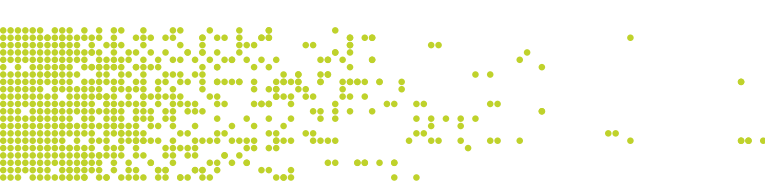
The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports was available in late 2014 and can be found at www.dss.gov.au.

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement, in Part II of the FOI Act, 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 Publications Scheme plan can be found at:

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



Appendix 3—ASQA addresses

Adelaide	Level 5, 115 Grenfell St, Adelaide, SA 5000
Brisbane	Level 7 & 8, 214 Adelaide St, Brisbane, QLD 4000
Canberra	Level 3, 64 Northbourne Ave, Canberra City, ACT 2600
Darwin	Level 3, 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 Tce, Perth, WA 6000
Sydney	Level 10, 255 Elizabeth St, Sydney, NSW 2000

Appendix 4—Agency resource statement

Table 21: Australian Skills Quality Authority Resource Statement 2014-15

		Actual available appropriation for 2014-15 \$'000	Payments made 2014-15 \$'000	Balance remaining 2014-15 \$'000
Ordinary annual services¹				
Departmental appropriation ²		58,660	37,079	21,581
Total		58,660	37,079	21,581
Total ordinary annual services	A	58,660	37,079	21,581
Other services³				
Departmental non-operating				
Equity injections		3,479	3,311	168
Total		3,479	3,311	168
Total other services	B	3,479	3,311	
Total available annual appropriations and payments		62,139	40,390	
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Public Governance, Performance and Accountability Act 2013 – s77</i>			459	
Total special appropriations	C		459	
Total resourcing and payments A+B+C		62,139	40,849	
Total net resourcing for ASQA		62,139	40,849	

¹ Appropriation Act (No.1) 2014-15 , Appropriation Act (No.3) 2014-15 , includes prior year departmental appropriation and section 74 Retained Revenue Receipts.

² Includes an amount of \$1.6m in 2014 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³ Appropriation Act (No.2) 2014-15 and Appropriation Act (No.4) 2014-15

Appendix 5—Expenses and resources for outcome

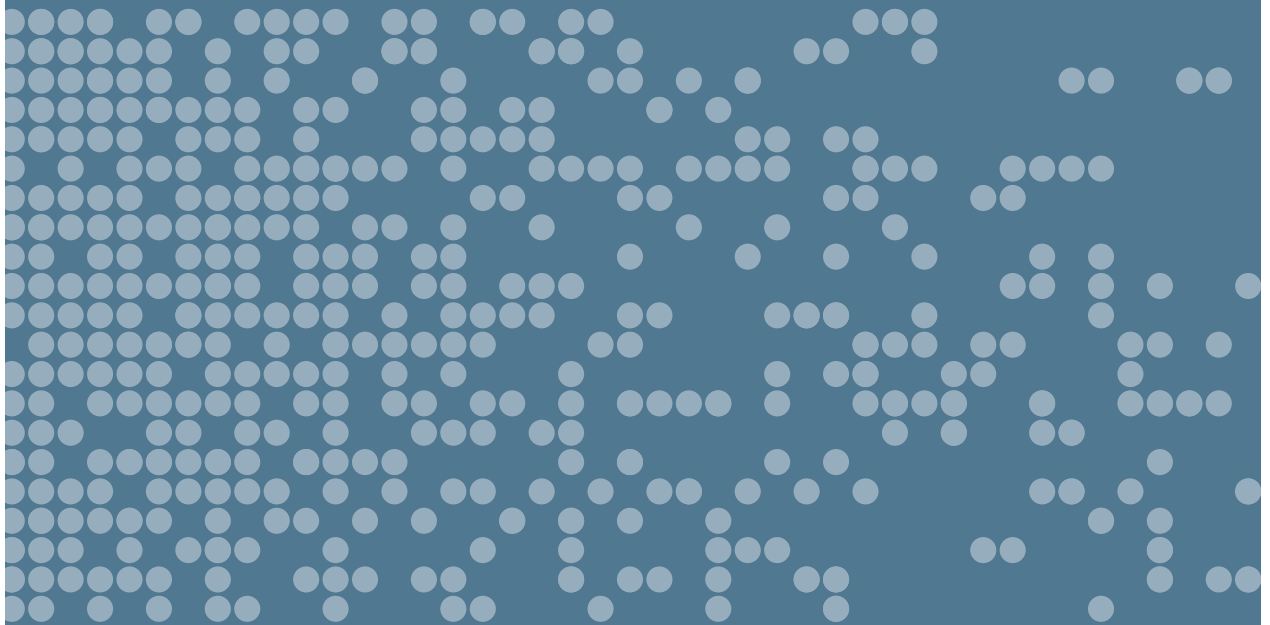
Table 22: Expenses for Outcome 1

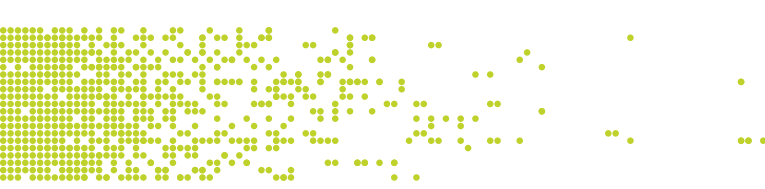
Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training	Budget*	Actual	Variation
	2014-15	2014-15	2014-15
	\$'000	\$'000	\$'000
	(a)	(b)	(a) - (b)
Programme 1.1: Regulation and advice			
Administered expenses			
Special appropriations	-	119	(119)
Departmental expenses			
Departmental appropriations ¹	38,586	36,679	1,907
Expenses not requiring appropriation in the Budget year	2,985	3,726	(741)
Total for programme 1.1	41,571	40,524	1,047
Outcome 1 Totals by appropriation type			
Administered expenses			
Special appropriations	-	119	(119)
Departmental expenses			
Departmental appropriations ¹	38,586	36,679	1,907
Expenses not requiring appropriation in the Budget year	2,985	3,726	(741)
Total expenses for Outcome 1	41,571	40,524	1,047
Average staffing level (number)	205	200	

* Full year budget, including any subsequent adjustment made to the 2014-15 Budget at Additional Estimates

¹ Departmental Appropriation combines Ordinary annual services (Appropriation Act Nos. 1, 3 and 5) and Retained Revenue Receipts under section 74 of the PGPA Act 2013

References





Glossary

accreditation

The formal recognition of vocational education and training courses 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)

Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)

An online database of courses and educational institutions or providers in Australia that are registered to offer courses to overseas students with student visas

competency

An individual's demonstrated capacity to perform a skill or task

compliance

Compliance is reached when requirements of the VET Quality Framework or Standards for VET Accredited Courses have been met



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 authority to undertake compliance audits of providers outside 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 private and other sectors of the economy

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

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

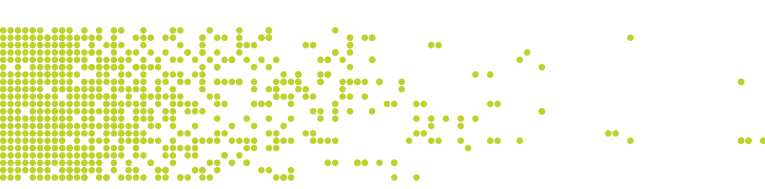
A legislative instrument to ensure that an applicant or provider has the necessary financial resources for business continuity and can deliver quality outcomes

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 ASQA 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 provider 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 providers

industry organisation

An organisation representing an industry, including peak business and employer organisations and industry advisory bodies, such as 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 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 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

State that did not transfer regulatory powers to the national VET regulator, i.e. Western Australia and Victoria

Notice of intention

ASQA may issue a provider with a notice of intent to apply a sanction or condition of registration where non-compliances are identified. The notice of intent letter outlines the proposed sanction or condition, the reasons for the sanction and invites the provider to submit evidence within 20 working days as to why the action should not be taken by ASQA

overseas students

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 Student Ombudsman

The Overseas Student 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

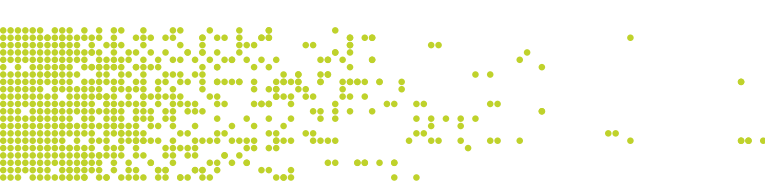
ASQA internal reconsideration of a reviewable decision

rectification

If ASQA identified non-compliance at audit, a provider will be given 20 working days to provide evidence that it has rectified that non-compliance. ASQA will then consider this evidence

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 CRICOS providers

VET registration is a nationally recognised indication that a training organisation can deliver, assess and issue qualifications or statements of attainment to a nationally agreed standard for the specific vocational education and training qualifications it is registered to provide

Providers delivering training and assessment to overseas students who have Australian student visas must be registered on CRICOS

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 of scope registration). The cost of a registration audit is included in the relevant application or application assessment fee

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 cancel 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

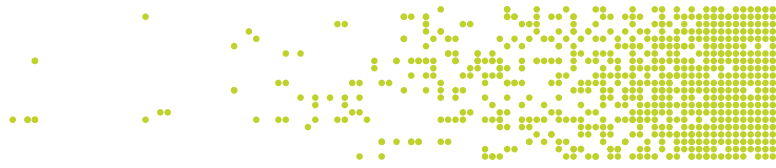
A rating assigned to each provider by ASQA to indicate the potential effects and likelihood of a provider not complying with its legislative obligations. Risk ratings are developed following a risk assessment and determine the extent to which ASQA will monitor a provider

scope of registration

The particular services and products that a provider is registered to provide

Spring Repeal Day 2014

The Australian Government has a plan to cut \$1 billion in red tape every year. As part of that plan, there will be two parliamentary repeal days every year to cut unnecessary and costly legislation and regulation. The 2014 Spring Repeal Day was in the House of Representatives on Wednesday 20 October



Standards for NVR Registered Training Organisations 2015

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*

Strategic Reviews

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 FEE-HELP

VET FEE-HELP is a loan to help eligible vocational education and training (VET) students enrolled in higher level VET courses at approved VET providers to pay their tuition fees

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 Provisions Requirements, and
- the Australian Qualifications Framework

VET Reform Taskforce

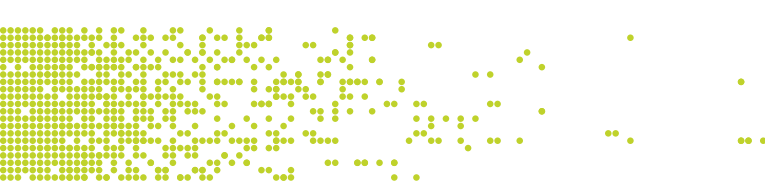
A taskforce established by the Department of Industry to engage with industry and the training sector and identify opportunities for reform

VET Regulatory Reform

ASQA is implementing a range of reforms to the way it regulates Australia's vocational education and training sector. These reforms are focused on making it easier for high-performing providers to meet their obligation to deliver quality training and assessment, while increasing scrutiny on providers that do not provide quality training

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

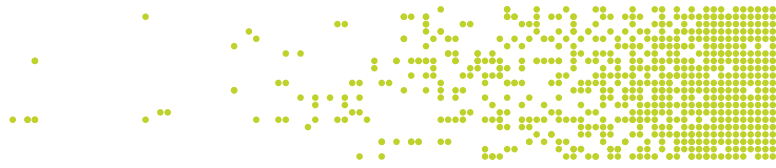
ACCI	Australian Chamber of Commerce and Industry
ACPET	Australian council for Private Education and Training
ACT	Australian Capital Territory
AGS	Australian Government Solicitors
APS	Australian Public Service
AQF	Australian Qualifications Framework
ASQA	Australian Skills Quality Authority
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CCA	Community Colleges Australia
CDPP	Commonwealth Director of Public Prosecutions
CEAIE	China Education Association for International Exchange
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 Courses for Overseas Students
EDRMS	Electronic Document and Records Management System
ELICOS	English Language Intensive Courses for Overseas Students
ELT	English Language Teaching
ESOS Act	<i>Education Services for Overseas Students 2000</i>
FOI	Freedom of Information
FMA Act	<i>Financial Management and Accountability Act 1997</i>
IBSA	Innovation and Business Skills Australia
ICT	Information and Communications Technology
IMT	Information Management and Technology
IPS	Information Publication Scheme
ISC	Industry Skills Council
KPIs	Key Performance Indicators
MoU	Memorandum of Understanding
NCVER	National Centre for Vocational Education and Training
NEAS	National English Language Teaching Accreditation Scheme



NSSC	National Skills Standards Council
NSW	New South Wales
NT	Northern Territory
NVR	National VET Regulator
NVR Act	<i>National Vocational Education and Training Regulator Act 2011</i>
OBPR	Office of Best Practice Regulation
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSPF	Protective Security Policy Framework
QLD	Queensland
QMS	Quality Management System
QUT	Queensland University of Technology
RABSQA	Registrar Accreditation Board and Quality Society of Australasia
RPF	Regulator Performance Framework
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
TEQSA	Tertiary Education Quality and Standards Agency
VET	vocational education and training
VIC	Victoria
WA	Western Australia
WATAC	Training Accreditation Council

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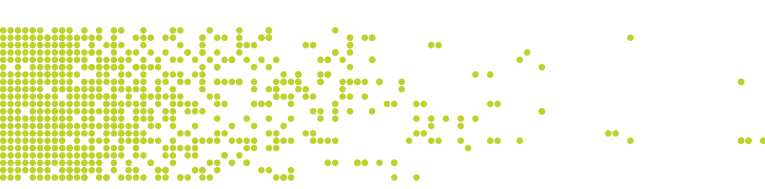
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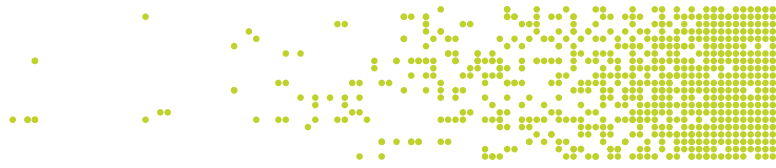
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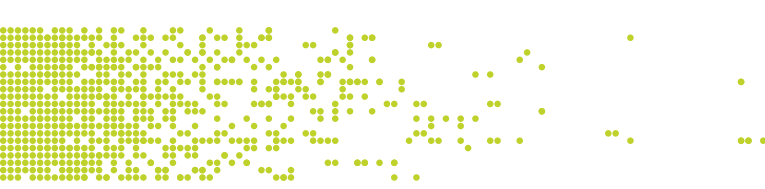
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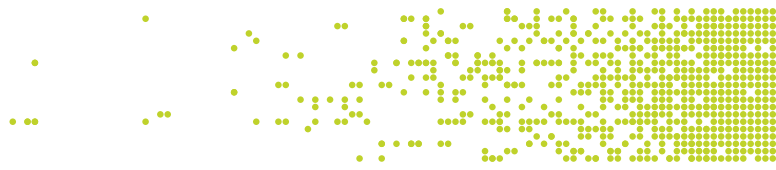
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