VET sector stakeholder briefing session 2016

Australian Government
Australian Skills Quality Authority

Purpose of today's briefing

- Provide an overview of ASQA's regulatory activity in the past 12 months

- Provide an overview of ASQA's regulatory risk framework and regulatory strategy for 2016/17

- Encourage ongoing collaboration between industry, government and peak VET organisations and stakeholders

Australia's VET sector

Providing skills for jobs

- Around 4 million students undertake VET training annually

- Training is provided by around 4600 training providers

- 77.5% of enrolments were in courses under national training packages

Source: NCVER Australian vocational education and training statistics 2015

Australia's VET sector

Meeting student and employer needs

- 84% of employers were satisfied that nationally recognised training provided employees with the skills they required for the job

- 82% of employers were satisfied that apprentices and trainees were obtaining the skills they required from training

- 76% of employers were satisfied that vocational qualifications provided employees with the skills they required for the job

- 86% of graduates were satisfied with the overall quality of their training

- 84% of subject completers were satisfied with the overall quality of their training

Sources: NCVER Employers' use and views of the VET system 2015
NCVER Government-funded student outcomes 2015

Australia's VET sector

Meeting employer needs

- VET provides skills for jobs – not curriculum-driven training

- Training packages are developed to meet the training needs of an industry, or a group of industries

- Training packages specify the skills and knowledge required to perform effectively in the workplace

- Training packages do not suggest <u>how</u> a learner should be trained

ASQA exists to:

- Manage the risk that learners don't get quality training and assessment from a regulated training provider

- Enable employers to have confidence that workers will have certified competencies

- Protect Australia's international reputation for high quality education and training

ASQA's regulatory activity

- Testing new organisations seeking to enter the market

- Re-registering existing providers

- Approving applications to add a new course/s to a provider's registration

- Accrediting national VET courses (outside of training packages)

- Proactive compliance monitoring

Between 1 July 2015 and 31 March 2016 ASQA:

- received a total of 4,946 applications in all states and territories

- undertook 942 regulatory activities of training providers

2015/16 – In review

Regulatory decisions

Type of decision	Number of decisions
Cancellation	47
Suspension	10
Written notice/s of intention to cancel or suspend	90
Other administrative sanctions	27
Subtotal	**174**
Reject application to establish a new RTO	54
Reject application to re-register an existing RTO	35
Reject application to change scope	27

Impact of ASQA's regulatory scrutiny

Rejections as a percentage of completed decisions

Application type refused	2011-12	2012-13	2013-14	2014-15	2015-16
Initial registration	31.4%	14.9%	12.2%	9.2%	16.4%
Registration renewal	12.1%	9.5%	3.5%	3.2%	7.6%
Scope change registration	3.9%	2.2%	1.4%	0.6%	0.7%

Strengthening VET sector regulation

- Enhanced Regulatory Risk Framework to better target resources to areas of greatest risk

- Fully established Enforcement and Investigations Team

  - powers to execute search warrants and seize items

  - powers to issue civil penalties

  - able to act in conjunction with police and enforcement agencies

- Redesigning the audit model

  - focus on provider behaviours and practices as well as systems and processes

  - greater customisation to audit scope

  - broader spectrum of regulatory tools

ASQA's Regulatory Risk Framework

What risk does ASQA seek to manage?

The primary risk for ASQA to manage is a Registered Training Organisation certifying that a person has competencies that do not reflect his/her skills, knowledge and attitudes.

- Additional risks associated with particular obligations of training packages
- Risks related to international students and visa integrity

ASQA's Regulatory Risk Framework

How does our enhanced risk based regulatory approach work?

- **Strategic:** *Systemic risk* is a risk likely to exist across the sector or in a proportion of providers. If left untreated, significant risks of this type can have a detrimental impact on the quality of training and assessment for individuals, industry and the wider community and may lead to loss of confidence in the sector.

- **Operational:** *Provider risk* is the risk an individual provider presents through their choices and actions, which, if left untreated, could have a significant detrimental impact on training and assessment outcomes for students, industry and the community.
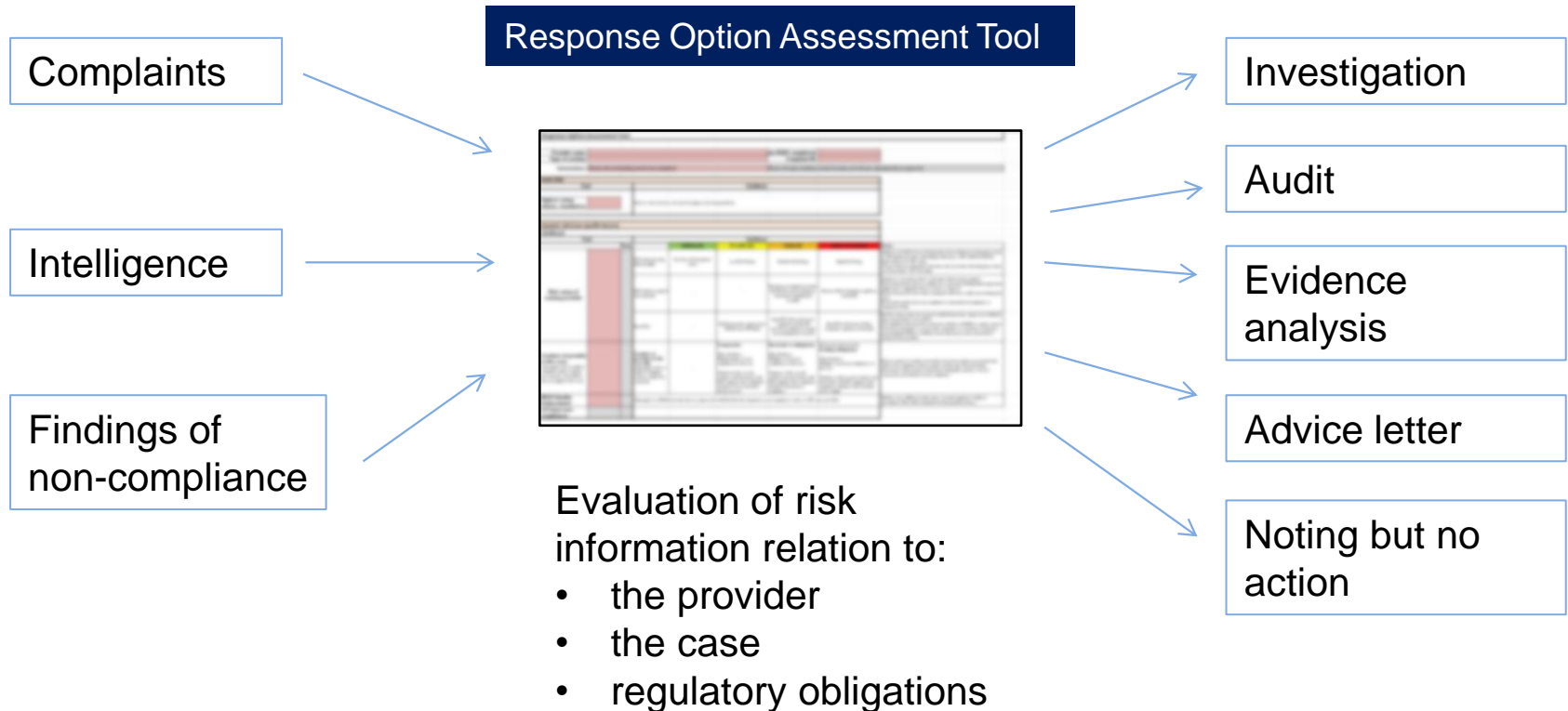
ASQA's Regulatory Risk Framework

Provider risk identification

Provider data and intelligence received

Threshold testing
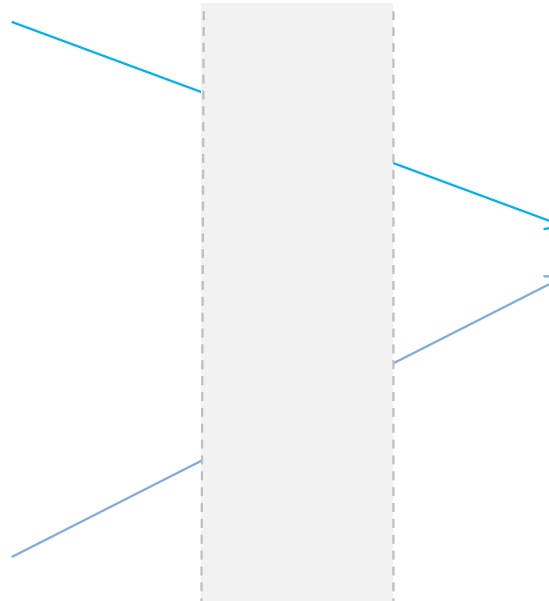
Provider profile

ASQA's Regulatory Risk Framework

Provider risk analysis and response

Complaints

Intelligence

Findings of non-compliance

Response Option Assessment Tool

Evaluation of risk information relation to:
- the provider
- the case
- regulatory obligations

Investigation

Audit

Evidence analysis

Advice letter

Noting but no action

ASQA's Regulatory Risk Framework

Provider Risk analysis and evaluation

Response Option Assessment Tool

Provider Profile

Risk relating to the regulatory obligation

Impact based on
- Students
- Industry
- sector

Likelihood based on
- Levels of non compliance
- Stakeholder concerns
- Technical difficulty
- Other drivers

		Impact			
		Minor	Moderate	Major	Severe
Likelihood	Almost Certain	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme
	Possible	Low	Medium	High	High
	Unlikely	Low	Low	Medium	Medium
	Rare	Low	Low	Low	Medium

Risk relating to the provider and the case

Impact based on
- Students
- Industry
- sector

Likelihood based on
- Provider past performance
- Provider current conduct

Appendix 3: Overall Seriousness of Case Specific Factors

		IMPACT of Case Specific Factors				
		Negligible	Minor	Moderate	Major	Severe
LIKELIHOOD of RTO's Future non-compliance	Almost Certain	Somewhat concerning	Concerning	Serious	Very Serious	Very Serious
	Likely	Somewhat concerning	Somewhat concerning	Concerning	Serious	Very Serious
	Possible	Somewhat concerning	Somewhat concerning	Somewhat concerning	Concerning	Serious
	Unlikely	Somewhat concerning	Somewhat concerning	Somewhat concerning	Somewhat concerning	Concerning

Risk relating to the regulatory obligation

	Low	Medium	High	Extreme
Very Serious	2	3	4	4
Serious	1	2	3	4
Concerning	1	1	2	3
Somewhat Concerning	1	1	1	2

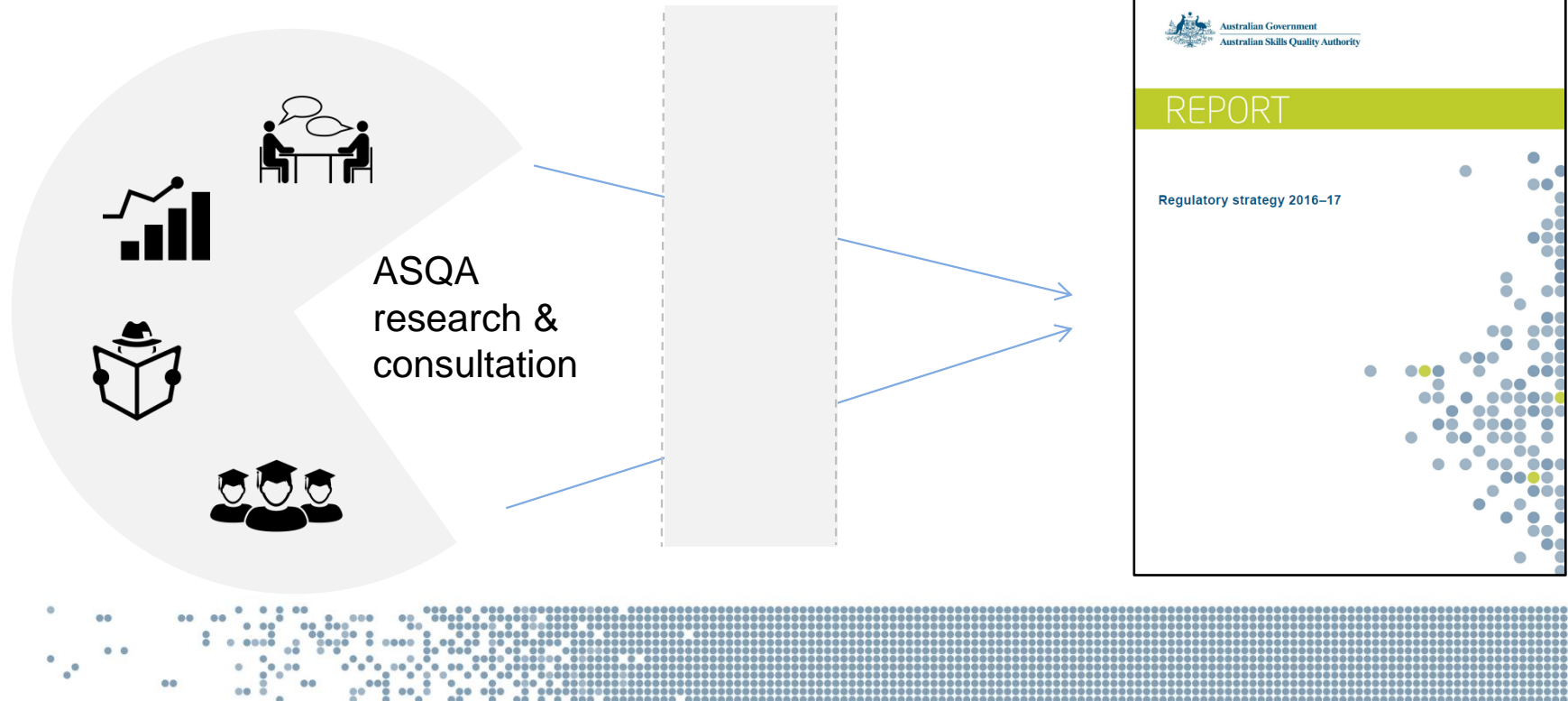*Risk relating to the provider and case*

ASQA's Regulatory Risk Framework

Systemic risk

Annual environmental scan of systemic risks

Analysis and evaluation

Annual regulatory strategy

ASQA research & consultation

Australian Government
Australian Skills Quality Authority

REPORT

Regulatory strategy 2016–17

ASQA's Regulatory Risk Framework

Systemic Risk – ASQA's Regulatory Strategy 2016-17

ASQA's Regulatory Strategy outlines the initiatives and targeted priorities for the period March 2016—June 2017.

The target areas are:

1. Learner protection

2. Amount of training

3. Capability of trainers and assessors

The 2016 –17 strategic initiatives and target areas complement ASQA's ongoing commitment to focus on the small but concerning group of providers in the VET market engaging in practices that pose a threat to confidence in the quality of the VET sector.

VET FEE-HELP regulatory strategy

- The Higher Education Support Act (HESA) establishes VFH and creates a regulatory regime administered by the Commonwealth Department of Education and Training (DET) for the scheme

- The regulatory schemes goes to:

  - approval of an RTO to be a VFH provider

  - financial viability assessment of VFH providers

  - quality requirements specified in VFH Guidelines

  - provisions about VFH providers supplying data and information to DET

  - authority to DET to audit VFH provider's compliance against HESA and VFH Guidelines on matters such as fairness requirements, fee requirements, quality and accountability requirements

- The regulatory scheme and oversight powers are modelled on the Department's longstanding regime for Higher Education under HECS / HELP programs

VET FEE-HELP regulatory strategy

- Concerning provider behaviours under VFH also raise issues under the VET Quality Framework regulated by ASQA and Australian Consumer Law regulated by ACCC and State Fair Trading bodies

- ASQA views poor VFH behaviours as a systematic risk

- 2015 ASQA program of 21 targeted audits with 4 provider's registration cancelled and 10 providers subject to registration conditions and monitoring

- 2016 ASQA program underway

Complaints and risk

- Around 1,500 complaints about RTOs are lodged with ASQA each year

- Complaints are a critical data source in moving from application led to data/intelligence led regulation

- Assess whether a complaint is within ASQA's jurisdiction and/or refer to appropriate authority

- Decide what level of response based on risk/seriousness

- Substantiated complaints are included in a provider's profile for reference in future regulatory activity

Working with our stakeholders

- Memorandums of understanding and agreements

  - Share information

  - Identify emerging risks

  - Capturing complaints and intelligence

- Regular engagement:

  - Provider Roundtable

  - ELICOS provider-regulator Roundtable

  - Stakeholder engagement surveys

  - ASQA Industry Engagement Team

  - Directly contacting an ASQA Commissioner

Working with our stakeholders

State & territory government stakeholders

- ASQA's regulatory work can complement contractual performance management required of state and territory funding arrangements with RTOs

- Ensuring that duplication is minimised

- Enhanced data sharing arrangements

Occupational licensing regulators

- Synergy between ASQA's regulatory work and training package specifications and licensing requirements

- Identifying risk issues/poor quality providers

Working with our stakeholders

Peak training provider groups

- Identifying risks and issues in the VET sector and identifying solutions
- Improving regulatory efficiency and reducing red tape

Peak industry and employer groups

- Making sure the VET sector delivers employees with the skills that employers need
- Identifying quality concerns/risk factors
- Monitoring training package activity
- Identifying poor quality providers
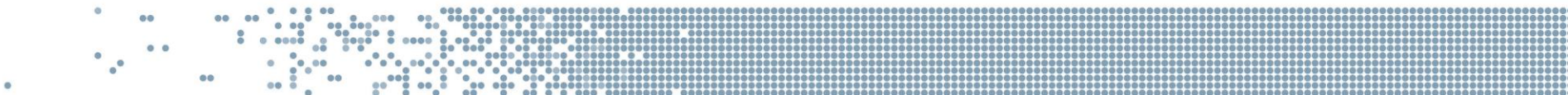
Key contacts

Industry stakeholders

Kavita Dayal, Manager, Industry Engagement.

Government stakeholders

Michael Bopf, Manager, Governance, Policy & Quality.

Peak bodies

Julie Northridge, Executive Officer to the Chief Commissioner & Deputy Chief Commissioner.

General enquiries:

- ASQA website – **asqa.gov.au**
- ASQA Info line – **1300 701 801**

For more information

- Visit the ASQA website – **asqa.gov.au**

- Call the ASQA Info line – **1300 701 801**

- Send an email – **enquiries@asqa.gov.au**

- Subscribe to the **ASQA Update**