



## Topics to be discussed

- Australia's VET sector
- The TAFE sector
- ASQA's Regulatory Risk Framework and Regulatory Strategy
   2016-17
- ASQA's new audit model
- VET FEE-HELP regulatory strategy
- VET Student Loans.

## 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 2

## **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 new courses to provider registration
- Accrediting national VET courses (outside of training packages)
- Proactive compliance monitoring.

## 2015-16—In review

## ASQA regulatory decisions

Type of decision	Number of decisions
Cancellation	69
Suspension	15
Written notice of intention to cancel or suspend	103
Other administrative sanctions	34
Total	221















# Impact of ASQA's regulatory scrutiny

Proportion of completed applications that ASQA refuses

Application type	2011-12	2012-13	2013-14	2014-15	2015-16
Initial registration	31.4%	14.9%	12.2%	9.2%	16.1%
Renewal of registration	12.1%	9.5%	3.5%	3.2%	5.7%
Change of scope registration	3.9%	2.2%	1.4%	0.6%	0.7%

## **TAFE** sector

## Competitive training market

- Pressure on TAFEs to reduce costs and increase focus on marketing to attract students
- Improved student funding has increased competition in both government-subsidised and fee-for-service markets
- Introduction of brokers into the VET market has increased market pressure but new 'VET Student Loans' program from 1 January 2017 will prohibit approved providers from using brokers.

# **TAFE—Compliance history**

## As at 3 October 2016

ASQA compliance history rating	% all providers	% active TAFEs
Demonstrated consistently compliant	14.1%	4.7%
Presumed compliant	42.3%	18.6%
Generally compliant	34.1%	72.1%
Demonstrated rarely compliant	2.3%	2.3%
Restrictions	0.6%	2.3%
Untested	6.6%	0.0%

# **TAFE—ASQA Delegations**

As at 3 October 2016

Total number of Delegates	Number of TAFE Delegates	Percentage of all Delegates that are TAFEs
280	24	8.6%

Head Office State/Territory	Number of TAFE Delegates
QLD	6
NSW	12
ACT	1
VIC	4
TAS	1
SA	1
WA	0
NT	0
Total	24

# Strengthening VET sector regulation

- Enhanced Regulatory Risk Framework to better target resources to areas of greatest risk
- Fully established Enforcement and Investigations Team
- Redesigning the audit model.

ASQA has now moved to a proactive risk-based regulatory approach

ASQA's legacy regulatory approach was transaction focused—provider scrutiny most likely during application processing:

- Audit of all new providers, and
- Audits of change to scope and registration renewals determined by provider risk ratings and other regulatory activity underway at the time.
- Transition from application-based to risk-based approach.

What risk does ASQA seek to manage?

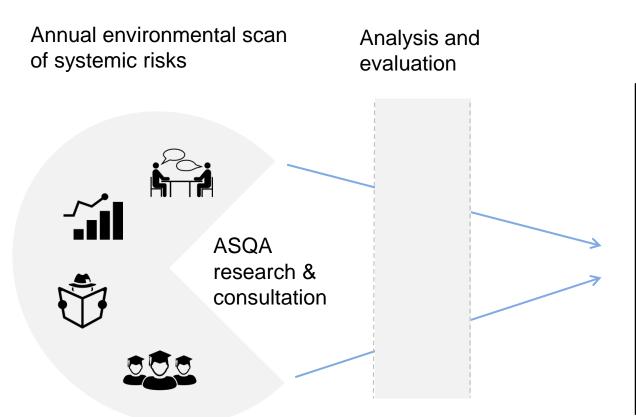
The primary risk for ASQA to manage is a registered training organisation certifying that a person has competencies that do not reflect his/her skills, knowledge and attitudes.

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

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.

## Systemic risk



Annual regulatory strategy



Systemic Risk—ASQA's Regulatory Strategy 2016-17

The 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

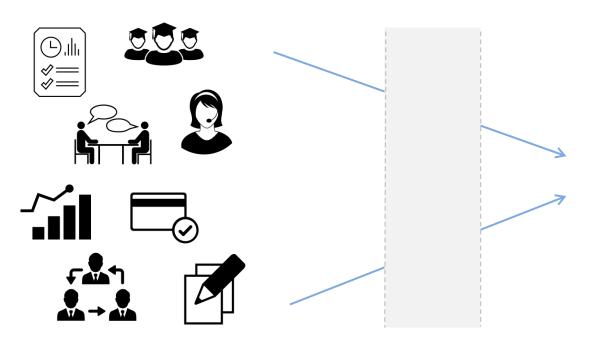
The 2016-17 strategic initiatives and target areas complement ASQA's ongoing commitment to focus on the small but concerning group of providers in the VET market engaging in practices that pose a threat to confidence in the quality of the VET sector.

## Provider risk identification

Provider data and intelligence received

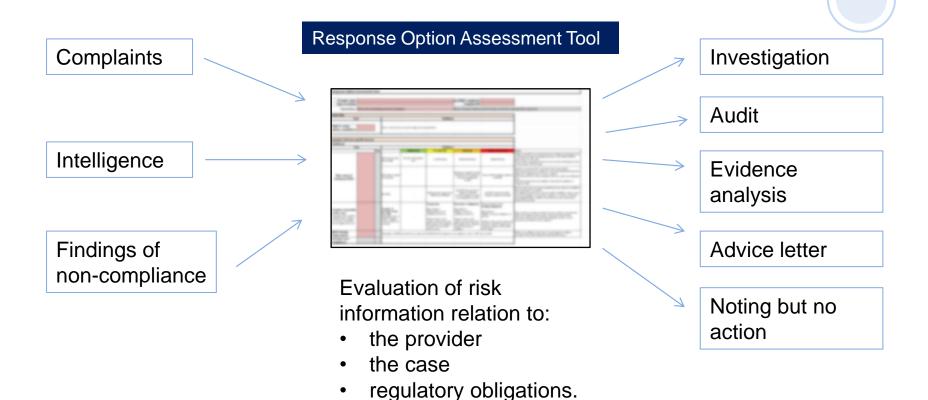
Threshold testing

Provider profile





Provider risk analysis and response



## **Complaints and risk**

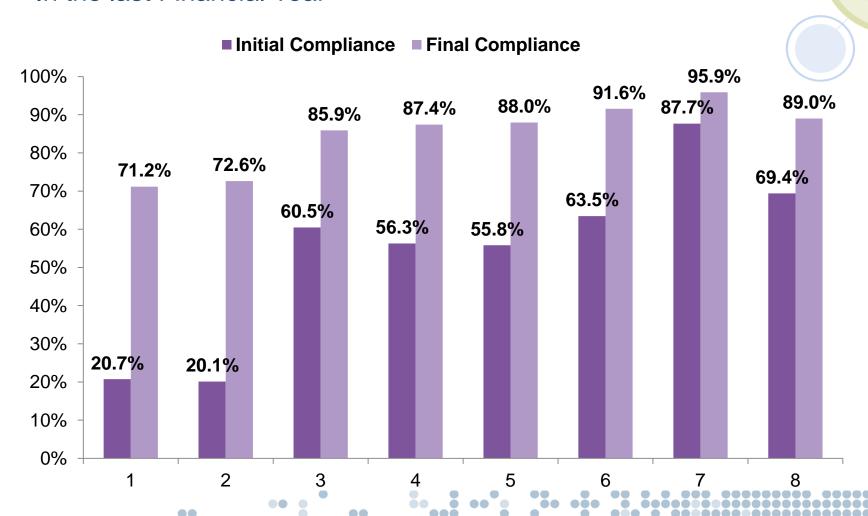
- Around 2000 complaints about RTOs are lodged with ASQA each year.
- Complaints are a critical data source in moving from application-led to regulation data/intelligence-led regulation.

#### ASQA:

- assesses whether a complaint is within ASQA's jurisdiction and/or whether it should be referred to another appropriate authority
- decides what level of response to provide, based on risk/seriousness
- includes complaints in a provider's profile for reference in future regulatory activity.

## Provider compliance with Standards for RTOs

In the last Financial Year



## ASQA's new audit model

Supporting ASQA's shift to risk-based regulation

ASQA is continuing to target resources to areas of greatest risk through:

- increasing decisive action towards providers that pose the greatest threat to sector quality
- greater customisation of audits
- greater use of student input and focus on student experience
- input from a broader range of sources, including intelligence from other government agencies.

## ASQA's new audit model

#### Key phases of the student experience

Marketing and recruitment

**Enrolment** 

Support and progression

Training and assessment Completion













#### Examples of RTO practices/behaviours

**RTO** marketing practices provide accurate and factual information to allow prospective students to make informed decisions

The RTO ensures students have the existing skills, knowledge and experience required to successfully undertake the course

Students' needs are assessed by the RTO and appropriate support services the RTO provides enable student progression

Trainers assigned to deliver training are qualified.

The amount of training and mode of delivery is consistent with requirements

Only students assessed as meeting course or Training Package requirements are issued with AQF certificates

Primary Standards for RTOs 2015

4.1

5.1, 5.2, 5.3

1.3, 1.7

1.1-1.4, 1.8, 1.13 1.14, 1.16-20, 1.26, 3.5

3.1, 3.3

## **VET FEE-HELP regulatory strategy**

- Concerning provider behaviours under VET FEE-HELP also raise issues under:
  - VET Quality Framework, regulated by ASQA
  - Australian Consumer Law, regulated by ACCC and state Fair Trading bodies
- ASQA views poor VET FEE-HELP behaviours as a systemic risk
- 2015 ASQA program of 21 targeted audits with four providers' registrations cancelled and 10 providers subject to registration conditions and monitoring
- 2016 ASQA program targeting additional 18 VFH RTOs.

#### **VET Student Loans**

## What does this mean for providers?

- The Minister for Education and Training, Simon Birmingham, announced that from 1 January 2017, VET Student Loans will be implemented and VET FEE-HELP will cease for all new students.
- Eligible current private VET FEE-HELP providers will be:
  - granted provisional approval; and
  - required to apply for formal approval (tighter rules)
- TAFEs, public RTOs and Australian universities (accredited as RTOs) that are approved VET FEE-HELP providers:
  - will not be required to re- apply for approval
- Fee caps and restricted list of courses will apply.

## **Questions?**

- Visit the ASQA website—asqa.gov.au
- Call the ASQA Info line—1300 701 801
- Send an email—enquiries@asqa.gov.au
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