

National VET Conference 2016

Celebrating VET

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15 September 2016



Australian Government

Australian Skills Quality Authority

Australia's VET sector

Delivering quality training

Australian VET is in much better shape than is commonly believed

BUT

A minority of providers are not interested in quality training and assessment

The nefarious behaviour of a few has seriously damaged VET reputation

ASQA has acted to de-register 10% of RTOs

The VET market is failing to drive quality improvements and some new measures are needed to improve quality

Australia's VET sector – the good news

Widely accessible vocational education and training

- Around 4.5 million students undertake VET training annually
 - This represents 27% of working age population
- Caters for young people and adults
 - one third 15–24 years / two thirds older
- Caters for males and females
 - approximately 45% female
- Caters for low SES
 - 20% of VET students in lowest SES quintile

Source: NCVER Australian vocational education and training statistics 2015

Australia's VET sector – the good news

Providing skills for jobs

- VET provides skills for jobs – it is not curriculum driven training
- National industry endorsed 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 in different occupations
- 77.5% of VET enrolments are in courses under national Training Packages
- Over 80% of people with Certificate III or higher VET qualifications are employed – similar to bachelor degree graduate employment rates

Australia's VET sector – the good news

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

Australian VET sector – the bad news

- Media focuses on bad news—gives the impression that the VET sector is in crisis
- Poorly designed funding schemes have promoted unethical provider behaviours
- Brokers are an impediment to quality
- RTOs are not paying enough attention to meeting the national training standards
- Many RTOs fail to assess properly
- Many offer courses that are too short to enable students to gain full competence

Australian VET sector

The purpose of ASQA's regulation

- Manage the risk that learners won't get quality training and assessment from a registered training provider
- Enable employers to have confidence that workers will have certified competencies
- Protect Australia's international reputation for high quality education and training

Australia's VET sector

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

ASQA's regulatory activities over past 5 years

- Processed over 31,000 applications from RTOs
- Conducted almost 6,000 audits to check compliance
- Refused:
 - some 15% of new RTO applications
 - almost 6% of existing RTO re-registration applications
- Made 290+ decisions to cancel/suspend a provider's registration
- In total ASQA has taken a decision to cancel the registration or refused the registration of almost 400 RTO's (10% of RTO's)

Australia's VET sector

ASQA's regulatory activity

Application type	Refused 2011/12	Refused 2012/13	Refused 2013/14	Refused 2014/15	Refused 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%

ASQA's regulatory impact

- Number of RTOs in Australia has fallen from almost 5,000 in July 2011 to some 4,600 today, after decades of increasing numbers
- Around 1,000 (or 20%) of RTOs that existed in July 2011 are no longer operating
- Reasons:
 - direct regulatory action by ASQA
 - indirect effects of ASQA regulatory action
 - reasons other than ASQA regulation

Strengthening VET sector regulation

- **An enhanced ASQA Regulatory Risk Framework to better target resources to areas of greatest risk**
- **A 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
- **A re-designed ASQA 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

Transition from application-based to risk-based approach

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

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

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

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

- *Sector-wide risks*

Operational: Provider risk

- Individual RTO risks

ASQA's Regulatory Risk Framework

Systemic risk - ASQA Strategic Reviews

Six national strategic reviews of training have been released

- White Card for building and construction
- Aged and Community Care
- Marketing practices of RTOs
- Early Childhood Care and Education
- Equine Industry
- Security Industry

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:

- Learner protection
- Amount of training
- Capability of trainers and assessors

Complaints and risk

- Around 2,000 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

ASQA's new audit model

What is changing?

The new model:

- is an evolution of the current model
- supports ASQA's ongoing shift to risk-based regulation
- allows ASQA to take decisive action towards providers that pose the greatest threat to sector quality.

Risk determines:

- Not only whether ASQA will scrutinise an RTO
- But also the nature of that scrutiny

ASQA's new audit model

What does it look like?

Key features of the new audit model include:

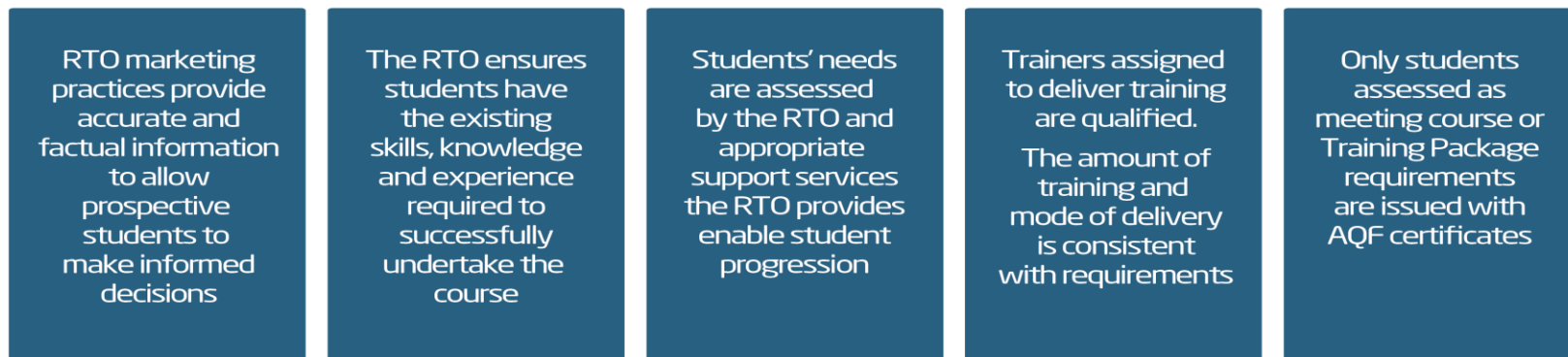
- audits organised around five key phases of the student experience
- increased use of ASQA's risk intelligence database to inform audits
- customised depth and scope of audits, and
- more support for timely regulatory action.

ASQA's new audit model

Key phases of the student experience



Examples of RTO practices/behaviours



Primary Standards for RTOs 2015



ASQA's new audit model

Implementation

Staged implementation is currently underway.

Following revisions to incorporate the findings of its evaluation, it will be rolled out fully in 2017.



Conclusions from regulatory work

- Many RTOs struggle with assessment
- Short course durations are a threat to quality
- Some poor marketing practices are evident (e.g. VET FEE-HELP)
- Brokers are often a problem
- Poorly designed funding schemes can contribute to poor quality (e.g. VET FEE-HELP)

Conclusion

Quality depends on many factors

- Investment effort and quality assurance done by each RTO
- Effectiveness of VET regulation
- Design of VET system to promote quality

Questions?

- 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