

Cost Recovery Implementation Statement

**National vocational education and training regulator
fees and charges for registration of training organisations,
accreditation of courses and associated services**

2017-18

Consultation DRAFT



Australian Government

Australian Skills Quality Authority

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1 Introduction

1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Skills Quality Authority (ASQA) implements cost recovery for regulation of the Vocational Education and Training (VET) sector. These activities are described in this CRIS.

The CRIS also reports financial and non-financial performance information for these regulatory activities and contains financial forecasts for 2017–18 and three forward years. ASQA will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

Since inception in 2011, ASQA has evolved from an application-based regulator to a risk-based regulator, and restructured operations, improved systems and changed processes have delivered operational efficiencies. Reflecting these changes, ASQA has proposed a revised schedule of fees and charges to be implemented from 1 January 2018. These are detailed at [Appendix 1](#).

1.2 Description of the regulatory charging activity

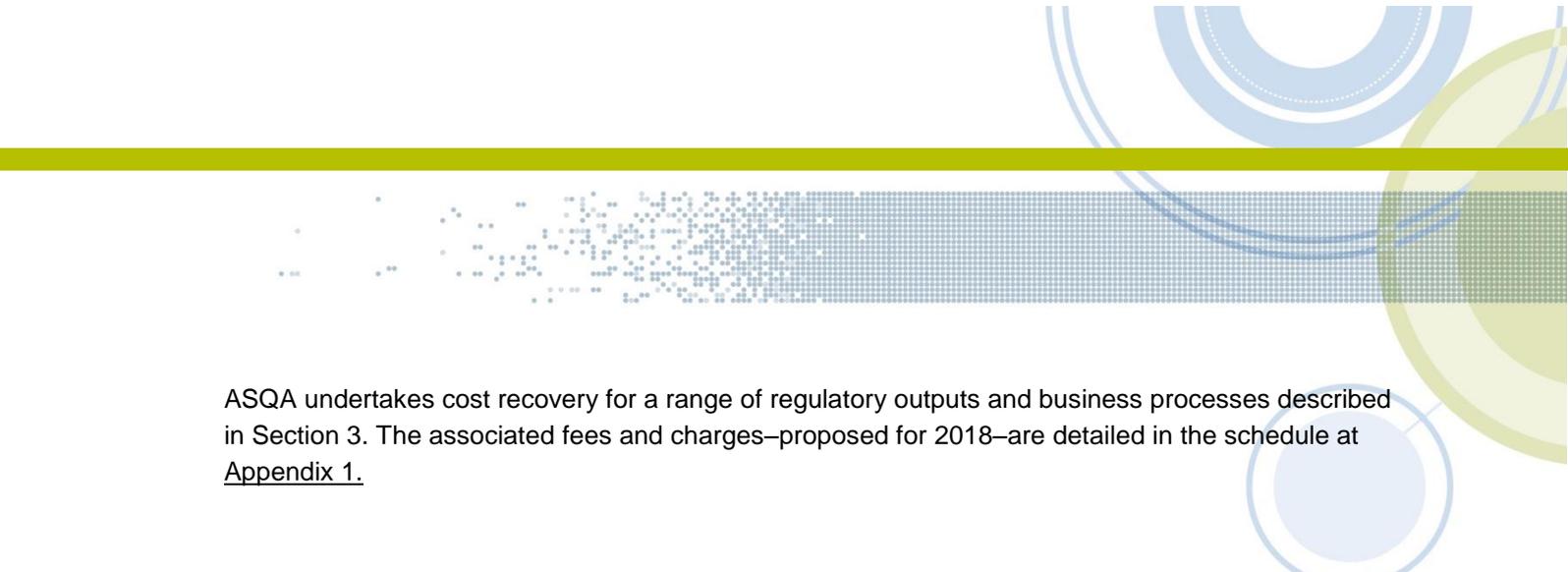
ASQA has a single cost recovery activity, which is the regulation of the VET sector. The purpose of ASQA, as defined in the 2016–20 Corporate Plan, is to:

- protect the quality and reputation of the VET sector
- regulate the VET sector utilising a contemporary risk-based and standards-based regulatory approach
- facilitate access to accurate information about VET.

ASQA's policy outcome, as defined in the Education and Training Portfolio Budget Statements 2016–17, is to 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.

ASQA's fees and charges apply to three key stakeholder groups:

- registered training organisations (RTOs)
- Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers—including those that deliver English Language Intensive Courses for Overseas Students (ELICOS), and
- VET accredited course owners.



ASQA undertakes cost recovery for a range of regulatory outputs and business processes described in Section 3. The associated fees and charges—proposed for 2018—are detailed in the schedule at [Appendix 1](#).

2 Policy and statutory authority to cost recover

2.1 Government policy approval to cost recover the regulatory activity

The Council of Australian Governments (COAG) agreed to ASQA's establishment as a cost-recovery agency in December 2009. Accordingly, ASQA was established on 1 July 2011 by the enactment of the [National Vocational Education and Training Regulator Act 2011](#) (NVR Act) and supplementary legislation.

ASQA receives budget appropriations from the Australian Government, and cost recovery revenue is returned to the Australian Government's Consolidated Revenue Fund to offset budget funding.

The development of ASQA's original fees and charges necessarily predated the commencement of ASQA's regulatory activities, and was therefore based on estimates of the costs of national regulation. A commitment was made to review cost recovery arrangements in 2012–13, once a full year of financial and activity data had been obtained. This review was completed in 2013–14.

In October 2014, the Australian Government amended the previous decision on cost recovery for ASQA as part of a suite of VET Regulatory Reforms. The Government decided that ASQA would not progress to full cost recovery and would now be required to cost recover approximately 50 per cent (i.e. to undertake partial cost recovery). This decision was announced in the [2014–15 Portfolio Additional Estimates Statements](#) released in February 2015 and remains, as reflected in the 2016–17 Portfolio Budget Statements.

2.2 Statutory authority to charge

2.2.1 Authority under the NVR Act

The authority for ASQA to charge fees is provided in section 232 of the NVR Act. Further detail regarding the different fees and how they can be applied is outlined in the following sections of the NVR Act.

2.2.1.1 RTO REGISTRATION FEES

- Paragraph 16(3)(b) registration application fee
- Subsection 17(4) registration assessment fee
- Subsection 31(2) renewal of registration application fee, and
- Paragraph 32(2) (b) change of scope of registration application fee.

2.2.1.2 COURSE ACCREDITATION FEES

- Paragraph 43(2)(b) course accreditation application fee
- Subsection 50(2) renewal of accreditation application fee
- Subparagraph 51(3)(b)(ii) amending a vet accredited course application fee, and
- Subparagraph 52(4)(b)(ii) cancelling accreditation - application fee.

2.2.1.3 OTHER FEES

- Paragraph 41(4)(b) request for reassessment fee
- Paragraph 200(3)(c) reconsideration of a decision fee, and
- Subsections 232(1) and 232(2) fees for goods and services provided to RTOs and VET course accreditation.

2.2.2 ESOS agency under the ESOS Act

Subsection 157(1) of the NVR Act identifies the national VET regulator's activities. Paragraph (q) of this section includes other activities conferred on the regulator by or under the [Education Services for Overseas Students Act 2000](#). From 1 July 2012, ASQA became the ESOS delegate for registration and enforcement activities. On 1 July 2016, ASQA became an ESOS agency in its own right.

CRICOS providers are registered under the ESOS Act. This includes RTOs providing VET courses to overseas students studying in Australia, and other organisations providing ELICOS. ASQA's CRICOS fees are distinct from charges administered by the Department of Education and Training. ASQA's cost recovery authority to charge fees to CRICOS providers is under the same legislative provisions as for RTOs, i.e. section 232 of the NVR Act, in conjunction with section 157, as indicated above.

2.2.3 Authority under the Charges Act

The authority for ASQA to impose charges is provided in sections 7–12 of the *National Vocational Education and Training Regulator (Charges) Act 2012* (the Charges Act). Further details regarding the different charges and how they can be applied are outlined in the following sections of the Charges Act:

- section 6: National VET Regulator Annual Registration Charge
- sections 7–9: charge for compliance audit, and
- sections 10–12: charge for the investigation of a complaint about an NVR registered training organisation.

3 Cost recovery model

3.1 Outputs and business processes of the activity

ASQA undertakes cost recovery for a single activity: the regulation of the VET sector. This activity involves several regulatory outputs produced by business processes, and is supported by enabling activities.

Regulatory outputs are viewed as either application-based outputs, where a provider or course owner submits an application to ASQA, or non-application-based outputs, where ASQA's risk based approach has identified a need for action.

APPLICATION-BASED OUTPUTS

Application-based outputs include:

- initial registration or accreditation
- renewal of registration or accreditation
- amendment/change to scope of registration or accreditation
- material change to a provider's/owner's details, and
- evidence reviews.

Registration (initial, renewal and amendment) involve business processes beginning with completeness checks through to the finalisation of the registration or accreditation.

The material change process represents the maintenance of a provider's details throughout the lifecycle of a registration or accreditation.

An applicant can apply for a decision to be reviewed by ASQA; these outputs are called evidence reviews and can be reconsiderations, reassessments, or the review of sanctions currently imposed.

Figure 2 summarises ASQA's application-based regulatory outputs and business processes, by indicating the application type and the standard business processes involved with each application type.

Figure 1: Key to diagrams

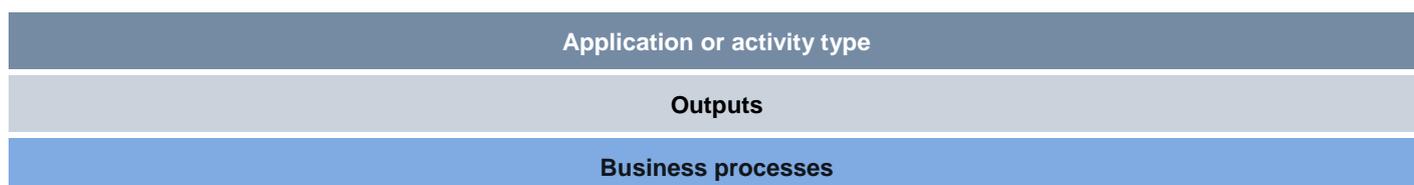


Figure 2: ASQA's application-based outputs and business processes

Applications for registration/course accreditation							
RTO		CRICOS			Course accreditation		
Initial	Renewal		Amendment		Material change	Evidence reviews	
Completeness check	Triage	Audit or assessment	Finalisation	Material change	Reconsideration	Reassessment	Sanction evidence review

NON-APPLICATION-BASED OUTPUTS

ASQA's non-application based outputs include:

- monitoring and compliance,
- investigation and enforcement, and
- education and awareness.

'Monitoring and compliance' comprises compliance audits, complaint reviews, strategic reviews and closures or cancellation of registration.

'Investigations and enforcement' primarily comprises investigations conducted by ASQA as well as involves infringement notice processing.

'Education and awareness' includes Training Provider Briefing Sessions and other information sessions or education products produced by ASQA.

Figure 3: ASQA’s non-application-based outputs and business processes

Non-application-based outputs			
Monitoring and compliance		Investigation and enforcement	Education and awareness
Compliance audits	Strategic reviews	Investigations	Education and awareness
Complaint reviews	Closures and cancellations	Infringements	

ENABLING ACTIVITIES

ASQA performs the full range of enabling activities required for an independent agency as well as several regulatory support activities that are specific to ASQA’s business requirements. These activities are summarised in Figures 4 and 5.

Figure 4: ASQA’s regulatory support activities

Regulatory support activities			
Industry engagement and risk intelligence	Communications and Info Line	Legal Review of decisions (e.g. AAT)	Executive
Regulatory policy and legislation	Ministerial and parliamentary services	Business improvement	External stakeholder engagement

Figure 5: ASQA’s corporate activities

Corporate activities				
IT and information management	Human resources	Property	Procurement and contract management	Corporate governance
FOI	Quality business improvement	Budget management	Financial services	Revenue management

3.2 Costs of the activity

ASQA's cost model is built on a hierarchy of outputs, business processes and tasks through which ASQA can calculate time; staffing resources; the classification of staff required to deliver each output; and ultimately the cost of each regulatory output.

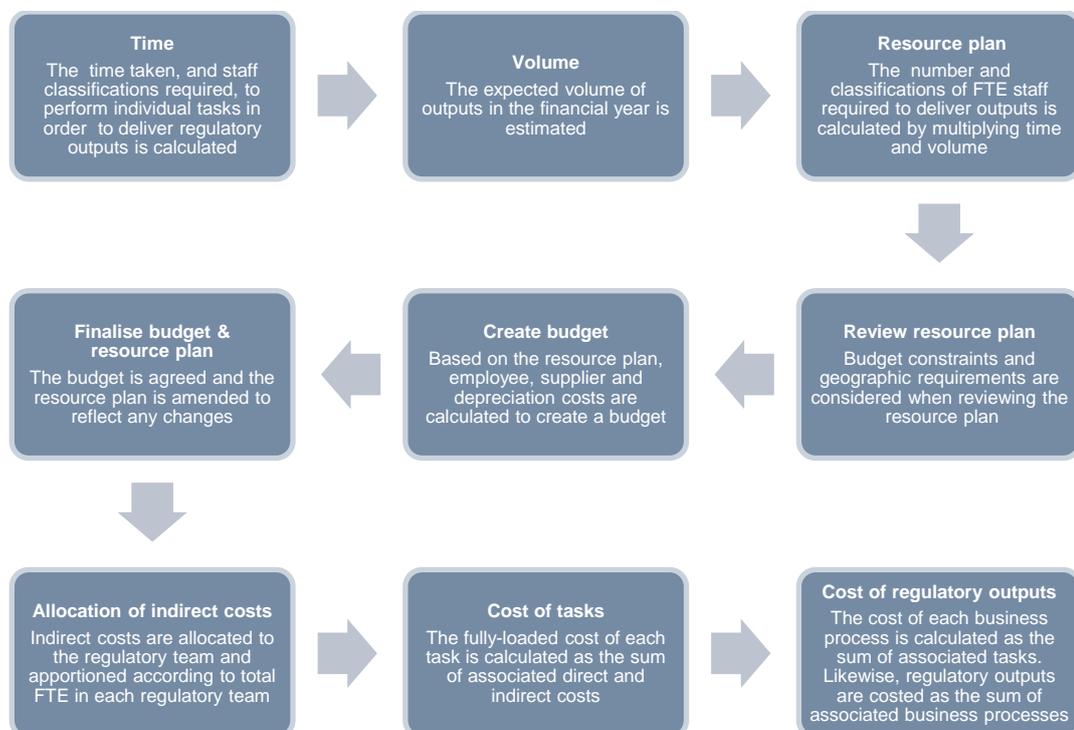
Calculations made under ASQA's cost model are driven by two key factors: the average time needed to complete a given regulatory process and the number of times the regulatory process is completed in the financial year.

ASQA's cost model can accurately forecast operational costs under an assumption of business-as-usual conditions. However, it is also flexible, and can be adapted to changes—for example, when market activity events cause a variation in either of the two key cost drivers mentioned above.

To ensure the transparency of the cost model, and its ongoing accuracy, ASQA maintains an up-to-date evidence base for its cost calculations. ASQA conducts regular, internal data collection exercises to measure the two key cost drivers and detect any variation, upward or downward.

The methodology used to allocate costs to outputs is summarised in Figure 6.

Figure 6: Cost allocation methodology



3.3 Costing definitions

Direct costs are the costs for staff directly involved in the business processes of each output (e.g. auditors, application processing staff). This includes employee and supplier costs associated with these staff, such as travel, office supplies, and outsourced IT and payroll expenses. Direct costs are allocated by the amount of time staff spends directly on the associated outputs.

Indirect costs are the costs for staff that support direct staff (e.g. finance, governance, human resources, information technology and executive staff) and includes employee and supplier costs associated with this work. Indirect costs are allocated to direct staff on a per head basis.

Employee costs include salaries, superannuation, allowances and provisions.

Supplier costs are calculated as a part of direct and indirect costs. These include travel, training and development, telecommunications and IT support, legal, property, consultant and contractor expenses. This also includes panel auditors.

Capital costs are the initial cost of an asset and are not included in ASQA's cost recovery; however, **depreciation** of assets is included as indirect costs, to recognise the use of assets owned by ASQA in the performance of its tasks. Assets included those purchased and those generated through internal staff effort (e.g. ASQA's regulatory management system Asqanet).

COST BREAKDOWN OF ESTIMATES FOR THE CURRENT BUDGET YEAR

Table 1 summarises the direct cost of each team as well as the apportioned indirect costs that are allocated on a per head basis.

Table 1: ASQA's budget for 2017–18 by team showing direct and indirect costs

Team	2017 – 18 Direct costs \$'000	2017 – 18 Indirect costs \$'000	2017 – 18 Budget \$'000
Corporate Enabling Activities	-	13,212	13,212
Regulatory Operations	13,444	-	13,444
Regulatory Support			
Communications, Education and Service Delivery	2,483	-	2,483
Industry and Risk Intelligence	832	-	832
Strategic reviews	697	-	697
Enforcement and investigations	1,431	-	1,431
Course accreditation	901	-	901
Legal services	1,024	-	1,024
Initial assessment and referral	1,497	-	1,497
Total	22,309	13,212	35,521

The cost for each team is determined by identifying the level of resourcing required to undertake the activity. This is then multiplied by the hours of effort and the anticipated volume to determine the cost of each task, business process and output.

ASQA's regulatory support activities are measured as direct cost as these activities are involved in the business processes of each output. Direct cost represents 63 per cent of the total annual cost of regulation.

The indirect cost of \$13.252m reflects the cost of the corporate enabling activities as represented at Figure 5 on page 10. These costs represent 37 per cent of the total annual cost of regulation. Indirect costs are allocated to regulatory support staff on a per head basis to achieve a fully loaded cost.

The total annual cost of regulating the sector is allocated between RTOs, CRICOS providers, and course accreditation. The relevant proportion of the cost of regulation is estimated at 83 per cent for RTOs, 13 per cent for CRICOS and four per cent for course accreditation. This is summarised by output type in Table 2. The proportion of costs allocated to regulation of RTOs is significantly higher than that allocated to CRICOS providers or course accreditation. This can be attributed to:

- the large number of RTOs compared with the numbers of CRICOS providers and accredited courses
- lower costs for regulating CRICOS providers resulting from the provision of fewer services (such as delegation) to CRICOS providers, and
- lower costs for regulating accredited courses as regulation of accredited courses involves assessment rather than audits.

Table 2: Projected summary of costs of application types received by ASQA

Applicant type	Output type	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
RTO	Application based	5,332	3,155	8,487
	Non-application based	8,894	5,529	14,423
	Activities	4,269	2,333	6,602
RTO total		18,495	11,017	29,512
CRICOS	Application based	1,796	1,072	2,868
	Non-application based	429	269	698
	Activities	662	378	1,040
CRICOS total		2,887	1,719	4,606
Course accreditation	Application based	802	386	1,188
	Non-application based	93	69	162
	Activities	32	21	53
Course accreditation total		927	476	1,403
ASQA total		22,309	13,212	35,521

'Application based' and 'non-application based' costs in Table 2 represent the costs of regulatory operations. The output type 'activities' covers the costs of enabling or 'regulatory support' activities (which are shown in more detail in Table 3.3.).

Tables 3.1 to 3.3 set out the different RTO outputs in terms of direct and indirect costs by business processes.

Table 3.1: Projected RTO application-based outputs and business processes

Output	Business Process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial registration	Completeness Check	19	16	35
	Triage	27	20	47
	Audit	1,632	1,025	2,657
	Finalisation	8	7	15
Initial total		1,686	1,068	2,754
Renewal registration	Completeness Check	25	21	46
	Triage	32	24	56
	Audit	730	396	1,126
	Finalisation	9	7	16
Renewal total		796	448	1,244
Amendment registration	Completeness Check	97	85	182
	Triage	85	62	147
	Audit	331	203	534
	Finalisation	20	18	38
Amendment total		533	368	901
Evidence review	Reconsideration	242	126	368
	Reassessment	23	12	35
	Sanction evidence review	1,800	934	2,734
Evidence review total		2,065	1,072	3,137
Material Change	Material Change	252	199	451
Material Change total		252	199	451
Application based outputs business processes total		5,332	3,155	8,487

Table 3.2: Projected RTO Non-application based outputs and business processes

Output	Business process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Monitoring & compliance	Compliance audits	2,896	1,754	4,650
	Complaint reviews	2,562	1,647	4,209
	Strategic reviews	700	398	1,098
	Closures	904	649	1,553
Monitoring & compliance total		7,062	4,448	11,510
Investigation & Enforcement	Investigations	1,530	942	2,472
	Infringements	5	3	8
Investigation & Enforcement total		1,535	945	2,480
Education & awareness	Education & awareness	297	136	433
Education & awareness total		297	136	433
Non-application based outputs and business processes		8,894	5,529	14,423

Table 3.3: Projected cost of RTO regulatory support activities

Activity	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Regulatory Reporting	112	61	173
Info line	1,664	1,029	2,693
Review of decisions (AAT)	933	327	1,260
Stakeholder engagement	416	186	602
Industry engagement	734	458	1,192
Delegations	410	272	682
RTO regulatory support activities	4,269	2,333	6,602

As part of ASQA's core regulatory work, the regulator provides information and advice to key stakeholders and members of the regulated community. These critical support activities are integral to regulatory work and are listed above in Table 3.3.

Tables 4.1 – 4.3 set out the different CRICOS outputs in terms of direct and indirect costs by business processes.

Table 4.1: Projected CRICOS application-based outputs and business processes

Output	Business Process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial registration	Completeness Check	7	6	13
	Triage	14	10	24
	Audit	845	509	1,354
	Finalisation	3	2	5
Initial total		869	527	1,396
Renewal registration	Completeness Check	4	3	7
	Triage	4	3	7
	Assessment	116	63	179
	Finalisation	4	3	7
Renewal total		128	72	200
Amendment registration	Completeness Check	51	42	93
	Triage	45	33	78
	Audit	514	278	792
	Finalisation	48	40	88
Amendment total		658	393	1,051
Evidence review	Sanction evidence review	141	80	221
Evidence review total		141	80	221
Application based outputs and business processes total		1,796	1,072	2,868

Table 4.2: Projected CRICOS non-application based outputs and business outputs

Output	Business Process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Monitoring & compliance	Compliance audits	100	65	165
	Complaint reviews	323	201	524
Monitoring & compliance total		423	266	689
Education and awareness	Education & awareness	6	3	9
Education & awareness total		6	3	9
Non-application based outputs and business processes total		429	269	698

Table 4.3: Projected cost of CRICOS regulatory support activities

Activity	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Info Line	363	243	606
Review of decisions (AAT)	141	47	188
Stakeholder engagement	60	27	87
Industry engagement	98	61	159
CRICOS Activities total	662	378	1,040

In most cases, providers with CRICOS registration also hold registration as an RTO (with the exception of ELICOS providers).

Tables 5.1 – 5.3 set out the different course accreditation outputs in terms of direct and indirect costs by business processes.

Table 5.1: Projected course accreditation application based outputs and business processes

Output	Business Process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial Course accreditation	Completeness check and sending out notice	22	16	38
	Assessment	300	140	440
Initial total		322	156	478
Renewal Course accreditation	Completeness check and sending out notice	22	16	38
	Assessment	307	143	450
Renewal total		329	159	488
Amendment Course accreditation	Assessment	11	6	17
Amendment total		11	6	17
Evidence review	Course Reconsideration	122	56	178
Evidence review total		122	56	178
Other	Application for course cancelation	1	1	2
	Course extension	3	2	5
	Change ownership of course	14	6	20
Other application total		18	9	27
Application based outputs and business processes total		802	386	1,188

Table 5.2: Projected course accreditation non-application based outputs and business processes

Output	Business Process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Monitoring & compliance	Monitoring National Register	74	59	133
	ASQA Initiated Course Cancellation	2	1	3
	Course Complaint	3	2	5
Monitoring & compliance total		79	62	141
Education & awareness	Course Owner Education & awareness	14	7	21
Education & awareness total		14	7	21
Non-application based outputs total		93	69	162

Table 5.3: Projected cost of Course accreditation regulatory support activities

Activity	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Course AAT hearing	6	3	9
Course Owner Stakeholder Management	14	7	21
Course Enquiries	12	11	23
Course Accreditation Activities total	32	21	53

3.4 Design of cost recovery charges

ASQA fees and charges are designed to limit financial impact on providers and course owners while ensuring the quality of providers entering and operating in the industry.

ASQA's proposed fees and charges for 2017-18 are designed to better support the risk-based regulatory approach, incentivise provider compliance, and reduce the administrative and financial burden on providers that provide quality outcomes to students.

The proposed fees and charges will apply to all ASQA-regulated providers and course owners.

Changes to fees and charges for RTOs include:

- decreases in initial, renewal and change of scope application lodgement fees, and
- a shift from assessments of all applications (with costs shared across providers) to an approach where costs are charged at the point of audit (meaning that for renewal and change of scope applications, the additional cost of assessment will only be charged for those providers that require an audit).

CRICOS changes include:

- decreases in initial and renewal application lodgement fees, and
- a decrease in the change of scope application fee.

Course accreditation changes include:

- replacing the single application fee with a lodgement and assessment fee (so that ASQA's initial costs are recovered and applicants whose applications are not of sufficient quality to proceed to the assessment stage are only charged for the cost of lodgement), and
- replacing the single amendment fee with different fees for 'minor' and 'major' amendments, reducing the fee for minor amendments.

Annual registration changes include:

- replacing the annual fee with an annual registration charge to ensure compliance with Cost Recovery Guidelines (noting the amount and structure is unchanged and that there will be no financial impact on providers, course owners or ASQA due to this change).

ASQA's current schedule of fees and charges is published on ASQA's website and will be updated once the 2018 schedule is finalised. The proposed fees and charges for 2018 can be found at Appendix 1.

PARTIAL COST RECOVERY

In 2014, the Australian Government decided ASQA's cost recovery target should be reduced from full cost recovery to partial cost recovery of all expenses (employee, supplier and depreciation, but not capital). ASQA receives annual budget appropriation for operating and capital activities from the Australian Government and returns cost recovery revenue to the Consolidated Revenue Fund to offset this budget funding.

ASQA's outputs and activities are partially recovered through the annual registration charge and partially through budget funding. Currently, a range of activities and outputs have been identified as not recoverable; these are offset by budget funding.

Tables 6.1 provides a breakdown of ASQA's outputs, the percentage of costs recovered and estimated revenue (for the associated business processes, see table 6.2).

Table 6.1: Overview of proposed annual cost recovery revenue by type and output

Type	Output	Estimated revenue \$'000	Estimated costs \$'000	Cost Recovery %
RTO	Application based	7,394	8,486	87%
	Non-application based – Compliance audits	2,984	4,650	64%
	Non-application based - Other	8,701	9,775	89%
	Activities	2,983	6,601	46%
RTO total		22,062	29,512	75%
CRICOS	Application based	1,813	2,867	63%
	Non-application based – Compliance audits	-	165	0%
	Non-application based - Other	535	533	100%
	Activities	794	1,041	77%
CRICOS total		3,142	4,606	68%
Course accreditation	Application based	818	1,188	69%
	Non-application based	-	162	0%
	Activities	-	53	0%
Course accreditation total		818	1,403	58%
Total Estimated Revenue		26,022	35,521	73%

The outputs/activities listed in Table 6.2 are not cost recovered as they are funded through ASQA's annual budget appropriation.

Table 6.2: Budget funded outputs and activities

Budget funded output/Activity	Estimated cost \$'000
Strategic reviews	1,098
Shortfall in Cost Recovery of application based	2,516
Shortfall in Cost Recovery of non-application based	1,831
Course Accreditation Monitoring and Compliance	142
Info Line	1,608
Regulatory Reporting	94
Industry Engagement	686
Stakeholder Engagement	369
Delegations	371
Review of decisions (AAT)	738
Course Enquiries	24
Education and Awareness	21
Total cost of budget funded output/activity	9,498

There are a range of other activities that are funded through the annual registration charge and are presented in Table 7.3.

RTO APPLICATION BASED FEES AND CHARGES

Tables 7.1 – 7.3 provide a breakdown of ASQA’s outputs, the cost recovery method and estimated revenue. For the associated business processes, see table 7.3.

Application fees/charges are not applied to the ‘material changes’ output; the cost of these applications are recovered through the annual registration charge.

Completeness check, triage and finalisation processes are recovered through the lodgement fee.

Table 7.1: RTO application based fees and charges

Output	RTO fee/charge	Type	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	CR %
Initial registration	Application lodgement	Fee	\$500	317	159	97	
	Initial application assessment	Fee	\$8,000	310	2,480	2,657	
Initial total					2,639	2,754	95%
Renewal registration	Application lodgement	Fee	\$500	506	253	118	
	Compliance Audit	Charge	\$275	2,218/hrs	610	1,126	
Renewal total					863	1,244	69%
Amendment registration	Application lodgement	Fee	\$500	1,300/hrs	650	366	
	Compliance Audit	Charge	\$275	832/hrs	229	534	
Amendment total					879	900	97%
Evidence Review	Reconsideration application	Charge	\$1,000	100	100	368	
	Reassessment application	Charge	\$250	110/hrs	27	35	
	Sanction evidence review	Charge	\$250	8,542/hrs	2,135	2,734	
Evidence review total					2,263	3,137	72%
Total application based fees and charges					6,644	8,035	85%

RTO NON-APPLICATION BASED FEES AND CHARGES

Compliance audits are charged according to a fixed hourly rate for the time taken to complete the onsite or offsite audit. Providers are advised if a charge applies at the commencement of an audit activity and advised of the total cost of the audit on conclusion of the activity.

Table 7.2: RTO non-application based charge

Output	RTO fee/charge	Type	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	CR %
Compliance audit	Compliance audit	Charge	\$275	10,850/hrs	2,984	4,650	
Total Revenue from Non-application based fees and charges					2,984	4,650	64%

RTO ANNUAL REGISTRATION CHARGE

Each RTO's annual registration charge depends on the number of qualifications on their scope of registration. There are four tiers to this charge.

The RTO annual registration charge recovers the costs of outputs and activities that ASQA is required to perform to regulate the industry but for which there is limited nexus between the output and an individual provider. In some cases (for example withdrawal of registration or change of RTO registration details via a material change) no fee is applied. This aims to ensure ASQA is notified of these events without creating administrative burdens for providers.

Table 7.3: Outputs for RTO Annual registration charge

Output Activity	Estimated cost \$'000
Close a registration	1,553
Regulatory reporting	173
Info line	2,693
Material change	451
Education & awareness	433
Industry engagement	1,192
Complaints reviews	4,209
Review of decisions (AAT)	1,260
Delegations	682
Investigations	2,473
Infringements	8
Stakeholder engagement	602
Total Cost of Annual registration charge Outputs	15,729

Table 7.4 RTO Annual registration charge

RTO fee/charge	Type	Rate	Estimated volume	Estimated revenue \$'000
Tier 1 – (0 to 4 quals)	Charge	\$1,130	1,937	2,189
Tier 2 – (5 to 10 quals)		\$3,220	811	2,611
Tier 3 – (11 to 60 quals)		\$6,975	898	6,264
Tier 4 – (61 or more quals)		\$10,730	58	622
Total Estimated Revenue from RTO Annual registration charge			3,704	11,686

CRICOS APPLICATION BASED FEES AND CHARGES

ASQA does not charge for CRICOS compliance monitoring audits; ASQA's legislation does not allow the imposition of a charge for these audits.

CRICOS compliance audits are a budget-funded activity which is covered by ASQA's annual appropriation.

Table 8.1: CRICOS application based fees and charges

Output	CRICOS fee/charge	Type	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	Cost Recovery %
Initial registration	Lodgement fee	Fee	\$500	140	70	42	
	Assessment fee	Fee	\$8,000	139	1,112	1,354	
Initial total					1,182	1,396	84%
Renewal registration	Lodgement fee	Fee	\$500	79	40	21	
	Assessment fee	Fee	\$7,000	13	91	179	
Renewal total					131	200	65%
Amendment registration	Application lodgement fee	Fee	\$500	1,000	500	1,050	
Amendment total					500	1,050	47%
Total Revenue from application based fees & charges					1,813	2,646	68%

CRICOS ANNUAL REGISTRATION CHARGE

The annual registration charge for CRICOS providers is determined by the number of qualifications on a provider's scope of registration. There are four tiers to this charge. These tiers have been included in the table below, along with the outputs and activities they relate to. Note that there is no relationship between the individual charge amount and an activity or output. The shortfall in fees and charges for application based on non-application based outputs/activities is also recovered through the CRICOS annual registration charge.

Table 8.2: CRICOS Annual registration charge Activities

Output	Estimated Cost \$'000
Info Line	606
Education and awareness	9
Industry engagement	160
Complaints evidence analysis	524
Review of decisions (AAT)	188
Stakeholder Engagement	87
Total Cost of Annual registration charge Outputs	1,574

Table 8.3: CRICOS Annual registration charges

CRICOS fee/charge	Type	Rate	Estimated volume	Estimated revenue \$'000
Tier 1 - (0 to 2 quals)	Charge	\$950	143	136
Tier 2 - (3 to 4 quals)		\$1,645	143	235
Tier 3 - (5 to 50 quals)		\$4,375	170	744
Tier 4 - (51 or more quals)		\$7,100	30	213
Total Estimated Revenue from CRICOS Annual registration charge			486	1,328

Table 9: Course accreditation application based fees and charges

Output	Course accreditation	Type	Rate	Estimated volume	Estimated total revenue \$,000	Estimated cost \$'000	Cost Recovery %
Initial course accreditation	Application Lodgement	Fee	\$500	50	25	38	
	Application Assessment	Fee	\$7,570	50	379	440	
Initial total					404	478	84%
Renewal course accreditation	Application Lodgement	Fee	\$500	50	25	38	
	Application Assessment	Fee	\$7570	50	379	450	
Renewal total					404	488	83%
Amendment course accreditation	Accredited Amendment – Minor	Fee	\$1,145	4	5	9	
	Accredited Amendment – Major	Fee	\$2,290	2	5	8	
Amendment total					10	17	57%
Total revenue from application based fees and charges					818	983	83%

4 Risk assessment

ASQA was originally established in 2011 to streamline the regulation of VET, increase consistency across the states and territories, and address emerging quality concerns. ASQA's regulatory strategy for the first three years of operations was largely focused on developing nationally consistent regulation.

In October 2014, the Australian Government endorsed ASQA's Regulatory Reforms, the centrepiece of which was ASQA's shift to a modern risk-based regulatory approach. [ASQA's Regulatory Risk Framework](#) outlines this stronger focus on risk and intelligence (i.e. proactive regulation) rather than predominantly using registration applications as a trigger for regulatory review (i.e. reactive regulation).

ASQA's 2017–18 cost recovery model and associated fees and charges support the full implementation of ASQA's risk-based regulatory approach by:

- accurately reflecting the cost of risk-based regulation, and
- moving the cost burden of the further regulation of non-compliant providers from the entire regulated community onto the individual providers concerned.

ASQA has worked closely with the Department of Education and Training to forecast changes to the VET market and to build a sustainable cost recovery model that can withstand these changes.

The key risk to consider when charging for ASQA's regulatory activity is volume of activity. This includes:

- RTOs withdrawing from the activity, and
- updates to training products.

In accordance with the Cost Recovery Guidelines, ASQA will undertake a Charging Risk Assessment (CRA), which involves a point in time assessment of risk. The CRA is an assessment of a number of key components including:

- level of change for cost recovery activities
- level of cost recovery revenue
- complexity in the cost recovery arrangements (i.e both fees and charges)
- level of change in legislative arrangements
- level of complexity of working with other government entities to deliver the regulatory functions
- level of impact of cost recovery on payers, and
- outcome of consultation with stakeholders (i.e any significant issues raised).

The CRA will be agreed with the Department of Finance on the completion of stakeholder consultation and this section will be updated accordingly.



5 Stakeholder engagement

ASQA is part of a complex environment of stakeholders that interact to deliver regulatory arrangements for the VET sector. Stakeholders include regulated providers; industry peak bodies; Australian, state and territory governments; students; and employers. ASQA actively engages with stakeholders throughout the year through a range of engagement activities and communication channels.

ASQA held public consultations for the CRIS in 2011 and 2013. Feedback from these consultations has been considered in the revised schedule of fees and charges outlined for 2017. ASQA will hold a public consultation with this draft CRIS from 1 August until 3 September. The draft CRIS will be published on ASQA's website with a feedback form, briefings will be held with stakeholders and the Chief Commissioner will be available to speak with training provider peak bodies. The finalised CRIS will be updated and published on ASQA's website.

6 Financial estimates

ASQA's Portfolio Budget Statement (PBS) targets for the 2017-18 financial year and three forward years are as follows:

Table 10: 2017-18 Portfolio Budget Statement targets for July 2017 - 2021

Financial Year	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Employee	20,997	21,124	21,271	21,271
Supplier	12,743	12,810	13,027	13,027
Depreciation	2,158	2,435	2,493	2,493
PBS Revenue Targets	17,933	18,055	18,055	18,055
PBS Administered revenue target	17,933	18,055	18,055	18,055
ASQA administered revenue forecast	17,933	18,055	18,055	18,055
Balance (revenue less revenue target)	-	-	-	-
Cumulative Balance	-	-	-	-

7 Financial performance

ASQA's financial performance for the past five financial years is summarised in the table below.

Table 11: Financial performance July 2011 – July 2016

Financial Year	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Employee	11,195	19,889	22,283	22,718	23,265
Supplier	8,362	1,935	10,381	13,913	13,921
Depreciation	1,467	2,257	3,166	3,726	2,466
Total Expenses	21,024	34,081	35,830	40,357	39,652
ASQA Revenue (Actuals)	7,155	12,074	19,632	23,568	25,401
PBS Revenue Targets	11,400	21,066	24,078	20,153	19,419
Cost Recovery %	34%	35%	55%	58%	64%
Balance	(4,245)	(8,992)	(4,446)	3,415	5,982
Cumulative balance	(4,245)	(13,237)	(17,683)	(14,268)	(8,286)

ASQA has strengthened its revenue recovery position, building revenue from the first year of operation in 2011-12. Changes in cost recovery frameworks have resulted in continued changes to both targets and results, with the last two financial years seeing more revenue raised due to unprecedented demand for ASQA registration and compliance services. Changes to the industry are expected to dampen this demand and the move to fees and charges that reflect a risk-based approach to compliance should result in revenues in line with targets.

ASQA is monitoring the revenue forecasts and it is expected that the cumulative negative balance will be reduced over the next three financial years. It should be noted that ASQA receives budget appropriation from the Australian Government and returns cost recovery revenue to the Consolidated Revenue Fund to offset this budget funding.

8 Non-financial performance

ASQA has several non-financial performance indicators in place aimed at measuring its effectiveness in carrying out core regulatory activities as well as measuring stakeholder perspectives on ASQA's performance.

The timeliness of the ASQA's regulatory processes and the effectiveness of its interactions with the regulated community are how ASQA measures stakeholder satisfaction.

The key indicators are:

- processing applications
- audit activity
- regulatory decisions, and
- stakeholder satisfaction.

ASQA's performance against these non-financial key performance indicators are set out each year in its annual report.

PROCESSING APPLICATIONS

ASQA aims to finalise all renewal of registration applications and those change of scope applications that require an audit within six months. ASQA aims to finalise change of scope applications not requiring an audit within a month. Applications for initial registration may take longer depending on whether additional information is required from the applicant, as well as ASQA's assessment of the applicant's readiness to deliver quality training.

Between 1 July 2016 and 30 June 2017, ASQA received 5955 applications and completed 5,798 applications. The decrease in applications received from the 15/16 year (i.e 6,688) is attributable to a decline in 2016-17 with some 12.5% in the number of change of scope applications received by ASQA in the two periods.

During the 12 months up to 30 June 2017:

- Almost 50% of initial applications were closed in less than six months
- Nearly 60% of renewal applications were closed within 30 days, and 88% were closed within six months or less
- 59% of change of scope applications were closed within 15 days or less

Table 12: Application completion time by type (1 July 2016 – 30 June 2017)

Application type	Target	Completed within target%
Applications for initial registration	Finalised within 6 months	65.0%
Applications to renew registration	Finalised within 6 months	96.0%
Change of scope applications - with audit	Finalised within 6 months	42.7%
Change of scope applications - without audit	Finalised within 1 month	84.6%

** Finalised' means that ASQA has made a decision and advised the applicant (this excludes any review process for rejected applications.).*

AUDIT ACTIVITY

ASQA undertakes two distinct types of audit:

- registration audits (which assess whether an application submitted to ASQA complies with the relevant standards), and
- compliance audits (which assess the provider's delivery of quality training and assessment services and outcomes; may be conducted at any time; and may be triggered by risk assessment, risk intelligence and/or complaints).

As of 30 June 2017 ASQA has regulatory responsibility for 4098 (89.2%) of Australia's 4593 nationally registered training organisations. Responsibility for regulation of the remaining 495 providers (10.8 per cent) was divided between the Victorian Registration and Qualifications Authority (VRQA) and the Training Accreditation Council (TAC) Western Australia.

Since its establishment, ASQA has adopted an increasingly risk-based approach to regulation, which has allowed it to direct its resources towards areas that pose the greatest threat to quality, and to minimise the regulatory burden for the majority of RTOs. This means that all initial registration applications are subject to a mandatory audit. For existing organisations, ASQA takes a risk-based approach and targets regulatory resources towards providers that are identified as posing the greatest risk to quality. Under ASQA's new student-centred audit approach—which follows the entire student journey (from marketing and enrolment to the completion of a course)—risk analysis and intelligence are more likely to trigger audits. This reflects ASQA's continued transition to a more proactive model of monitoring the quality of VET.

ASQA's performance criteria states:

- application of risk-based regulation demonstrated by percentage of non-application-based audits to application-based audits
- Target: 30% non-application based audits.

ASQA completed 7,857 audits between its commencement on 1 July 2011 and 30 June 2017.

Table 13: Audits completed by financial year

Financial Year	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	Total
Completed audits	773	1,364	1,515	1,399	1,174	1,632	7,857

* 1 July 2016 – 30 June 2017

Of the 7,857 audits completed since July 2011, 2972 (an average of 37.8 per cent) were non-application-based.

Between 1 July 2015 and 30 June 2016, ASQA completed 1174 audits of training providers. Between 1 July 2016 and 30 June 2017 ASQA completed 1,632 audits, of which 919 (56.3 per cent) were non-application-based.

It is important to note that ASQA does not set out to do a set amount of audits—rather, the regulator responds to what is occurring in the VET sector and potential risks.

REGULATORY DECISIONS

During 2015–2016, ASQA made 122 decisions to cancel, not renew or suspend provider registration, issuing 103 providers with a notice of intention to cancel or suspend their registration and issuing 34 providers with another type of administrative sanction.

As a result of the shift to risk-based regulation and focus on poor quality providers, in 2015–16 ASQA saw significant increases in:

- The percentage of audits where the provider was found non-compliant, even after the opportunity to rectify (from 17.6 per cent in 2014–15 to 29.1 per cent in 2015–16), and
- The number of providers where ASQA cancelled or refused to renew registration (from 54 in 2014–15 to 107 in 2015–16).

2016–17

ASQA made 758 regulatory decisions in the 2016-17 financial year. This is a significant increase from the previous financial year 2015–16 year where 221 decisions were made.

The 758 decisions were comprised of:

- 125 decisions to cancel
- 56 decisions to suspend
- 478 intentions to cancel / suspend
- 99 other administrative sanctions

A significant contributor to this has been action taken by ASQA in relation to RTOs not meeting data reporting requirements or failing to pay fees.

The regulatory figures show an increase in adverse decisions given the recent expansion in ASQA's regulatory tasks in relation to the monitoring of the now mandatory submission of Total VET Activity data and subsequent work with the NCVER to ensure that this meets relevant standards.

STAKEHOLDER RELATIONSHIPS

The *Total VET Graduate Outcomes Survey 2016* is a survey of students (both those in receipt of government funding and those who paid for their own training) who completed their VET during 2015.

The 2016 survey found:

- 86.1 per cent of graduates were satisfied with the overall quality of their training
- 90.6 per cent would recommend the training, and
- 88.0 per cent of graduates would recommend their training provider.

The National Centre for Vocational Education Research (NCVER) *Employers' use and views of the VET system 2015* provides information on employers' use and views of the VET system and the various ways employers use the VET system to meet their skill needs. In 2015, 81.7 per cent of employers were satisfied that apprentices and trainees were receiving the skills they require through training, a similar proportion to 2013.

In the ASQA 2015–16 stakeholder survey, 70.9% of respondents indicated that the contribution of ASQA's work to the quality of Australia's VET and ELICOS providers was 'excellent' or 'good'.

In responses to the 2015–16 ASQA provider survey, 79.2% of providers indicated the contribution of ASQA's work was 'excellent or good'.

9 Key forward dates and events

Key events	Indicative date
Consultation on draft CRIS	August –September 2017
Approval of final CRIS	October/November 2017
Commencement of new fees and charges	1 January 2018
Portfolio Charging Review	2018-19

10 CRIS approval and change register

Date of CRIS change	CRIS change	Approver	Basis for change
29 June 2015	Certification of the CRIS	Accountable Authority	Compliance with the Australian Cost Recovery Guidelines 2014
2 September 2015	Approval for the CRIS release	Assistant Minister for Education and Training	Compliance with the Australian Cost Recovery Guidelines 2014
1 July 2017	Amended CRIS to reflect Annual Registration Charge	Editorial update by CFO	Amendment to the NVR (Charges) Act 2012
1 August 2017	Redrafted CRIS for consultation on the proposed new fees and charges structure	TBA	New Fees and Charges

11 Glossary

accreditation

The formal recognition of a course by the Australian Skills Quality Authority (ASQA), in accordance with the *Standards for VET Regulators 2011* and the *Standards for VET Accredited Courses 2012*.

accredited VET courses

An accredited VET (Vocational Education and Training) course is:

- a structured sequence of training developed to meet training needs that are not addressed by existing training packages
- a course accredited by the national VET regulator or by a delegated body of the national VET regulator, and
- a course that has been assessed by ASQA as compliant with the *Standards for VET Accredited Courses 2012* and the Australian Qualifications Framework (AQF).

ASQAnet

ASQA's online application and registration management system for vocational education and training providers. ASQAnet is also ASQA's internal business system for managing and maintaining application, registration and regulatory processes, decisions, activity and information. ASQAnet allows you to submit applications, pay fees, and track the progress of your applications online.

Audit

An audit is conducted under Subdivision E of Division 3 of Part 2 of the Education Services for Overseas Students Act 2000. An audit is conducted by an ESOS Agency to assess an organisation's application to become a registered provider, or a registered provider's application to review or change its registration.

- Audit (compliance)

A compliance audit is conducted under Subdivision A of Division 1 or Subdivision A of Division 3 of Part 2 of the National Vocational Education and Training Regulator Act 2011. A compliance audit is conducted by ASQA to assess a registered training organisation and/or CRICOS provider's compliance with the conditions of its registration or to assess an application for registration, or to assess an organisation's application to become a registered training organisation. Compliance audits are scheduled at ASQA's discretion.

ASQA has the authority to undertake a compliance audit of the operations of an RTO or any other organisation that delivers services on its behalf, within or outside of Australia. The cost of ASQA undertaking a compliance audit is charged to each audited RTO, and is payable regardless of the audit's findings or outcomes.

ASQA also conducts compliance audits of CRICOS providers; however, no ASQA charges apply to these audits which are currently cost recovered through the ESOS Annual Registration Charge that the Department of Education and Training bills each January.

Australian Government Cost Recovery Guidelines (CRG)

The Cost Recovery Guidelines (the CRGs) must be applied by all non-corporate Commonwealth entities and by selected corporate Commonwealth entities, where the Finance Minister has made a 'government policy order' that applies the Australian Government cost recovery policy to them. Non-corporate and corporate Commonwealth entities are defined under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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).

Australian Skills Quality Authority (ASQA)

The national regulator for Australia's vocational education and training sector.

change of scope

Making changes to a provider's scope of registration. 'Changes of scope' include:

- adding or removing courses
- making changes to the duration of a Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) course
- changing the mode of delivery
- changing student tuition fees (CRICOS)
- changing student capacity (CRICOS), or
- adding or removing a delivery site (CRICOS).

At the time of registration, a provider is approved with a defined scope of registration, the specific qualifications or units of competency the provider is allowed to deliver. This scope is listed on the national register, training.gov.au. In accordance with section 32 of the NVETR Act, a provider can apply to ASQA to have its scope (i.e. qualifications/courses, enrolment capacity, delivery sites, mode of delivery, and student tuition fees) changed.

Charges Act

National Vocational Education and Training Regulator (Charges) Act 2012

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. 'CRICOS providers' are registered on CRICOS and can offer courses to overseas student 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.

cost recovery

Cost recovery broadly encompasses fees and charges related to the provisions of government goods and services (including regulation) to private and other sectors of the economy. As a partial cost recovery agency, ASQA must partly recover the costs of performing regulatory activities through fees and charges.

Cost Recovery Implementation Statement (CRIS)

A document prepared for significant cost recovery arrangements to demonstrate compliance with the

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 Australian Government Cost Recovery Guidelines.

course owner

The owner of an accredited vocational education and training course.

course owner

The owner of an accredited vocational education and training course.

delivery site

A permanent training site, owned or leased by a provider.

ELICOS

English language intensive courses for overseas students and applies to students studying in Australia on student visas undertaking full-time study comprising a minimum of 20 scheduled course contact hours per week of face-to-face classes of English language instruction.

ELICOS Standards

Guidelines for ESOS Agencies to make recommendations for acceptance of providers to be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to deliver ELICOS.

English Language Intensive Courses for Overseas Students (ELICOS)

English language programs for students who require English language training before commencing formal studies in Australia.

Education Services for Overseas Students (ESOS)

The Education Services for Overseas Students Act 2000 (ESOS Act)—and associated legislation—form the ESOS Framework. This is the legal framework for the provision of education services to overseas students, and sets out the registration requirements and the ongoing standards for education providers that offer courses to overseas students.

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.

industry

The bodies that have a stake in the training, assessment and client services provided by vocational education providers.

NCVER National Centre for Vocational Education Research

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 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 (NVR)

The Australian Skills Quality Authority, the national body responsible for registered training providers and accrediting courses in Australia.

National Vocational Education and Training Regulator Act 2011 (NVETR Act)

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.

notice of intention

ASQA may issue a provider with a notice of intention to apply a sanction or condition of registration where non-compliances are identified. The notice of intention 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.

pre-market

Involves the four licensing and approval processes (i.e. initial registration, renewal, amendment/change, and cancellation).

post-market

Involves the monitoring and compliance activities based on risk intelligence (i.e. compliance audits, strategic reviews, complaint audits and investigations), education and awareness, and enforcement.

provider

May refer to:

- a registered training organisation (RTO), or
- an RTO that is also registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to deliver to overseas students (referred to as a CRICOS provider), or
- an organisation that is registered on the CRICOS and delivers English Language Intensive Courses for Overseas Students (ELICOS)

qualification

Includes training package qualifications, VET accredited courses and programs (including ELICOS).

reconsideration

ASQA internal reconsideration of a reviewable decision. Only 'reviewable decisions' (as specified in section 199 of the *National Vocational Education and Training Regulator Act 2011*) can be reconsidered.

referral of powers

Transfer of regulatory authority (under state legislation) from state governments to the Australian Government.

registration audit

The systematic and documented process used to assess a provider's compliance with the relevant standards. A registration audit may be triggered by an application for:

- initial RTO or CRICOS registration
- renewal of RTO or CRICOS registration, or
- a change to the scope of RTO or CRICOS registration.

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

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

risk assessment

An assessment of a registered training organisation (or applicant) conducted by ASQA to identify, analyse, evaluate and treat risks of it breaching its regulatory obligations under the VET Quality Framework.

scope of registration

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

Strategic Reviews

Industry-wide reviews undertaken by ASQA to obtain information about areas of the training sector that may require targeted regulatory action.

TAC Training Accreditation Council, the VET regulator in Western Australia

The Training Accreditation Council (TAC or the Council) is Western Australia's independent statutory body for quality assurance and recognition of vocational education and training (VET) services, for training providers that operate either only in Western Australia or in Western Australia and Victoria.

TEQSA Tertiary Education Quality and Standards Agency

The Tertiary Education Quality and Standards Agency (TEQSA) is an independent statutory authority established in 2011. ASQA and TEQSA are both within the Australian Government's Education portfolio.

Training package

Training packages specify the skills and knowledge required to perform effectively in the workplace. They are developed by Service Skills Organisations to meet the training needs of an industry, or a group of industries.

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:

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

VET Regulatory Reform

A program of reforms implemented by ASQA from 2014, in relation to how ASQA regulates Australia's vocational education and training sector.

vocational education and training (VET)

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.

VRQA Victorian Registration and Qualifications Authority, the VET regulator in Victoria.