AVETRA Conference 2016

Improving the quality of vocational education and training and the role of the regulator

Christopher Robinson
Chief Commissioner
Australian Skills Quality Authority
22 April 2016
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 provides employees with the skills they require for the job
- 82% of employers were satisfied that apprentices and trainees are obtaining the skills they require from training
- 76% of employers were satisfied that vocational qualifications provide employees with the skills they require 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 packaged specify the skills and knowledge required to perform effectively in the workplace

• Training packages do not suggest how a learner should be trained
Australia’s VET sector

Purpose of national VET regulation

• Ensure learners get quality training and assessment

• Ensure employers get skilled workers

• Protect Australia’s international reputation for high quality education and vocational training
ASQA’s regulatory activities

Audit and regulatory decisions

• Processed almost 30,000 applications

• Conducted 5700+ audits to check compliance

• Refused:
  o around 15% of applications to establish a new RTO
  o around 6% of applications to re-register existing RTOs

• Issued over 500 notices to cancel/suspend a provider’s registration

• Made 265 decisions to cancel/suspend a provider’s registration
ASQA’s regulatory impact

Number of RTOs in Australia

- ASQA made decisions to terminate the registration of 377 RTOs (ie some 10% of ASQA reported RTOs)
- Number of RTOs in Australia has fallen from 4,947 in July 2011 to 4,573 in December 2014
- Around 1,000 (or 20%) of the RTOs that existed in July 2011 are no longer operating due to:
  - direct regulatory action by ASQA;
  - the indirect effect of ASQA’s regulatory actions; or
  - reasons other than ASQA’s regulation.
ASQA’s regulatory impact

- Refusal rates are dropping as more poor providers leave the sector

<table>
<thead>
<tr>
<th>% Applications refused</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application to establish a new RTO</td>
<td>31.4</td>
<td>14.9</td>
<td>12.2</td>
<td>9.2</td>
</tr>
<tr>
<td>Application to re-register an existing RTO</td>
<td>12.1</td>
<td>9.5</td>
<td>3.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>
ASQA’s regulatory impact

- Decisions to cancel/suspend RTO registrations are now levelling off

<table>
<thead>
<tr>
<th>Proportion of RTOs (%)</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices issued to cancel/suspend registration</td>
<td>0.3</td>
<td>3.4</td>
<td>4.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Decisions to cancel/suspend registration</td>
<td>0.3</td>
<td>1.6</td>
<td>1.9</td>
<td>2.0</td>
</tr>
</tbody>
</table>
ASQA’s regulatory impact

Compliance with the national Standards

- Rates of compliance are improving, especially since the new Standards were implemented in 2015
- Most RTOs become fully-compliant after a rectification period - and that proportion has also risen strongly

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully compliant when audited (%)</td>
<td>19.6</td>
<td>23.9</td>
<td>26.4</td>
<td>33.1</td>
</tr>
<tr>
<td>Fully compliant after rectification (%)</td>
<td>72.9</td>
<td>77.8</td>
<td>83.4</td>
<td>87.0</td>
</tr>
</tbody>
</table>
ASQA’s regulatory impact

Assessment – the most common non-compliance

• When non-compliances are identified, assessment is always an issue

• There are more non-compliances with the assessment standards than other standards, most commonly evident as
  • poor assessment strategies and tools
  • poor assessment practices
  • unqualified trainers/assessors

• These findings are consistent with VET research into assessment
ASQA’s regulatory impact

National strategic reviews

• ASQA has undertaken national strategic reviews in:
  o White card for building and construction
  o Aged and community care training
  o Marketing practices of RTOs
  o Early childhood care and education
  o Security industry training
  o Equine training
ASQA’s regulatory impact

Conclusions from national strategic reviews

- Many RTOs still struggle with assessment and most have some issues with assessment.

- Significant sections of the VET workforce are not adequately trained with respect to conducting assessment.

- Some training programs are being conducted in timeframes that are simply too short to ensure the learner is getting the skills.

- Some RTOs engage in poor marketing practices (eg VET FEE-HELP).
ASQA’s regulatory impact

Conclusions from national strategic reviews (cont.)

- Short course durations identified as the key issue contributing to poor quality VET/assessment

- Too many RTOs are offering courses that are too short

- Some 70% of aged care and early childhood education and care courses did not accord with Australian Qualification Framework (AQF) benchmarks for the directive of learning

- 80% of Certificate II’s and 70% of Certificate III’s in the security industry were less than two weeks in length
ASQA’s regulatory impact

ASQA scrutiny of VET FEE-HELP (VFH) Providers

• Targeted VFH providers with multiple complaints by end 2014

• Conducted audits of 21 providers in the first half of 2015

• Cancelled the registration of 4 RTOs

• Put reporting conditions on 10 RTOs

• Sought involvement of the ACCC and other consumer regulators
National VET regulatory reform strategy

- Applying even more regulatory scrutiny on providers who do not provide quality training
- Implementing an earned autonomy strategy
- Lowering the regulatory burden and cost on providers who demonstrate high quality training and assessment
- Providing improved support and information to RTOs who are trying to comply but struggle to reach full compliance
- Moving towards more risk-based regulation where broader threats to quality are identified and solutions found
- Further refining our risk based approach to regulation
ASQA’s Regulatory Risk Framework

How does our enhanced risk based regulatory approach work?

ASQA manage risks on two levels: strategic (systemic risk) and operational (provider risk).

- **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.

- **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

Managing Provider Risk - provider risk identification

ASQA is making a significant shift in how it manages provider risk—moving from a provider risk ‘rating’ to provider ‘profiling’.

‘Provider profiling’ enables ASQA to continuously review provider performance through a centralised report. The provider profile contains:

- information about a provider’s historical performance in complying with its regulatory obligations (including obligations related to timely and accurate data provision and fee payment);
- other measures of performance against established predictive risk indicators; and
- information reported by internal or external stakeholders.
ASQA’s Regulatory Risk Framework

Identification of areas of risk

- Annual environmental scan
- Stakeholder engagement
- Complaints and other intelligence
- Audit and investigation outcomes

These sources lead to the identification of both systemic and provider risks.
ASQA’s Regulatory Risk Framework

Current risk areas

- Informing and protecting learners
- Amount of training
- Capability of trainers and assessors
Further measures to improve quality

- Introduce training and assessment quality parameters to training packages
- Ensure VET market consumers are sufficiently informed to drive quality up
Quality parameters in training packages

Training packages should:

• Mandate the minimum training hours in each training package qualification/unit that are needed to ensure that new learners will gain all required skills;
• state whether training and assessment must occur in through an apprenticeship/traineeship;
• identify where on-line learning/assessment is not appropriate;
• specify any workplace requirements for training assessment (e.g., practitioners);
• specify any required equipment /assessment tools; and
• line up with licensing requirements.
Informed consumers in the VET market

- Consumers need information about the job outcomes and completion rates of each Training Package product delivered by each RTO – independently validated.
Informed consumers in the VET market

Training packages should specify:

• which occupation(s) the training product is for

• labour market information about whether occupation(s) are growing or declining

• the skills each learner should expect to gain from each training package product

• the length of time a new learner should expect each program to take

• any other quality features/parameters that you should expect to see in a training package product
Creating a skills brokerage function

Provide access for consumers to customised/independent information about:

• which skills/courses they need to be able to meet the job/job change aspirations

• their current skills and how those skills could be recognised

• quality RTO’s that offer the assessment/training that they need