

# AVETRA Conference 2016

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

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Australian Skills Quality Authority

22 April 2016



**Australian Government**

**Australian Skills Quality Authority**

# 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: NCVET 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: NCVET 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 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:
  - around 15% of applications to establish a new RTO
  - 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

	% Applications refused			
	2011-12	2012-13	2013-14	2014-15
<b>Application to establish a new RTO</b>	<b>31.4</b>	<b>14.9</b>	<b>12.2</b>	<b>9.2</b>
<b>Application to re-register an existing RTO</b>	<b>12.1</b>	<b>9.5</b>	<b>3.5</b>	<b>3.2</b>



# ASQA's regulatory impact

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

	Proportion of RTOs (%)			
	2011-12	2012-13	2013-14	2014-15
Notices issued to cancel/suspend registration	0.3	3.4	4.8	4.0
Decisions to cancel/suspend registration	0.3	1.6	1.9	2.0

# 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

	2012-13	2013-14	2014-15	2014-15 with new Standards
Fully compliant when audited (%)	19.6	23.9	26.4	33.1
Fully compliant after rectification (%)	72.9	77.8	83.4	87.0

# 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:
  - White card for building and construction
  - Aged and community care training
  - Marketing practices of RTOs
  - Early childhood care and education
  - Security industry training
  - 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 (eg 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