Australian Government
Australian Skills Quality Authority

REPORT

MEETING WITH ADULT LEARNING AUSTRALIA – 5 OCTOBER 2017

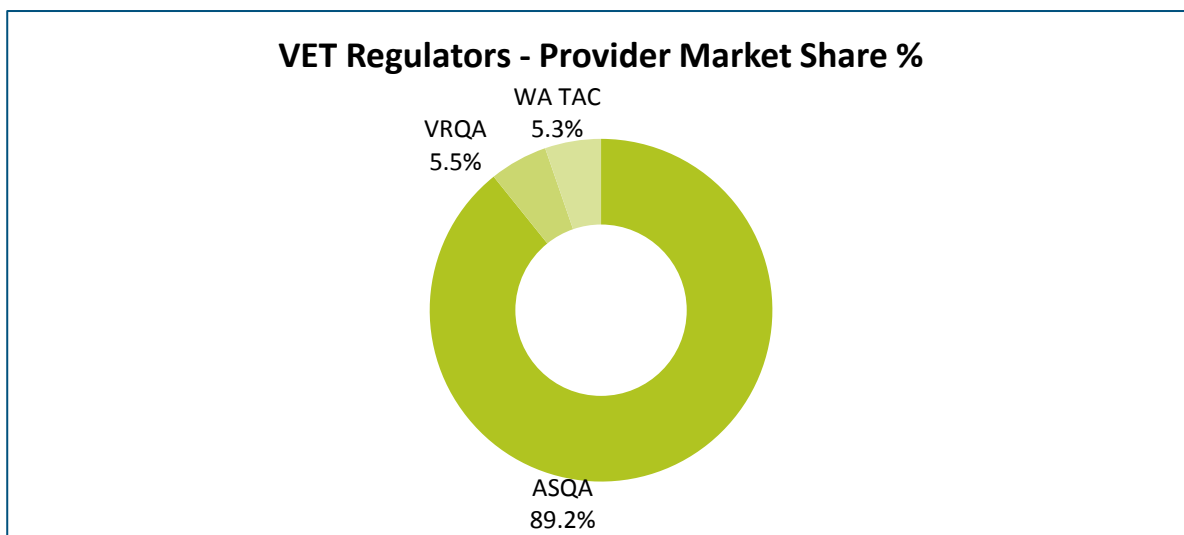## REGULATORY ACTIVITY & KEY ISSUES: 1 JULY 2011 – 30 JUNE 2017

National Overview & Regulatory Activity: 1 July 2011 – 30 June 2017
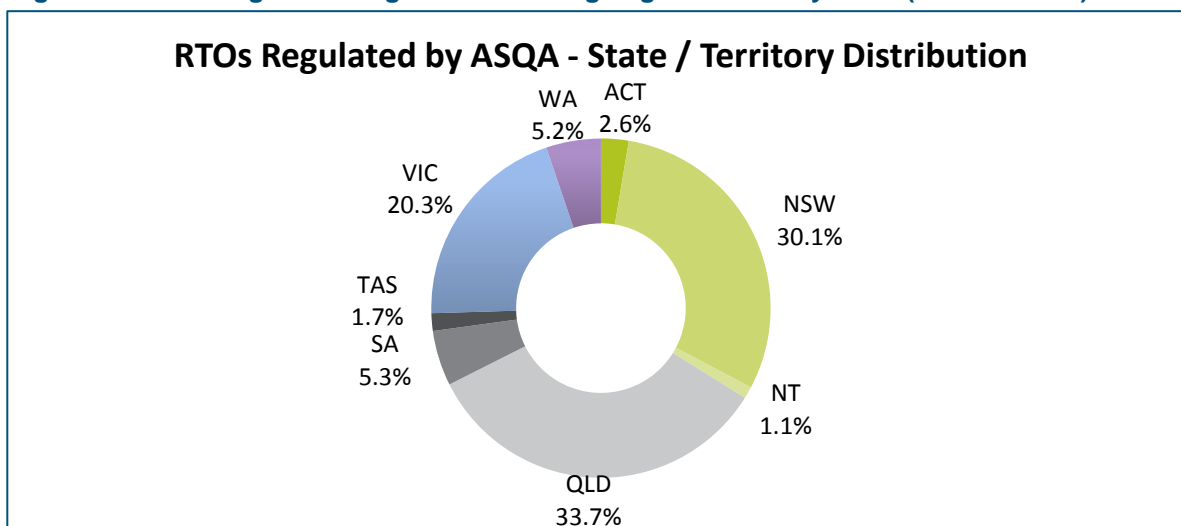
National Overview – Registered Training Organisations

As at 30 June 2017 ASQA was responsible for the regulation of 4,098 of the 4,593 Registered Training Organisations (RTOs) nationally, this represents 89.2% of the total national provider market as shown in Figure 1. The Victorian Registration and Qualifications Authority (VRQA) and Western Australian Training Accreditation Council (WA TAC) regulate 5.5% and 5.3% of the national training provider market respectively (Figure 1).

Figure 1: Regulators Market Share of Registered Training Organisations (30 June 2017)

VET Regulators - Provider Market Share %

WA TAC 5.3%
VRQA 5.5%
ASQA 89.2%

The heavy concentration of RTOs on the east coast (as shown in Figure 2) reflects historical activity and population density. It should be noted however that while the numbers are a raw count of individual RTOs, they do not reflect the size of the business of those providers.

Figure 2: ASQA Regulated Registered Training Organisations by State (30 June 2017)

RTOs Regulated by ASQA - State / Territory Distribution

WA 5.2%
ACT 2.6%
VIC 20.3%
NSW 30.1%
TAS 1.7%
SA 5.3%
NT 1.1%
QLD 33.7%

National Regulatory Activity: 1 July 2011 – 30 June 2017

In the period 1 July 2011 – 30 June 2017 ASQA received 39,825 applications from training organisations. As at 30 June 2017 some 39,027 (98.0%) of these applications had been finalised.

The *National Vocational Education and Training Regulator Act 2011* enables ASQA to conduct a compliance audit of a national VET regulator registered training organisation (NVR RTO) at any time, to assess whether the organisation complies with its requirements under the Act. Further, the Act requires ASQA to apply a risk management approach to performing such regulatory functions.

Other than audits conducted to assess a registration application, ASQA conducts audits to:

- monitor an NVR RTOs ongoing compliance following approval of initial registration;
- monitor an NVR RTOs compliance on identified risk exposure grounds; and
- investigate the substance of complaint allegations.

ASQA completed 7,857 audits between 1 July 2011 and 30 June 2017. A breakdown of completed audits by jurisdiction is provided in Table 1.

Table 1: Audits completed by jurisdiction 1 July 2011 – 30 June 2017		
State / Territory	**Audits Completed**	**% Total Completed Audits**
ACT	255	3.2%
NSW	2123	27.0%
NT	165	2.1%
QLD	2360	30.0%
SA	642	8.2%
TAS	245	3.1%
VIC	1379	17.6%
WA	345	4.4%
Unassigned	343	4.4%
National Total	**7857**	**100%**

New *Standards for Registered Training Organisations (RTOs) 2015* commenced on 1 January 2015 for new applicants to become RTOs and from 1 April for existing RTOs. The assessment results below relate to existing RTOs for the period 1 July 2016 to 30 June 2017, and show the difference in compliance levels with the Standards when audited and after a period of rectification has been made available.

Table 2: Finalised Audits of providers 1 July 2016 – 30 June 2017 (new Standards)		
	Initial Audit	After Rectification
Fully Compliant	25.8%	53.4%
At least one non-compliance	74.2%	46.6%

While the figures in Table 3 below appear to indicate a drop in compliance (after rectification) since the new Standards came into effect, this decrease can be attributed to ASQA's targeted audits of VET FEE-HELP providers and the Authority's transition to a risk-based regulatory approach that better targets providers of concern.

Table 3: Finalised audits of providers FY 2013-14 to 2016-17								
	Initial Audit				After Rectification			
	2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17
	(old Standards)	*(old Standards)*	*(new Standards)*	*(new Standards)*	*(old Standards)*	*(old Standards)*	*(new Standards)*	*(new Standards)*
Fully Compliant	23.9%	24.7%	18.2%	**25.8%**	77.8%	82.4%	70.9%	**53.4%**
At least One Non-Compliance	76.1%	75.3%	81.8%	**74.2%**	22.2%	17.6%	29.1%	**46.6%**

Regulatory Decisions Following an Audit

ASQA's audits from 1 July 2011 – 30 June 2017 resulted in ASQA making 1,041 decisions to refuse applications:

- 321 refusals of initial applications to set up a new NVR RTO (out of 1,984 completed applications);
- 213 refusals to re-register an existing NVR RTO (out of 3,806 completed applications); and
- 507 refusals to add a new course to a provider's registration (out of 32,256 completed applications).

This means that some 16.2% of applications from organisations seeking to establish a new provider are refused, some 5.6% of applications from existing providers to re-register are being refused by ASQA, and 1.6% of completed applications to add a new course are also being refused.

In the same period ASQA made 1,780 regulatory decisions to: cancel (286); suspend (209); give written notices of intention to cancel/suspend (1,073); and impose another type of administrative sanction (212).

State / Territory Breakdown of Regulatory Activity: 1 July 2011 – 30 June 2017

Applications: Received and Completed

In the period 1 July 2011 – 30 June 2017 ASQA received 39,825 applications from training organisations. As at 30 June 2017 39,027 (98.0%) of these applications had been finalised.

On a State / Territory basis this equated to:

Table 4: Applications Received and Completed 1 July 2011 – 30 June 2017			
State / Territory	Received	Completed	% Completed
ACT	1,177	1,168	99.2%
NSW	11,083	10,858	98.0%
NT	649	645	99.4%
QLD	10,606	10,388	97.9%
SA	1,976	1,945	98.4%
TAS	904	904	100.0%
VIC	10,680	10,424	97.6%
WA	2,738	2,684	98.0%
No State	12	11	91.7%
National Total	39,825	39,027	98.0%

Over 80% of the applications received by ASQA come from NSW, QLD & VIC. Across all States and Territories the percentage of completed applications compared to received applications is broadly consistent.

Decisions to Reject Applications

ASQA made 1,041 decisions to reject applications from 1 July 2011 – 30 June 2017:

- 321 rejections of initial applications to set up a new RTO;
- 213 rejections of applications to re-register an existing RTO; and
- 507 rejections of applications add a new course to a provider's registration.

On a State / Territory basis these rejections equated to:

State / Territory	Rejected Applications	% National Total
ACT	18	1.7%
NSW	449	43.1%
NT	5	0.5%
QLD	189	18.2%
SA	36	3.5%
TAS	15	1.4%
VIC	287	27.6%
WA	42	4.0%
National Total	1,041	100.0%

Table 5: Decisions to Reject Applications 1 July 2011 – 30 June 2017

The majority of rejection decisions (88.9%) affected providers in NSW, QLD & VIC. This is unsurprising given that the majority of applications also come from these three States (i.e. over 80%).

Regulatory Decisions

To 30 June 2017 ASQA made 1,838 regulatory decisions to, cancel (286), suspend (209), or give written notices of intention to cancel/suspend (1,111). ASQA also made 232 decisions to impose another type of administrative sanction.

On a State / Territory basis these regulatory decisions equated to:

Table 6: Regulatory Decisions 1 July 2011 – 30 June 2017		
State / Territory	**Regulatory Decisions**	**% National Total**
ACT	51	2.8%
NSW	586	31.9%
NT	16	0.9%
QLD	539	29.3%
SA	99	5.4%
TAS	20	1.1%
VIC	445	24.2%
WA	82	4.5%
National Total	**1,838**	**100.0%**

As with decisions to reject applications, the majority of regulatory decisions (85.4%) affected providers in NSW, QLD & VIC. Again, this is unsurprising given that the majority of applications – and RTOs – come from these three states.