



Australian Government

Australian Skills Quality Authority

2020

2022

ASQA

REGULATORY

STRATEGY

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Introduction

ASQA's *Regulatory Strategy 2020-22* has been developed in the context of the COVID-19 pandemic.

ASQA has taken account of the pressures the pandemic has placed on the VET sector, including the financial impact on providers, in determining our regulatory priorities for 2020-22.

The suitability of the initiatives contained in this regulatory strategy will be considered as circumstances change throughout 2020-22, and will be revised and updated where necessary.

Our role

The Australian Skills Quality Authority (ASQA) is the national vocational education and training (VET) regulator.

Our purpose

To provide nationally consistent, risk-based regulation of VET that contributes to an informed, quality VET sector that meets Australia's needs.

What we regulate

We are the regulator for providers that deliver VET courses to domestic students in Australia or offer Australian qualifications internationally.

We are the regulator for providers that deliver VET courses to overseas students.

We are the regulator for certain providers that deliver English Language Intensive Courses for Overseas Students (ELICOS).

We accredit VET courses that meet an established industry, legislative or community need.

ASQA's regulatory approach

RISK-BASED REGULATION

We apply our understanding of both systemic and provider risks to regulate.

1 We **identify** the risks to the delivery of quality Australian VET and take regulatory action to address the most serious risks.

2 We **support** quality as part of our risk-based regulation.

3 We **apply** proportionate compliance and enforcement actions as part of our risk-based regulation.

ENGAGEMENT AND SUPPORT

We support quality and compliance through engagement and support

4 We **engage** with stakeholders to inform our understanding of risks.

5 We **provide** accurate information to support stakeholders' understanding of VET sector compliance.

6 We **provide** advice on strategies to improve VET regulation and the VET sector.

Source: ASQA Corporate Plan 2019-20

ASQA acknowledges that Government cannot regulate to remove all risks or factors contributing to non-compliance with provider responsibilities.

Our regulatory strategy takes a risk-based approach as required by the *Standards for VET Regulators 2015*. We use data and intelligence to identify the risks to the delivery and quality of Australian VET and take regulatory action to address the most serious risks.

We seek to understand and respond to risk at two levels:

- provider risk
- systemic risk.

Provider risk

The vast majority of providers in Australia's VET sector comply with their regulatory obligations. However, the behaviour of some providers can present a risk to the quality of student outcomes and the reputation of the VET sector.

ASQA uses a range of tools to determine potential drivers and indicators of risk in the VET sector. These tools aid us in identifying providers who are likely to present a significant risk to the VET sector and the community by not complying with regulatory requirements and producing poor quality training and assessment outcomes.

In responding to alleged or proven breaches of regulatory obligations, we draw on a range of escalating actions to ensure we apply an appropriate and proportionate regulatory response.

Systemic risk

In addition to managing provider risks, ASQA works to identify and treat systemic risks. Systemic risks are those that are likely to affect a significant proportion of providers across the VET sector or specific industry sectors and represent a significant risk to the quality and outcomes of VET if left untreated.

Each year, we update our regulatory strategy to provide information about current systemic risks and the actions we intend to take to better understand and address them.

Systemic risks generally involve a complex mix of drivers including:

- policy settings
- financial incentives
- market design features.

In this regulatory strategy, we have also considered the impact of the overall shock to the VET and international education sectors caused by the COVID-19 pandemic.

Determining systemic risk priorities

ASQA uses a range of indicators and intelligence to identify the greatest risks to Australia's VET sector each year from the following sources:

- Australian Government priorities
- outcomes from consultation with key stakeholders and providers
- media monitoring and analysis of VET sector research
- VET data analysis, including ASQA's internal regulatory data.

Addressing systemic risk priorities

ASQA seeks to address sector risk priorities through two kinds of work:

1. Focus areas.
2. Strategic initiatives.

ASQA dedicates resources to both types of work and project manages them to completion.

Focus areas focus on those sector concerns that present the most significant risk to the quality of VET outcomes.

Strategic initiatives support ASQA's focus on sector risk by continuing work from previous strategic reviews, and/or supporting continuous improvement of ASQA's regulatory approach.

Working together for better regulation

Australian and state and territory governments are currently working with the VET sector to finalise a [VET Reform Roadmap](#) designed to drive improvement in the quality of VET. Over the coming months and years, there will be a range of changes for both ASQA and the sector more broadly, in line with the government's commitment to strengthening the VET sector.

There is widespread acknowledgement of the need for VET reform, including to ASQA's regulatory approach.

There is also significant concern about the changes and challenges arising from the impacts of COVID-19 on Australia's VET and international education sectors. ASQA has worked closely with the Australian Industry Skills Committee (AISC) Emergency Sub-Committee to enable short-term and urgent adjustments to qualifications and training package requirements to respond to areas of critical workforce and skills needs during the COVID-19 pandemic. This has allowed providers to roll out fast tracked national training products to meet immediate and longer term skills needs to support community and economic recovery, in particular in the area of infection control. We are conscious that the combination of reform and recovery from COVID-19 will bring new approaches and complications and that our shared responsibility for the quality of VET is more important than ever.

ASQA's regulatory strategy for 2020–22 will ensure that we are focused on implementing the recommendations of the *Rapid Review of the Australian Skills Quality Authority's Regulatory Practices and Processes* (Rapid Review). In doing so, we will continue to engage with and support providers to deliver quality training outcomes.

Rapid review implementation

A crucial foundation for quality VET is an effective and best practice regulator that has the confidence of all stakeholders.

On 30 April 2020, the Australian Government released the Rapid Review report into our regulatory practices and processes. The Rapid Review found that, while ASQA's overarching vision and purpose remain appropriate, adjustments to our practices are needed to improve our engagement with the sector and ensure our regulatory approach is guided by necessity, risk and proportionality. The review report includes 24 recommendations for reforms to the way ASQA operates and provides a long-term vision for better regulation of the VET sector as a whole.

We have commenced a program of work to implement the recommendations of the review and will adjust our regulatory culture, approach and practices, to promote and support a culture of effective provider self-assurance and best practice regulation.

Regulatory activity includes our:

- engagement
- education and guidance
- communication with the sector
- processing of applications
- consideration of both provider and systemic risk, including through strategic reviews.

Our overarching goal is to move from input and compliance controls to a focus on self-assurance and excellence in training outcomes.

Improving quality and confidence in the sector is a shared responsibility and ASQA will work with the sector to this end.

Implementation of the recommendations of the Rapid Review will occur through a staged approach. Some of the identified areas for improvement can be progressed immediately, while others will take time and require close engagement with stakeholders.

During 2020-21 our reform focus will be to:

- align our practices and governance, and implement an internal restructure in line with the new governance arrangements proposed in the Rapid Review
- strengthen our routine and risk-based monitoring
- build a common understanding of self-assurance
- expand the set of regulatory tools we use
- improve the way we conduct audits, write reports and describe evidence and non-compliances
- improve internal practices to achieve greater consistency in both audit approach and decision making
- become more transparent in identifying areas of risk and provide guidance that will support providers
- strengthen our engagement and education programs, including commencing the Stakeholder Liaison Group (SLG).

Working with providers to support quality training during COVID-19

ASQA's approach in working with providers to respond to the challenges arising from the recent bushfires and the COVID-19 pandemic reflects our increased engagement with the sector and commitment to supporting quality training outcomes.

There is no doubt that this has been a difficult time for VET and ELICOS providers, and for their students. We have focused on supporting providers to maintain the quality of training and assessment during rapidly evolving public health and economic conditions.

To do this, we have engaged with stakeholders including the Independent Tertiary Education Council Australia (ITECA), TAFE Directors Australia (TDA), Community Colleges Australia (CCA), Enterprise Registered Training Organisations Association (ERTO), English Australia and Adult Learning Australia (ALA) to understand what providers need.

In response to this engagement and feedback, we have added targeted advice to our website, enabled providers to temporarily cease operations, extended transition and teach out periods for superseded training products, extended registration periods for some providers, applied regulatory flexibility where appropriate, and implemented the Government decision to waive or reimburse some fees and charges.

We have also provided advice for current and intending students about what to expect from providers, and what to do if they have concerns.

Many providers have reviewed their business operations to respond to the needs of students, to keep their students and staff safe, and to deliver the training that will give their students the best chance of gaining employment and contributing to the recovery of the Australian economy.

Over 2020–22, we will build on our existing engagement mechanisms, working with the SLG and our key stakeholders in government and industry to inform our regulatory approach and continue to provide support to providers in responding to the challenges of delivering quality training during the pandemic.

Working with providers to respond to risk

While ASQA has modified its regulatory approach and activity in recognition of the practical constraints for providers, we continue to monitor and respond to concerns that some providers may not be meeting their regulatory obligations.

Initially, we have focused this effort on helping providers understand the three key risks to quality training that we have identified as arising from COVID-19:

1. Providers will add training products to their scope of registration in order to meet changes in demand, without the necessary industry engagement and expertise in those areas.
2. Providers will transition to online or other distance modes of delivery without adequate student support or validation of assessment.
3. Providers will be unable to place learners in workplaces to fulfil assessment requirements because businesses may be unable to operate or can operate only with limited people on the premises.

We are making information available for all providers on our website and communicating directly with affected providers, including producing:

- general advice to the sector on the issues that can arise in relation to these risks and the impact if providers do not manage these risks
- a dedicated page on our website with advice for providers on how to manage their own compliance risk, including:
 - information on distance and online delivery methods
 - webinars focussing on these key risk areas
- targeted advice for individual providers that have:
 - applied and been approved to add training products to their scope of registration during COVID-19
 - notified ASQA of a move to online delivery.

The advice to providers is designed to support their understanding of ASQA's expectations and the type of issues that we would seek to assess if they are audited in the future.

We are also continuing to actively apply regulatory scrutiny to high-risk providers and:

- have established a dedicated page on our website with advice for students that supports them to ask informed questions of their providers and select quality providers
- continue to engage with other critical stakeholders, including peak bodies and funding agencies, to support ASQA's work to address these key risks by providing early advice of ASQA's concerns.

In 2020–22, ASQA will expand these actions to monitor current and post-COVID-19 risks as they emerge in the VET and international education sectors.

Focus areas for 2020-22

Focus area 1: Online learning in the VET sector

In 2020-22, ASQA will commence a strategic review of online learning in the VET sector.

Australia's VET and international education sectors have faced major disruption as a result of the COVID-19 pandemic, with the closure of Australia's international borders and implementation of social distancing requirements to reduce the transmission of COVID-19. Social distancing and business closures have interrupted work placements and delayed completion for many students. Some students have ceased training, while others have been unable or unwilling to attend classes. In this context, many providers shifted to online delivery in order to continue training while keeping staff and students safe.

The use of technology for education in the VET sector is not new—online training comprised around 13 per cent of VET delivered in 2017. In 2020, more than 1000 providers—including around 450 CRICOS providers—have advised ASQA they now deliver all or a number of their courses online as a direct result of COVID-19.

ASQA has provided a range of education and guidance to support providers in transitioning to distance learning, and particularly online learning.

Stakeholders and providers have been optimistic about the good practice emerging as providers transition to online learning and look for innovative ways to help students gain the competencies they need to be successful in the workforce. They have also expressed concern that not all providers had the skills and capability required to deliver high quality training online, and that some employers may regard training delivered online as substandard—particularly where assessments have been conducted online rather than in the workplace.

Traditionally, online delivery has presented a range of challenges including lower course completion rates and student satisfaction, a lack of student support and problems with work placements and assessment. Despite the challenges, student outcomes from online learning are generally comparable to other delivery modes, and graduates who studied online had similar or slightly better employment outcomes across a range of qualifications.

The importance of skills and training has already been demonstrated in the immediate response to COVID-19. The VET sector will continue to play a very important role in Australia's economic recovery. With skills required in the workplace already changing at an increasing rate, the pandemic has the potential to further disrupt some sectors and stimulate the need for re-skilling and up-skilling. Online learning is likely to continue to play a large part.

The strategic review will engage with key stakeholder groups and providers to understand the benefits, opportunities and risks posed by the transition to online learning during the COVID-19 pandemic, as well as the areas where providers may still face challenges, and where ASQA can provide further support.

Focus area 2: VET in schools

VET in schools was established to enable secondary students to undertake nationally accredited VET programs while completing secondary school. VET delivered to school students is recognised for its role in:

- catering to the diverse interests of students
- promoting school retention
- providing opportunities for students to develop industry-specific technical skills as well as more generic skills that prepare them for the world of work.

VET studies can also be counted towards senior secondary certificates of education in all Australian states and territories.

While the education of school students is the domain of various state government and non-government schooling sectors, ASQA, as the national regulator of VET in Australia, has responsibility for providers who deliver VET to secondary school students.

Research points to a range of benefits for school students who undertake VET studies. However, stakeholders continue to raise concerns about the quality of delivery and outcomes, industry relevance and employer engagement.

The relatively recent closure of providers with large numbers of VET in schools enrolments has also highlighted key risks concerning VET delivered in schools which include:

- provision of accurate information to support students in making an informed decision to enrol in a VET program
- ensuring teachers/trainers and assessors delivering the program are appropriately qualified
- alignment between training and assessment delivery and the requirements of the relevant training package
- availability of sufficient learning and assessment resources to support students
- timely certification of students on completion of training
- adequacy of partnering arrangements.

Numerous research reports and reviews have addressed issues associated with the suitability of VET delivered in secondary schools. These reviews have included *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System* (the Joyce review) published in April 2019, the more recent *Looking to the Future: Report of the Review of Senior Secondary Pathways into Work Further Education and Training final report* released in June 2020, and a number of other state and territory reviews.

In 2019, ASQA wrote to the relevant education authorities in state and territory governments to provide advice about particular risks concerning VET in schools. These risks were identified through ASQA's recent regulatory activity, and this information has been provided to these education authorities to inform their oversight of arrangements within their jurisdiction.

We have also commenced consultations with other regulators and all state and territory governments, as part of a scoping study to clarify the regulatory risks associated with VET delivered in secondary schools and understand how they interact with the delivery models in each jurisdiction.

Actions

Over 2020–22, we will continue work with other regulators and all state and territory governments to:

- further clarify the key risks associated with VET delivered in secondary schools and understand how they interact with the delivery models in each jurisdiction
- research the delivery and quality assurance of VET for secondary school students in other countries
- analyse the findings of existing research and reviews to inform further work to address any issues identified, including a potential Strategic Review into VET delivered in secondary schools.

Strategic initiatives

Trainer and assessor capability

The expertise of the trainers and assessors delivering national recognised VET qualifications is a fundamental component in ensuring quality outcomes for the millions of Australian and overseas students participating in VET every year.

Stakeholders have raised concerns with ASQA that the quality of training and assessment in the VET sector is inconsistent, and that trainer and assessor capability is a contributing factor. These concerns include whether providers engage sufficiently qualified trainers with relevant trade qualifications and industry experience.

Consistent with our role as the national VET regulator, since 2016–17 ASQA has undertaken a range of actions to support improved trainer and assessor capability.

Scrutiny of providers applying to or delivering TAE products

We have monitored and conducted targeted audits of providers delivering qualifications from the Training and Education Training Package, and in particular TAE40116, to help ensure that they:

- provide an adequate amount of training
- develop appropriate and compliant training and assessment strategies
- develop appropriate and compliant assessment tools and materials
- demonstrate how validation has contributed to training and assessment.

Education and guidance

We have worked to help ensure providers, and trainers and assessors, understand their compliance obligations, through:

- information sessions addressing the delivery of training and assessment
- working with trainer and assessor professional development organisations and VET sector peak bodies to encourage professional development for trainers and assessors
- developing guidance on third-party arrangements, including fact sheets.

ASQA will continue to provide education and guidance to support quality training and assessment practice and to scrutinise providers who apply to or are delivering TAE training products.

Over 2020–22, ASQA will work with DESE and other key stakeholders to identify any additional actions that will support improved trainer and assessor capability, and the organisations best placed to take them forward.

Training products of concern

The VET sector spans every industry in Australia and comprises thousands of training products. Changing economic circumstances and employer expectations, as well as changes within the VET sector, means that the level of risk relating to individual training products is not static.

In determining current risk priorities, ASQA uses internal regulatory data and feedback from key stakeholders to identify training products with a degree of risk that warrants closer scrutiny. The following training products have been identified through this process:

- *TAE40116 Certificate IV in Training and Assessment*
- *CHC33015 Certificate III in Individual Support*
- *SIT30816 Certificate III in Commercial Cookery*
- *SIT40516 Certificate IV in Commercial Cookery*
- *CPCCWHS1001 Prepare to work safely in the construction industry*

We will actively monitor providers that intend to deliver or currently deliver these training products.

Where we identify common areas of concern, we will develop advice and guidance to support providers to review and improve their delivery, and to assure ongoing confidence and quality outcomes for students, employers and the community.

Standards of concern

ASQA identifies the clauses in the *Standards for Registered Training Organisations (RTOs) 2015* which are of most concern (i.e. the clauses where providers are most likely to be at risk of non-compliance) by analysing both non-compliance:

- identified through reports about providers
- found at audit.

In 2020, ASQA identified the following clauses of concern:

- **1.8** implement effective assessment systems
- **1.1** have appropriate training and assessment strategies and practices, including amount of training
- **1.3** have the resources to provide quality training and assessment, including sufficient trainers and assessors, learning resources, support services, equipment and facilities
- **3.1** AQF certification is issued only where the learner has been assessed as meeting training product requirements
- **1.2** appropriate amount of training is provided, taking account of the skills, knowledge and experience of the learner and mode of delivery.

ASQA uses information about the clauses where there is the highest risk of non-compliance to:

- assess the risk associated with individual providers
- prioritise the direction of our regulatory activities
- contribute to the information we share with providers to support continuous improvement in training.

Engaging with the VET sector

Education and engagement are essential components of effective regulation. Reflecting this, and in line with the direction of Skills Ministers, ASQA has renewed our emphasis on engagement with, and education of, sector stakeholders.

Over the coming year, we will continue to provide guidance on the priority areas identified in this regulatory strategy and will share with the sector when we identify a risk to delivering quality training outcomes. We will also continue to inform the sector about changes resulting from ASQA's reform and the broader VET regulatory reforms.

By working together with the sector and listening to and understanding the most relevant issues, we will be able to support providers to deliver quality training and assessment. To achieve this, we will continue to evolve the way we engage with stakeholders.

Our shift to a more consultative approach will inform us of the issues facing the sector and help to shape the guidance and regulatory tools to promote and support continuous improvement.

We will do this through the newly-established SLG, whose memberships represents the diversity of providers with differing modes of delivery, scale, locations, diversity of student populations and provider performance.

We are also strengthening the way we work with providers by opening up opportunities for the regulated community to contribute to the enhancement of regulatory tools and the guidance and education we publish. Over the coming year, providers will have the opportunity to provide feedback on:

- developing a shared understanding of self-assurance
- improvements to the Annual Declaration of Compliance
- approaches to remediation.

Our collaborative approach with providers complements our engagement with a broad range of stakeholders, including peak bodies, states and territories, industry and other government organisations. Through this engagement, ASQA will continue to provide advice on strategies to support providers in the VET and international education sectors.

We have already enhanced our education program to include regular interactive webinars, video discussions with sector participants and targeted guidance materials. To keep providers informed about our regulatory activities, and build understanding and capability across the sector, we will continue to share information in these formats as well as through:

- an annual series of provider briefings
- guidance information published on our website in response to key risks identified by providers
- our monthly *ASQA Update* newsletter, with summaries of the latest activities impacting the sector
- our Info Line enquiries service, able to supply information and advice via telephone and email
- direct electronic emails to providers, as needed, to circulate important information.

As we continue working with the sector, we will listen to what providers need and continue to enhance the ways we engage and communicate about emerging risks.

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