

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2013-14
3 and 4 June 2013

AGENCY/DEPARTMENT: AUSTRALIAN SKILLS QUALITY AUTHORITY (ASQA)

TOPIC: Audits – site visits

REFERENCE: Question on Notice (Hansard, 3 June 2013, page 53)

QUESTION No.: BI-14

Senator NASH: Great. If somebody could dig it out, that would be fantastic. I imagine that it would be fairly easy to do. The renewable audits now include site visits as well where they had not before. Is that correct?

Mr Robinson: No. Most of them did include site visits. What I am saying is that some regulatory practice from previous regulators was that some audits were done as desk audits for renewable audits. But we are moving to the situation where they all involve site audits unless the sites have been recently audited for some other reason.

Senator NASH: Okay. Does having the requirement to do a site visit comparatively increase the cost of doing the audits?

Mr Robinson: It does increase the cost.

Senator NASH: Do you know by how much?

Mr Robinson: I cannot answer that question without getting further information.

Senator NASH: Okay. Please take that one on notice, insofar as you can. I understand that that one is probably a little more difficult, but if you could provide that by the end of the day that would be very useful.

ANSWER

To date, approximately 85 per cent of ASQA's audit activities involve a site audit.

Factors impacting upon the costs associated with a site visit include the type of audit undertaken and the characteristics of the provider being audited.

ASQA conducts different types of audits for different reasons. Audits related to initial registration involve prospective providers who may not have previously provided any training. Audits for renewal of registration are typically larger in size (given the provider has been operating for at least five years), but these audits generally involve less planning time as ASQA has historical information about the provider. Audits for changes to scope of registration typically investigate only a single qualification, thereby requiring a smaller audit than for registration renewals. Audits for compliance monitoring purposes range in size and may cover the provider's full scope or a very limited and targeted audit or aspects of the provider's operations or the investigation of a complaint.

The size of the audit can vary greatly depending on the scope of the audit, the risk associated with the provider or scope, or the reason for the audit – e.g. complaints investigation. Given this

variability, the average audit cost for a site visit also varies considerably, making the calculation of a meaningful average difficult.

In order to provide a sense of the average site audit cost, the cost of a renewal of RTO registration, audit (including associated costs such as audit preparation, write-up and travel), is currently around \$9,100 (the \$9,100 average cost compares to ASQA's minimum audit charge of \$7,900 – which is inclusive of two sites). The renewal fee includes up to two sites. For each additional site, ASQA has estimated the additional cost as \$700 per site.