

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry Portfolio  
Budget Estimates Hearing 2014-15  
2-3 June 2014

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**AGENCY/DEPARTMENT:** Australian Skills Quality Authority

**TOPIC:** Minimum Registration Standards

**REFERENCE:** Written Question – Senator Rhiannon

**QUESTION No.:** BI-163

1. Does ASQA agree with inquiry submitters that the explosion of small RTOs in a deregulated VET market poses quality and governance risks?
2. What sort of reputational risk to the whole VET sector, including TAFE, do these lower-quality fly-by-night tick and flick RTOs present?
3. How much public funding has been awarded to these low quality providers? Any figures kept?
4. May I please have a breakdown of how many smaller private VET providers are currently registered out of the total VET RTOs?
5. What is ASQA's response to recommendations to impose minimal quality and fiduciary standards, including a risk-assessed framework in the initial registration process?
  - a. Would this immediately go a long way to cutting down on need to expend funding on post-registration remedial regulation by restricting the number of RTOs those smaller riskier providers?
  - b. Would ASQA agree this could be an effective way to protect Australia's and those quality VET/TAFE providers' reputations in the international VET marketplace?
  - c. Why does this not exist now?
  - d. Would this help stop substantial wastage of public funding into courses that are meaningless for industry and students?
6. Do we have an idea of how much public funding might have been lost to providers and courses that do not meet quality and outcomes expected by students and industry?
7. How is the diversion of public funding to support new RTOs affecting TAFE's ability to deliver quality training?
8. What is ASQA's response to the observation that Australia has had to "*construct a VET system and associated (inadequate) regulatory & quality assurance system to police 98% of the providers who deliver less than 20% of all teaching because it believes in the primacy of the market*" (Wheelahan 2012).

**ANSWER**

1. ASQA has now completed its third full year of operation, in that time the Authority has identified quality issues relating to providers of all sizes.

As at 31 March 2014 ASQA had taken action to refuse some 579 applications relating to Initial Registration (112), Renewal of Registration (113) and Change of Scope (354). This means that ASQA refused 6.8% of all completed applications from exiting to renew, and 16.5% of all completed applications to set up a new provider.

Further ASQA has made 70 decisions to Suspend (all or part) of the registration of a provider and 60 decisions to cancel the registration of a providers.

2. ASQA recognises the reputational risk posed by low-quality high-risk providers and has taken significant regulatory action to ensure that providers that fail comply with the national standards are appropriately sanctioned, including the cancellation of registration.
3. ASQA does not play any role in the funding of providers.
4. 70% (2743) of ASQA regulated providers are (10 or less qualifications on scope or only units of competency), 23% (890) are medium (medium = 11-30 qualifications on scope) and 8% (304) are large (31 or more qualifications on scope).
5. Prospective providers are already required to meet national standards. Where these standards are not met ASQA will refuse the application (n.b. ASQA has refused 112 or 16.5 % of completed applications for initial registration).

Before submitting an application for initial registration with ASQA a prospective provider must:

- Develop a thorough understanding of the requirements of registration;
  - Ensure their organisation is eligible for registration with ASQA; and
  - Be prepared to demonstrate the financial viability of their organisation.
- a. ASQA currently conducts a 'post-initial' audit after a new provider has completed its first year of operation
  - b. ASQA has in place a comprehensive assessment process for initial registration. Details are available at: [www.asqa.gov.au/vet-registration/apply-for-registration/apply-for-initial-registration.html](http://www.asqa.gov.au/vet-registration/apply-for-registration/apply-for-initial-registration.html)
  - c. As above
  - d. As above
  - e. ASQA has no role in the funding of providers.
6. ASQA has no role in the funding of providers.
  7. ASQA has no role in the funding of providers.
  8. Currently there is no national data to verify this statement.