



Australian Government  
Australian Skills Quality Authority

ASQA

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Productivity Commission  
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## **Productivity Commission's 5 Year Productivity Inquiry: From learning to growth – Interim Report 5**

Dear Chair and Commissioners

The Australian Skills Quality Authority (ASQA) welcomes the opportunity to respond to the Productivity Commission's 5 Year Productivity Inquiry: From learning to growth – Interim Report 5.

ASQA shares the Productivity Commission's interest in ensuring vocational education and training (VET) delivers quality outcomes for students and supports Australia's workforce needs and future productivity.

### **ASQA's role**

ASQA is the national regulator of VET in Australia.

Our purpose is to ensure quality VET so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers.

We ensure quality VET through regulation of:

- providers that deliver VET qualifications and courses to students in Australia or offer Australian qualifications internationally
- providers that deliver VET courses to overseas students – providers need to be approved on the Commonwealth Register of Institutions and Courses for Overseas Students to teach overseas students on student visas in Australia
- certain providers that deliver English Language Intensive Courses for Overseas Students.

We accredit VET courses to make sure nationally approved standards are met, based on established industry, enterprise, education, legislative and/or community need.

The interim report (Table 3.1, page 44) notes that regulation of the VET sector is 'primarily State and Territory Government responsibility' and that ASQA is 'responsible for regulating national minimum standards and qualification content'.

ASQA regulates approximately 90 per cent of Registered Training Organisations (RTOs). ASQA is responsible for the regulation of RTOs operating across jurisdictions, as well as RTOs delivering training to international students (even if they operate in only one jurisdiction). This means ASQA is

the regulatory body for RTOs in the Australian Capital Territory, Northern Territory, New South Wales, Tasmania, South Australia and Queensland, and RTOs in Victoria and Western Australia delivering training to students overseas or in other states and territories. RTOs delivering training only to students in Victoria and Western Australia are regulated by the Victorian Registration and Qualifications Authority and Training Accreditation Council Western Australia, respectively.

ASQA does not regulate qualification content, but rather regulates RTOs against the VET Quality Framework, including the *Standards for RTOs 2015*. The *Standards for RTOs 2015* require RTOs to be compliant with the Australian Qualifications Framework and to deliver training products in a way that ensures students develop the skills and knowledge described in the training package or course.

### **Investing in future skills needs**

The interim report notes the Productivity Commission is considering mechanisms to expand the number of VET places including the best method for setting subsidies and whether funding could be better allocated to encourage competition across providers and support 'higher quality education and improve the flexibility of the system in changing skills need'.

While ASQA notes the intended effect of the diversification of funding arrangements and expansion of VET places on the supply of and demand for training, it is also important to consider the existing profile of the VET sector and ability to deliver quality VET for current and emerging skill needs – and the interplay between this and strategies aimed at expanding VET places. This includes analysis of the profile of providers in the sector with regards to student enrolments and training products on scope.

ASQA's regulation of the sector will play a critical role in supporting government's response in these priority areas. ASQA will continue to take a proactive approach to monitoring market settings and provider behaviour in response to funding arrangements.

### **Boosting learning outcomes for tertiary students**

The interim report notes the need to address information gaps in the availability of RTO-level information, including quality measures (e.g. student outcomes, student/employer satisfaction and indicators of teaching quality) – and seeks feedback on the use of 'a combined measure of course quality' to guide and support student choice and, in turn, improve teaching outcomes in VET.

ASQA supports Department of Employment and Workplace Relations (DEWR)-led Quality Reforms seeking to support a common understanding across the sector of what constitutes quality and excellence in training delivery, beyond minimum compliance with the *Standards for RTOs 2015*, and development of a framework for quality improvement that could support differentiation of training quality.

The *Rapid Review of ASQA's Regulatory Practices and Processes* recommended that, in the long-term, ASQA publish a summary of findings regarding an RTO's performance against the *Standards for RTOs 2015*. ASQA continues to systematically improve the quality, relevance, and timeliness of the information that we make available to providers and the community, including in relation to RTO performance.

In 2021-22, ASQA reviewed the way in which its systems and processes facilitate the publication of information about regulatory decisions on the National Register. We are also

contributing to the work of DEWR through its National Training Register Enhancement project to better enable students and employers to differentiate between providers. This will also improve the transparency of regulatory decisions.

### **Greater flexibility in the way VET is delivered**

The interim report notes the Productivity Commission is seeking feedback on options for supporting greater flexibility in the way VET is delivered, including safeguards needed to ensure the quality of training is maintained – and makes mention of the fact that students face risks of non-completion due to factors that can be mitigated through better supports and guidance.

ASQA's strategic review of online learning found that quality VET can be delivered well online, when taking into consideration the requirements of the training product, the student cohort, the skills of the trainer and assessor – as well as the tools, technologies and processes for delivering online. It also identified a range of risks associated with online delivery for students and RTOs, both in regards to enrolment in VET courses as well as ongoing training delivery. These include:

- not ensuring students are appropriately prepared for and supported to undertake learning online
- that online delivery for students may not take into account the student's learning style or literacy, language, numeracy and digital skills
- that students may not be equipped to meet the delivery mode's technological requirements for participation
- that students may not be informed of, or sufficiently understand the mode of delivery being offered.

The strategic review has just been finalised and a variety of outcomes and actions have been identified for ASQA and stakeholders to ensure that the sector can continue to mitigate these risks and take advantage of the opportunities to continue to develop and innovate in the delivery of VET online.

ASQA appreciates the opportunity to contribute to this consultation and would welcome inclusion in further engagements on relevant matters.

Yours sincerely

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**Deputy Chief Executive Officer**