


REGULATION, RISK AND QUALITY IN THE VET SECTOR

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- Background
 - Update on progress in establishing the National VET Regulator
 - Risks
 - Choices

Background

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY (TEQSA)

- May 2009 - A new national regulatory and quality agency for higher education
- To ensure that students receive a high quality education at any of Australia's higher education providers.
- An independent Commonwealth statutory authority that will
 - set standards
 - register and regulate university and non-university higher education providers
 - monitor quality and carry out evaluations of standards and performance
 - protect and assure the quality of international education
 - streamline current regulatory arrangements

NATIONAL VET REGULATOR

- December 2009 - Council of Australian Governments (COAG) agreed to establish a national VET regulator
- An independent Commonwealth statutory authority
- All jurisdictions except Victoria and Western Australia have agreed to refer powers to the Commonwealth - a transition period for transfer of registration.
- From 2011 the National VET regulator will be responsible for
 - the registration and audit of registered training providers and
 - accreditation of courses.
- All providers wishing to operate in more than one jurisdiction or enrol international students in post-secondary educational institutions will be registered through the national regulator.


Potential merger in 2013 to achieve a more interconnected tertiary sector

Review of Higher Education 2008 (Bradley Review)

- A framework for higher education accreditation, quality assurance and regulation
- An independent national regulatory body responsible for regulating all types of tertiary education
- The need for closer links between vocational education and training and higher education
 - ▣ Realigning governmental responsibilities - a national approach
 - ▣ Improve connectedness and ensure that learner pathways operate effectively
 - ▣ Streamlining regulation → efficiencies

Rationale for new VET regulatory arrangements

- Building confidence in the quality and consistency of assessment and training outcomes of VET qualifications which in turn supports confidence in the abilities of VET graduates
- Maximising consistency in application of national standards and regulatory activity in all jurisdictions
- Maximising consistency in the application of sanctions and the treatment of low quality providers
- Providing clear lines of accountability and responsibility for quality of VET
- Ensuring a coordinated response to emerging quality issues in the sector



1. Update on progress in
establishing the National VET
Regulator

Working on three fronts



- Governance
- Organisational
- Core Business

Governance



- Commonwealth: Leading the drafting of the Bill and discussions with States and territories
 - ▣ to be discussed with jurisdictions and finalised by end October
- NSW is currently consulting with States on a draft of their referral Bill.
- The primary goal is to have both bills introduced (and passed) in November
 - ▣ tight but on track

Organisational

- John Smyth as Interim CEO
- Establishment Taskforce is in place
 - ▣ Dr Diane Orr - Project Leader
 - ▣ Justin Napier – Governance and communications
 - ▣ To be expanded - HR, ICT, regulatory staff etc
- To be co-located with TEQSA in Melbourne
- Data collection from States & Territories underway
- Draft bilateral agreements for discussions in October
- About to start work on the fees and charges schedules
 - ▣ Full cost recovery
- Ready to go to the market to develop the Brand, website, etc.

Core Business of Regulation

- Close collaboration with States & Territories – workshop of best practice VET regulation
- Next phase will involve collaboration with potential partners - occupational licensing bodies & industry groups etc
- Considering the implications of
 - ▣ *Report on Regulation of VET services for overseas students in South Australia* & amendments to the Training and Skills Development Act (2008).
 - ▣ Victorian Education and Training Reform (Skills) Amendment Bill 2010



2. Risks

Just some of them...



- Transition risks
 - Legislative
 - Corporate (especially ICT system and HR)
 - Staging of the transition
 - Market uncertainty
 - Operational Workloads
- Ongoing risks
 - Provider failure
 - Provider management in Victoria and WA
 - Off-shore delivery
 - Sectoral risks
 - Information asymmetries

3. Choices:

What sort of regulator will we be?

The rules of the AQTF obviously apply...

- Principles
 - Consistency
 - Effectiveness
 - Proportionality
 - Responsiveness
 - Transparency
- And in relation to
 - Audit consistency
 - Inter-jurisdictional auditing
 - Managing compliance
 - Handling complaints
 - Risk assessment
 - Industry body engagement

The legislation will require, amongst many other things...



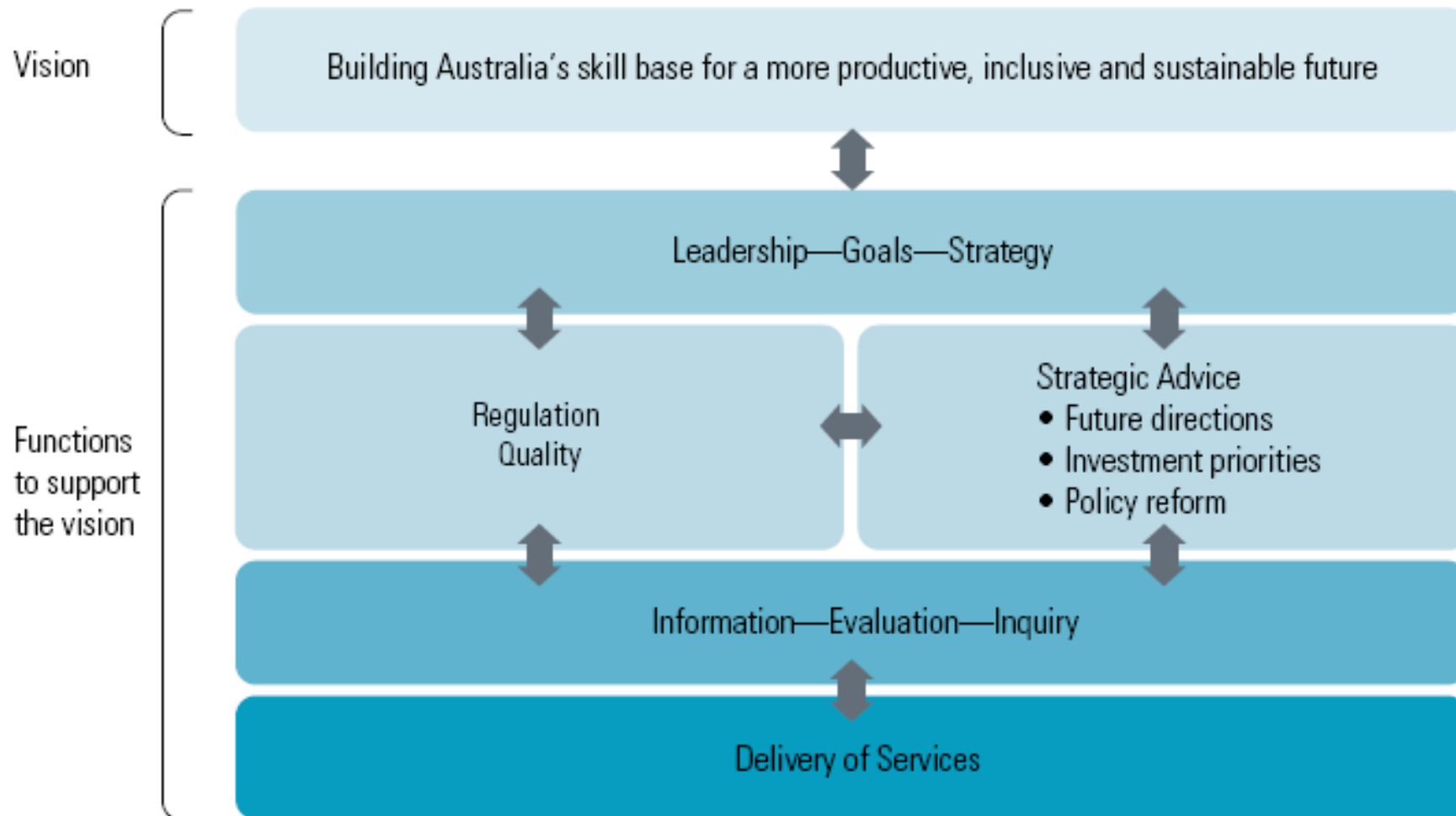
- An effective model for regulation
- A responsive approach to regulation that is both strong and balanced
- Ongoing cooperation between all jurisdictions and the National VET Regulator
- Consultation and engagement with stakeholders
- Clear lines of accountability and responsibility for quality of VET

Messages from a green field...



- One set of rules, consistently applied
- Proactive rather than reactive regulatory responses
- Increased responsibility by RTOs for quality - no more handholding, less caring and sharing
- Better data management
- Tougher enforcement
- Use of a range of regulatory tools – not just audit

Key Functions of the Governance Framework

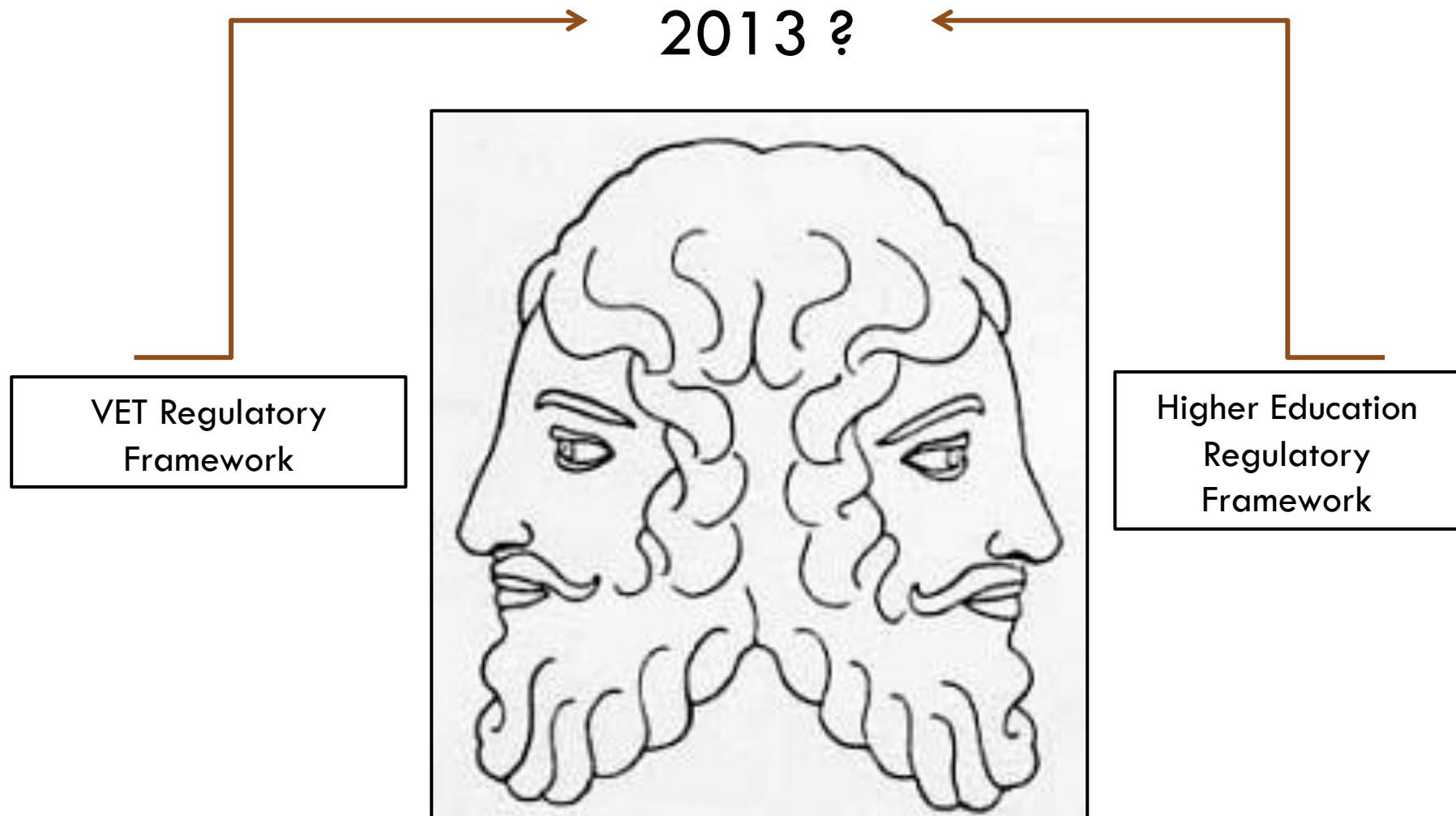


Source: Skills Australia (2009) Foundations for the Future: Proposals for Future Governance, Architecture and Market Design of the National Training System

Preliminary thoughts about appropriate regulatory models (without prejudice)

- More than the sum of the constituent parts
- Organise ourselves for results (ends) not processes (means)
 - ▣ Ensuring the integrity of the Australian VET qualification
 - ▣ Improving the student experience of VET
 - ▣ Restoring public trust and confidence in the VET regulatory system
 - ▣ An effective and efficient training market
- Responsive & versatile regulation – one size does not fit all
- Problem-solving regulation based on identification of important risks or patterns of non-compliance
- Analytic regulation and information sharing
- Generating a commitment to quality from those being regulated
- Client focus but not at the expense of strong enforcement capacity
- Innovative regulation
- A national regulatory culture

And, we will look both ways,



but we will not bend with the
prevailing wind





THANK YOU