Australian Skills Quality Authority

Entity resources and planned performance

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# Australian Skills Quality Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Australian Skills Quality Authority (ASQA) was established on 1 July 2011 by the enactment of the *National Vocational Education and Training Regulator Act 2011* (NVR Act) and supplementary legislation.

ASQA’s focus is on maintaining a nationally consistent regulatory system that gives confidence to stakeholders that vocational education and training providers, and providers of English language courses to overseas students, offer quality training and assessment services. ASQA works to ensure that this training is appropriate to meet Australia’s social and economic needs for a highly educated and skilled population.

Key facets of ASQA’s regulatory approach include:

* proportionate, risk-based regulation
* decisive action in cases of serious risk to the vocational education and training (VET) sector
* facilitating access to accurate information about VET.

ASQA’s objectives (as described in the NVR Act) are:

* to provide for national consistency in the regulation of VET
* to regulate VET using:
* a standards-based quality framework
* risk assessments, where appropriate
* to protect and enhance:
* quality, flexibility and innovation in VET
* Australia’s reputation for VET nationally and internationally
* to provide a regulatory framework that encourages and promotes a VET system that is appropriate to meet Australia’s social and economic needs for a highly educated and skilled population
* to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality vocational education and training
* to facilitate access to accurate information relating to the quality of VET.

#### ASQA’s priorities for the year ahead

In 2019–20 ASQA will focus on:

* Addressing the target areas, and progressing the strategic initiatives, detailed in the Authority’s *Regulatory Strategy 2018–20*:
* Target areas:
	+ Australia’s international education sector (this will include the finalisation of ASQA’s strategic review into international education)
	+ Trainer and assessor capability
* Strategic initiatives:
	+ Recognising and supporting quality in the VET sector
	+ Strengthening registration requirements
	+ Training products of concern
	+ CHC30113 Certificate III in Early Childhood Education and Care
	+ TAE40116 Certificate IV in Training and Assessment
	+ CHC33015 Certificate III in Individual Support
	+ CHC50113 Diploma of Early Childhood Education and Care
* progressing ASQA’s move to full cost recovery by 1 July 2020
* addressing recommendations emanating from the review of the *National Vocational Education and Training Regulator Act 2011* that relate to ASQA.

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to ASQA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for ASQA’s operations) classification.

For more detailed information on special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, while the ‘Budgeted expenses by Outcome’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASQA resource statement — Budget estimates for 2019–20 as at Budget April 2019



All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

(a) Appropriation Bill (No. 1) 2019–20.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2) 2019–20.

(f) This is Special Appropriation - PGPA Act - s77 Repayments NVETR.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

ASQA’s outcome is described below together with its related programs. The following provides detailed information on ASQA’s expenses, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports - to provide an entity’s complete performance story.

[The most recent corporate plan for ASQA can be found at: www.asqa.gov.au](https://www.asqa.gov.au/news-publications/publications/asqa-corporate-plan-2018-19)

[The most recent annual performance statement can be found in the Annual Report at: www.asqa.gov.au](https://www.asqa.gov.au/news-publications/publications/annual-reports2)

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training. |

#### Budgeted expenses for Outcome 1

This table shows how much ASQA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1



(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013.*

(b) Departmental expenses not requiring appropriation are depreciation expenses and amortisation expenses.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

#### Performance criteria for Outcome 1

This section below details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered.

| Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training. |
| --- |

##### Program 1.1: Regulation and Advice

| Objective | To assure the quality of VET outcomes through national regulation and the communication of advice on vocational education and training. |
| --- | --- |
| Delivery | The mechanisms through which Program 1.1 is delivered are:identifying the risks to quality VET in Australia and taking regulatory action to reduce the most serious risksundertaking risk-based regulation to support quality VET deliveryundertaking risk based regulation to respond to non-compliance and remove poor quality providers from the sectorengaging with stakeholders to inform our understanding of the risks to the VET sectorsupporting the VET sector by providing accurate information to support stakeholder understanding of VET sector complianceproviding input and advice on strategies to improve VET regulation and the VET sector. |
| Purpose | Program 1.1 contributes to ASQA’s purposes which are to:provide consistent risk based regulation of vocational education training (VET) that contributes to a VET system that meets Australia’s needs and provides quality VET to students. |

###### Performance information 1.1 Regulation and Advice

| **Year** | **Performance criteria** | **Expected achievement**  |
| --- | --- | --- |
| 2018–19 | Stakeholders indicate they believe ASQA is improving the quality of VET outcomes in Australia. | Application of risk based regulation demonstrated by percentage of non‑application based audits to application based audits.**As at 31 December 2018:** 72.1% of completed audits are non-application based audits.Providers and stakeholders indicate they are satisfied with ASQA’s engagement with the regulated community.**Most recent survey results indicated:[[1]](#footnote-1)** 73.2.0% provider satisfaction 60.9% stakeholder satisfaction. |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance criteria** | **Planned measurement** |
| 2019–20 | Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.Effectively manage risk based registration of quality RTOs and accreditation of courses that meet Australia’s vocation education needs.Delivery of standards-based auditing based on risk and appropriate and proportionate regulatory decisions.Effectively seek information to inform understanding of risks in the VET sector.Provide clear, targeted and effective provision of information and support to stakeholders about the VET sector and compliance with standards.Provide input and advice on strategies to improve VET regulation and the VET sector. | ASQA collects qualitative and quantitative performance data to form an overall assessment against the performance criteria. ASQA monitors and analyses trends in quantitative data against relevant performance criteria, where appropriate, which includes:* Demonstrated performance in identifying and taking action on serious risks to VET
* Comparative statistics on management of applications, regulatory processes and applied sanctions and conditions
* Levels and types of activities to effectively communicate with and support the sector
* Performance against published service standards across multiple activities
* Annual stakeholder/provider survey results relevant to specific performance criteria (<70% satisfaction).
 |
| 2020–21 and beyond | As per 2019–20. | As per 2019–20. |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASQA’s finances for the 2019–20 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are no differences between entity resourcing and financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### Budgeted departmental comprehensive income statement

Expenses for 2019–20 are estimated to be $40.2 million. This reflects an increase from 2018–19 of $1.4 million. ASQA is budgeting for a technical operating loss in 2019–20 reflecting the value of unfunded depreciation and amortisation expense of $3.5 million.

##### Budgeted departmental balance sheet

ASQA’s asset and liability forecasts are mostly in line with amounts advised in the
2018–19 Budget. An exception is the increase in non-financial assets based on estimated capital purchases.

Capital acquisitions in 2019–20 (as shown in Tables 3.4 and 3.5) are planned to be $2.7 million for enhancement of IT systems and $1.3 million in leasehold improvements.

##### Administered

Revenue estimates for 2019–20 are $24.1 million. This is an increase from 2018–19 of $0.8 million. ASQA continues partial cost recovery arrangements for 2019–20.

Budgeted assets and liabilities represent net receivables and provisions for refunds of administered receipts.

### 3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June



Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)



Prepared on Australian Accounting Standards basis.

\* Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2), including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ASQA does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2019–20)

ASQA does not have any administered assets, therefore Table 3.11 is not presented.

1. 2017–18. Results for 2018–19 will not be available until early 2019–20. [↑](#footnote-ref-1)