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:

* targeted, 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 2018–19 ASQA will focus on:

* addressing the outcomes of the review of the *National Vocational Education and Training Regulator Act 2011*
* progressing the “Tightening scrutiny on new entrants to the VET market” initiative
* developing and releasing the Authority’s updated Regulatory Strategy
* undertaking a strategic review into International Education.

### 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 the 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 2018–19 as at Budget May 2018

Financial table - availible from www.data.gov.au

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

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

(a) Appropriation Bill (No. 1) 2018–19.

(b) Excludes $0.018m subject to quarantine by Finance or withheld under s51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)

(c) Excludes departmental capital budget (DCB).

(d) Estimated retained revenue receipts under s74 of the PGPA Act.

(e) 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’.

### 1.3 Budget measures

Budget measures in Part 1 relating to ASQA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ASQA 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

Financial table - availible from www.data.gov.au

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

## 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.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, 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/sites/g/files/net2166/f/ASQA_Corporate_Plan_2016-20.pdf)

[The most recent annual performance statement can be found in the Annual Report at: www.asqa.gov.au](https://www.asqa.gov.au/sites/g/files/net2166/f/ASQA_Annual_Report_2015-16.pdf#page=31)

### 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

Financial table - availible from www.data.gov.au

(a) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.

(b) Administered expenses not requiring appropriation are doubtful debts. Departmental expenses not requiring appropriation are depreciation, amortisation, and expenses funded by prior years' appropriations

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:  applying a risk based and standards based regulatory approach to the VET sector  taking regulatory action to remove poor quality providers from the sector  making ASQA’s Regulatory Strategy and Regulatory Risk Framework publicly available  undertaking communications campaigns to address identified issues and providing stakeholders with timely and accurate advice. |
| Purposes | Program 1.1 contributes to ASQA’s purposes which are to:  protect the quality and reputation of the vocational education training (VET) sector  regulate the VET sector utilising a contemporary, risk and standards based regulatory approach  facilitate access to accurate information about VET. |

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

| **Year** | **Performance criteria** | **Expected achievement** |
| --- | --- | --- |
| 2017–18 | 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 2017:**  55.5% 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)**  68.0% provider satisfaction  52.7% stakeholder satisfaction. |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | Stakeholders consider that 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.  **Target:** 50% non‑application based audits.  Providers and stakeholders indicate they are satisfied with ASQA’s engagement with the regulated community.  **Target:** 70% positive feedback from providers and stakeholders (excellent or good in annual survey). |
| 2019–20 and beyond | As per 2018–19 | As per 2018–19 |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASQA’s finances for the 2018–19 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

The resource statement (Table 1.1 in Section 1) shows a decrease of $4.1 million in prior year appropriations available. This includes funds of $2.8 million budgeted for use in 2017–18 for capital expenditure, as shown in Table 3.5 – Departmental capital budget statement.

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

##### Budgeted departmental comprehensive income statement

Expenses for 2018–19 are estimated to be $38.8 million. This reflects an increase from 2017–18 of $3.3 million as reflected in the budget measure at Table 1.2. ASQA is budgeting for a technical operating loss in 2018–19 reflecting the value of unfunded depreciation and amortisation expense of $2.4 million.

##### Budgeted departmental balance sheet

ASQA’s asset and liability forecasts are mostly in line with amounts advised in the   
2017–18 Budget. An exception is that forecasts are higher for Suppliers, reflecting an increase in accrued expenses at year end.

Capital acquisitions in 2018–19 (as shown in Tables 3.4 and 3.5) are planned to be $3 million for enhancement of IT systems.

##### Administered

Revenue estimates for 2018–19 are $23.3 million. This decrease from 2017–18 reflects ASQA’s increasing shift to risk based regulation. ASQA continues partial cost recovery arrangements for 2018–19.

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

Financial table - availible from www.data.gov.au

(a) From 2010–11, the Government introduced net cash appropriation arrangements where 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.

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

Financial table - availible from www.data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

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

(b) Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)

- donations and contributions

- gifts

- internally developed assets

- s74 Retained revenue receipts

- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018–19)

Financial table - availible from www.data.gov.au

(a) ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018–19, including CDABs.

(b) ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Net proceeds may be returned to the OPA.

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table - availible from www.data.gov.au

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 2018–19)

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

1. 2016–17. Results for 2017–18 will not be available until early 2018–19. [↑](#footnote-ref-1)