

RTO Industry Issues

Observations at the end of 2017



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- **RTO Establishment**
- **Custom Courseware**
- **Audit and Rectification**
- **Business Planning and Expansion**
- **Governance, Policy and Procedure**
- **Sale and Purchase of RTOs**

Today's Topics

- **Current Market Status**
- **Current ASQA Focus**
- **General RTO Issues**



Current Market Status

Market Characteristics

Domestic

- ~4,500 RTOs
 - 4,053 ASQA
 - 244 VRQA
 - 236 TAC
- **Regulatory Action**
 - ~350 Cancelled or Rejected in five years
 - ~150 Conditioned
- TAFEs under pressure, even with rescue funds
- Universities pushing hard on the market with sub-diploma pitch

International

- **\$24b GDP contribution in 2016, up 18.5% on 2015**
- **National Strategy for International Education 2025**
- **Anecdotally, Australia benefits from:**
 - Brexit
 - President Trump
 - International terrorism

Current Market Status cont.

Sources of Funding

Government

- **National Partnerships Skilling Australia Fund**
- **Real investment in VET dropping every year**
- **State governments restricting funding, and getting more confident**
- **VET Student Loans replaces VET Fee-Help**

Fee for Service

- **In 2016:**
 - **Funded Domestic down 2.8%**
 - **FFS Domestic up 5.9%**
 - **FFS International up 8.4%**
- **AQF program enrolments down 4.2%**
- **Major program enrolment changes:**
 - **Hairdressing and beauty up 47%**
 - **Foundation skills up 45%**
 - **Training and education down 21%**
 - **Transport and logistics down 16%**

Current ASQA Focus

- **Mark Paterson AO approaching a year as Chief Commissioner**
- **Revised audit model implemented**
- **TAE changes implemented**
- **National Code 2017/18 changes implemented**
- **Review of federal VET legislation (not ASQA run)**
- **Strategic review into course duration released**
- **International education focus in 2017-18**

General RTO Issues

- **Assessment – always the number one issue**
- **Off-the-shelf training and assessment resources**
- **Course duration and intensity**
- **Quality staffing and quality staffing systems**
- **Funding source changes and the search for FFS income**
- **CRICOS applications and expansions**

Questions?

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Sources of Data

- **NCVER Total VET Activity reporting**
- **Training.gov.au reports**
- **ASQA website and decisions table**
- **2017-18 federal budget**
- **VRQA and TAC**
- **QLD, NSW, SA and VIC Education Departments**
- **Australian and international media**
- **Capstone Education consulting engagements and enquiries**