RTO Industry Issues

Observations at the end of 2017

CAPSTONE EDUCATION

Capstone Education

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

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Today's Topics

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

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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

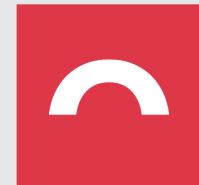
General RTO Issues

- 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