

9 January 2023

End-of-year wrap-up & 2023 predictions



In 'pre-COVID times' I published annual end-of-year summaries detailing the key reforms the sector had seen in the preceding 12 months, as well as making predictions about the coming year; and to keep myself honest I would subsequently check back, and then publish, how accurate my predictions had been.

COVID introduced enormous uncertainty but fortunately we're now at a point its possible to feel confident making predictions for the coming year. The challenge this year has been reading through and summarising all that happened in 2022. It was an enormous year and while it felt busy as we were working through it, on looking back it is clear just how much change the sector (and providers in particular) went through.

For the first time in nearly a decade Australia had a change of government at the Federal level - with the new government introducing a number of reforms in the months after the election and commencing substantive consultations on a suite of further reforms across VET, higher education and international education. In addition last year saw providers, businesses, stakeholders and individuals all rebuilding post-COVID, and on top of that we saw further unprecedented technological changes to how we work, study and live.

It has therefore taken me much longer than usual to summarise what happened last year and to think through what the sector is likely to see this year.

I hope you find these insights useful in your business planning processes, Claire

FEDERAL ELECTION

VET was an area of clear policy difference between the two major parties at the 2022 election. Labor won government on a platform which included substantive VET policies including:

- 45,000 new Fee-Free TAFE places and a further 420,000 existing government-funded VET places being converted to Fee-Free places in TAFE
- 70% of government funding for VET delivery going to TAFE
- 10,000 New Energy Apprenticeships
- additional training places for the hospitality and accommodation sectors
- support for microcredentials, and
- reforms including the establishment of Jobs and Skills Australia.

Labor also committed to an initial 20,000 extra government-funded university places and to establish an Australian Universities Accord to consider longer-term reforms for the sector.

2022 VICTORIA & SOUTH AUSTRALIA ELECTIONS

Labor won the South Australian election with few VET reform commitments. Upon forming government, they subsequently lifted the previous government's restrictions which had prevented TAFE SA from delivering high-demand VET programs in Adelaide (except as traineeships).

SA Labor also committed during the election to looking at merging the State's three public universities. After winning government, and with the Federal government's support, they announced that the University of Adelaide and the University of South Australia were examining a merger.

In Victoria the Labor government was easily returned on an election platform that included a further expansion of its 'Free TAFE' funding policies.

VET

Jobs and Skills Summit

Fulfilling one of its election pledges, the new government hosted a two-day Summit with key stakeholders to discuss reforms which would improve employment opportunities for individuals and address labour and skill shortages being experienced by businesses. The Summit resulted in a suite of 'immediate actions' and 'areas for further work', in addition to pre-existing policy commitments.

VET Funding

In October the government introduced a mini-Budget which included the following key VET funding initiatives:

- 180,000 Fee-Free TAFE and community-based vocational education places in 2023 (\$500 million from the Australian government to be matched by States and Territories - with total funding of \$1 billion)
- \$50 million TAFE Technology Fund for IT infrastructure, modern workshops, laboratories and tele-health simulators
- 10,000 New Energy Apprenticeships and funding which includes support payments to apprentices of up to \$10,000 during the course of their training (total investment of \$95.6m over nine years)
- A Digital and Tech Skills Compact, implemented in partnership with businesses, unions and training providers, to develop options for a 'digital apprenticeships' model, commencing with a Digital Traineeship Program for the Australian Public Service.

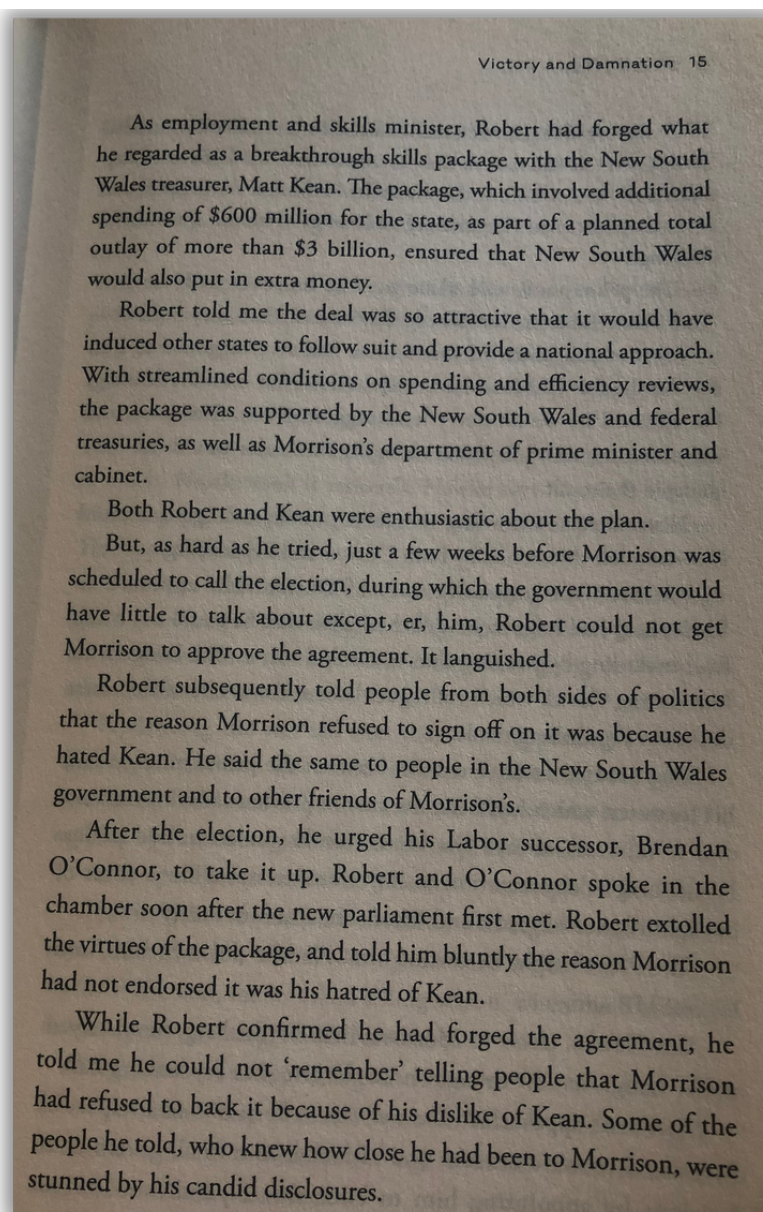
Following the mini-Budget, the Australian government reached agreements with all States and Territories on the Fee-Free TAFE/VET funding. The ACT government chose to allocate all extra funding solely to its TAFE Institute, CIT. In all other jurisdictions the majority of funding went to TAFE Institutes, with some funding allocated to other VET providers.

National Skills Agreement

In November the Australian government, States and Territories agreed to a vision and principles for the next multi-year VET funding agreement, ie the next National Skills Agreement.

In April the Australian Financial Review ran an article where Labor State/Territory Ministers accused former Federal Minister Stuart Robert of "failing to genuinely negotiate and address key concerns" with respect to the next National Skills Agreement. The article claimed that Minister Robert had

cancelled three Ministerial meetings with States and Territories and was "pushing a draft agreement" that had been rejected by all jurisdictions. In her latest book, "Bulldozed", political journalist Niki Savva provides a different perspective:



Later Savva writes that "After the (Jobs and Skills) summit, Brendan O'Connor picked up and expanded Robert's skills plan. O'Connor pushed for a national agreement to reform the vocational-education sector, foreshadowing \$3.7 billion in extra spending over five years from 2024. He was positive about getting all states and territories to sign up to reform the sector by eliminating duplication, simplifying rules, and injecting more money" (p. 41).

Jobs and Skills Australia

The National Skills Commission was replaced by Jobs and Skills Australia and an interim Director, Prof. Peter Dawkins, was appointed. Consultations on the long-term focus of JSA commenced.

New Industry Advisory Arrangements

The most significant long-term reform to the VET sector in 2022 was the announcement of the organisations which would run the new Jobs and Skills Councils. In the past when these industry-VET advisory mechanisms have been reformed new entrants have emerged, and the same was true this time. Five of the former Skills Organisations/Skills Service Organisations will continue as Jobs and Skills Councils, alongside five new entities (some of which have relationships with former SSOs).

There was no Jobs and Skills Council announced for either the Training and Assessment or the Foundation Skills Training Packages, with the government still to determine the appropriate governance arrangements for them.

New Qualification Arrangements

Consultations commenced on changes to simplify VET qualifications, with the aim of delivering "a flexible and adaptive training system that includes industry-specific skills and maximises transferable skills across sectors, one that recognises an individual's prior learning and experience."

Amended Standards for Registered Training Organisations

Consultation started on changes to simplify the Standards for RTOs and to give them an outcomes-focus. The changes are also designed to make it easier for providers to employ industry specialists who do not hold teaching qualifications. The frequent use of the term "appropriate" in the draft Standards raised questions about how ASQA would ensure consistency in audit decisions.

Apprenticeship Reforms

The Jobs and Skills Summit agreed on the need to improve support for apprentices and lift completions. In November, the government released a Discussion Paper.

Australian Skills Guarantee

One of the government's election commitments was to guarantee that 1 in 10 workers on major federally funded projects was an apprentice, trainee or paid cadet. The Skills Guarantee has a specific focus on women and on digital skills and a Consultation Paper was released.

Inquiry into the Perceptions and Status of VET

In November, Skills and Training Minister Brendan O'Connor requested the House Standing Committee on Employment, Education and Training inquire into the perceptions and status of VET.

Employment White Paper

Following the Jobs and Skills Summit, Treasury commenced work on a White Paper on Employment which will be released in 2023. It contains a specific focus on skills.

Other important VET developments

The Victorian government consulted on proposed legislative changes which would give it greater powers to set the strategic direction for its TAFE Institutes and to operate them as a network subject to greater "oversight and accountability". Some changes would also impact dual-sector universities.

Social impact organisation, Forte, partnered with the South Australian government to trial a new VET financing scheme which offers participants and governments free training, with the provider only receiving payment when graduates increase their earnings and pay higher taxes to government. Meanwhile a further 18 providers were approved under the VET Student Loan scheme.

A number of providers had regulatory or financial issues including:

- Box Hill Institute which agreed to pay \$33 million to settle a class action lawsuit
- High profile independent providers entered administration/liquidation - Inspire Education, The Eagle Academy, The Malka Group, and Vortex Air Academy.
- TAFE NSW suffered significant delays in transitioning to new Training Package qualifications with course start dates pushed back. A new Managing Director was subsequently appointed.
- Chisholm Institute's online arm suffered similar problems transitioning to new Training Package qualifications. The problems emerged at the same time ASQA re-registered Chisholm.
- South Australia's Independent Commission Against Corruption issued a report highlighting fraud by an unnamed government-funded independent RTO.

HIGHER EDUCATION

University Accord

The Australian government appointed a team of experts, under the leadership of Prof. Mary O'Kane, to consult with the sector on reforms to ensure the sector is:

- meeting Australia's knowledge and skills needs, now and in the future
- improving access and opportunity
- appropriately funded and affordable
- well governed, accountable and appropriately engaged with the community
- well connected to the VET sector
- delivering quality and operating sustainably
- delivering new knowledge, innovation and capability

Subsequently a wider group of stakeholders was appointed to a Ministerial Reference Group to support the Accord's consultations with the sector.

Higher education funding for student places

The Australian government provided \$485.5 million in the mini-Budget for 20,000 additional undergraduate university places for students from under-represented groups, and in Victoria the government committed to pay the HECS debts for nurses and midwives.

Annual reports lodged in various state parliaments in 2022 showed that despite the impact of COVID on international student numbers most universities posted surpluses for the 2021 calendar year. Looking at financial risk across the whole higher education sector, TEQSA reported "the largest increase in the total number of providers rated above low risk since TEQSA commenced assessing Risk to Financial Position in 2014."

Research released by academics from La Trobe and Deakin universities and IHEA showed that during the demand driven university funding era, student enrolments at independent providers (38%) grew faster than at public universities (14%) in Australia.

In 2022 the Course Seeker website showed more than 200 Bachelor and Bachelor with Honours degrees at 18 universities accepted students with ATARs below 50. La Trobe University (69) and Federation University (34) had the highest number of low-ATAR courses.

Student satisfaction with the quality of their educational experience showed wide variations across both universities and other higher education institutions

Top 5 universities		%	Bottom 5 universities		%
Avondale University		87.6	The University of Melbourne		63.1
Bond University		86.6	RMIT University		66.9
Edith Cowan University		83.9	University of New South Wales		66.9
University of the Sunshine Coast		81.5	University of Technology Sydney		69.4
The University of Notre Dame Australia		80.4	Western Sydney University		69.4
Top 5 non-university higher education institutions		%	Bottom 5 non-university higher education institutions		%
Sheridan College		100.0	Academy of Information Technology		56.3
Leaders Institute		99.3	UOW College		60.6
Campion College Australia		95.5	Endeavour College of Natural Health		62.1
Moore Theological College		93.7	ACAP & NCPS		63.2
Australian College of Theology		92.7	Chisholm Institute		63.9

*Due to their smaller student populations most NUHEI data is for 2020 and 2021 (except Leaders Institute and Sheridan College), while university data is for 2021 only

Higher education staffing

With a very high proportion of the Australian higher education workforce now casualised, there were at least 12 universities under investigation for wages underpayment in 2022 and the Fair Work Ombudsman included universities as a strategic priority for investigation in 2022-23.

The Australian Taxation Office won a case in the Federal Court against JMC Academy in relation to the engagement of a lecturer as a contractor (with the subsequent implications for superannuation payments).

Nature of universities

Two initiatives which will influence the future shape of universities commenced in 2022, and although they are separate from the Accord, they will ultimately influence its final recommendations. They were:

1. the independent Review of the Australian Research Council Act 2001 which will consider (amongst other issues) "whether the scope of the current legislation is sufficient to support an effective and efficient university research system". With a lack of sufficient funding for research frequently cited as a key driver of Australia's pre-COVID international education activities, and the ARC's Excellence in Research for Australia assessments being one of the key measurement tools for determining university-status within the Higher Education Provider Category Standards - the outcomes of the review are likely to have far-reaching consequences for the sector depending on how research funding through the ARC is allocated in the future, and
2. the size and nature of Australia's public universities was a topic of debate with the Australian government's support for the proposed merger of the University of South Australia and the University of Adelaide (which would create the fourth largest Australian university by domestic student numbers), while at the annual TEQSA conference Prof. Glyn Davis argued that the Accord needed to deliver greater institutional diversity in the public university sector. He pointed out that Australia's public universities are some of the largest in the OECD and argued Australia should be looking at new smaller university models, including teaching-only public institutions and graduate-only universities.

Other important higher education developments

- Vice Chancellor of the University of New England, Brigid Heywood, tendered her resignation after facing assault charges
- Carnegie Mellon University announced it would wind down its Australian operations
- The Western Australia Corruption and Crime Commission investigated a senior Murdoch University staff member who had changed the records of some of the university's livestock. The CCC described the actions as "serious misconduct", noting the "very serious breaches of various biosecurity laws", and found the university's "lack of leadership and governance" contributed to the misconduct. Murdoch University dismissed the CCC's claims as disappointing and noted it was dealing with the matter as a disciplinary issue
- Macleay College advised it would cancel its journalism courses but subsequently announced they would continue to deliver them
- TEQSA registered Alphacrucis College and the Australian College of Theology as University Colleges after both had appealed earlier TEQSA decisions not to grant university college status
- Kaplan Business School was granted limited self-accrediting authority by TEQSA
- Adventus.io acquired Good Education Media Press, the publishers of Australia's Good Universities Guide. The CEO and Co-Founder of Adventus noted that their "vision is to become the 'Technology backbone for the industry', providing institutions the tools to assess, manage, and optimise their channels to students while giving radical transparency and intelligence to the industry."

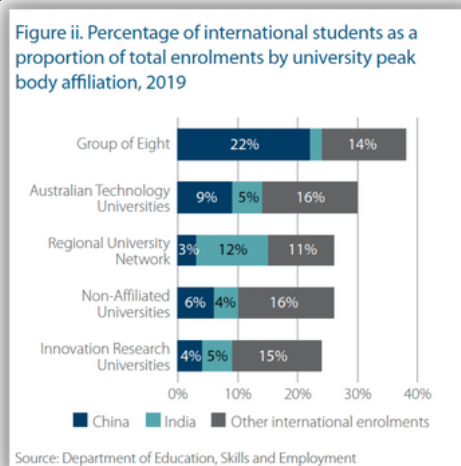
INTERNATIONAL EDUCATION

International students in Australia

The year began with half of all international higher education student visa holders offshore, compared with only 10 percent of VET visa holders, underlining the differential impact COVID had on the two sectors. Many international VET providers traded through COVID by heavily discounting international student fees and increasingly recruiting onshore students (with some aggressively poaching students from other providers). By contrast, universities heavily focussed on increased online delivery to offshore students (often supported by private partners).

By the end of the year (October 2022) there were 709,310 international student visa holders enrolled with CRICOS-registered providers. This was a modest increase (5%) on 2021 figures and well below 2019 and 2020 levels, however the figure undercounted actual student enrolments as significant numbers of Chinese students in particular were studying offshore without holding a visa (albeit with the intention of coming to Australia to study at a future date). The very strong growth in student numbers in the ELICOS sector in 2022 combined with the re-opening of China's borders at the end of the year, were positive signs for 2023.

The previous government was focussed on increasing the diversity of Australia's international student cohort, with funding grants provided in 2022 to help providers expand offshore/online delivery and a consultation paper released (but no further action taken) highlighting the lack of diversity in the university sector, notably Chinese students at Go8 universities and Indian students (in CBD campuses) at regional universities. In the lead-up to the election Labor also signalled a preference for increased diversity.



Australia-India opportunities

The Australian and Indian governments signed an interim Free Trade Agreement which includes:

- A new digital platform to connect Australian VET providers, Indian businesses, government, students and employers
- The recent establishment of a joint Australia-India taskforce to progress qualification recognition between the two countries, and
- Agreement to extend the length of stay in Australia for Indian students with a Bachelor degree with first class honours from two to three years post study in the STEM and ICT sectors.

In October the government of Gujarat announced Top 500 overseas universities which set-up in its special economic zone would be exempt from all University Grants Commission (UGC) regulations, including the repatriation of profits. In early January 2023 the UGC published draft regulations encouraging highly-ranked universities to set-up in India. These regulations reflect some, but not all, of the concessions being offered in Gujarat.

Sector reviews

- In early 2022 the Australian government undertook a review of the ESOS Act following the release of the *Australian Strategy for International Education 2021-2030*. No changes were made to the Act during 2022.
- Following the Jobs and Skills Summit the government launched an expert review of Australia's migration system with the intention of shifting the focus from "keeping people out" to "how we attract the people we need".
- Trade Minister, Don Farrell, requested the Joint Standing Committee on Foreign Affairs, Defence and Trade inquire into Australia's tourism and international education sectors.

At the end of the year Minister Clare announced a refresh of the membership of the Council of International Education.

Visa issues

Providers, students and agents were bedevilled by three interrelated visa issues in 2022:

1. initially a very high backlog of applications after Australia's international border re-opened
2. concerns about visa integrity problems in the sector - with some VET providers and education agents linked to reports of sex trafficking, and reports from the Department of Home Affairs raising issues with student visa documentation, particularly from prospective students from South Asia, and
3. as the government moved to hire more staff to process visa applications, their inexperience combined with concerns about visa fraud saw growing numbers of visas rejected.

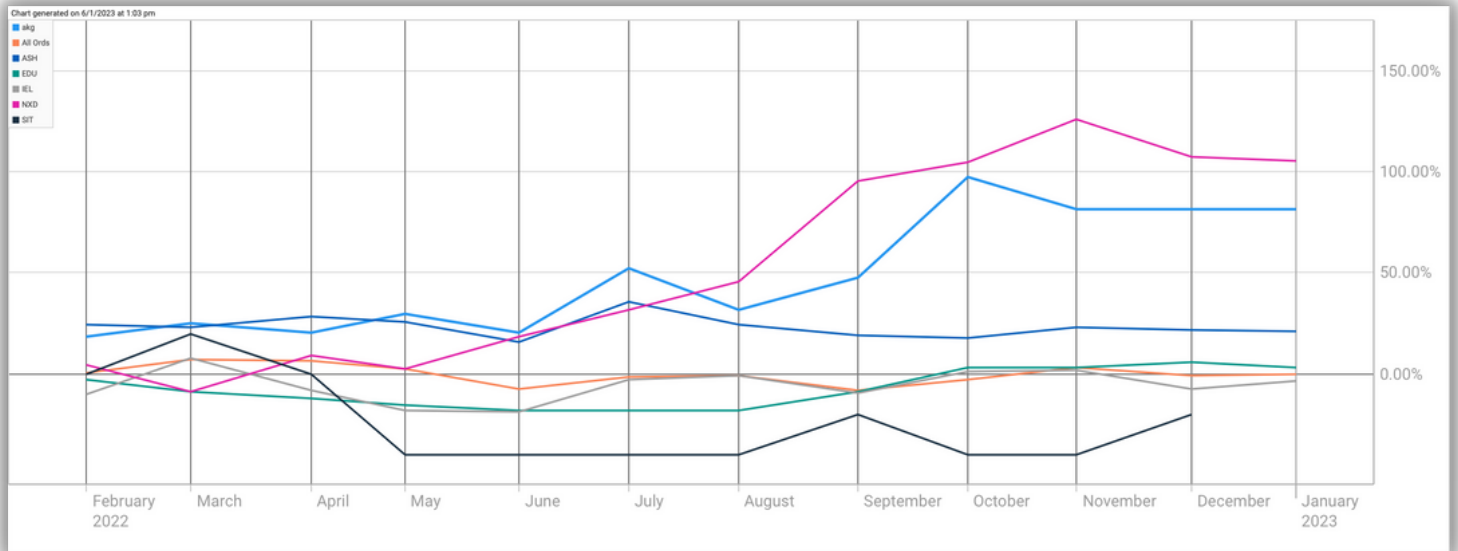
Other important international education developments

- At the Jobs and Skills Summit the government announced that post-study work rights for university graduates in "areas of verified skills shortage" would be extended for two additional years for recent graduates and that it would reimpose limits on the hours international students can work while they study but not until 1 July 2023
- Media reports emerged about Australia's research-intensive universities heavily discounting their fees to attract students from India, the Philippines and Malaysia
- ICEF acquired agent professional development platform, PIER, from International Education Services
- IDP acquired Intake, the Taiwan-based international student support provider with offices in 50 countries and a strong presence in West Africa. IDP also appointed two new Directors – former Navitas Chair and Chair of the Australian Industry and Skills Committee, Tracey Horton, and former member of the University of Queensland Senate and former Vocation Board member, Michelle Tredenick
- IDP also announced a partnership with Unibuddy to offer students an online "peer-to-peer" advice platform – allowing prospective students to speak to current students at the institutions they are considering applying to
- The Western Australia government launched a \$10 million Agent Incentive Scheme offering \$500 per student to agents enrolling an international student in a WA school, English language or VET provider, and \$1,000 per WA university student enrolment. They also funded agent trips to Australia and announced a media campaign explaining the benefits of hosting an international student as a HomeStay provider
- The Victorian government released an International Education Recovery Plan which included new funding for international student inclusion programs, discounts on international student travel passes, programs to support international student employability, and new resources in Colombia, Vietnam, Japan and Korea
- The NSW government partnered with SEEK to create "NSW Jobs Connect for International Students" a separate section on the SEEK website which advertises jobs where employers explicitly welcome international students.

ASX-LISTED STOCKS

There are primarily two-types of education-listed companies in Australia - (a) those which offer traditional education services and (b) technology-based businesses. Some companies, eg APM, SEEK, Verbrec have education/EdTech businesses within their operations but their education offerings make up a small percentage of their overall operations and hence are not included in this analysis.

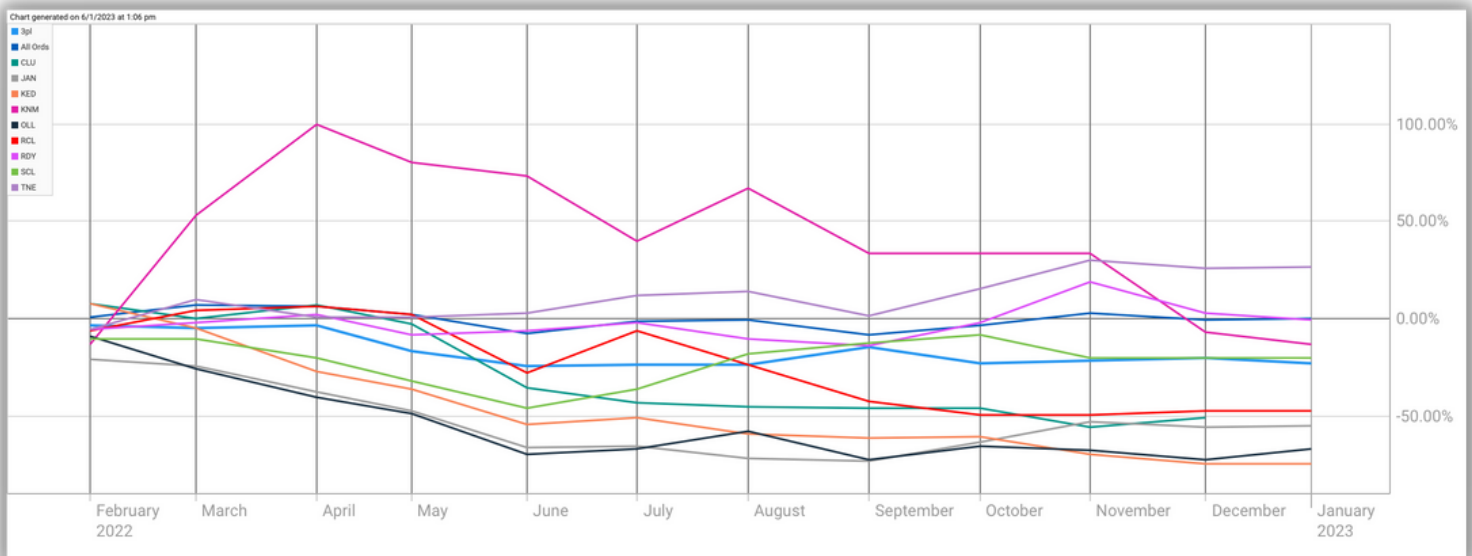
Education Services Companies



- Academies Australasia (AKG)
- Ashley Services Group (ASH)
- Education Holdings (EDU)
- IDP Education (IEL)
- NextEd (NXD)
- Site Group International (SIT)
- All Ordinaries (All Ords)

NextEd, Academies Australasia, and Ashley Services Group easily outperformed the ASX All Ordinaries in 2022, although NextEd's performance in large part reflected its predecessor's (i-College) successful acquisition of RedHill Education and the combined scale of the merged entities.

EdTech Stocks



- 3P Learning (3PL)
- Cluey Learning (CLU)
- Janison (JAN)
- Keypath Education (KED)
- KneoMedia (KNM)
- OpenLearning (OLL)
- ReadCloud (RCL)
- ReadyTech (RDY)
- Schrole Education (SCL)
- Technology One (TNE)
- All Ordinaries (All Ords)

By contrast, and in keeping with the results of overseas EdTech stocks in 2022, most technology businesses involved in education performed only on-par with or below the All Ordinaries index. TechnologyOne and ReadyTech ended the year best.

EDTECH/DIGITAL SKILLS

A lot of the EdTech developments in Australia are driven by overseas OPMs and international EdTech firms. This update focuses on the Australian EdTech sector and on some of the examples of where and how international tech firms made an impact on the Australian tertiary education sector in 2022. No doubt (given the level of activity in this part of the sector) I will have missed some examples. Please get in touch, I would love to learn more about other new programs/initiatives.

Microcredentials

The Australian government released the *National Microcredentials Framework*, which:

- sets a national definition for microcredentials
- agrees on unifying principles for microcredentials
- establishes critical information requirements, and
- outlines a minimum standard for microcredentials that sit on the microcredentials marketplace, MicroCredSeeker, which was launched in December. (The site currently contains only microcredentials developed by higher education providers.)

OPMs and MOOCs

- SEEK's OES announced a minority stake in Singapore's LINC Education Services which operates 'The WorldGrad' offering hybrid study abroad programs for Indian students. Students do their first year online in India and then study on-campus in the host country with the partner university
- SEEK and Open Universities (UK) sold FutureLearn to Global University Systems. The deal allows GUS to offer its AI-backed careers advisory/career management system on the FutureLearn platform, with plans to expand FutureLearn to Africa, Asia and Central/South America. There are 20 Australian universities and a number of Australian independent higher education providers offering degrees and a variety of short courses/microcredentials on FutureLearn
- GoI's Series D3 funding round raised more than \$100 million, delivering a valuation above \$2 billion
- The University of Queensland's OPM partner, edX (now part of 2U), gave UQ \$1.4 million to create new online courses in critical thinking, collaboration and communication, information and technology literacy, initiative and adaptability
- ECA increased their holding in OpenLearning to 10.7% with an additional investment of \$1.1 million. OpenLearning also announced a Strategic Review following approaches by interested parties, and made changes to its Board of Directors following the resignation of Prof. Beverley Oliver and David Buckingham (former Navitas and iiNet CEO) reaching the end of his term
- US analysis identified the growth in courses offered on the main MOOC platforms is now non-university, short courses (from the likes of Facebook, Amazon, Google, etc).

International education/language learning and assessment

- Former Tasmanian Education Department official James Holden joined Duolingo as their Senior Strategic Engagement Manager. Duolingo is understood to be one of a number of new players seeking approval from the Department of Home Affairs to offer English language tests for visa issuance purposes.
- Language Confidence, an Australian start-up providing "affordable access to quality language education" by offering "automated teaching and testing of spoken English using AI" raised \$2.1 million for its white-labelled platform.
- InternMatch (formerly Outcome.Life) raised \$10 million in Series A funding with plans to expand to the US, UK and Canada. Their investment round was led by property developers Doma Group.

Tech/digital skills

- A report from the Tech Council of Australia, with their partners the Digital Skills Organisation (DSO) and Accenture, identified the scale of Australia's digital skills challenge in 2022. The report was launched at Parliament House by the Minister for Industry and Science, Ed Husic who committed the government to acting on the report's recommendations
- Only 5 per cent of employer respondents to the latest AIIA "Digital State of the Nation 2022" survey thought the VET sector is teaching learners the IT skills needed to get jobs
- The NSW government completed a refresh of their Skills Board with the Managing Director of Microsoft Australia, Steven Worrall, appointed as Chair
- QUT signed a \$3 million partnership with CISCO - \$900,000 for a "research program centred on retail, supply chain, consumer behaviour and engagement, data privacy and cyber security" and the remainder to establish an innovation hub
- The University of the Sunshine Coast embedded IT industry certifications into their degrees, with the university covering the costs of the certifications
- The NSW government launched a new Cyber Academy - a partnership between the University of Wollongong, Deloitte, TAFE NSW and Swinburne University of Technology to "fast track 1,200 careers in cyber security through a blended three-year 'earn as you learn' program"
- The University of Sydney announced they will offer their first ever online postgraduate degrees (focussed on digital/technology) through 2U. The University of Sydney and 2U have been partners in offering tech bootcamps since 2019
- The DSO revealed a new partnership with online accounting platform, MYOB, to jointly work on creating a new digital fluency standard focussed particularly on SMEs
- The ACT government, the DSO and Canberra's CyberHub launched a pilot program to increase cyber security skills in the ACT
- RMIT announced new AI bootcamps being offered in partnership with Microsoft and Prodigy Learning
- Australian digital skills provider, DDLS, (part of Arowana's EdventureCo business) announced the acquisition of Nexacu (a leading provider of Microsoft app training) for \$19.1m. At year end Arowana was reported to be discussing the sale of EdventureCo with Asian investors
- UTS' 'Enterprise' division launched a new Graduate Certificate in Business Consulting and Technology Implementation, developed in conjunction with Microsoft
- The Commonwealth Bank opened three tech hubs - in Adelaide (at Lot 14), Melbourne (with Monash University and RMIT) and in Brisbane (with TAFE Queensland, the University of Queensland and QUT). The hubs focus on giving students and graduates the chance to join CBA's Tech Associates and Graduates programs
- The Queensland government provided support for the Future Skills Partnership between CQUniversity, TAFE Queensland, and BHP Mitsubishi Alliance delivering pilot programs to enable existing workers (particularly in the regions) to access free training in cyber security, data management, etc.

Non-accredited/alternative credentials

There was further growth in Australia in the number of non-accredited education alternatives to VET and higher education, including:

- The Australian launch of Google's Career Certificates (in partnership with Coursera). Google's employer partners including Australia Post, Woolworths, Canva, Optus and IAG indicated their intention to hire Google Career Certificate graduates. Google launched the program with 10,000 scholarships for people from under-represented groups. As in the US the courses cost \$56 per month and run for up to six months. At their US launch in 2020, Google described the Career Certificates as alternatives to four-year undergraduate degrees
- Committee for Economic Development Australia (CEDA) launched a suite of "micro-learning courses" for professionals in public policy, economics and/or Environmental Social and Governance (ESG) standards

- Professional industry body Engineers Australia (EA) partnered with the Office of the NSW Building Commissioner to develop a suite of training courses for the construction industry. The courses are delivered by Engineers Australia’s education arm, Engineering Education Australia (EEA), which offers an existing suite of microcredentials accredited by EA
- Amazon launched a new online learning portal allowing people to directly offer online courses. They have approximately 120 courses on cloud computing and programming which are mostly all free.

ASQA & TEQSA

My first client briefing for 2022 referenced a newspaper article alleging three independent providers were turning a blind eye to international students not attending classes. The Departmental spokesperson quoted in the article stated that ASQA has “zero tolerance for academic cheating and continues to undertake compliance monitoring activities of providers”. At the end of 2022 all three providers continue to operate with no conditions attached to their registration and no regulatory actions having been taken against them.

The Productivity Commission published its analysis of ASQA's compliance audits over the last five years. The data shows a decline in the number of providers audited and a surprising decline in the proportion of seriously non-compliant providers.

	Unit	2016-17	2017-18	2018-19	2019-20	2020-21
Number of regulated providers	no.	4 171	4 094	3 888	3 735	3 755
Number of regulated providers that were audited	no.	545	519	628	763	439
Regulated providers subject to compliance audit with critical/serious findings	no.	193	183	242	187	69
Providers audited as a proportion of all regulated providers	%	13.1	12.7	16.2	20.4	11.7
Providers that were subject to a compliance audit with critical/serious findings, as a proportion of all regulated providers	%	4.6	4.5	6.2	5.0	1.8

Provider survey results

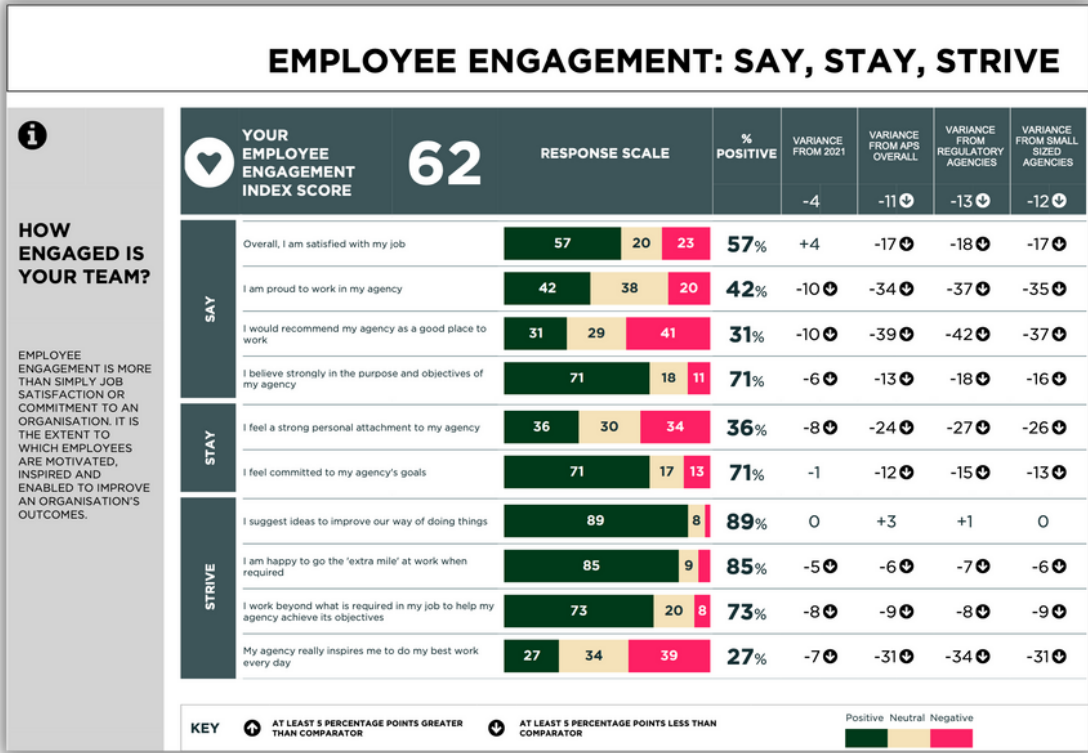
In December TEQSA published its latest annual provider survey showing its very good performance in the eyes of the providers it regulates (76% rated TEQSA's performance 'excellent' or 'very good'). Areas for improvement were noted in relation to TEQSA's timeliness, continuous improvement, and sector knowledge.

The results from ASQA's most recent Provider and Course Owner survey were not published separately, but were included in its 2021-22 Annual Report as part of its performance benchmarking.

Staff survey results

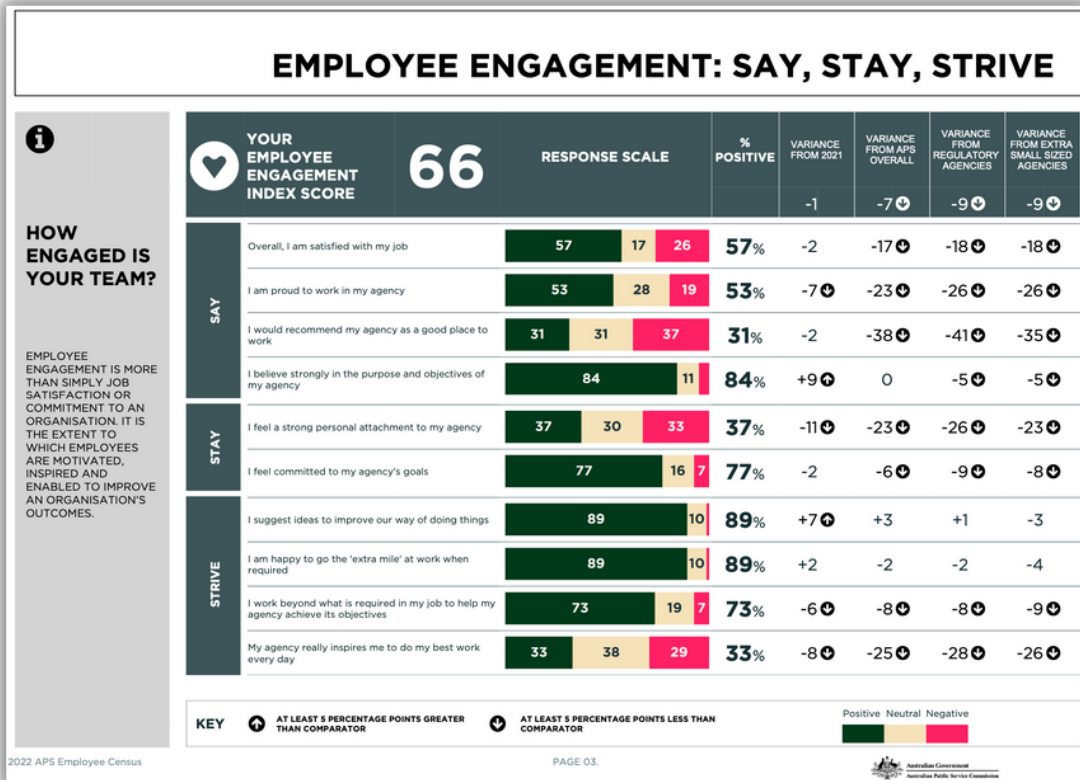
Both ASQA and TEQSA's annual Australian Public Service staff census results identified significant areas for improvement.

ASQA Staff Survey Results 2022



While ASQA staff are committed to their agency's goals and are happy to go 'the extra mile' when required, they overwhelmingly would not recommend their agency as a good place to work, do not feel a strong personal attachment to their agency and do not feel inspired to do their best work every day. Subsequent data from the survey shows a higher engagement score (72) when answering questions about their immediate supervisor, than when answering questions about ASQA's senior executive leaders (engagement score: 59). These results place ASQA below the APS overall, below other regulatory agencies and below other small sized Australian government agencies.

TEQSA Staff Survey Results 2022



TEQSA staff are also strongly committed to their agency's goals and happy to go 'the extra mile', but like ASQA staff they would not recommend their agency as a good place to work, do not feel a strong personal attachment to their agency and do not feel inspired to do their best work every day. Subsequent data from the survey also shows a much higher engagement score (70) when answering questions about their immediate supervisor, than when answering questions about TEQSA's senior executive leaders (engagement score: 59).

These results place TEQSA below the APS overall, below other regulatory agencies and below other small sized Australian government agencies, albeit above ASQA.

Self-assurance

As part of its shift to a self-assurance regulatory model, ASQA undertook extensive consultations with the sector in 2022, including on its Draft model for self-assurance. The model was expected to be finalised after Phase 3 feedback (April-June 2022) but to date ASQA is yet to release its 'refined' model.

Fee schedules

ASQA introduced a cost-recovery fee schedule in 2022 and later in the year TEQSA's cost-recovery fee structure was approved - with effect from 2023. It remains to be seen if the new fee structures will have any impact on providers' expectations of their regulators (ie providers may have higher expectations of service standards and timeliness etc if they are paying higher fees).

Training package qualification approvals

In late 2022, in consultation with States and Territories, the Australian government announced it would not proceed with transferring responsibility for Training Package Assurance to ASQA as initially recommended in the Joyce Review (and as is the practice currently in other comparable international VET regulatory agencies). For an interim period these functions will instead be undertaken by staff in the Department of Employment and Workplace Relations.