



Australian Government  
Australian Skills Quality Authority

ASQA

Minister for Finance

cc. The Hon Amanda Rishworth MP, Minister for Employment and Workplace Relations  
The Hon Andrew Giles MP, Minister for Skills and Training

Dear Treasurer and Minister for Finance

### **Regulatory reform opportunities to bolster productivity growth**

Thank you for your letter of 4 July 2025, seeking our input on regulatory reform opportunities to support productivity growth. Australia's Vocational Education and Training (VET) sector plays a vital role in meeting national skills needs and ensuring a highly skilled and productive workforce. ASQA's purpose is to ensure quality VET so that students, industry, governments and the community have confidence in the integrity of national qualifications issued by training providers.

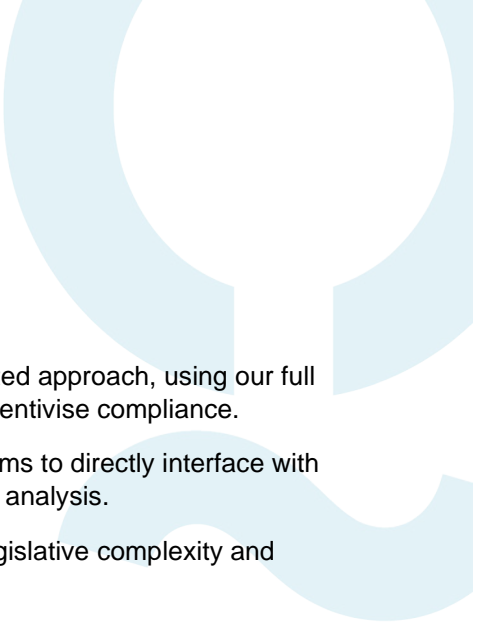
ASQA welcomes the opportunity to contribute to this important work and outline actions we can take to ensure our efforts are focused where they can have the most impact, and the obligations on providers are tailored to the risk they pose – what we like to call 'Smart Regulation'. Through Smart Regulation we provide a significant opportunity to VET providers to foster productivity and contribute to economic growth through 'trimming' effort which offers limited value and redirecting activities to where it counts; 'dumping' things which create administrative burden on providers where there are other ways to achieve the outcome; and 'refining' our risk-based approach using our full range of powers to hold the sector to account.

We see Smart Regulation as key to reducing administrative burden on VET providers thereby supporting productivity growth in the sector for the benefit of the Australian community.

ASQA has been moving towards smarter regulation for some time. Since the rapid review of ASQA's governance, regulatory practice and culture in 2020, we have implemented a range of improvements reflecting our commitment to being a modern, best-practice regulator through seeking opportunities to refine our risk-based approach, reduce administrative burden, and support the VET sector to continuously improve.

The five measures outlined below, and detailed at in the Smart Regulation placemat at [Attachment A](#), point to actions ASQA has taken, is taking and will undertake to contribute to greater productivity in the VET sector:

1. **Implementation of the 2025 Revised Standards** – to allow greater flexibility for Registered Training Organisations (RTOs) to demonstrate compliance in their own way, reducing prescription and reliance on checklists.
2. **Dual Sector Strategy** – to improve information sharing and reduce duplicative administration for providers delivering both VET and Higher Education.

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3. **Risk based differentiated regulation** – to enhance ASQA’s targeted approach, using our full range of powers to focus regulatory efforts where it matters and incentivise compliance.
  4. **Digital Transformation Program** – to provide contemporary systems to directly interface with the VET sector and improve efficiency of information collection and analysis.
  5. **Enhanced collaboration and information sharing** – to reduce legislative complexity and improve regulation efficiency.

#### *Implementation of 2025 Revised Standards*

The 2025 Standards for RTOs came into full regulatory effect on 1 July 2025. These revised Standards enable a more flexible, outcomes-focused and quality-driven approach to regulation, supporting providers to meet their obligations while also fostering innovation and continuous improvement.

As part of our implementation of the 2025 Standards, ASQA adapted its regulatory assessment approach to include a broader range of activities, ensuring our engagement is proportionate and targeted. This new approach will benefit regulated providers through:

- reduced paperwork and documentation requirements
- greater scope for providers to demonstrate compliance in their own way, and
- more direct, targeted engagement on key risks and sector issues, rather than a reliance on large-scale audits.

#### *Dual Sector Strategy*


Endorsed in July 2025, the Dual Sector Regulatory Strategy, a part of government’s tertiary harmonisation agenda, is a joint initiative between ASQA and the Tertiary Education Quality and Standards Agency (TEQSA) to reduce regulatory duplication for dual sector providers – that is, providers who deliver both Higher Education and VET courses. The strategy identifies three key opportunities for alignment:

1. better facilitate information sharing and collaboration in key areas
2. optimise the alignment of evidence requirements for similar assessments while maintaining regulatory rigour, where practicable, and
3. support dual sector providers to mature their corporate and academic governance.

ASQA and TEQSA are currently working together to operationalise this strategy.

#### *Risk-based Differentiated Regulation*

Our approach to risk-based differentiated regulation will incentivise high-quality outcomes by rewarding compliant providers through a reduction in regulatory impost. More targeted, risk-based regulation using ASQA’s full range of powers means regulatory effort is focused where it matters and regulatory burden is reduced for compliant providers. Higher-risk providers may be subject to more regulatory activities, conditions on their registration or shortened registration periods, while lower-risk providers will benefit from streamlined assessments and greater autonomy, such as delegated course accreditation.



As new initiatives, ASQA intends to cease requiring information from providers that is seldom used or could be sourced elsewhere and fast track processing of course accreditation for areas of priority industry need.

### *Digital Transformation Program*

With dedicated Commonwealth funding, ASQA is progressively implementing a Digital Transformation Program (DTP) to enhance our regulatory systems – significantly improving our ability to efficiently assess and monitor providers. Key features of the DTP include user authentication, integrated case management, omnichannel communication platforms, consolidated data holdings and an improved website. The benefits expected are:

- enhanced useability including more self-service options for providers
- increased capacity to identify risks
- reduced administrative costs for RTOs and ASQA,
- enhanced ability for providers to find relevant information, and
- safe use of technology, including AI, to support efficiency in operations.

Given ASQA's role within a complex federated ecosystem, the DTP's information exchange capabilities will support secure and timely information and intelligence sharing such as with members of the Fraud Fusion Taskforce, Jobs and Skills Councils, TEQSA and state-based regulators. This will ensure information and evidence is collected once and shared appropriately, reducing regulatory reporting burden on providers. Used effectively, it will also enhance the identification and targeting of non-genuine providers seeking to undermine our VET sector.

### *Enhanced Collaboration and Information Sharing*

Reducing legislative complexity to improve information sharing and regulatory response will improve ASQA's ability to do our job efficiently and effectively. The regulatory reform agenda is a key vehicle of change through which ASQA continues to mature and build its ability to respond to emerging priorities and challenges. ASQA is a proud founding member of the Department of Finance's Regulator Leadership Cohort (RLC) which is progressing regulatory simplification, transparency and collaboration initiatives to improve Australia's productivity performance and achieve better outcomes for citizens, businesses and the economy.

VET sector reforms targeting both domestic and international delivery, along with additional government investment in recent years, have boosted ASQA's capacity and powers to address rising integrity threats in the sector while at the same time enhancing its systems to reduce regulatory burden on compliant providers.

### **Strategic Considerations**

In addition to the measures outlined above, we also note the following strategic considerations that cannot be underestimated in their impact on the regulation of the VET sector and ultimately on productivity growth.

### *Ecosystem of Regulation*

The functions and responsibilities of VET regulators and authorising bodies are dispersed due to the nature of cross-jurisdictional regulatory and funding systems. The ecosystem of VET and Higher Education regulation involves multiple agencies and regulators, across various levels of government and jurisdictions, operating independently, serving different purposes and (at times) with overlapping and duplicative processes. The practical impact of this ecosystem on VET and Higher Education providers is cumulative and, no doubt, contributes to the providers' sense of over-regulation.

Whilst ASQA is motivated to implement the measures outlined above in terms of streamlining the part we play in regulating VET providers, without a more strategic consideration of the broader ecosystem it is unlikely providers will be able to dramatically increase productivity.

### *Removing restrictive layers from VET Regulator Standards*

Amendments to the *Standards for VET Regulators 2015* to better reflect the full spectrum of capability requirements of a modern regulator, would enable VET Regulators to be more responsive, productive and effective in the performance of their functions and respond with agility to shifting risks and emerging priorities in the VET sector. This in turn would reduce regulatory burden on providers by minimising delays and lowering costs associated with compliance. The VET Regulator Standards are themselves, duplicative of other requirements on ASQA including the Regulator Performance Guide (RMG-128).

### *VET Data Streamlining*

Our participation in the VET Data Streamlining (VDS) project, which is aimed at enhancing the accuracy, timeliness, and security of VET activity data, supports simplified reporting pathways, improved data quality, reduced reporting timelines and decreased time delay between data creation, collection, and usage. These more efficient data validation and submission practices will deliver data entry processing efficiencies and simplified regulatory reporting processes for providers.

This project is currently projected to be delivered in 2029, but expedition and enhancement of this project would greatly assist in delivering the opportunity for increased productivity sooner.

ASQA appreciates the opportunity to contribute to this consultation and remains committed to working collaboratively with all stakeholders to support regulatory reform and productivity growth through the VET sector. We welcome further engagement to explore these opportunities in more detail.

Yours sincerely

Saxon Rice  
**Chief Executive Officer**  
1 August 2025





**OBJECTIVE** Identify, design and deliver ways to reduce regulatory red tape and target regulatory activity to have the greatest impact and increase productivity in the sector

## Trimming

ASQA seeks opportunities to focus our regulatory resources through 'trimming' effort which offers limited value and redirect activities to where it counts

## Dumping

ASQA seeks opportunities to stop doing things which create administrative burden on providers and ASQA, particularly where there are other ways to achieve the outcome

## Refining

ASQA seeks opportunities to refine our risk-based approach to regulatory activities with active use of our full range of powers to hold the sector to account

## KEY FOCUS

WHAT	WHY	COMPONENTS	STATUS	VALUE
<b>1</b> 2025 Standards Implementation	The Standards were revised in 2025 to provide improved outcomes for the Australian workforce more broadly, whilst still supporting providers to strive for best practice	a) Revised assessment methodology creating flexibility for providers, and consistency and efficiencies in ASQA processes b) Revised settings for providers to focus on outcomes and be more flexible in demonstrating their compliance (such as removal of the requirement for a Training Assessment Strategy) c) Increased engagement with the sector on what is required of providers to support their own self assurance	a) Implementing b) Implementing c) Underway	<b>Greater flexibility</b> for providers to demonstrate compliance
<b>2</b> Dual Sector Strategy	Reduce the regulatory burden on providers who are dual-registered across VET and higher education	a) Better facilitate information sharing and collaboration in key areas b) Where practical, optimise the alignment of evidence requirements for similar assessments while maintaining regulatory effectiveness c) Support dual sector providers to mature corporate and academic governance	a) Underway b) Underway c) Underway	<b>Reduction in duplication</b> of regulation for dual sector providers
<b>3</b> Risk based differentiated regulation	Adjust our regulatory approach to increase our reach with all providers and improve efficiencies across regulatory activities	a) Implement a revised regulatory approach focused on a wider variety of activities b) Shared stewardship through streamlined regulatory administration inside and beyond ASQA, including greater transparency of performance and reporting c) Support government workforce priorities through implementing proportionate risk-based regulation including campaign activities to address the greatest sector risks d) Improve regulatory processes to speed up administrative functions and identify measurable efficiencies in time taken to complete a regulatory activity (eg processing a market entry application) e) Continue to implement and measure our performance against Rapid Review recommendations f) Cease requiring information from providers that is seldom used or could be sourced elsewhere g) Fast track processing of course accreditation for areas of industry need	a) Implementing b) Designing c) Implementing d) Implementing e) Monitoring f) <b>New initiative</b> g) <b>New initiative</b>	<b>More targeted, risk-based regulation</b> using full range of powers means regulatory effort is focused where it matters and <b>regulatory burden reduced</b> for compliant providers
<b>4</b> Digital Transformation Program	DTP will provide contemporary systems to directly interface with the VET sector and improve efficiency of information collection and analysis	a) Establishment of a provider portal with direct interface to ASQA Regulatory Management System (ARMS) b) Improvements to the Data Warehouse, access and use of data c) Design and implementation of an AI Strategy d) Improvements to the Tip-Off line and data collation/analysis e) Information for providers more easily accessible on our website	a) Underway b) Underway c) Commencing d) Completed e) Underway	<b>Reduce administrative burden</b> created through multiple submissions of data and triple handling of information and provide <b>improved insights</b>
<b>5</b> Collaboration, Legislative and Policy Reform	Legislative and policy reforms will reduce regulatory burden and improve data sharing, whilst still enabling ASQA to deliver efficient and effective regulatory functions	a) Collaborate with the Department and others on reform initiatives across ESOS and NVETR Acts b) Implement a range of initiatives currently in operational policy settings which support trimming regulatory effort c) Collaborate with State/Territory and Commonwealth partners to increase data sharing and regulatory transparency	a) Underway b) Underway c) Underway	<b>Reduce legislative complexity</b> to improve information sharing and regulation efficiency

## STRATEGIC CONSIDERATIONS

- Reducing complexity of the VET ecosystem
- Removing operational/restrictive layers from VET Regulator Standards
- VET data streamlining