Australian Government
Australian Skills Quality Authority

ASQA

Cost Recovery Consultation Paper

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Introduction

This consultation paper provides information on proposed changes to the recovery of costs by the Australian Skills Quality Authority (ASQA) from 1 July 2026.

ASQA implemented a full cost recovery model on 1 July 2022 in line with the Australian Government Cost Recovery Policy. This is the first comprehensive cost recovery review since transitioning to a fully cost-recovered model. Since that time, both ASQA's total budget and staffing levels have increased, reflecting government priorities and increasing the total amount that needs to be recovered from fees and charges. The review also incorporates the first indexation of ASQA's fees and charges since 2022, alongside strengthened and expanded regulatory activity.

While ASQA is a fully cost recovered agency, the recoverable amount does not equal our total budget appropriation from government. This is because there are certain costs that are not recoverable under the Australian Government Charging Framework (AGCF). On this basis, the 2022-23 cost recovery model reflected the recovery of 81% of ASQA's total appropriation. The 2026-27 draft Cost Recovery Implementation Statement (CRIS) reflects the cost recovery of 82% of ASQA's total appropriation.

ASQA's 2026-27 cost recovery review includes:

- **Accounting for ASQA's:**
  - new regulatory functions and activities
  - improved operational processes
  - system efficiencies, and
  - differentiated, risk-based approach to regulatory supervision.
- **Realigning the Annual Registration Charge (ARC) to:**
  - ensure all regulatory effort is accounted for and distributed proportionally
  - separate ARC charges between National Vocational Education and Training Regulator (NVR)-only and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)-only providers, and providers who hold both registrations, to better reflect the costs of regulating these different types of providers, and
  - more accurately incorporate providers that only deliver units of competency and English Language Intensive Courses for Overseas Students (ELICOS) courses.
- **Moving from hourly rates to fixed fees to:**
  - create a transparent and scalable fixed fees model for application assessments and compliance activities
  - increase structure and consistency of performance assessment activities while ensuring providers are not disadvantaged based on their size
  - reflect current effort in application processing, and
  - enable providers greater ability to budget for the cost of regulation.

All ASQA-regulated Registered Training Organisations (RTOs) will continue to pay:

- a full or pro rata ARC relative to their size, scope and registration type/s
- entity-directed fees, such as the processing of applications, performance assessments (audits) and internal review of regulatory decisions.

A key focus of the review is to make the charging model simpler and more transparent for providers, including to more effectively accommodate current and future government priorities and ongoing regulatory reform by ASQA. This paper informs stakeholders about how our fees and charges will be adjusted to ensure that all our functions, regulatory activities and efficiencies are captured and costed relative to current effort and seeks feedback in relation to any unintended consequences.

About ASQA

The Australian Vocational Education and Training (VET) sector plays a pivotal role in Australia's educational landscape, equipping individuals with the practical skills essential for industry.

As Australia's national regulator of VET, ASQA oversees the VET sector so that students, industry, governments, and the community have confidence in the integrity of national qualifications issued by training providers.

We regulate providers that deliver:

VET qualifications and courses to students in Australia or offer Australian qualifications internationally.

VET courses to overseas students – approved on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to teach overseas students on student visas in Australia.

English Language Intensive Courses for Overseas Students (ELICOS) – approved on the CRICOS.

We accredit VET courses against nationally legislated standards to ensure they meet industry, enterprise, education and community needs.

We also take regulatory action against non-registered training providers and other entities that are not authorised to deliver VET qualifications, if they breach the law.

We have 3 Strategic Objectives:

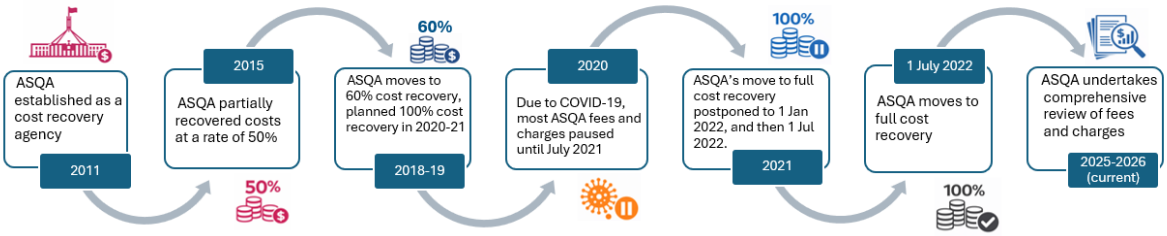
Authority to recover costs

Cost recovery involves government entities charging individuals or organisations some or all the efficient costs of a government activity. These costs may include goods, services, regulation or a combination of these. The AGCF sets out the conditions under which government entities design, implement and review regulatory charging activities.

When ASQA was established in 2011, government determined that the agency would be cost recoverable, initially partially and then transitioning to full cost recovery over time. The *National Vocational Education and Training Regulator Act 2011 (NVR Act)* and the *National Vocational Education and Training Regulator Charges Act 2011 (Charges Act)* require the Minister for Skills and Training to obtain the agreement of State and Territory Skills Ministers to the amount of fees and charges prior to making determinations.

In the 2018-19 Budget, government announced that ASQA would transition to full cost recovery. This came into effect on 1 July 2022. The below figure outlines our cost recovery journey.

ASQA cost recovery milestones



As a cost recovery agency, ASQA is bound by the AGCF and Cost Recovery Policy and uses the Department of Finance's Resource Management Guides to ensure adherence with this framework. This includes regularly reviewing our cost recovery model and making changes when required.

Our cost recovery model features both indirect and direct costs that are collected via fees and charges as follows:

- **Sector-wide activities** – are charged as indirect costs, collected via the ARC which is calculated according to each providers' size, scope and registration type.
- **Entity-directed activities** – are charged as direct costs for provider-specific activities, such as renewal of registration fees and performance assessment (audit) charges.

As outlined above, the recoverable amount does not equal our total budget appropriation from government. This is because there are certain costs that are not recoverable under the AGCF, such as legal costs. In addition, the Australian Government provides time-limited funding for some activities that are determined as not recoverable.

ASQA's recoverable appropriation – the portion of funding that ASQA has been provided by government to perform its functions and powers, which must legally be recovered from the sector – has changed since moving to full cost recovery in 2022. Since that time, the proportion of cost recoverable appropriation has increased by less than 2% and staffing levels have grown from 208 to 227 (2026-27). This overall increase reflects new regulatory functions, increased activities and changes in ASQA's operations in line with decisions and priorities of government.

ASQA's regulatory environment

Over recent years, government priorities for VET and therefore, ASQA's activities, have focused on protecting and enhancing quality, flexibility, and innovation in the VET sector, while also safeguarding its integrity. As the regulator, ASQA must continuously evolve, both in terms of our regulatory activities and use of resources, to fulfill this mandate.

Following the 2020 Rapid Review of ASQA's governance, regulatory practice and culture, we made a number of changes that have increased our effectiveness in being able to regulate and support the sector in 2026 and beyond.

We have:

- Ensured our combination of monitoring, compliance, enforcement and education activities are risk-based and data driven.
- Responded adeptly to non-compliance, applying regulatory responses that are proportionate to the level of risk and adequately protect student interests.
- Supported the uplift of quality and governance of RTOs to ensure accountability and responsibility for meeting their obligations and continuously improving VET outcomes.

This maturation journey for ASQA continues through:

- Strengthening our engagement and educative functions.
- Revising our regulatory approach.
- Building a common understanding of self-assurance and excellence in training outcomes
- Uplifting our intelligence, analytics and reporting capabilities.
- Responding in an agile and proportionate way to emerging threats and including preventative measures to safeguard the VET sector's reputation.

In July 2025, ASQA implemented a revised regulatory approach to complement and support the sector's shift to outcome-focused Standards. The 2025 Standards for Registered Training Organisations strengthen the focus on quality outcomes for VET students and employers, provide greater clarity to providers and regulators and allow for more flexibility and innovation in training delivery.

For ASQA, this has meant moving away from prescriptive compliance checklists and templates towards a broader range of assessment and monitoring activities. Our regulatory approach (in line with modern regulation) is no longer just about audits or performance assessments, but a mix of activities and information requests, or when it's warranted, investigations and other compliance activities, including short-notice or no-notice site visits.

These changes have been coupled with practice improvements that help providers have a clearer understanding of, and focus on, the outcomes they are required to deliver, how they can self-assure, where they might be falling short, and allowing appropriate time to make sustainable improvements in response to performance feedback.

As a result, providers now experience a wider range of interactions with ASQA - these may be relatively minimal and targeted, or expansive and comprehensive depending on identified risks. Examples of these regulatory activities include:

- Market entry assessments, to determine whether an applicant demonstrates the capability, commitment, fitness and propriety required to deliver high quality VET.
- Monitoring activities and campaigns to check the quality and performance of providers - this can include a full audit, targeted requests for information, checking compliance with aspects of the Standards, conducting a 'blitz' program and other campaigns.
- Performance assessments, including those relating to renewal and change to scope applications.
- Financial viability assessments.
- Independent validations of student assessments.
- Compliance and enforcement activities, including unannounced visits.
- Education and engagement activities including sector workshops and webinars.
- Collaborative activities leveraging intelligence gathered through relationships with other regulators, Commonwealth and state or territory authorities, Jobs and Skills Councils (JSCs), peak bodies, the Fraud Fusion Taskforce, and international agencies such as the New Zealand Qualifications Authority.

Regardless of the type of assessment or activity, the level of ASQA's regulatory scrutiny is always proportionate to the level of risk identified – that is, we focus our resources on assessments where the risks to students, training quality and sector integrity are highest.

Since the last CRIS in 2022, ASQA has been increasingly responding to risks associated with the VET sector being targeted for its:

- role as a gateway to industries frequently exploited by criminal networks where holding a VET qualification is necessary to operate
- connection to the visa system
- unique role in securing individuals' employment.

Between 1 July and 31 December 2025, ASQA undertook 209 performance assessments as well as various monitoring activities including a targeted outbound call campaign to over 300 RTOs delivering courses in Early Childhood Education and Care (ECEC).

ASQA's Integrity Unit, which is at the forefront of our work to disrupt non-genuine and bad faith operators, continues to manage more than 200 serious matters in relation to the conduct of 136

providers – more than 60% of these relate to CRICOS providers delivering training to international students.

Since October 2023, the tip-off line has received more than 7,000 reports (as at 31 December 2025), significantly enhancing ASQA's real-time intelligence holdings.

These improvements in ASQA's regulatory intelligence and approach are producing results, with more critically non-compliant providers being identified and removed from the sector. In 2021-22, 18 cancellation decisions were made relevant to 11 providers, while in 2024-25, there were 134 cancellation decisions relevant to 64 providers.

Overall, the risks associated with the international VET student market are evident in the disproportionate representation of CRICOS providers in compliance activities - almost 40% of the cancellations detailed above relate to CRICOS providers, which comprise only 25% of the sector.

The delivery of training to international students introduces unique risks to providers operating under the Education Services for Overseas Students (ESOS) framework that do not typically apply to domestic VET. Some providers and third-party agents engage in deceptive marketing, misrepresenting training quality, resources and costs, as well as migration outcomes. These tactics exploit vulnerable students, causing both financial and wellbeing harm, and damage trust in Australian VET. In particular, providers that award qualifications to individuals who have not demonstrated the requisite competencies erode the credibility of the VET system and allow unqualified persons entry into critical roles. Between October 2024 and December 2025, ASQA cancelled more than 33,000 individual qualifications that were deemed to have been fraudulently issued without proper training or assessment.

It is essential that ASQA continues addressing integrity threats – using the full extent of our regulatory powers to detect, deter and respond to risks relating to student wellbeing, inadequate or non-compliant training delivery, and poor provider behaviour, as well as to proactively prevent infiltration by those that are not genuinely committed to delivering quality VET.

Concurrently, ASQA is committed to uplifting sector quality and introducing measures that reduce administrative burden on high quality providers. These efforts support the government's productivity agenda and include progressing initiatives such as tertiary harmonisation and differentiated regulatory supervision.

Maturing our differentiated approach to our use of regulatory powers according to the level of risk posed by an individual provider further enhances our ability to:

- Build provider capability and incentivise continuous improvement.
- Reduce regulatory burden on well-governed providers that have a proven track record of commitment and capability.
- Apply heightened scrutiny to providers that are new to the sector in their initial registration periods and those with a history of non-compliance.

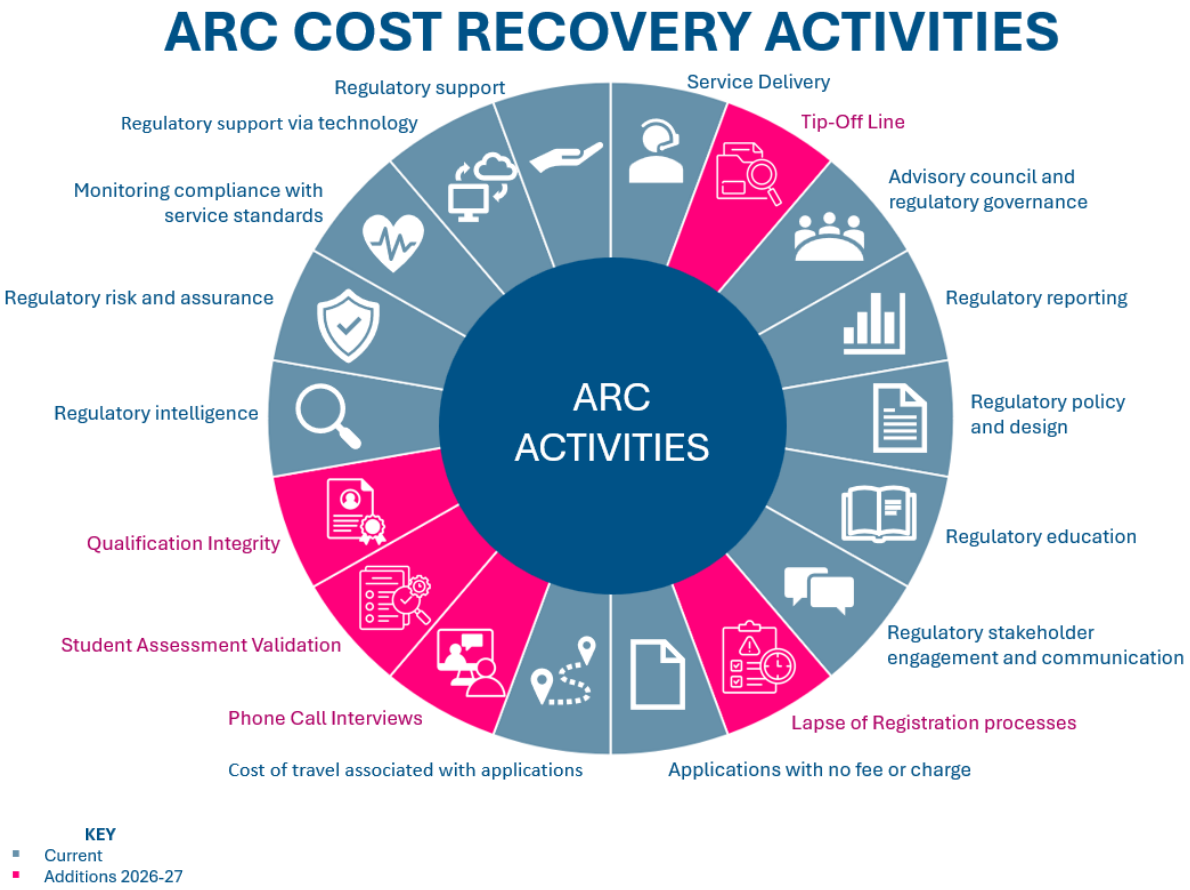
Similarly, through the Dual Sector Regulatory Strategy, ASQA and the Tertiary Education Quality and Standards Agency (TEQSA) are working together on initiatives to reduce inefficiencies and barriers between the two regulators (within our respective legislative frameworks) as well as to develop longer term pathways to achieving greater strategic and operational alignment to reduce regulatory burden and costs for providers delivering both VET and higher education.

Changes to ASQA's cost recovery model

Sector-wide activities

Annual Registration Charge (ARC)

All ASQA-regulated providers pay an ARC. This covers the costs of ASQA's sector-wide regulatory activities that are essential to supporting the whole VET sector.



Currently, the ARC is payable by all providers based on the number of full qualifications on scope and the number of unique student enrolments (i.e. students with multiple enrolments in a calendar year are counted once).

Why change is needed

- New functions need to be accounted for including processing lapses of registration, the expanded intelligence function, VET tip-off line and addressing qualification integrity matters.
- Domestic-only providers and those also delivering to international students currently pay the same ARC, even though the regulatory oversight required for each differs.
    - Providers delivering to international students require more regulatory oversight, particularly in relation to risk and assurance, intelligence, the tip-off line, education, reporting and regulatory policy.
- Providers delivering only units of competency or ELICOS courses are treated as having minimal scope under the current ARC matrix.

    - Providers delivering large numbers of standalone units of competency, but no full qualifications currently pay the lowest amount of ARC, while providers with only 5 full qualifications on scope but comparable student numbers pay more.
    - ELICOS-only providers currently sit in the lowest scope tier in the ARC without consideration for their number of courses.

What is changing

- **Different ARC amounts based on provider registration types**
    - Providers holding both an NVR registration (NVR RTO) and CRICOS registration will pay a different ARC to NVR-only providers, to reflect the additional regulatory effort and oversight required for delivery to international students. ARC amounts will therefore differ for:
        - Providers with **only** NVR registration or **only** CRICOS (ELICOS) registration
        - Providers with **both** NVR and CRICOS registrations.
- **Inclusion of costs associated with new functions**
    - Activities introduced since 2022, such as lapsing registrations and the VET tip-off line will be incorporated into the ARC.
- **Ratio-based calculation for units of competency**
    - For providers delivering **only** units of competency, every 10 units of competency (or part thereof) will count as equivalent to one qualification for ARC purposes. For example, 26 units would count as 3 qualifications. For providers delivering a mix of units of competency and full qualifications, their ARC will be calculated based only on the number of full qualifications they have on scope.
- **Incorporate ELICOS courses**
    - For providers delivering **only** ELICOS courses, every ELICOS course will count as one qualification for ARC purposes. Student enrolments are not taken into account for ELICOS only providers when calculating their ARC.

Refer to **Appendix 1** in the draft CRIS for details of ARC costs.

EXAMPLE 1:

A provider is registered to deliver training and assessment to domestic students only (i.e. it is an NVR RTO only). It offers 51 units of competency across the Health and Community Services industries, but no full qualifications. The provider reported a total of 480 individual students for the year. Under the new arrangements, the provider will fall within the scope of 5-10 qualifications (51 units of competency is equal to 6 qualifications based on the ratio of 10 units of competency (or part thereof) to 1 qualification), and 250-499 students of the NVR RTO only or CRICOS only ARC.

Proposed ARC: NVR RTO only or CRICOS only registration

	Student Enrolments				
Scope Tier	0-99 or ELICOS only	100-249	250-499	500-999	1000+
1-4 Quals	$1,800	$2,800	$4,100	$6,100	$9,300
5-10 Quals	$5,400	$6,400	$7,500	$9,000	$10,800
11-25 Quals	$9,500	$10,500	$11,600	$12,900	$14,300
26-50 Quals	$13,600	$15,100	$16,600	$18,400	$20,400
50+ Quals	$19,200	$21,100	$23,500	$26,000	$28,800

EXAMPLE 2:

A provider delivers training to both domestic and international students (i.e. it is an NVR RTO and CRICOS provider). The provider has 10 qualifications on its scope of registration, and 20 standalone units of competency. The provider reported 360 domestic students and 50 international students enrolled in the previous calendar year. Their position in the ARC matrix falls into scope of 5-10 qualifications and 250-499 students in the NVR and CRICOS ARC.

Proposed ARC: NVR + CRICOS registration

	Student Enrolments				
Scope Tier	0-99	100-249	250-499	500-999	1000+
1-4 Quals	$2,000	$3,200	$4,600	$6,900	$10,500
5-10 Quals	$6,100	$7,200	$8,400	$10,100	$12,200
11-25 Quals	$10,700	$11,600	$13,100	$14,500	$16,100
26-50 Quals	$15,300	$17,000	$18,700	$20,700	$23,000
50+ Quals	$21,600	$23,700	$26,400	$29,300	$32,400

EXAMPLE 3:

An ELICOS-only provider delivers training to international students and has 6 ELICOS courses on its scope of registration. Under the ARC matrix, they will fall within the 5-10 qualification tier, noting that student numbers are not considered in the ARC calculation for ELICOS-only providers (meaning that they fall in the 0-99 student enrolments category regardless of actual enrolments).

Proposed ARC: NVR RTO only or CRICOS only registration

	Student Enrolments				
Scope Tier	0-99 or ELICOS only	100-249	250-499	500-999	1000+
1-4 Quals	$1,800	$2,800	$4,100	$6,100	$9,300
5-10 Quals	$5,400	$6,400	$7,500	$9,000	$10,800
11-25 Quals	$9,500	$10,500	$11,600	$12,900	$14,300
26-50 Quals	$13,600	$15,100	$16,600	$18,400	$20,400
50+ Quals	$19,200	$21,100	$23,500	$26,000	$28,800

Entity-directed activities

Entity-directed activity costs are those that are directly attributed to an individual provider, such as application and assessment fees, performance assessments and compliance audit charges.

Appendix 1 in the draft CRIS provides a full list of all entity-directed activities and associated fees and charges.

Initial Registration Applications

An organisation seeking to be nationally registered as an NVR RTO and/or CRICOS provider (following two years of domestic delivery) must lodge an initial registration application with ASQA.

The applicant must be able to demonstrate their organisation's capacity to comply with – and remain compliant with – all required Standards and legislative obligations, including conditions of registration.

Why change is needed

- ASQA's work to assess and scrutinise new market entrants is critical to preventing non-genuine operators from entering the VET sector. Preventing non-genuine operators from entering the sector will benefit all providers by reducing sector-wide regulatory costs.
- In market entry, we have taken significant steps, continuing to raise the bar and strengthen our assessment process and criteria. This has resulted in complex assessments rejecting over 30% of market entry applications in 2024-25, up from 13% in 2023-24.
- The change to initial registration fees reflects this heightened scrutiny and regulatory effort.

What is changing

- The **Initial Registration Application Fee** will be adjusted to reflect the actual level of effort required to review the suitability and completeness of an application upon lodgement. ASQA's processes have shifted to broaden the depth of suitability checks conducted at this stage – including applicant background checks against the strengthened Fit and Proper Person Requirements (FPPR) and more detailed completeness checks. This shift in practice ensures that prior to undertaking an assessment of the application, ASQA is satisfied that all necessary documents have been provided and are suitable to proceed.
- The **Initial Registration Assessment Fee** has only required minimal adjustment as the effort invested in the earlier stage (above) leads to a more streamlined assessment process.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

Renewal of Registration Applications

Renewal of registration is a periodic process whereby a provider needs to demonstrate that they have met and will continue to meet, all their legislative requirements and obligations to maintain registration. ASQA assesses renewal applications by undertaking a risk-based assessment of the evidence and information it has available, including information provided by the RTO.

Why change is needed

- ASQA is moving from a charging model that charges hourly rates, to fixed fees for renewal assessments. This move provides greater transparency and predictability of costs for providers.
- Similar to the initial registration process enhancements detailed above, ASQA's renewal application process now includes heightened scrutiny against the strengthened FPPR and a more detailed completeness check. The change in fee reflects the actual regulatory effort associated with this process.

- Late renewal applications require diversion of ASQA resources to enable intensive assessment in a shorter period of time – a cost that is not currently being paid by the applicant.

What is changing

- The **Renewal of Registration Application Fee** will be adjusted to recognise the actual level of effort required to review both the suitability and completeness of applications.
- The **Renewal of Registration Assessment Fee** will change to a fixed fee that reflects the effort required to conduct the renewal assessment, based on targeted criteria identified during the application stage. This provides transparency and predictability to providers.
- A new **Late Renewal of Registration Application Fee** is being introduced to recover costs associated with the additional effort in managing late applications.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

EXAMPLE 1:

An NVR RTO is due to renew their NVR registration after several years of delivering VET to domestic students. They will pay the:

- Renewal of Registration Application Fee
- Renewal of Registration Assessment Fee

EXAMPLE 2:

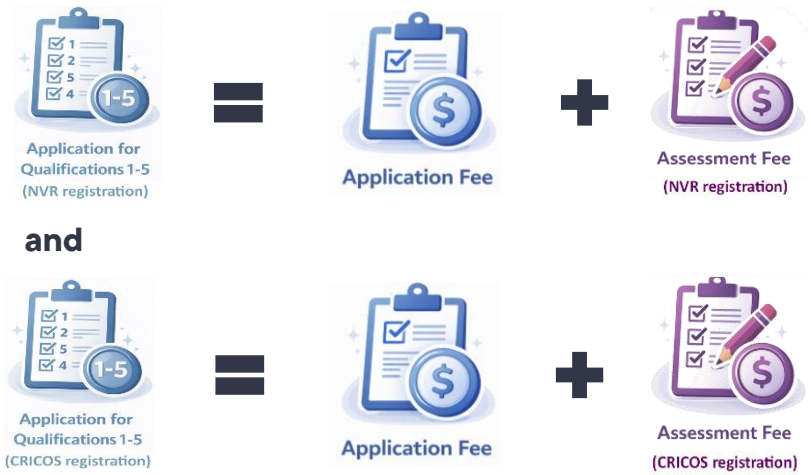
An NVR RTO is due to renew their NVR registration, however their Compliance Manager was on leave and the submission of the renewal application was overlooked, so the application was submitted a month late. If ASQA allows a late application, the provider will pay the:

- Late Renewal of Registration Application Fee
- Renewal of Registration Application Fee
- Renewal of Registration Assessment Fee

EXAMPLE 3:

A provider is due to renew both their NVR and CRICOS registrations at the same time, as both have the same registration end date. The provider will pay separate application and assessment fees for each registration type. That is, the provider will pay:

- 2 x Renewal of Registration Application Fees (NVR and CRICOS)
- 2 x Renewal of Registration Assessment Fees (NVR and CRICOS)



Change to Scope

ASQA charges a Change to Scope Application Fee and a Change to Scope Assessment Fee for each change to scope application. Currently, there is no limit on the number of training products or delivery sites that can be applied for, per application.

Why change is needed

- Change to Scope applications vary widely – one application can request to add one course to scope, or it can request to add 50 or more courses to scope. The assessment effort varies significantly between 2 such applications. For this reason, it is necessary to limit the number of changes that can be made per application.
- Moving from hourly rates to fixed fees for these assessments will provide greater transparency and predictability of costs for providers.

What is changing

- To better reflect the actual effort of processing and assessing complex and significant applications, ASQA will limit each Change to Scope application. Under the new fee arrangements, each application, per registration type, can include a maximum of:

Application for change to NVR registration

- Up to 5 qualifications, and
- Up to 50 units of competency

Application to amend CRICOS registration

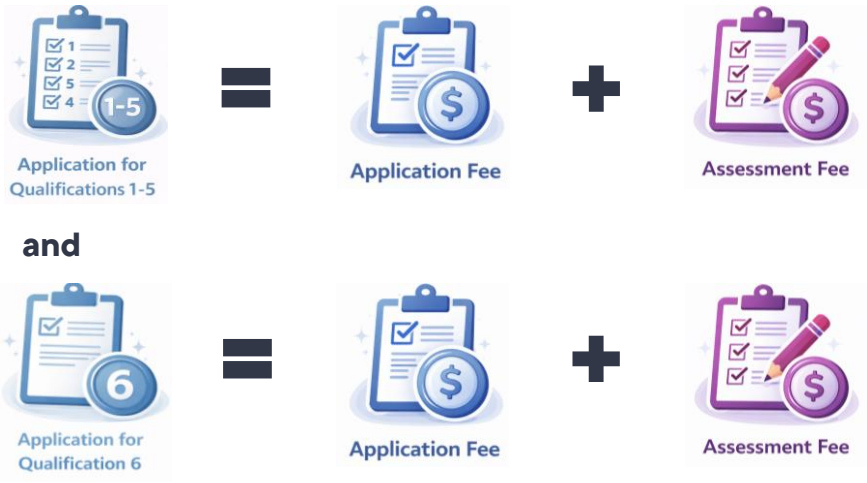
- Up to 5 qualifications or ELICOS courses, and
- 1 delivery site, and
- 1 change in capacity

- Where a provider wishes to change more than the maximum listed, they will need to submit additional applications and pay fees for each application. This change, coupled with the fixed assessment fee, provides transparency on actual costs so that providers can better plan for any expansion to their scope of registration.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

EXAMPLE 1:

An NVR RTO wishes to add 6 qualifications to its scope of registration. They will need to submit two applications: one application for the first 5 qualifications and one application for the additional qualification. This means they will pay two application fees and two assessment fees.



EXAMPLE 2:

A provider that is registered under both NVR and CRICOS applies to ASQA to add 5 qualifications to its scope for both domestic and international students. The provider will pay two Change to Scope Application Fees (one application fee for each registration type) and two Change to Scope Assessment Fees (one assessment fee for each registration type).

Performance Assessment

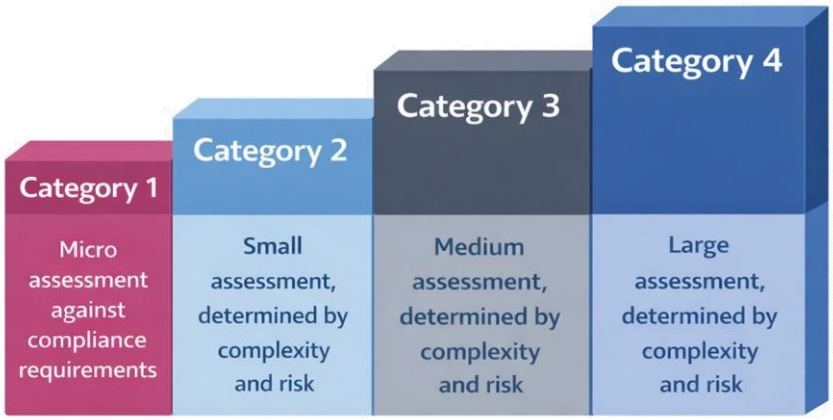
ASQA regularly monitors and evaluates whether providers are meeting their obligations and requirements under the VET Quality Framework and ESOS Framework. These evaluations are conducted through performance assessments (audits), which are currently charged at an hourly rate and billed directly to providers.

Why change is needed

- ASQA has strengthened its regulatory approach to allow for more agile and scalable performance assessments.
- Moving from hourly rates to fixed fees for performance assessments will provide greater transparency and predictability of costs for providers.

What is changing

- ASQA will introduce fixed charges for performance assessments (audits) using a scaled classification approach to reflect differing levels of assessment complexity.
- Four categories will be established, ranging from micro assessments (short, targeted checks) to large-scale assessments of performance assessment (audits).



- Performance assessment categories are determined using a risk-based approach, in consideration of projected assessment complexity and scope. For example, this may include:
  - Number and nature of risks to be examined
  - Training products to be sampled
  - Delivery locations to be included
  - Number of students to be interviewed
- Providers will be notified of their initial category and associated cost at the start of a performance assessment. If the scope expands during an assessment, the provider will be informed of why this is required and the relevant performance assessment category and cost will move up the scale. Where performance issues or non-compliance persist, providers will then require a Compliance Resolution Pathway (see page 16).

Appendix 1 in the draft CRIS outlines the Performance Assessment Categories charges.

EXAMPLE 1:

ASQA contacts a targeted group of providers informing them that a micro performance assessment will be conducted to check certain Compliance Requirements under the 2025 Standards for RTOs, specifically their failure to submit the Annual Declaration of Compliance (ADC) on time. Providers are informed that these will be Category 1 performance assessments with a fixed cost.

The assessment is short and based mainly on existing ASQA-held evidence. On conclusion of the micro assessment, each provider is given a report outlining the issues identified along with an invoice for a Category 1 performance assessment.

EXAMPLE 2:

ASQA informs a provider that a performance assessment will be conducted as part of routine monitoring. The provider has never previously had a performance assessment. The initial scope of the performance assessment is a Category 2 based on a constrained scope targeting the most common risk factors. As the assessment unfolds, additional issues and risks are uncovered, requiring the scope of the assessment to be expanded. The provider is notified that the assessment has moved to Category 3. The performance assessment continues with no further scope increase and ASQA issues a report and an invoice for a Category 3 performance assessment.

Compliance Resolution

When a performance assessment identifies non-compliance, ASQA uses a compliance management process to help providers return to meeting their obligations and reduce risk to the sector or manage the provider's exit from the sector. Currently, this process is charged at an hourly rate.

Why change is needed

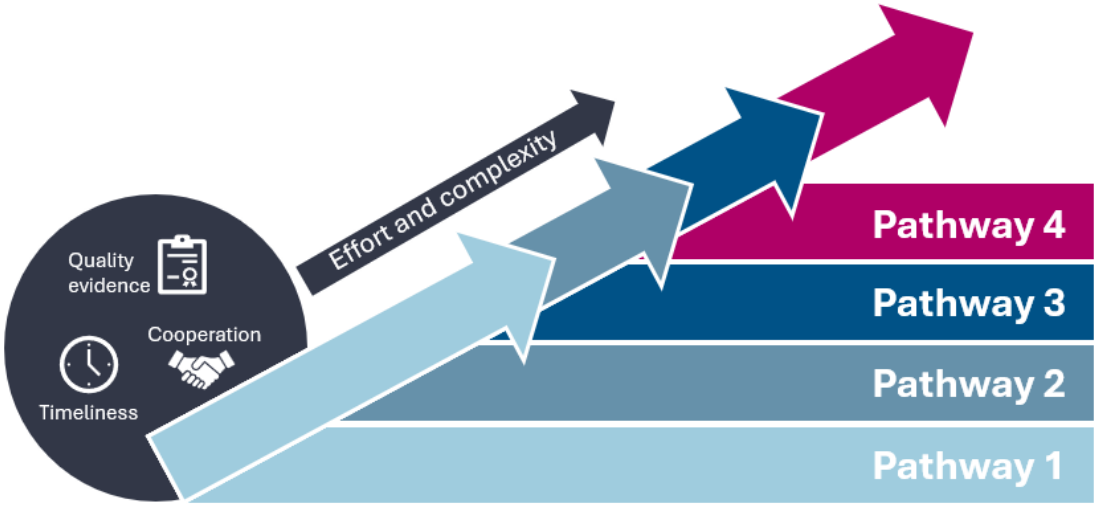
- Currently, compliance management charges are often indiscernible from performance assessment charges, making it hard for providers to distinguish between activities and associated costs.
- Moving to fixed charges for compliance resolution will ensure transparency and predictability of costs for providers.
- A tiered pathway where costs incrementally increase will encourage providers to return to compliance and rectify issues effectively.

What is changing

- ASQA will move from an hourly rate to fixed charges for compliance resolution activities by introducing a tiered pathway structure.
- Pathway charges reflect the level of effort and complexity involved in reaching a compliance resolution, not the size of a provider or the severity of non-compliance. The pathway approach will make compliance processes more efficient, consistent and transparent.
- Where non-compliances are identified for a provider, they will enter into Compliance Resolution Pathway 1. As the level of regulatory effort and complexity involved in resolving the non-compliances increases, the provider moves up the pathway.

- Providers that submit clear and accurate evidence and demonstrate a genuine commitment to returning to, and sustaining, compliance will avoid moving up the pathway and paying higher costs. Providers that require multiple evidence reviews will move up the pathway, incurring additional costs. This model supports timely resolution and strengthens confidence in the regulatory framework.

Appendix 1 in the draft CRIS outlines the Compliance Resolution Pathway charges.



EXAMPLE 1:

A provider has recently completed a performance assessment with ASQA, where a finding of non-compliance was made against the 2025 Standards for RTOs. The provider enters Compliance Pathway 1 under an Agreement to Rectify (ATR). The provider works constructively with ASQA and improves their practices, submitting quality evidence within the agreed timeframe. ASQA confirms compliance is restored and issues a report and invoice for Compliance Pathway 1 charge.

EXAMPLE 2:

A provider that was found non-compliant against multiple performance indicators across the 2025 Standards for RTOs enters Compliance Pathway 1 under an ATR. However, the provider fails to submit evidence on the required due date. After an extension is given and limited evidence is submitted by the provider, the matter is escalated to Compliance Pathway 2 and a Notice of Intent to suspend multiple qualifications is issued. The provider responds by submitting additional evidence, and ASQA is satisfied that compliance has been restored. The provider receives a report and a single invoice for the Compliance Pathway 2 charge.

Accredited Courses

VET accredited courses address skills requirements where these are not covered in nationally endorsed training packages. ASQA has a role in assessing new courses to ensure they meet the *Standards for VET Accredited Courses 2021*. Not all applications for VET accredited courses come from RTOs – other entities such as industry bodies can become course owners by applying to have new courses nationally accredited.

Why change is needed

- Align the application and assessment fees to accredit, renew and amend courses with the actual regulatory effort required by ASQA.

What is changing

- The **Course Accreditation Application Fee** and **Assessment Fee** will change to reflect current regulatory effort.
- The **Renewal Course Accreditation Application Fee** and **Assessment Fee** will change to reflect current regulatory effort.
- The **Course Accreditation Amendment Fee** will change, to reflect current regulatory effort.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

Reconsideration and Reassessment Fees

When making a regulatory decision that adversely affects a provider, applicant or course owner (depending on the matter being decided), ASQA decision-makers provide procedural fairness, which means ensuring a fair process, and providing robust reasons for decisions.

Reconsideration

Reconsideration is a process whereby applicants request a review of a reviewable regulatory decision made by ASQA (i.e. those decisions listed in section 199 of the NVR Act, or section 169AB of the ESOS Act).

Why change is needed

- The fee for reconsideration remains below actual cost in order to ensure that merits review remains accessible to all providers.
- However, currently a single fee applies whether the reconsideration application is in relation to an NVR RTO-only provider or an NVR RTO and CRICOS provider. In respect of the latter, the level of effort required by ASQA to undertake the reconsideration of both sets of decisions is significantly greater than for a reconsideration of NVR RTO-only decisions.

What is changing

- While the Reconsideration Fee amount will not change, there will now be a requirement to apply separately for reconsideration of decisions by registration type.
- For example, if ASQA makes 3 reviewable decisions about a provider in respect of both its registration as an NVR RTO and as a CRICOS provider, the provider must submit two reconsideration applications if it would like the decisions reviewed for both its registration types. In this example, the provider will pay two Reconsideration Fees – one as an NVR RTO and one as a CRICOS provider.

Reassessment

Reassessment is a process where, following a decision by ASQA to place a condition on, amend the scope of, or suspend a provider, that provider can apply for a reassessment by supplying information and evidence demonstrating that it has effectively addressed the issues identified. If, as a result of the reassessment, ASQA is satisfied the issue is resolved, the condition, amendment or suspension may be lifted.

Why change is needed

- Align reassessment fees to reflect actual regulatory effort involved in ASQA undertaking reconsiderations and reassessments.

What is changing

- The **Reassessment Application Fee** will be adjusted to reflect actual regulatory effort.
- **Reassessment Assessment Fee** will become a fixed fee to ensure transparency and predictability of costs for providers.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

Other costs

ASQA's revised regulatory approach includes a broader range of regulatory activities including the use of shorter, lower impost interactions with providers that are proportionate to the identified risks. Some of these activities are recoverable under the ARC, while others are entity-directed costs. These are listed below.

On-site Performance Visit

An ASQA-initiated, in-person visit to review a specific provider risk that can only be assessed on-site. The On-site Performance Visit Fee will only be charged when the visit is not part of a Performance Assessment as described on page 15.

Financial Viability Risk Specialist Assessment

Independent specialist assessment of a provider's financial viability by an ASQA-appointed assessor, where specific and complex financial risks have been identified.

Student Assessment Validations

Targeted, risk-based validations of student assessments to test assessment processes and outcomes for individual cohorts of students.

Refer to **Appendix 1** in the draft CRIS for details of these fees.

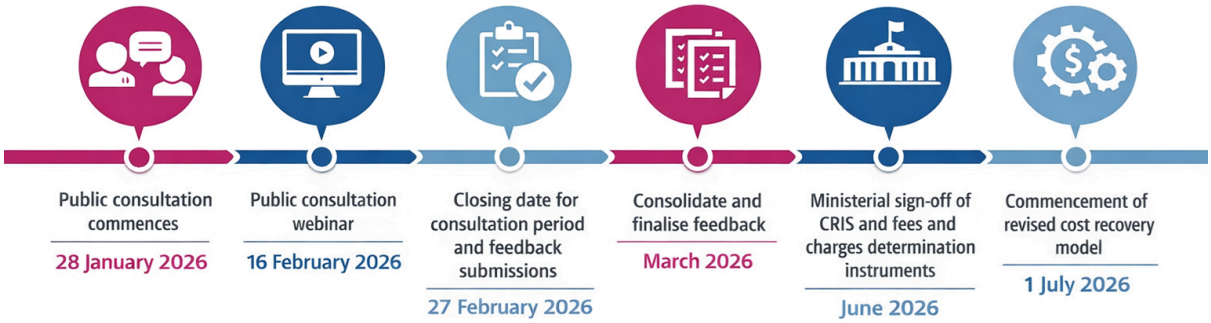
Consultation process and timelines

Consultation is a key component of the review of ASQA's cost recovery model. Before any changes are adopted into the relevant statutory arrangements, we are keen to hear stakeholder views on barriers to, or unintended consequences of, the proposed changes on providers and the broader VET sector.

ASQA will host a webinar on Monday 16 February 2026 at 2pm (AEDT) to provide information about the proposed changes. Questions can be pre-submitted when registering for the webinar.

We will also draw on the expertise of our VET Sector Strategic Forum (VSSF) and Provider Reference Group (PRG) to ensure that feedback is comprehensive across the diversity of the VET sector.

Timeline for consultation and implementation



How to provide your feedback

The consultation period is open from **28 January 2026 to 27 February 2026**.

Feedback can be submitted through our online webform, which will be available until **5.00 pm (AEDT) on Friday 27 February 2026**.

After consultation closes, ASQA will review all submissions and finalise the CRIS and Fees and Charges Determination for approval by State and Territory Skills Ministers, and the Minister for Skills and Training for implementation on 1 July 2026.

All feedback collected during the consultation period will be considered for further improving cost recovery processes in both the current CRIS and in future reviews. An outcome report on key trends and issues identified from stakeholder feedback will be published following the close of consultation.