

CONSULTATION PAPER

Fees and charges proposal 2020-21

Consultation paper

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1 Introduction

As announced in the 2018-19 Australian Government budget, from 1 July 2020 the Australian Skills Quality Authority (ASQA) will begin operating as a full cost recovery agency. As a result, from 1 July 2020 ASQA must fully recover the costs associated with regulation of the vocational education and training (VET) sector.

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

2 Purpose of this consultation paper

This consultation paper provides information on how ASQA proposes to achieve full cost recovery from 1 July 2020. The proposal includes changes to ASQA's current schedule of fees and charges.

Some aspects of this proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented.

Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

ASQA's current schedule of fees and charges and [Cost Recovery Implementation Statement](#) (CRIS) are available at asqa.gov.au.

3 Timeframes for key events

These timeframes are provisional. They are subject to change, depending on the feedback received, and any subsequent adjustments or other actions may be needed in response to feedback.

Event	Timeframe
Consultation paper published	12 November 2019
Consultation feedback period closes	9 December 2019
Feedback is reviewed and adjustments to proposal considered	December 2019–February 2020
Passage of statutory measures, if needed	February–March 2020
Confirmation of 2020-21 budget appropriation	May 2020
Ministerial approvals of 2020-21 fees and charges	May–June 2020
Publication of Cost Recovery Implementation Statement 2020-21	June 2020
New fees and charges schedule comes into effect	1 July 2020

4 How to submit feedback

Provide your feedback on ASQA's proposed fees and charges for 2020-21:

- online at asqa.gov.au/costrecovery
- via email at costrecovery@asqa.gov.au

Submissions will be accepted until Monday 9 December 2019.

Feedback is welcome on any aspect of the cost recovery measures proposed for implementation from 1 July 2020.

For example, ASQA is interested in stakeholders' responses to questions such as:

- What are the potential impacts of ASQA's transition to full cost recovery on your business? Please provide details.
- What are the potential impacts of ASQA's transition to full cost recovery on your students? Please provide details.
- Are there any risks to quality or availability of training associated with implementing ASQA's proposed 2020-21 fees and charges schedule? What measures would assist ASQA and the VET sector generally to manage those risks?
- Do you anticipate a change in your level of demand for any ASQA service or activity over the next three years? Please provide details.
- Following public consultation on fees and charges in 2018 (see section 5 of ASQA's [Cost Recovery Implementation Statement](#)), ASQA acknowledged feedback about the scalability of annual registration charges (ARCs). ASQA committed to exploring enhancements to the method of calculating ARCs—for example, by factoring in enrolment data as the completeness of national data collection (Total VET Activity) improves. What is your view of the method of calculating ARC proposed in this consultation paper (refer [Table 4](#))?
- This consultation paper attempts to increase understanding of ASQA's cost calculation methodology. Does the example given (in the section 'Example fee calculation') demonstrate how ASQA determines the costs of a specific regulatory output? If not, please provide details.

5 Regulation of the VET sector

Vocational education and training (VET) enables students to gain qualifications for all types of employment, and specific skills to help them in the workplace. The providers of VET include technical and further education (TAFE) institutes, adult and community education providers and agricultural colleges, as well as private providers, community organisations, industry skill centres, and commercial and enterprise training providers. In addition, some universities and schools provide VET.

ASQA supports the VET sector in its role as national VET regulator. The [Education and Training Portfolio Budget Statements 2019–20](#) define ASQA's policy outcomes as:

'Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.'

ASQA's objectives, as described in the [National Vocational Education and Training Regulator Act 2001](#) (the NVR Act), are:

- to provide for national consistency in the regulation of VET
- to regulate VET using:
 - a standards-based quality framework
 - risk assessments, where appropriate
- to protect and enhance:
 - quality, flexibility and innovation in VET
 - Australia's reputation for VET nationally and internationally
- to provide a regulatory framework that encourages and promotes a VET system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population
- to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality vocational education and training
- to facilitate access to accurate information relating to the quality of VET.

6 Cost recovery framework

In April 2015, the Australian Government agreed to implement a whole-of-government charging framework, the AGCF, to apply across the general government sector. The AGCF incorporates the [Australian Government Cost Recovery Guidelines](#) (the AGCRG). The Framework provides that where an individual or organisation creates the demand for a government activity, they should generally be charged for it, unless the Government has decided to fund the activity.

To meet the demands of regulating the VET sector, ASQA requires skilled staff and sufficient technical resources to enable high levels of procedural rigour. ASQA recovers costs associated with regulating the VET sector by imposing fees and charges on:

- registered training organisations (RTOs)
- Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers—including those that deliver English Language Intensive Courses for Overseas Students (ELICOS)
- VET accredited course owners.

6.1 ASQA's cost recovery requirement

In 2019-20, ASQA operates as a partial cost recovery agency. ASQA's current fees and charges are designed to recover a portion of the cost of regulating the VET sector, but not all.

The [Australian Government Budget 2018–19](#) announced that in 2020-21, ASQA will become a full cost recovery agency. From 1 July 2020, ASQA's fees and charges must recover the full cost of regulating the VET sector.

7 Proposed schedule of ASQA fees and charges

The proposed schedule of fees and charges is designed to meet the requirements of full cost recovery, which ASQA will be subject to from 2020-21. The proposal has been developed in alignment with the AGCF.

If implemented, the proposed fees and charges will apply to all ASQA-regulated VET providers and accredited course owners.

Some aspects of this proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented.

Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

ASQA's current schedule of fees and charges is available on ASQA's website at asqa.gov.au.

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

7.1 Direct fees and charges

Direct fees and charges recover costs of ASQA effort that responds to demand created by an individual group or organisation.

ASQA proposes introducing a streamlined, simplified schedule of direct fees and charges in 2020-21. Under the proposal, the fees and charges listed in Table 1 will apply to all ASQA-regulated training provider entities—i.e. RTOs and CRICOS-registered providers.

Table 1. Proposed direct fees and charges for RTOs and CRICOS providers, 2020-21

Fee / Charge	Set according to	Current rate (\$)	Proposed rate from 2020-21 (\$)
Application for initial registration – Lodgement fee	Upon application	\$500	\$650
Application for initial registration – Assessment fee	Upon application	\$8,000	\$9,500
Application for renewal of registration – Lodgement fee	Upon application	\$500	\$320
Application to amend registration – Lodgement fee	Upon application	\$500	\$240
Compliance audit charge *	Hourly charge	\$275	\$285

* This hourly charge does not apply for time spent travelling to and from the audit / assessment site.

ASQA proposes recovery of these costs via the Annual registration charge—RTOs and CRICOS providers (refer [Table 4](#)).

Table 2 lists the proposed direct fees and charges for accredited course owners in 2020-21.

Table 2. Proposed direct fees and charges for accredited course owners, 2020-21

Fee / Charge	Set according to	Current rate (\$)	Proposed rate from 2020-21 (\$)
Initial course accreditation – VET course concept assessment fee	Upon application	\$500	\$1,100
Initial course accreditation – Application assessment fee	Upon application	\$7,570	\$7,570
Renew course accreditation – Intention to renew assessment fee	Upon application	N/A	\$1,100
Renew course accreditation – Application assessment fee	Upon application	\$7,570	\$7,570
Application to amend an accredited course - Lodgement fee	Upon application	\$1,145	\$2,000

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

Table 3 lists the proposed charge for evidence reviews in 2020-21.

Table 3. Other proposed direct fees and charges, 2020-21

Fee / Charge	Set according to	Current rate (\$)	Proposed rate from 2020-21 (\$)
Evidence review charge	Hourly charge		\$250
Reconsideration		\$250 (4 hour minimum)	
Reassessment			
Sanction		\$275	

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

7.2 Annual registration charge—RTOs and CRICOS providers

ASQA proposes introducing a single annual registration charge (ARC) for all ASQA-regulated training provider entities from 2020-21.

The ARC recovers the costs of regulatory outputs and functions that are necessarily performed by ASQA but have limited nexus with individual entities.

Table 4. Proposed ARC rates for RTOs and CRICOS providers, 2020-21

		Number of students enrolled (according to the most recent available Total VET Activity data)		
		0-99	100-999	1000+
Total number of courses/qualifications on scope (sum of all registration types - RTO, CRICOS, ELICOS)	0 to 4	\$1,200	\$2,300	\$3,500
	5 to 10	\$3,500	\$5,000	\$6,900
	11 to 25	\$6,900	\$7,500	\$8,500
	36 to 50	\$8,500	\$10,500	\$12,000
	51 +	\$12,000	\$15,000	\$17,500

Currently, ASQA issues two separate ARC invoices: one for an ARC payable by RTOs, and one for an ARC payable by CRICOS and ELICOS providers. Under this arrangement, many ASQA-regulated entities receive two separate ARC invoices.

Under the proposal, each ASQA-regulated entity will receive a single ARC invoice. This will simplify the processes of invoicing, pursuing payments, and processing payments received, resulting in efficiencies that benefit ASQA, ASQA-regulated entities, and other VET sector stakeholders.

For current and prospective training providers, the single-ARC model increases clarity of the annual cost of maintaining registration as an RTO and/or CRICOS provider.

The ARC amount charged to an entity will be calculated according to two metrics:

- the sum total of all courses and/or qualifications on the scope of registration of the entity. This is a measurement of the complexity of the entity's operations.
- the number of students enrolled to study with the entity. This is a measurement of the scale of the entity's operations.

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

The dual metric design enhances alignment with the AGCF premise that where specific demand for a government activity is created by identifiable individuals or groups, they should be charged for it unless the government has decided to fund that activity. Using a dual measurement of complexity and scale is an effective indicator of the demand created by a single entity for ASQA's regulatory work and services.

For comparison purposes, ASQA's two current ARCs are shown in Table 5. Note that:

- the current ARCs do not take into account the scale of an entity's operations, only the complexity. By applying metrics to take into account both of these aspects, the proposed 2020-21 ARC improves alignment with the AGCF by more accurately reflecting the demand for ASQA effort created by any given entity.
- the current ARCs use different tier thresholds when measuring an entity's scope. The proposed 2020-21 ARC removes this inconsistency.
- the current ARCs use tier thresholds that have been in place since 2014. In past consultation activities on fees and charges, ASQA has received feedback that the scalability of the ARCs could be improved by adjusting the thresholds between tiers. The proposed 2020-21 ARC responds to this feedback by applying five tiers rather than the current four, and applying a more consistent graduation rate between tiers.

Table 5. Current ARC rates for RTOs and CRICOS providers, 2019-20

Number of courses/qualifications on scope	RTOs		CRICOS / ELICOS	
	Tier	Rate	Tier	Rate
	0 to 4	\$1,130	0 to 2	\$950
	5 to 10	\$3,220	3 to 4	\$1,645
	11 to 60	\$6,975	5 to 50	\$4,375
	61 +	\$10,730	51 +	\$7,100

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

7.3 Annual registration charge—accredited course owners

ASQA proposes introducing an ARC for accredited course owners from 2020-21. This ARC will recover the cost of ASQA effort that under partial cost recovery has had no associated fee or charge.

The ARC recovers the costs of regulatory outputs and functions that are necessarily performed by ASQA but have limited nexus with individual course owners.

Table 6. Proposed ARC rates for accredited course owners, 2020-21

Fee / Charge	Set according to	Current rate (\$)	Proposed rate from 2020-21 (\$)
Accredited course owner annual registration charge	Invoiced annually. Flat rate per course owner.	N/A	\$1,200

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

7.4 Recovery of other costs

Not all costs of cost recovery agencies are necessarily subject to the AGCF. This is the case even for full cost recovery agencies.

A key premise of the AGCF is that where an individual or group creates demand for a government activity, they should generally be charged for it, unless the government finds it is appropriate to fund the activity.

This consultation paper proposes that government funding may be appropriate for the activities listed in Table 7. If this aspect of ASQA's proposed cost recovery measures were to be implemented, ASQA would not recover the associated costs of these activities from the VET sector.

If this aspect of ASQA's proposed cost recovery measures is not implemented, these costs must be recovered from the VET sector. The recovery mechanism for those costs would be annual registration charges. This would result in changes to the price rates proposed in this consultation document for both types of ARC.

Table 7. Costs that may potentially be deemed not subject to cost recovery requirements

Regulatory Support Activity	Cost (\$ '000)
Participation in Administrative Appeals Tribunal (AAT) reviews	\$6,150
Participation in Federal Court hearings	\$792
Total cost of participation in court hearings and tribunal reviews	\$6,942
Strategic Reviews	\$915
Responding to Freedom of Information requests	\$147
Total	\$8,004

The proposed fees and charges are designed to recover the full efficient cost of the related ASQA services and/or effort. Some aspects of the proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented. Before work advances to facilitate such changes, ASQA seeks feedback on the proposal from all participants and stakeholders in the VET sector. All feedback received will be reviewed and considered, to inform decisions on how the proposal may be adapted or improved.

8 Cost recovery model

To ensure the transparency and ongoing accuracy of cost calculations, ASQA maintains an evidence base that provides up-to-date measures of all cost drivers. This evidence base is regularly tested and validated by internal data collection exercises, which detect any upward or downward variations.

There are two key cost drivers for ASQA's regulation of the VET sector:

- the **resources** needed to conduct any given business activity
- the **number of times** any given business activity is performed in a financial year.

A resource is defined as the specific set of skills and experience required to complete a business activity, represented by a unique 'role' within ASQA—for example, a 'Lead Regulatory Auditor'.

ASQA's costing model can accurately forecast operational costs under an assumption of business-as-usual conditions. It is also flexible and can be adapted to changed business conditions, for example when there is a significant variation in market activity.

8.1 ASQA business activities

There are two categories of business activity: support and regulatory.

All resources involved in **business activities—support** are included as **indirect costs**. These functions are necessary for ASQA to maintain its day-to-day operations as a government agency. They include the general business functions that are common to any organisation of similar size and complexity.

All resources involved in the completion of **business activities—regulatory** are included as **direct costs**. These functions are necessary for ASQA to perform the work that is directly associated with regulation of the VET sector, and the delivery of regulatory outputs and regulatory functions.

Table 8 lists ASQA's business activities under both categories.

Table 8. ASQA business activities

Business activities—support	Business activities—regulatory
(All classified as indirect costs)	(All classified as direct costs)
IT and information management	Risk intelligence gathering and assessment
Human resources	External communications
Property and facilities management	Legal services
Procurement and contract management	Executive direction and management
Corporate governance	Regulatory policy development
Legislative responses	Ministerial and parliamentary liaison
Business improvement	Regulatory oversight and monitoring
Budget and revenue management	Enquiries
Financial administration	Industry engagement
Internal education and training	Stakeholder management

8.2 Regulatory outputs and regulatory functions

Regulatory outputs have a clear nexus to individual persons or organisations. Each regulatory output is the result of a specific series of business processes. These specific business processes are repeated in sequence each time a regulatory output is produced. An example of a regulatory output is initial registration of an RTO.

Regulatory functions have a less immediate nexus to individual persons or organisations. A regulatory function is an ongoing area of work, and does not involve iterations of a specific series of business processes. Examples of regulatory functions include the Info Line service and strategic reviews.

Table 9. ASQA regulatory outputs

Regulatory outputs		
Initial registration of NVR RTOs	Initial registration of CRICOS providers	Initial accreditation of VET courses
Amendments to NVR RTO registrations	Amendments to CRICOS provider registrations	Amendments to VET accredited courses
Renewal of NVR RTO registrations	Renewal of CRICOS provider registrations	Renewal and extension of VET course accreditation
Cancellation of NVR RTO registrations	Cancellation of CRICOS provider registrations	Cancellation of VET accredited courses
Compliance monitoring audits	Evidence reviews	

Table 10. ASQA regulatory functions

Regulatory functions		
Industry engagement	Info Line	Education and awareness
Stakeholder management	Regulatory reporting and support	Maintain provider details
Respond to closure of registrations	Continuous improvement projects	Risk and data analytics
Strategic reviews	Investigations	Infringement notices
Participation in Administrative Appeals Tribunal (AAT) reviews	Participation in Federal Court hearings	

8.3 Example fee calculation

Under full cost recovery, the amount ASQA charges for any specific regulatory output should recover the full efficient cost of delivering that specific regulatory output.

This section shows, as an example of methodology, how the cost of one regulatory output is determined.

Table 11 summarises the business process, component tasks and associated costs of the regulatory output 'Initial registration of NVR RTOs'.

Table 11. Cost calculation breakdown of 'Initial registration of NVR RTOs'

Regulatory output	Associated business process	Number of component tasks	Hours of effort to complete all tasks	Average cost per hour of effort \$	Cost per delivery of regulatory output \$	Total cost of regulatory output \$
Initial registration of NVR RTOs	Initial Triage	5	3.15	\$214	\$674	\$47,000

Table 12 breaks down the component tasks of the business process, showing the role that performs each task, the hours of effort required to complete each task, and the cost of each task.

Table 12. Cost calculation breakdown of 'Initial Triage'

Business process	Component tasks	Role performing task	Hours of effort per task	Cost per task \$
Initial Triage	Process assessment	Senior Assessment Officer	2.50	\$495
	Decision	Senior Assessment Officer	0.16	\$32
	Delegate sign off	Assessment Coordinator	0.17	\$52
	Finalisation	Senior Assessment Officer	0.17	\$34
	Quality Assurance	Manager, Initial Assessment and Referral	0.15	\$62
Total hours of effort per application			3.15	\$674

Table 13 breaks down the component task 'Process assessment', showing the role that performs the task, the hours of effort required to complete the task, the cost per hour of the role, which produces the cost of the task.

Table 13. Cost calculation breakdown of 'Process assessment'

Task	Role performing task	Role cost per hour	Hours of effort per task	Cost per task [Role cost per hour] X [Hours of effort per task]
Process assessment	Senior Assessment Officer	\$198	2.50	\$495

Table 14 breaks down the cost per hour of the role 'Senior Assessment Officer'.

Table 14. Cost calculation breakdown of 'Senior Assessment Officer'

Role	Direct cost per hour \$	Indirect cost per hour \$	Total cost per hour \$
Senior Assessment Officer	\$79	\$119	\$198

Direct costs are the costs for roles that are directly engaged in the delivery of regulatory outputs and/or regulatory functions. This includes employee costs and supplier costs associated with role, such as travel, office supplies, and outsourced information technology (IT) and payroll expenses. Direct costs are allocated according to the amount of time the given role spends on delivery of regulatory outputs and regulatory functions.

Employee costs include salaries, superannuation, allowances and provisions.

Supplier costs are calculated as a part of direct and indirect costs. These include travel, training and development, telecommunications and IT support, legal, property, consultant and contractor expenses.

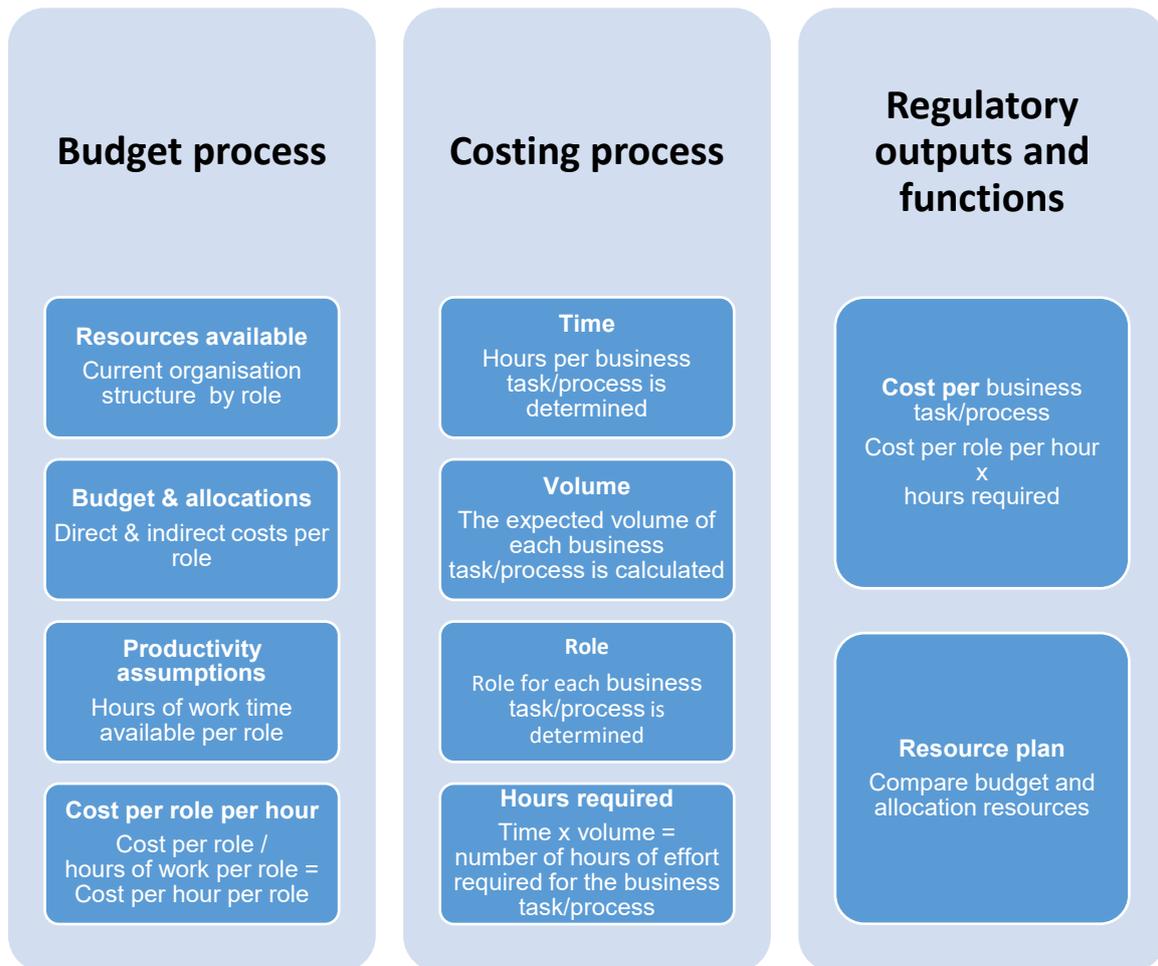
Indirect costs are the costs for roles whose work *supports* the roles that are classified as direct costs. This includes employee and supplier costs associated with this work. Indirect costs are allocated to direct-cost roles on a per-head basis.

Capital costs are the initial cost of an asset and are not included in ASQA's cost recovery. However, depreciation of assets is included as indirect costs, to recognise the work use of assets owned by ASQA. Assets include those purchased and those generated through internal staff effort (e.g. ASQA's online regulatory management system, [asqanet](#)).

8.4 Cost allocation summary

Figure 1 summarises the methodology used to allocate costs to a regulatory output or regulatory function.

Figure 1. Summary of cost allocation methodology



9 ASQA cost estimates 2020-21

Table 15 summarises the anticipated cost to ASQA of regulating the VET sector, broken down by sector participant type.

Table 15. Summary view of ASQA costs, 2020-21

Area of regulation	Total costs \$'000
Regulation for RTOs	\$11,723
Regulation for CRICOS providers	\$3,232
Regulation for both RTOs and CRICOS providers	\$23,380
Regulation for accredited courses	\$1,285
Total	\$39,620
Responding to Freedom of Information requests	\$147
Total	\$39,767

Figures include direct and indirect costs.

The proportional allocation of the estimated annual cost of providing regulation of the VET sector across RTOs, CRICOS providers and accredited courses is:

- 29 per cent on regulation pertaining specifically to RTOs
- 8 per cent on regulation pertaining specifically to CRICOS
- 59 per cent on regulation pertaining to both RTOs and CRICOS
- 3 per cent on regulation pertaining to accredited courses.

9.1 Cost of regulatory outputs for RTOs

Table 16 shows the estimated costs of delivering regulatory outputs for RTOs, and the related business processes for each regulatory output.

Table 16. Estimated costs of regulatory outputs for RTOs, 2020-21

Regulatory output	Associated business processes	Average cost per hour of required resources (\$)	Cost per output unit (\$)	Total cost (\$'000)
Initial registration of NVR RTOs	Initial Triage	\$214	\$674	\$47
	Assessment	\$180	\$9,700	\$679
Subtotal			\$10,374	\$726
Renewal of NVR RTO registrations	Renewal Triage	\$233	\$329	\$39
	Assessment	\$248	\$11,344	\$819
Subtotal			\$11,673	\$858
Amendments to NVR RTO registrations	Initial Triage	\$240	\$252	\$474
	Assessment	\$271	\$10,098	\$2,467
Subtotal			\$10,350	\$2,941
Evidence reviews	Reconsideration	\$249	\$5,540	\$787
	Reassessment	\$319	\$2,028	\$16
	Sanction	\$289	\$6,408	\$474
Subtotal			\$13,976	\$1,277
Compliance monitoring	Compliance Audit	\$348	\$14,547	\$5,921
Subtotal			\$14,547	\$5,921
Total cost of regulatory outputs for RTOs				\$11,723

Figures include direct and indirect costs.

Refer to [Table 3](#) for details of proposed 2020-21 cost recovery measures for evidence reviews.

For details of proposed 2020-21 cost recovery measures for all other regulatory outputs in this table, refer to [Table 1](#).

9.2 Cost of regulatory outputs for CRICOS

Table 17 shows the estimated costs of delivering regulatory outputs for CRICOS, and the related business processes for each of these outputs.

Table 17. Estimated costs of CRICOS regulatory outputs, 2020-21

Regulatory output	Associated business processes	Average cost per hour of required resources (\$)	Cost per output unit (\$)	Total cost (\$'000)
Initial registration of CRICOS provider	Initial Triage	\$214	\$674	\$47
	Assessment	\$224	\$10,750	\$753
Subtotal			\$11,424	\$800
Renewal of CRICOS provider registrations	Renewal Triage	\$233	\$328	\$31
	Assessment	\$264	\$12,766	\$411
Subtotal			\$13,094	\$442
Amendments to CRICOS provider registrations	Initial Triage	\$254	\$220	\$153
	Assessment	\$271	\$10,296	\$934
Subtotal			\$10,515	\$1,087
Evidence reviews	Reconsideration	\$248	\$5,511	\$143
	Reassessment	N/A	N/A	\$0
	Sanction	\$265	\$5,874	\$35
Subtotal			\$11,385	\$178
Compliance monitoring	Compliance Audit	\$348	\$14,498	\$725
Subtotal			\$14,498	\$725
Total cost of regulatory outputs for CRICOS providers				\$3,232

Figures include direct and indirect costs.

Refer to [Table 3](#) for details of proposed 2020-21 cost recovery measures for evidence reviews.

For details of proposed 2020-21 cost recovery measures for all other regulatory outputs in this table, refer to [Table 1](#).

9.3 Cost of regulatory outputs for accredited courses

Table 18 shows the estimated costs of delivering regulatory outputs for accredited courses, and the related business processes for each of these outputs.

Table 18. Estimated costs of regulatory outputs for accredited courses

Regulatory output	Associated business processes	Average cost per hour of required resources (\$)	Cost per output unit (\$)	Total cost (\$'000)
Initial accreditation of a course	Course concept assessment	\$300	\$1,200	\$48
	Assessment	\$248	\$7,063	\$177
Subtotal			\$8,263	\$225
Renewal of a course accreditation	Course intention to renew assessment	\$300	\$1,200	\$72
	Assessment	\$248	\$7,063	\$318
Subtotal			\$8,263	\$390
Amendments to accredited courses	Assessment	\$303	\$1,999	\$150
Subtotal			\$1,999	\$150
Evidence reviews	Reconsideration	\$313	\$10,341	\$103
Subtotal			\$10,341	\$103
Total cost of regulatory outputs for accredited courses				\$868

Figures include direct and indirect costs.

Refer to [Table 3](#) for details of proposed 2020-21 cost recovery measures for evidence reviews.

For details of proposed 2020-21 cost recovery measures for all other regulatory outputs in this table, refer to [Table 2](#).

9.4 Cost of regulatory functions for RTOs and CRICOS

Table 19 shows the estimated costs of delivering regulatory functions for both RTOs and CRICOS.

Table 19. Estimated costs of regulatory functions for RTOs and CRICOS, 2020-21

Regulatory function	Cost (\$'000)
Industry Engagement	\$1,275
Info Line enquiries	\$3,778
Education & Awareness	\$290
Stakeholder Management	\$470
Regulatory reporting	\$38
Material changes	\$861
Respond to closure of registrations	\$677
Continuous improvement projects	\$808
Risk and data analytics	\$1,943
Regulatory support	\$3,705
Infringement notices	\$264
Investigations	\$1,513
Participation in Administrative Appeals Tribunal (AAT) reviews	\$6,051
Participation in Federal Court hearings	\$792
Strategic reviews	\$915
Total cost of regulatory functions for RTOs and CRICOS providers	\$23,380

Figures include direct and indirect costs.

Cost recovery of all regulatory functions listed this table is proposed via the Annual registration charge—RTOs and CRICOS providers (refer [Table 4](#)), except for:

- Participation in AAT reviews (refer [Table 7](#))
- Participation in Federal Court hearings (refer [Table 7](#))
- Strategic reviews (refer [Table 7](#)).

9.5 Cost of regulatory functions for accredited courses

Table 20 shows the estimated costs of delivering regulatory functions for accredited courses.

Table 20. Estimated costs of regulatory functions for accredited courses, 2020-21

Regulatory function	Cost (\$'000)
Stakeholder Management	\$5
Info Line enquiries	\$27
Education & Awareness	\$5
Respond to complaints	\$6
Course extensions	\$6
Maintain course owner details	\$21
Monitor National Register	\$248
Participation in Administrative Appeals Tribunal (AAT) reviews	\$99
Total cost of regulatory functions for accredited courses	\$417

Figures include direct and indirect costs.

Cost recovery of all regulatory functions listed in this table is proposed via the Annual registration charge—Accredited course owners (refer [Table 6](#)), except:

- Participation in AAT reviews (refer [Table 7](#)).

10 Additional information

10.1 Portfolio Budget Statement targets

Table 21 details ASQA's [Portfolio Budget Statement \(PBS\)](#) targets for the 2019-20 financial year and forward estimates for the following three years.

This **consultation paper** provides information on how ASQA proposes to achieve full cost recovery from 1 July 2020. The paper includes **proposed** changes to ASQA's current schedule of fees and charges.

Some aspects of this proposal may require changes to current statutory arrangements or to ASQA's current budget appropriation before they could be implemented.

Table 21. ASQA PBS targets and forward estimates, July 2019–June 2023

	2019-20 (\$'000)	2020-21 (\$'000)	2021-22 (\$'000)	2022-23 (\$'000)
EXPENSES				
Employee benefits	23,578	23,713	23,913	22,849
Suppliers	13,140	12,574	12,431	13,744
Depreciation and amortisation	3,464	3,480	3,360	3,702
Total expenses	40,182	39,767	39,704	40,295
Sales of Goods and Services	24,109	39,767	39,704	40,295
Recovery Target	60%	100%	100%	100%
Balance (revenue less expense)	(16,073)	-	-	-
Cumulative balance	(16,073)	(16,073)	(16,073)	(16,073)

10.2 Financial performance

Table 22 summarises ASQA's financial performance for the past five financial years.

Table 22 ASQA financial performance, July 2014–June 2019

	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)	2017-18 (\$'000)	2018-19 (\$'000)
Administered Expenses	119	16	476	413	241
Departmental Expenses	40,357	39,652	38,990	33,738	40,328
Total Expenses	40,476	39,668	39,466	34,151	40,569
Partial Cost Recovery Target	20,238	19,834	19,733	17,076	20,285
Administered Revenue	23,907	26,012	29,326	28,902	20,162
Departmental Own Source Revenue	50	649	593	1,130	1,323
Total Revenue	23,957	26,661	29,919	30,032	21,485
Balance	3,719	6,827	10,186	12,957	1,201
Cumulative balance	3,719	10,546	20,732	33,689	34,889
Cost Recovery Performance	59%	67%	76%	88%	53%
CR % Target	50%	50%	50%	50%	60%

10.3 Available at asqa.gov.au

- Information about ASQA's current cost recovery measures, in the [Cost Recovery Implementation Statement](#) which includes:
 - current schedule of fees and charges
 - government policy approval and statutory authority to cost recover
- ASQA's [annual reports](#), which include details of ASQA's historical financial and non-financial performance.