

Consultation on full cost recovery

Proposed changes to ASQA fees and charges 2020-21

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Australian Government

Australian Skills Quality Authority



Overview

- The goal of consultation is to **gain your feedback** on ASQA's consultation paper.
- Available at **asqa.gov.au/costrecovery**

Consultation
paper
reference

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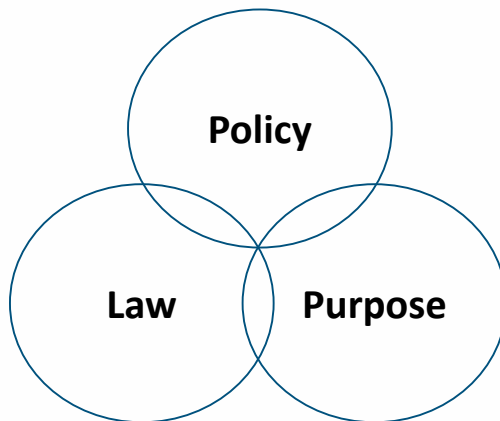
ASQA's purpose

... is to provide nationally consistent, risk-based regulation of vocational education and training (VET) that contributes to an informed, quality VET sector that meets Australia's needs.

Achieving balance

All of ASQA's work involves a balance of three main responsibilities:

- Government policy
- Australian law
- ASQA's purpose



Policy decision

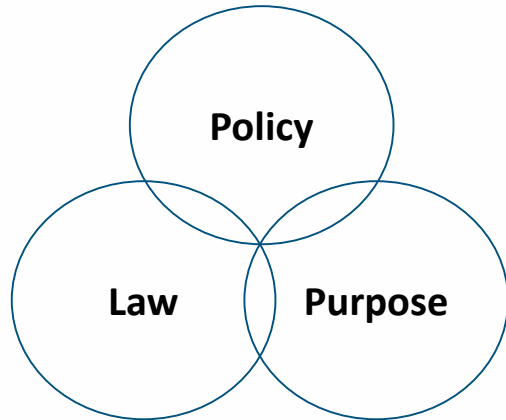
- ASQA will begin operating as a **full cost recovery** agency from 1 July 2020.
- The Australian Government announced the policy in the 2018-19 Budget.
- It has been the long-term plan since ASQA was established.
- Full cost recovery means VET regulation by ASQA must be completely funded by fees and charges.

The Charging Framework

- Australian Government Charging Framework
- Sets out the conditions under which government entities design, implement and review their charging activities
- Available at www.finance.gov.au
- Link in Section 1 of the consultation paper

Value of your feedback

- ASQA's implementation proposal
- Australian Government's implementation decision



Potential impacts on VET

Tell us about the **potential impacts** of the proposed changes on:

- your business
- your students
- quality of VET
- availability of VET

Tell us about **potential alternatives** to the proposed changes.

See **Section 4**

Providing feedback

Visit asqa.gov.au/costrecovery

or

Email costrecovery@asqa.gov.au

Consultation ends at close of business, Monday 9 December 2019.

The consultation paper

Notable features of the proposal



Setting rates for fees and charges

Under the Charging Framework:

- The amount charged for any activity or service must be based on the cost of providing that specific activity or service.
- This calculation rule is fixed for all cost recovery agencies.

See **Section 7**

Understanding ASQA's costs

- Section 8 provides detail on:
 - the activities ASQA performs
 - how the costs of ASQA activities are calculated.
- Section 9 provides detail on:
 - the cost of each activity
 - the cost of different areas of regulation.

See
Sections 8 & 9

Partial to full cost recovery

Partial cost recovery:

- ASQA regulation of VET must be partly funded by fees and charges.
- For some activities, no costs are recovered.

Full cost recovery:

- ASQA regulation of VET must be completely funded by fees and charges.
- The cost of every activity must be recovered in full.

ARC for course owners

- New charge proposed for 2020-21.
- Recovers costs involved in regulating accredited courses
- Proposed charge: flat rate per course owner (regardless of how many courses owned).
- Course owner is the copyright holder as listed on TGA.

See **Section 7.3**

ARC for providers

- Requirement is to recover the costs of ASQA effort that is caused by VET provider organisations.
- The ARC recovers the costs of activities where a direct charge to individual providers is not feasible.
- New design is a response to previous feedback from the VET sector.

See Section 7.2

Scope metric

- Scope is a measurement of the complexity or variety of a provider's operations.
- Includes the total number of **courses** and/or **qualifications** on scope.
- Does not include **units of competency**.
- Single ARC invoice calculated according to the total items listed on scope for VET, CRICOS and ELICOS.

See **Section 7.2**

Enrolments metric

- ‘Number of students enrolled’ is a measurement of the scale or size of a provider’s operations.
- Includes the total number of **unique individual students** who are enrolled in any course, qualification or unit of competency.
- Students enrolled in multiple courses are only counted once.

See **Section 7.2**

ARC for providers - feedback

Do you think this is an improvement on the current ARC model?

What would you change? What other approaches do you suggest?

Possible focus areas for feedback:

- Two metrics versus single metric
- Number of tiers on either metric
- Threshold levels between tiers

See **Section 7.2**

Budget-funding of some activities

- Not all costs of cost recovery agencies are necessarily subject to the Charging Framework.
- This is the case even for full cost recovery agencies.
- The consultation paper proposes that some ASQA activities fall outside the Charging Framework.
- Under this proposal, the cost of these ASQA activities would not be recovered from the VET sector

See **Section 7.4**

‘Some aspects may require changes...’

This footnote appears on each page of Section 7, which details the proposed fees and charges:

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

See **Section 7**

Your questions



Providing feedback

Visit asqa.gov.au/costrecovery
or email costrecovery@asqa.gov.au

Questions? Contact ASQA Info Line
1300 701 801 or enquiries@asqa.gov.au

Consultation closes Monday 9 December 2019.