



Cost recovery implementation statement

Regulation of the vocational education
and training (VET) sector

2018–19



Australian Government

Australian Skills Quality Authority

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1 Introduction

1.1 Purpose of this document

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Skills Quality Authority (ASQA) implements cost recovery for regulation of the vocational education and training (VET) sector.

The CRIS also reports financial and non-financial performance information for ASQA in its roles as national regulator, and contains financial forecasts for 2018–19 and three forward years.

ASQA will maintain the CRIS until its regulatory activities, or cost recovery for its regulatory activities, is discontinued.

All fees and charges referred to in the CRIS are detailed in ASQA's *Schedule of fees and charges 2018–19*. This document is published on ASQA's website at asqa.gov.au.

1.2 ASQA's cost recovery activity

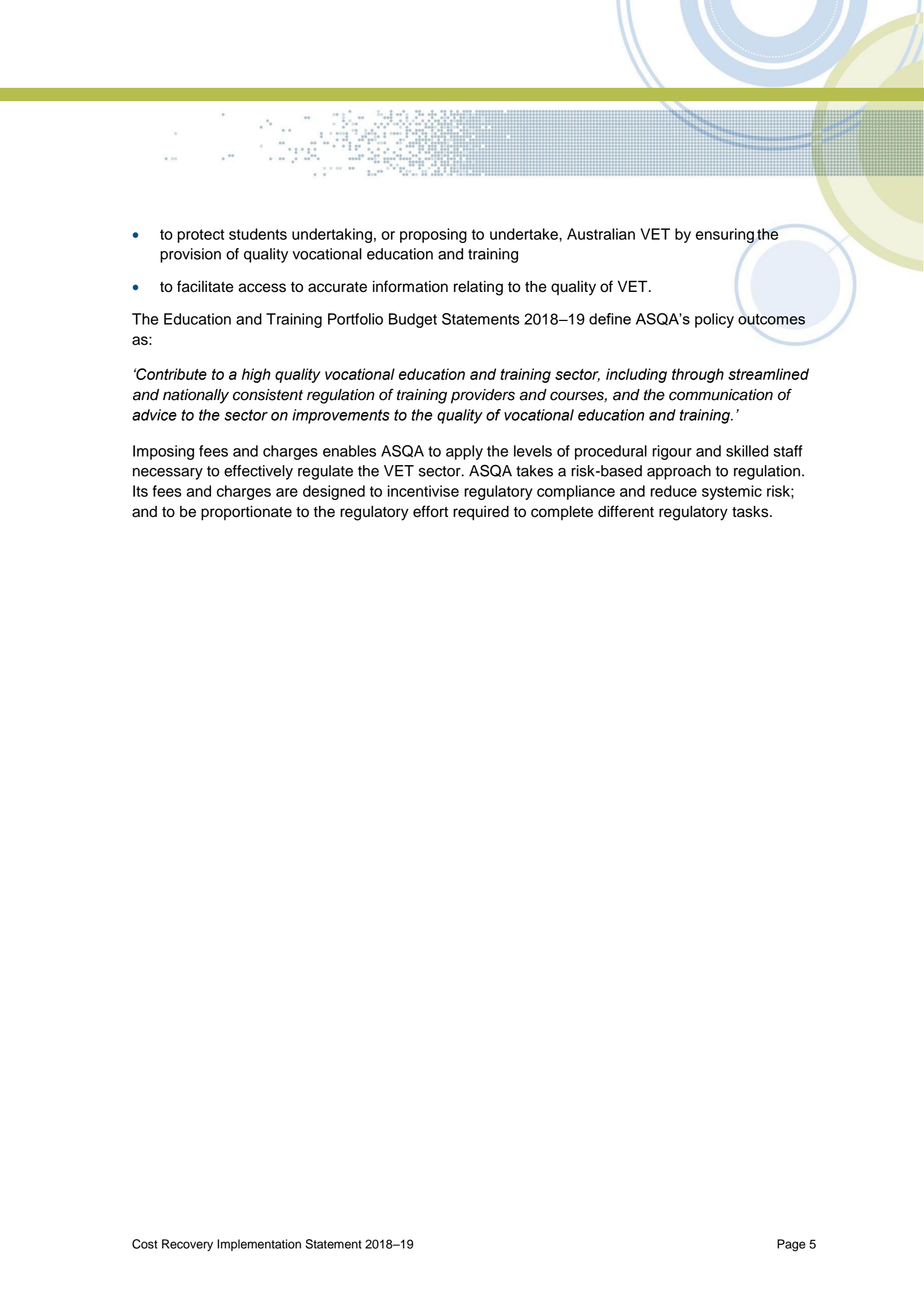
ASQA has a single cost recovery activity—the regulation of the VET sector.

ASQA imposes fees and charges on three key groups:

- 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.

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.

The Education and Training Portfolio Budget Statements 2018–19 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.’

Imposing fees and charges enables ASQA to apply the levels of procedural rigour and skilled staff necessary to effectively regulate the VET sector. ASQA takes a risk-based approach to regulation. Its fees and charges are designed to incentivise regulatory compliance and reduce systemic risk; and to be proportionate to the regulatory effort required to complete different regulatory tasks.

2 Policy and statutory authority to cost recover

2.1 Government policy approval to cost recover

In December 2009, the Council of Australian Governments (COAG) agreed to ASQA's establishment as a cost recovery agency, and announced that ASQA would over a period of years move from partial to full cost recovery. On 1 July 2011 ASQA was established by the enactment of the NVR Act and supplementary legislation. In the [2014–15 Portfolio Additional Estimates Statements](#), the Australian Government confirmed ASQA's continued operation as a partial cost recovery entity.

The Australian Government Budget 2018–19 announced that ASQA will transition from partial cost recovery to full cost recovery by 2020–21.

During the transition to full cost recovery by 2020–21, ASQA will engage in public consultation with all VET sector stakeholders before any changes are made to ASQA'S fees and charges. ASQA will detail any proposed changes, the rationale and anticipated cost-recovery outcomes of the proposal, and provide all stakeholders with the opportunity to provide input and feedback. ASQA will allow adequate time not only for this consultation to take place, but also for reconsideration and revision of the proposal based on stakeholder input received during consultation.

Public consultation on ASQA's fees and charges for 2018–19 took place from 1 August to 3 September 2017. For more information on this consultation process, see section 5—Stakeholder engagement.

ASQA recovers costs by imposing fees and charges on providers for various tasks ASQA performs as part of regulating the VET sector. ASQA receives budget appropriations from the Australian Government, and cost recovery revenue is returned to the Australian Government's Consolidated Revenue Fund to offset budget funding.

2.2 Statutory authority to charge

2.2.1 Authority under the NVR Act

ASQA's authority to impose fees is provided in section 232 of the NVR Act.

Table 1 lists the sections of the NVR Act that include information about fees that can be applied by ASQA, and how they can be applied.

Table 1: Authority to impose fees under the NVR Act

Fee type	References in the NVR Act
RTO registration fees	Paragraph 16(3)(b) Subsection 17(4) Subsection 31(2) Paragraph 32(2)(b)
Course accreditation fees	Paragraph 43(2)(b) Subsection 50(2) Subparagraph 51(3)(b)(ii) Subparagraph 52(4)(b)(ii)
Other fees	Paragraph 41(4)(b) Paragraph 200(3)(c) Subsections 232(1) and 232(2)

2.2.2 Authority as an ESOS agency under the ESOS Act

As the national VET regulator, ASQA has authority to impose fees and charges on CRICOS providers. This authority is detailed in paragraph 157(1)(q) of the NVR Act, which identifies the activities that are conferred on the national VET regulator by or under the [Education Services for Overseas Students Act 2000 \(the ESOS Act\)](#).

On 1 July 2012, ASQA became the ESOS delegate for registration and enforcement activities.

On 1 July 2016, ASQA became an ESOS agency in its own right for some providers.

CRICOS providers are registered under the ESOS Act. CRICOS providers include:

- RTOs providing VET courses to overseas students who are studying in Australia
- other organisations providing ELICOS.

ASQA's CRICOS fees are distinct from charges administered by the DET.

2.2.3 Authority under the Charges Act

ASQA's authority to impose charges is provided in sections 7–12 of the *National Vocational Education and Training Regulator (Charges) Act 2012* (the Charges Act).

Table 2 lists the sections of the Charges Act that include information about charges that can be applied by ASQA, and how they can be applied.

Table 2: Authority to impose charges under the Charges Act

Charge type	References in the Charges Act
National VET Regulator Annual Registration Charge	Section 6A
Compliance audit	Section 7
Charge for the investigation of a complaint about an NVR registered training organisation	Section 10

3 Cost recovery model

3.1 Cost allocation methodology

Delivery of each of ASQA's **regulatory outputs** requires the completion of several **business processes**. The completion of any given business process requires the execution of several **business activities**. This relationship is illustrated by Figure 1.

Figure 1: Delivery of regulatory outputs—via business processes, via business activities



There are two key cost drivers for ASQA's regulatory actions:

- the **resources** needed to conduct any given business activity, and therefore to complete any given business process
- the **number of times** any given business process is completed in a financial year.

ASQA's costing model defines **resources** as: time; number of staff; and classification of staff.

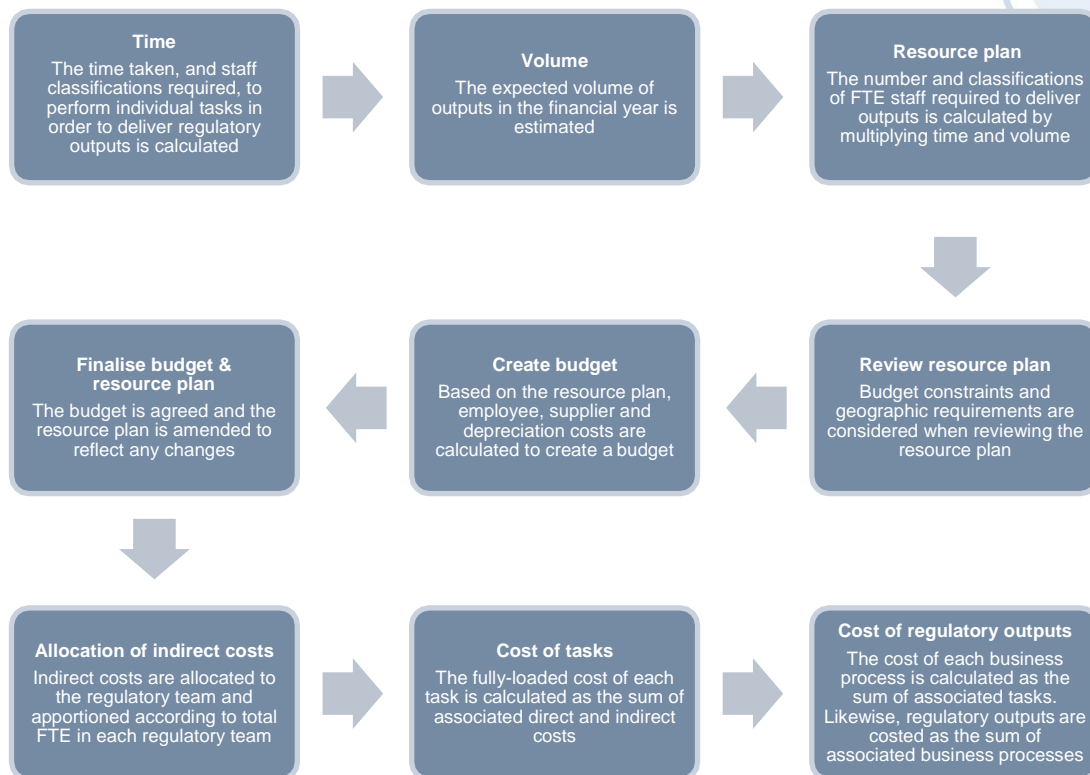
The model calculates the resources needed to complete each business activity; and therefore each business process; and ultimately the cost of delivering each regulatory output.

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

The 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 market activity events cause a variation in either of the two key cost drivers.

Figure 2 illustrates the methodology used to allocate costs to a regulatory output.

Figure 2: Cost allocation methodology



Notes:

Direct costs are the costs for staff directly involved in the business processes associated with regulatory outputs (e.g. auditors, application processing staff). This includes employee and supplier costs associated with these staff, such as travel, office supplies, and outsourced IT and payroll expenses. Direct costs are allocated by the amount of time staff spends directly on the associated outputs.

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

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.

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 use of assets owned by ASQA in the performance of its tasks. Assets include those purchased and those generated through internal staff effort (e.g. ASQA's online regulatory management system, asqanet).

3.1.1 Business activities

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

All resources involved in **business activities—support** are included as indirect costs. Completion of these activities is necessary for ASQA to complete the business processes involved in day-to-day operation as a government agency. They include the general business functions that are common to any organisation of similar size and complexity, and they provide the operational foundation that enables ASQA to conduct its specific regulatory activities.

All resources involved in the completion of **business activities—regulatory** are included as direct costs. Completion of these activities is necessary for ASQA to complete the business processes that lead directly to the delivery of regulatory outputs.

Figure 3 summarises ASQA’s business activities under both categories: regulatory support, and business support.

Figure 3: ASQA business activities

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

3.1.2 Regulatory outputs—overview

Regulatory outputs are divided into two categories:

- **application-based** (which are initiated by a provider or course owner applying to ASQA)
- **non-application-based** (which are initiated by ASQA, when the need for action is identified under ASQA’s risk-based approach).

Figures 4 and 5 list ASQA’s application-based outputs and non-application-based outputs, respectively.

Figure 4: ASQA’s application-based outputs

Application-based outputs		
Initial registration of NVR RTOs	Initial registration of CRICOS providers	Initial accreditation of VET courses
Changes to NVR RTO registrations	Changes to CRICOS provider registrations	Minor amendments to VET accredited courses
Renewal of NVR RTO registrations	Renewal of CRICOS provider registrations	Major amendments to VET accredited courses
Evidence reviews	Supply of student records	Renewal of VET course accreditation
		Cancellation of VET accredited courses

Figure 5: ASQA’s non-application-based outputs

Non-application-based outputs	
Compliance audits	Complaint investigations
Annual registration of NVR RTOs	Annual registration of CRICOS providers

3.1.3 Regulatory outputs—associated revenue and business processes

Table 3 provides more detail on application-based outputs: the fees (i.e. revenue) associated with each output; the business processes used to deliver each output; and the metrics used to measure each output's contribution toward achieving policy outcomes.

Table 3: Application-based outputs—with associated revenue, business processes and metrics, 2018–19

Output	Associated revenue	Business processes	Metric
Initial registration of NVR RTOs	NVR—Initial Application Lodgement Fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Finalisation 	Number of initial applications received per year
	NVR—Initial Application Assessment Fee	<ul style="list-style-type: none"> • Audit planning • Travel/scheduling • Analyse and report • Conduct audit • Draft recommendations/report • Delegate signoff 	Number of initial applications received per year * referral to audit rate
Changes to NVR RTO registrations	NVR—Change of Scope Application Lodgement fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Assessment • Finalisation 	Number of change applications received per year
Renewal of NVR RTO registrations	NVR—Renewal Application Lodgement Fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Assessment • Finalisation 	Number of renewal applications received per year
Initial registrations of CRICOS providers	CRICOS—Initial Application Lodgement Fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Finalisation 	Number of initial applications received per year
	CRICOS—Initial Application Assessment Fee	<ul style="list-style-type: none"> • Audit planning • Travel/scheduling • Analyse and report • Conduct audit • Draft recommendations/report • Delegate signoff 	Number of initial applications received per year * referral to audit rate
Changes to CRICOS provider registrations	CRICOS—Change of Scope Application Lodgement fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Assessment • Finalisation 	Number of change applications received per year

Output	Associated revenue	Business processes	Metric
Renewal of CRICOS provider registrations	CRICOS—Renewal Application Lodgement Fee	<ul style="list-style-type: none"> • Completeness check • Triage/decision • Finalisation 	Number of renewal applications received per year
	CRICOS—Renewal Application Assessment Fee	<ul style="list-style-type: none"> • Audit planning • Travel/scheduling • Analyse and report • Conduct audit • Draft recommendations/report • Delegate signoff 	Number of renewal applications received per year
Initial accreditation of VET courses	Course Accreditation Application Lodgement fee	<ul style="list-style-type: none"> • Completeness check • Assessment 	Number of applications received per year
	Course Accreditation Application Assessment fee	<ul style="list-style-type: none"> • Preliminary research and review • Initial evaluation and report writing • Evaluation and report writing • Draft decision record • Consider decision and advice 	Number of initial applications received per year
Minor amendments to VET accredited courses	Application to Amend a VET Accredited Course—Minor	<ul style="list-style-type: none"> • Completeness check and sending out notice 	Number of change applications received per year
Major amendments to VET accredited courses	Application to Amend a VET Accredited Course—Major	<ul style="list-style-type: none"> • Completeness check and sending out notice 	Number of change applications received per year
Renewal of VET course accreditation	Course Renewal Application Lodgement fee	<ul style="list-style-type: none"> • Completeness check • Assessment 	Number of renewal applications received per year
	Course Renewal Application Assessment fee	<ul style="list-style-type: none"> • Preliminary research and review • Initial evaluation and report writing • Evaluation and report writing • Draft decision record • Consider decision and advice 	Number of renewal applications received per year

Output	Associated revenue	Business processes	Metric
Evidence reviews	Evidence review— Reconsideration Application	<ul style="list-style-type: none"> • Conduct evidence review • Draft recommendations/report • Delegate signoff 	Number of reconsideration / reassessment applications received per year
	Evidence review— Reassessment Application	<ul style="list-style-type: none"> • Conduct evidence review • Draft recommendations/report • Delegate signoff 	Number of reconsideration / reassessment applications received per year

Table 4 provides more detail on non-application-based outputs: the charges (i.e. revenue) associated with each output; the business processes used to deliver each output; and the metrics used to measure each output's contribution toward achieving policy outcomes.

Table 4: Non-application-based outputs—with associated revenue, business processes and metrics, 2018–19

Output	Associated revenue	Business processes	Metric
Compliance audits	Compliance Audit Charge	<ul style="list-style-type: none"> • Audit planning • Travel/scheduling • Analyse and report • Conduct audit • Draft recommendations/report • Delegate signoff 	Average hours taken to complete audit
Complaint investigations	Complaint Investigation Charge	<ul style="list-style-type: none"> • Review complaint and request evidence • Conduct complaint evidence analysis and report • Review and report • Delegate signoff • Finalise and close a complaint 	Average hours taken to complete a complaint investigation
Annual registration of NVR RTOs	RTO Annual Registration Charge (Four charge brackets, based on number of qualifications: : 0–4; 5–10; 11–60; 61 or more)	<ul style="list-style-type: none"> • Investigation and enforcement • Education and awareness • Regulatory reporting • Info line • Industry engagement • Stakeholder management • Delegations • Strategic reviews • Legal review of decision (AAT) 	Number of qualifications on scope annually on 1 July.
Annual registration of CRICOS providers	CRICOS Annual Registration Charge (Four charge brackets, based on number of qualifications: : 0–2; 3–4; 5–50; 51 or more)	<ul style="list-style-type: none"> • Investigation and enforcement • Education and awareness • Regulatory reporting • Info line • Industry engagement • Stakeholder management • Delegations • Legal review of decision (AAT) 	Number of qualifications on scope annually on 1 July.

3.2 Breakdowns of 2018–19 cost estimates

Table 5 summarises the estimated costs of ASQA’s regulatory activity, broken down by subject area of the regulatory activity (i.e. RTOs, CRICOS providers, course accreditation).

Table 5: Estimated costs of ASQA regulatory activity, 2018–19—summary view

	Cost type	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
RTOs	Application-based outputs	5,443	2,688	8,131
	Non-application-based outputs	15,802	7,481	23,283
RTO total		21,245	10,169	31,414
CRICOS providers	Application-based outputs	2,628	1,254	3,882
	Non-application-based outputs	1,319	632	1,951
CRICOS total		3,947	1,886	5,833
Course accreditation	Application-based outputs	923	356	1,279
	Non-application-based outputs	179	96	275
Course accreditation total		1,102	452	1,554
Total		26,294	12,507	38,801

Allocated proportionately between RTOs, CRICOS providers, and course accreditation, the estimated total annual cost of ASQA’s regulatory activity is:

- 81 percent on regulation of RTOs
- 15 percent on regulation of CRICOS
- 4 percent on regulation of course accreditation.

The higher proportion of costs allocated to regulation of RTOs is attributable to:

- the higher number of RTOs, compared to CRICOS providers
- the higher number of regulatory activities performed by ASQA in relation to RTOs, compared to CRICOS providers and compared to course accreditation
- the lower cost of assessment-based regulatory activity for course accreditation, compared to audit-based regulatory activity for RTOs and CRICOS providers.

Table 6 summarises the estimated costs of business activities—support and business activities—regulatory for 2018–19, broken down by ASQA function.

Table 6 Estimated costs of business activities 2018–19, by ASQA function

Function	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Executive & Corporate Support Services		12,507	12,507
Regulatory Operations	17,189		17,189
Communications, Education and Service Delivery	2,136		2,136
Industry and Risk Intelligence	945		945
Strategic Reviews	620		620
Enforcement and Investigations	1,461		1,461
Course Accreditation	1,072		1,072
Legal Services	982		982
Initial Assessment and Referral	1,889		1,889
Total	26,294	12,507	38,801

The total annual cost of business activities—regulatory is \$26.3m. This represents 68 percent of the total annual cost of regulation.

The total annual cost of business activities—support is \$12.5m. This represents 32 percent of the total annual cost of regulation.

3.2.1 Costs of RTO regulation

Table 7.1 shows the estimated costs of delivering application-based regulatory outputs for RTOs, and the related business processes for each of these outputs.

Table 7.1: Estimated costs of RTO application-based regulatory outputs, 2018–19

Regulatory output	Business processes	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial registration of NVR RTOs	Completeness check	155	83	238
	Triage/decision	150	79	229
	Finalisation	127	67	194
	Audit	2,108	1,048	3,156
Subtotal		2,540	1,277	3,817
Renewal of NVR RTO registrations	Completeness check	147	79	226
	Triage	149	79	228
	Assessment	821	369	1,190
	Finalisation	126	66	192
Subtotal		1,243	593	1,836
Changes to NVR RTO registrations	Completeness Check	174	106	280
	Triage	195	115	310
	Assessment	353	171	524
	Finalisation	140	86	226
Subtotal		862	478	1,340
Evidence reviews	Conduct evidence review	259	110	369
	Draft recommendations/report	25	11	36
	Delegate signoff	514	219	733
Subtotal		798	340	1,138
Total		5,443	2,688	8,131

Table 7.2 shows the estimated costs of delivering non-application-based regulatory outputs for RTOs, and the related business processes for each of these outputs.

Table 7.2: Estimated costs of RTO non-application-based regulatory outputs, 2018–19

Regulatory output	Business processes	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Compliance audits	Audit *	5,396	2,596	7,992
Subtotal		5,396	2,596	7,992
Complaint investigations	Review complaint and request evidence	726	397	1,123
	Conduct complaint evidence analysis and report	1,089	560	1,649
	Review and report	850	438	1,288
	Delegate signoff	548	227	775
	Finalise and close a complaint	356	186	542
Subtotal		3,569	1,808	5,377
Annual registration of NVR RTOs	Education and awareness	288	126	414
	Investigation and enforcement	1,557	730	2,287
	Regulatory reporting	12	7	19
	Info Line	1,563	758	2,321
	Industry engagement	834	413	1,247
	Stakeholder management	444	182	626
	Delegations	535	265	800
	Strategic industry reviews	625	271	896
	Legal review of decision (AAT)	979	325	1,304
Subtotal		6,837	3,077	9,914
Total		15,802	7,481	23,283

* 'Audit' in this table includes the following business processes (as listed in Table 3): Audit planning; Travel/scheduling; Analyse and report; Conduct audit; Draft recommendations/report; Delegate signoff.

3.2.2 Costs of CRICOS regulation

Table 8.1 shows the estimated costs of delivering application-based regulatory outputs for CRICOS providers, and the related business processes for each of these outputs.

Table 8.1: Estimated costs of CRICOS application-based regulatory outputs, 2018–19

Regulatory output	Business processes	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial registration of CRICOS providers	Completeness check	15	9	24
	Triage/decision	12	7	19
	Assessment	1,286	622	1,908
	Finalisation	3	2	5
Subtotal		1,316	640	1,956
Renewal of CRICOS provider registrations	Completeness check	7	4	11
	Triage/decision	5	3	8
	Assessment	161	72	233
	Finalisation	4	2	6
Subtotal		177	81	258
Changes to CRICOS provider registrations	Completeness check	104	62	166
	Triage/decision	40	21	61
	Assessment	709	315	1,024
	Finalisation	44	26	70
Subtotal		897	424	1,321
Evidence reviews	Conduct evidence review	62	34	96
	Draft recommendations/report	64	35	99
	Delegate signoff	112	40	152
Subtotal		238	109	347
Total		2,628	1,254	3,882

Table 8.2 shows the estimated costs of delivering non-application-based regulatory outputs for CRICOS providers, and the related business processes for each of these outputs.

Table 8.2: Estimated costs of CRICOS non-application-based regulatory outputs, 2018–19

Regulatory output	Business processes	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Annual registration of CRICOS providers	Education and awareness	5	2	7
	Complaint reviews	616	309	925
	Info Line	386	196	582
	Industry engagement	112	55	167
	Stakeholder management	58	24	82
	Legal review of decision (AAT)	142	46	188
Total		1,319	632	1,951

3.2.3 Costs of accredited course regulation

Table 9.1 shows the estimated costs of delivering application-based regulatory outputs for accredited courses, and the related business processes for each of these outputs.

Table 9.1: Estimated costs of accredited course application-based regulatory outputs, 2018–19

Regulatory output	Business processes	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Initial accreditation of VET courses	Completeness check	25	14	39
	Assessment *	341	128	469
Subtotal		366	142	508
Renewal of VET course accreditation	Completeness check	25	14	39
	Assessment *	348	131	479
Subtotal		373	145	518
Amendments to VET accredited courses (minor and major)	Completeness check	31	12	43
Subtotal		31	12	43
Evidence reviews	Conduct evidence review	140	52	192
	Draft recommendations/report	8	3	11
	Delegate signoff	3	1	4
Subtotal		151	56	207
Cancellation of VET accredited courses	Review application to cancel	2	1	3
Subtotal		2	1	3
Total		923	356	1,279

* 'Assessment' in this table includes the following business processes (as listed in Table 3): Preliminary research and review; Initial evaluation and report; Evaluation and report writing; Draft decision record; Consider decision and advice.

Table 9.2 shows the estimated costs of completing business processes related to regulation of accredited courses.

Table 9.2: Estimated costs of business processes for accredited course regulation, 2018–19

Business process	Direct costs \$'000	Indirect costs \$'000	Total costs \$'000
Monitoring National Register	115	69	184
ASQA-initiated course cancellation	3	1	4
Complaint review	4	1	5
Education and awareness	17	6	23
Course AAT hearing	7	3	10
Stakeholder management	17	6	23
Info Line	16	10	26
Total	179	96	275

3.3 Design of cost recovery charges

ASQA fees and charges are designed to limit financial impact on providers and course owners while ensuring the quality of providers entering and operating in the industry.

ASQA's fees and charges for 2018–19 are designed to support ASQA's risk-based regulatory approach, incentivise provider compliance, and minimise the administrative and financial burden on providers that provide quality outcomes to students.

The fees and charges apply to all ASQA-regulated providers and course owners.

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

Changes from 2017–18 fees and charges

Changes to fees and charges for RTOs include:

- decreases in initial, renewal and change-of-scope application lodgement fees
- a shift from assessments of all applications (with costs shared across all providers) to an approach where costs are charged at the point of audit (meaning that for renewal and change-of-scope applications, charges for the additional cost of assessment will only be imposed on those providers that require an audit).

CRICOS changes include:

- decreases in initial and renewal application lodgement fees
- a decrease in the change-of-scope application fee.

Course accreditation changes include:

- replacing the single application fee with a lodgement fee and an assessment fee (so that ASQA's initial costs are recovered, and applicants whose applications are of insufficient quality to proceed to the assessment stage are only charged for the cost of lodgement)
- replacing the single amendment fee with different fees for 'minor' and 'major' amendments, which results in a lower cost to providers who make minor amendments.

Annual registration changes include:

- replacing the annual fee with an annual registration charge to ensure consistency with the Australian Government Charging Framework (noting the amount and structure is unchanged, and that there will be no financial impact on providers, course owners or ASQA due to this change).

Averaging the application lodgement fee for initial, assessment, renewal and change-of-scope provides simplicity, consistency and efficiency.

3.3.1 Partial cost recovery

ASQA receives annual budget appropriation for operating and capital activities from the Australian Government and returns cost recovery revenue to the Consolidated Revenue Fund to offset this budget funding. The cost of some of ASQA's regulatory activity is partially recovered through fees and charges. Some of ASQA's regulatory activity is funded by ASQA's annual budget appropriation.

Table 10.1 provides a breakdown of ASQA's regulatory output types, the percentage of costs recovered and estimated revenue.

Table 10.1: ASQA estimated cost recovery rate, 2018–19—summary view

	Output type	Estimated revenue \$'000	Estimated costs \$'000	Cost recovery rate	Budget Funded \$'000
NVR RTO	Application-based	4,204	8,131	52%	3,927
	Non-application-based	15,529	23,283	67%	7,754
Subtotal		19,733	31,414	63%	10,785
CRICOS	Application-based	1,403	3,882	36%	2,479
	Non-application-based	1,326	1,951	68%	625
Subtotal		2,729	5,833	47%	3,104
Course accreditation	Application-based	818	1,279	64%	461
	Non-application-based	0	275	0%	275
Subtotal		818	1,554	53%	736
Total		23,280	38,801	60%	15,521

Table 10.2 lists areas of regulatory activity that are currently funded through ASQA's annual budget appropriation, and are not subject to cost recovery in 2018–19.

The Australian Government Budget 2018–19 announced that ASQA will transition from partial cost recovery to full cost recovery by 2020–21. In line with this decision, and to ensure consistency with the Australian Government Charging Framework, the regulatory activities listed in table 10.2 may be subject to cost recovery by 2020–21 (if ASQA is still performing those regulatory activities at that time).

Table 10.2: Budget-funded regulatory activity

Regulatory activity		Estimated costs \$'000
RTOs	Application-based processes	3,927
	Non-application-based processes	7,754
Subtotal		10,785
CRICOS	Application-based processes	2,479
	Non-application-based processes	625
Subtotal		3,104
Course accreditation	Application-based processes	461
	Non-application based processes	275
Subtotal		736
Total		15,521

3.3.2 Cost recovery—RTO application-based outputs

Table 11 shows the estimated cost recovery percentage for RTO application-based regulatory outputs.

For each regulatory output, the table shows the related fees/charges; the volume (the number of times a fee/charge is applied in a year); and thus the total revenue.

The table then shows the total costs associated with that fee/charge (a detailed breakdown of these costs is provided in Table 7.1), and the cost recovery rate as a percentage.

Table 11: Cost recovery estimates for RTO application-based regulatory outputs, 2018–19

Output	Fee/charge	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	Cost recovery rate
Initial registration of NVR RTOs	Lodgement fee	\$500	268	134	661	
	Assessment fee	\$8,000	263	2,104	3,156	
Subtotal				2,238	3,817	59%
Renewal of NVR RTO registrations	Lodgement fee	\$500	414	207	646	
	Compliance audit hourly charge	\$275	2,930	806	1,190	
Subtotal				1,013	1,836	55%
Change to NVR RTO registration	Lodgement fee	\$500	353	177	816	
	Compliance audit hourly charge	\$275	1,034	284	524	
Subtotal				461	1,340	34%
Evidence Review	Reconsideration application fee	\$1,000	71	71	369	
	Reassessment hourly charge	\$250	1,684	421	769	
Subtotal				492	1,138	43%
Total				4,204	8,131	52%

3.3.3 Cost recovery—CRICOS application-based outputs

Table 12 shows the estimated cost recovery percentage for CRICOS application-based regulatory outputs.

For each regulatory output, the table shows the related fees; the volume (the number of times a fee is applied in a year); and thus the total revenue.

The table then shows the total costs associated with that fee (a detailed breakdown of these costs is provided in Table 8.1), and the cost recovery rate as a percentage.

Table 12: Cost recovery estimates for CRICOS application-based regulatory outputs, 2018–19

Output	Fee	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	Cost recovery rate
Initial registration of CRICOS providers	Lodgement fee	\$500	99	49	48	
	Assessment fee	\$8,000	98	784	1,908	
Subtotal				833	1,956	43%
Renewal of CRICOS providers registrations	Lodgement fee	\$500	70	35	25	
	Assessment fee	\$7,000	26	182	233	
Subtotal				217	258	84%
Changes to CRICOS provider registrations	Lodgement fee	\$500	705	353	1,321	
Subtotal				353	1,321	27%
Total				1,403	3,535	40%

3.3.4 Cost recovery—accredited course application-based outputs

Table 13 shows the estimated cost recovery percentage for accredited course application-based regulatory outputs.

For each regulatory output, the table shows the related fees; the volume (the number of times a fee is applied in a year); and thus the total revenue.

The table then shows the total costs associated with that fee (a detailed breakdown of these costs is provided in Table 9.1), and the cost recovery rate as a percentage.

Table 13: Cost recovery estimates for accredited course application-based regulatory outputs, 2018–19

Output	Fee	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	Cost recovery rate
Initial accreditation of VET courses	Lodgement fee	\$500	50	25	39	
	Assessment fee	\$7,570	50	379	469	
Subtotal				404	508	80%
Renewal of a VET accredited course	Lodgement fee	\$500	50	25	39	
	Assessment fee	\$7,570	50	379	479	
Subtotal				404	518	78%
Amendment to VET accredited course	Assessment fee – Minor	\$1,145	4	5	10	
	Assessment fee – Major	\$2,290	2	5	7	
Subtotal				10	17	59%
Reconsideration	No associated fee	N/A	N/A	0	207	
Cancellation	No associated fee	N/A	N/A	0	3	
Extension	No associated fee	N/A	N/A	0	5	
Change of ownership	No associated fee	N/A	N/A	0	21	
Subtotal				0	236	0%
Total				818	1,279	64%

3.3.5 Cost recovery—RTO non-application-based outputs

Table 14 shows the estimated cost recovery percentage for RTO non-application-based regulatory outputs.

For each regulatory output, the table shows the related charge; the volume (the number of times a charge is applied in a year); and thus the total revenue.

The table then shows the total costs associated with that charge (a detailed breakdown of these costs is provided in Table 7.2), and the cost recovery rate as a percentage.

Table 14: Cost recovery estimates for RTO non-application-based regulatory outputs, 2018–19

Output	Charge	Rate	Estimated volume	Estimated revenue \$,000	Estimated cost \$'000	Cost recovery rate
Compliance audits	Hourly charge	\$275	14,013	3,853	7,992	
Total				3,853	7,992	48%

ASQA does not have statutory authority to charge for compliance audits of CRICOS providers. CRICOS compliance audits conducted by ASQA are budget-funded by ASQA's annual appropriation.

3.3.6 Annual registration charge—RTOs

The RTO annual registration charge has four tiers, and is applied according to the number of qualifications on an RTO's scope of registration.

The RTO annual registration charge recovers the costs of regulatory activities that are necessarily performed by ASQA but have limited nexus with individual providers. In some cases, no fee or charge is applied (for example withdrawal of an application for registration, or changes to an RTO's registration details). These activities and costs are shown in Table 15.

Estimated revenue from the RTO annual registration charge is detailed in Table 16.

Table 15: Costs recovered via the RTO annual registration charge

Regulatory activity	Estimated cost \$'000
Regulatory reporting	19
Info Line	2,321
Education and awareness	414
Industry engagement	1,247
Complaint reviews	5,377
Review of decisions (AAT)	1,304
Delegations	800
Investigations	2,278
Infringements	9
Stakeholder engagement	626
Total	14,395

Table 16: Estimated revenue from RTO annual registration charge, 2018–19

NVR RTO annual registration charge	Rate	Estimated volume	Estimated revenue \$'000
Tier 1 (0 to 4 qualifications on scope)	\$1,130	1,937	2,189
Tier 2 (5 to 10 qualifications on scope)	\$3,220	810	2,608
Tier 3 (11 to 60 qualifications on scope)	\$6,975	897	6,257
Tier 4 (61 or more qualifications on scope)	\$10,730	58	622
Total		3,702	11,676

3.3.7 Annual registration charge—CRICOS providers

The CRICOS annual registration charge has four tiers, and is applied according to the number of qualifications on a provider's scope of registration.

The CRICOS annual registration charge recovers the costs of regulatory activities that are necessarily performed by ASQA but have limited nexus with individual providers. These activities and costs are shown in Table 17.

Estimated revenue from the RTO annual registration charge is detailed in Table 18.

Table 17: Costs recovered via the CRICOS annual registration charge

Regulatory activity	Estimated cost \$'000
Info Line	582
Education and awareness	7
Industry engagement	167
Complaints evidence analysis	685
Review of decisions (AAT)	188
Stakeholder engagement	82
Total	1,711

Table 18: Estimated revenue from CRICOS annual registration charge, 2018–19

CRICOS annual registration charge	Rate	Estimated volume	Estimated revenue \$'000
Tier 1 (0 to 2 qualifications on scope)	\$950	143	136
Tier 2 (3 to 4 qualifications on scope)	\$1,645	142	234
Tier 3 (5 to 50 qualifications on scope)	\$4,375	170	744
Tier 4 (51 or more qualifications on scope)	\$7,100	30	213
Total		486	1,326

3.3.8 Example fee calculation

Table 19 shows, as an example of methodology, the factors (such as the cost of associated business processes, and volume of the associated regulatory output) that determine how the dollar amount of one fee is set.

Table 19: Example fee calculation—NVR RTO Initial Assessment Fee

Item	Value	Notes														
Volume	263 per year	The estimated number of NVR RTO initial assessments performed in a year. Estimate based on historical data and internal resourcing models.														
Total cost <i>(of performing 263 NVR RTO initial assessments)</i>	\$3.156m	This is the sum of the costs for all of the associated business processes: <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Audit planning</td> <td style="text-align: right;">\$628k</td> </tr> <tr> <td>Travel/scheduling</td> <td style="text-align: right;">\$435k</td> </tr> <tr> <td>Analyse and report</td> <td style="text-align: right;">\$419k</td> </tr> <tr> <td>Conduct audit</td> <td style="text-align: right;">\$689k</td> </tr> <tr> <td>Draft recommendations/report</td> <td style="text-align: right;">\$647k</td> </tr> <tr> <td>Delegate signoff</td> <td style="text-align: right;">\$338k</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$3.156m</td> </tr> </table>	Audit planning	\$628k	Travel/scheduling	\$435k	Analyse and report	\$419k	Conduct audit	\$689k	Draft recommendations/report	\$647k	Delegate signoff	\$338k	Total	\$3.156m
Audit planning	\$628k															
Travel/scheduling	\$435k															
Analyse and report	\$419k															
Conduct audit	\$689k															
Draft recommendations/report	\$647k															
Delegate signoff	\$338k															
Total	\$3.156m															
Revenue	Volume (263) x Fee	Three values in red are interdependent, according to the amount decided for the fee.														
Cost recovery rate %	Revenue divided by Cost	Criteria for this decision: <ul style="list-style-type: none"> • Resulting cost recovery rate can accommodate upward or downward variations in key cost drivers • Avoid unnecessary administrative burden on providers • Avoid unnecessary administrative costs for ASQA (as this would ultimately increase costs) • Simplicity and consistency across fees and charges schedule. 														
Fee <i>Therefore:</i>	\$8,000	This amount satisfies all of the stated criteria.														
Revenue	\$2.104m															
Cost recovery rate %	67%															

4 Risk assessment

The key risks attached to charging for ASQA's regulatory activity are:

- variation in the volume of RTO participation (entries to and exits from the market)
- variation in the volume of training products
- variation in the volume of changes to training products.

ASQA has worked closely with the Department of Education and Training to forecast changes to the VET market and to build a sustainable cost recovery model that can withstand these changes.

[ASQA's Regulatory Risk Framework](#) outlines ASQA's risk-based approach to regulation, with a focus on risk and intelligence.

In accordance with the Australian Government Charging Framework, ASQA undertook a Charging Risk Assessment (CRA). Key components of the CRA included:

- level of change for cost recovery activities
- level of cost recovery revenue
- complexity in the cost recovery arrangements (i.e. both fees and charges)
- level of change in legislative arrangements
- level of complexity of working with other government entities to deliver the regulatory functions
- level of impact of cost recovery on payers
- issues identified in consultation with stakeholders.

The CRA was agreed with the Department of Finance at a rating of 'high'.

5 Stakeholder engagement

ASQA is part of a complex environment of stakeholders that interact to deliver regulatory arrangements for the VET sector. Stakeholders include regulated providers; industry peak bodies; Australian, state and territory governments; students; and employers.

Public consultation on fees and charges for 2018–19 took place from 1 August to 3 September 2017. Consultation was based on a document published on ASQA's website that detailed the schedule of fees and charges proposed for implementation in 2018–19.

Stakeholders were actively engaged via a range of activities and communication channels. An online form was added to the website to enable all stakeholders to provide direct feedback. ASQA held face-to-face and online briefing sessions, with an open invitation issued to all stakeholders, providing them the opportunity to seek clarification on any aspect of the fees and charges before submitting feedback. ASQA's Chief Commissioner met with representatives of training provider peak bodies, to provide them with the same opportunity.

Stakeholder feedback was supportive of the proposal document. Over 80 per cent of submissions received during the consultation period expressed favourable opinions, and acknowledged that the proposed fees and charges would enhance ASQA's risk-based approach to regulation.

Issues and queries raised during stakeholder consultation are listed below, and the actions taken by ASQA to address them:

- **Transparency of the calculation method for audit costs:** To provide clarity on this issue for the sector, section 3 of this CRIS describes the cost drivers of ASQA's regulatory activity, and explains the methodology used to calculate audit costs. To ensure the transparency and ongoing accuracy of cost calculations, ASQA maintains an evidence base that provides up-to-date measures of the key cost drivers. This evidence base is regularly tested and validated by internal data collection exercises, which detect any upward or downward variations in the key cost drivers.
- **Scalability of the annual registration charge:** This charge is structured according to four scope-of-registration brackets (0–4 qualifications; 5–10 qualifications; 11–60 qualifications; 61 or more qualifications). This structure, and the charges for each bracket, are unchanged since 2014. ASQA has committed to exploring future enhancements to the method of calculating the annual registration charge. For example, by factoring in enrolment data as the completeness of national data collection (Total VET Activity) improves.

ASQA's projected cost recovery obligations: The Australian Government Budget 2018–19 announced that ASQA will transition from partial cost recovery to full cost recovery by 2020–21. This decision resulted in no changes to the consultation document. Should ASQA consider any changes to its fees and charges during the transition period to 2020–21, VET stakeholders will be consulted on proposed changes and given the opportunity to provide input and feedback, as was done in the development of this CRIS. ASQA will consider all feedback received as part of such consultation and will review any proposed changes accordingly.

6 Portfolio Budget Statement targets

Table 20 details ASQA's Portfolio Budget Statement (PBS) targets for the 2018–19 financial year and forward estimates for the following three years.

Table 20: ASQA PBS targets and forward estimates, July 2018–June 2022

	2018–19 PBS target \$'000	2019–20 forward estimate \$'000	2020–21 forward estimate \$'000	2021–22 forward estimate \$'000
Employee	22,150	22,163	23,139	22,603
Supplier	14,216	14,591	13,184	13,741
Depreciation	2,435	2,493	2,658	2,805
Total departmental expenses	38,801	39,247	38,981	39,149
PBS administered revenue targets	23,281	23,601	38,948	39,149
Recovery target	60%	60%	100%	100%
Balance (revenue less expenses)	(15,520)	(15,646)	(33)	–
Cumulative balance	(15,520)	(31,166)	(31,199)	(31,199)

In 2014, the Australian Government decided ASQA's cost recovery target should be reduced from full cost recovery to partial cost recovery of all expenses (employee, supplier and depreciation, but not capital). ASQA receives annual budget appropriation for operating and capital activities from the Australian Government and returns cost recovery revenue to the Consolidated Revenue Fund to offset this budget funding.

The Australian Government Budget 2018–19 announced that ASQA will transition from partial cost recovery to full cost recovery by 2020–21.

7 Financial performance

Table 21 summarises ASQA's financial performance for the past five financial years.

Table 21: ASQA financial performance, July 2011–June 2017

	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000
Employee	11,195	19,889	22,283	22,718	23,265	22,776
Supplier	8,362	1,935	10,381	13,913	13,921	14,542
Depreciation	1,467	2,257	3,166	3,726	2,466	1,672
Total expenses	21,024	34,081	35,830	40,357	39,652	38,990
ASQA revenue (actuals)	7,155	12,074	19,632	23,568	25,401	27,933
PBS revenue targets	11,400	21,066	24,078	20,153	19,419	17,933
Cost recovery %	34%	35%	55%	58%	64%	72%
Balance	(4,245)	(8,992)	(4,446)	3,415	5,982	10,000
Cumulative balance	(4,245)	(13,237)	(17,683)	(14,268)	(8,286)	1,714

This table will be updated with figures for 2017–18 once complete data is available.

In 2016–17, ASQA's cost recovery rate at the aggregate level was 72 percent. This continued a gradual and consistent upward trend from 2011–12, when ASQA's aggregate-level cost recovery rate was 34 percent. The cost recovery figures for each of those six years was in agreement with government policy at the time, which was for ASQA to operate as a partial cost recovery agency.

ASQA's cost recovery rate is expected to continue to gradually increase over the years 2018–19 and 2019–20, which together will comprise a transition period toward ASQA operating as a full cost recovery agency.

For more information on government policy regarding ASQA's cost recovery, see section 2.1—Government policy approval to cost recover.

8 Non-financial performance

ASQA has several non-financial performance indicators in place, aimed at measuring its effectiveness in carrying out core regulatory activities as well as measuring stakeholder perspectives on ASQA's performance.

ASQA measures stakeholder satisfaction according to the timeliness of ASQA's regulatory processes and the effectiveness of its interactions with the regulated community.

The key indicators are:

- processing applications
- audit activity
- regulatory decisions
- stakeholder satisfaction.

ASQA's performance against these non-financial key indicators are set out each year in its annual report.

PROCESSING APPLICATIONS

ASQA aims to finalise within six months all complete applications for renewal of registration and change of scope that require an audit. ASQA aims to finalise change-of-scope applications not requiring an audit within one month. Applications for initial registration may take longer depending on whether additional information is required from the applicant, as well as ASQA's assessment of the applicant's readiness to deliver quality training.

Between 1 July 2016 and 30 June 2017, ASQA received 5,955 applications and completed 5,798 applications.

During the 12 months to 30 June 2017:

- Almost 50 per cent of initial applications were finalised in less than six months.
- Nearly 60 per cent of renewal applications were finalised within 30 days, and 88 per cent were finalised within six months or sooner.
- 59 per cent of change-of-scope applications were finalised within 15 days or sooner.

Table 22: Application completion time by type (1 July 2016–30 June 2017)

Application type	Target	% completed within target
Initial registration	Finalised within 6 months	65.0
Renewal of registration	Finalised within 6 months	96.0
Change of scope—with audit	Finalised within 6 months	42.7
Change of scope—without audit	Finalised within 1 month	84.6

* Finalised' means that ASQA has made a decision and advised the applicant. This excludes any review process for rejected applications.

This section will be updated with information for the financial year 2017–18 when complete data is available.

AUDIT ACTIVITY

ASQA undertakes two distinct types of audit:

- registration audits (which assess whether an application submitted to ASQA complies with the relevant standards)
- compliance audits (which assess the provider's delivery of quality training and assessment services and outcomes; may be conducted at any time; and may be triggered by risk assessment, risk intelligence and/or complaints).

As of 30 June 2017, ASQA had regulatory responsibility for 4,098 (89.2 per cent) of Australia's 4,593 nationally registered training organisations. Responsibility for regulation of the remaining 495 providers (10.8 per cent) was shared between the Victorian Registration and Qualifications Authority (VRQA) and the Training Accreditation Council (TAC) Western Australia.

Since its establishment, ASQA has adopted an increasingly risk-based approach to regulation, which has allowed it to direct its resources towards areas that pose the greatest threat to quality, and to minimise the regulatory burden for most RTOs. Under this approach, all initial registration applications are subject to a mandatory audit. For existing organisations, ASQA targets regulatory resources towards providers that are identified as posing the greatest risk to quality. Under ASQA's student-centred audit approach—which follows the entire student journey from marketing and enrolment to the completion of a course—risk analysis and intelligence are more likely to trigger audits. This reflects ASQA's ongoing transition to a proactive model of monitoring the quality of VET.

ASQA's performance criteria states that application of risk-based regulation is demonstrated by the percentage of non-application-based audits to application-based audits. The performance target is 30 per cent of audits to be non-application based.

ASQA completed 7,857 audits between its commencement on 1 July 2011 and 30 June 2017.

Table 23: Audits completed by financial year

Financial Year	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	Total
Completed audits	773	1,364	1,515	1,399	1,174	1,632	7,857

* 1 July 2016–30 June 2017

Of the 7,857 audits completed since July 2011, a total of 2,972 (an average of 37.8 per cent) were non-application-based.

Between 1 July 2015 and 30 June 2016, ASQA completed 1,174 audits of training providers.

Between 1 July 2016 and 30 June 2017 ASQA completed 1,632 audits, of which 919 (56.3 per cent) were non-application-based.

This section will be updated with information for the financial year 2017–18 when complete data is available.

REGULATORY DECISIONS

ASQA made 758 adverse regulatory decisions in the 2016–17 financial year. This was a significant increase from the financial year 2015–16 year where 221 adverse decisions were made.

The 758 adverse decisions comprised:

- 125 decisions to cancel
- 56 decisions to suspend
- 478 intentions to cancel / suspend
- 99 other administrative sanctions.

The regulatory figures show an increase in adverse decisions given the recent expansion in ASQA's regulatory tasks in relation to the monitoring of the now mandatory submission of Total VET Activity data and subsequent work with the NCVER to ensure that this meets relevant standards.

This section will be updated with information for the financial year 2017–18 when complete data is available.

STAKEHOLDER RELATIONSHIPS

The *Total VET Graduate Outcomes Survey 2017* is a survey of students (both those in receipt of government funding and those who paid for their own training) who completed their VET during 2016.

The 2017 survey found:

- 87.3 per cent of graduates were satisfied with the overall quality of their training
- 91.6 per cent of graduates would recommend the training
- 89.4 per cent of graduates would recommend their training provider.

The National Centre for Vocational Education Research (NCVER) *Employers' use and views of the VET system 2017* provides information on employers' use and views of the VET system and the various ways employers use the VET system to meet their skill needs. In 2017:

- 75.4% of employers were satisfied that vocational qualifications provide employees with the skills they require for the job
- 77.5% of employers were satisfied that apprentices and trainees are obtaining skills they require from training
- 82.2% of employers were satisfied that nationally recognised training (which is not part of an apprenticeship or traineeship) provides employees with the skills they require for the job.

In responses to the 2017 ASQA RTO Survey, 77 per cent of RTOs rated ASQA's overall performance as a regulator as 'excellent' or 'good'. When asked to rate ASQA's efforts to promote and encourage continuous improvement of training providers, 80 per cent of RTOs answered 'excellent' or 'good'.

This section will be updated with information from 2018 surveys when complete data is available.

9 Key forward dates and events

Event	Date
Approval process for CRIS 2018–19	May–June 2018
Proposed implementation of revised fees and charges	1 July 2018
Transition from partial to full cost recovery	By 2020–21

10 CRIS approval and change register

Date of CRIS change	CRIS change	Approver	Basis for change
29 June 2015	Certification of the CRIS	Accountable Authority	Consistency with the Australian Government Charging Framework
2 September 2015	Approval for the CRIS release	Assistant Minister Vocational Education and Skills	Consistency with the Australian Government Charging Framework
1 July 2017	Amended CRIS to reflect Annual Registration Charge	Editorial update by CFO	Amendment to the NVR (Charges) Act 2012
1 August 2017	Redrafted CRIS for consultation on the proposed new fees and charges structure	Assistant Minister Vocational Education and Skills	New Fees and Charges
14 June 2018	Certification of the CRIS	Accountable Authority	New Fees and Charges
26 June 2018	Approval of the CRIS	Assistant Minister Vocational Education and Skills	New Fees and Charges
29 June 2018	Agreed the CRIS for release	Minister for Finance	New Fees and Charges

Schedule of fees and charges 2018–19



Australian Government

Australian Skills Quality Authority

1. NVR registered training organisation fees

1.1 Initial registration as a NVR registered training organisation				
Ref	Name	Fee Structure	Amount	Other matters
1.1.1	Initial Application lodgement fee for registration under paragraph 16(3)(b) of the NVR Act – where the applicant applies to be registered as an NVR registered training organisation	Per application	\$500	• Paid on application
	Plus			
1.1.2	Initial Application assessment fee for considering an application for registration as a NVR registered training organisation under subsection 17(4) of the NVR Act – where the applicant has applied to be an NVR registered training organisation	Per application	\$8,000	• Paid on invoice

1.2 Renewal of registration as an NVR registered training organisation				
Ref	Name	Fee Structure	Amount	Other matters
1.2.1	Renewal Application fee¹ for renewal of registration under subsection 31(2) of the NVR Act – where the applicant applies to renew registration as an NVR registered training organisation	Per application	\$500	• Paid on application

¹ ASQA may also determine a compliance audit is necessary to renew registration (see 5.1.1)

1.3 Change to NVR registered training organisation scope of registration				
Ref	Name	Fee Structure	Amount	Other matters
Add items to scope of registration				
ASQA will automatically add equivalent training package qualifications to a provider's scope without requiring an application. This exempts providers from applications and fees to add these items to their scope of registration. This exemption applies for the twelve-month period following an item being superseded, while the superseded item remains listed on the RTO's scope on the national register.				
1.3.1	Change of Scope Application fee for a change of scope of registration under paragraph 32(2)(b) of the NVR Act – where the NVR registered training organisation applies to increase its scope of registration	Per application	\$500	• Paid on application
Remove items from scope of registration				
No fee applies				
Application data entry fee				
No fee applies				

2. CRICOS fees

2.1 Initial CRICOS registration ²				
Ref	Name	Fee structure	Amount	Other matters
2.1.1	<p>Initial Application lodgement fee</p> <p>for registration as a registered provider under the ESOS Act – where the applicant applies to ASQA for registration on CRICOS</p>	Per application	\$500	<ul style="list-style-type: none"> • Paid on application
	Plus			
2.1.2	<p>Initial Application assessment fee</p> <p>for application for CRICOS registration – where the applicant has applied to ASQA to be registered on CRICOS</p>	<p>Base fee includes:</p> <ul style="list-style-type: none"> • Up to 4 qualifications • Up to 2 delivery sites <p>Plus:</p>	\$8,000	<ul style="list-style-type: none"> • Paid on invoice • Total application fee (including lodgement and assessment) capped at \$50,000
		<ul style="list-style-type: none"> • each additional qualification 	\$155	
		<ul style="list-style-type: none"> • each additional Australian delivery site 	\$1,640	

²An organisation that is already a CRICOS registered provider for education courses for which ASQA is **not** the relevant ESOS agency (e.g. Higher education, Schools), and seeks to register for the first time for courses for which ASQA is the relevant ESOS agency (e.g. VET), does **not** need to apply through ASQA's Initial CRICOS Registration process. It should apply through ASQA's Change to Scope of CRICOS registration process.

2.2 Renewal of CRICOS registration ³				
Ref	Name	Fee structure	Amount	Other matters
2.2.1	Application lodgement fee for re-registration under the ESOS Act – where the applicant applies to ASQA for re-registration on CRICOS	Per application	\$500	<ul style="list-style-type: none"> • Paid on application
	<i>Plus</i>			
2.2.2	Application assessment fee for application for CRICOS re-registration – where the applicant has applied to ASQA to be re-registered on CRICOS	Base fee includes: <ul style="list-style-type: none"> • Up to 4 qualifications • Up to 2 delivery sites Plus:	\$7,000	<ul style="list-style-type: none"> • Paid on application • Total application fee (including lodgement and assessment) capped at \$50,000
	<ul style="list-style-type: none"> • each additional qualification 	\$155		
	<ul style="list-style-type: none"> • each additional Australian delivery site 	\$820		

³ Fees in this section apply for renewal of CRICOS registration of courses for which ASQA is the relevant ESOS agency only. An organisation that seeks to renew its CRICOS registration for courses for which ASQA is **not** the relevant ESOS agency (e.g. Higher education, Schools), may also have to apply and pay a fee to other ESOS agencies.

2.3 Change to scope of CRICOS registration				
Ref	Name	Fee structure	Amount	Other matters
Add qualifications⁴, increase overall student capacity⁵, or add/change sites⁶				
ASQA will automatically add equivalent training package qualifications to a provider's scope without requiring an application. This exempts providers from applications and fees to add these items to their scope of registration. This exemption applies for the twelve-month period following an item being superseded, while the superseded item remains listed on the RTO's scope on the national register.				
2.3.1	Change of Scope Application Lodgement fee	Add 1 qualification	\$500	• Paid on application
		Plus	\$150 per each additional qualification to be added	
		Additional student capacity and/or one additional (or replacement) delivery site, Plus: Each additional (or replacement) delivery site	\$1,640 per application \$820 per site	
Change course duration				
Since 1 October 2014, fees have not applied for an application to either lengthen or shorten the published duration of an existing CRICOS course registration, as a course may now only be registered once for each provider. An application to change a published course duration is still required, however it incurs no fee.				
	Application fee	Change to course duration	Nil	• Use the change of scope application form
		Change mode of delivery	Nil	
		Change student tuition fees	Nil	
Remove items from scope of registration				
No fee applies				

⁴ The same fee rate applies regardless of whether the course to be added is new to the provider's scope or is either:
- for Training Package qualifications: a non-equivalent replacement version of a course already on the provider's scope; or
- for Accredited Courses: a replacement version of a course that is already on the provider's scope.

⁵ Fee applies for application to ASQA to increase overall student capacity for enrolments in courses across all education sectors, whether ASQA is the relevant ESOS agency or not.

⁶ A new site is a location where the provider is not currently registered to deliver any course for any education sector to overseas students. For instance, a location where a provider is registered to deliver a higher education course, but now seeks to deliver a VET course, is not a new location.

3. VET course accreditation fees

3.1 Initial VET course accreditation				
Ref	Name	Fee structure	Amount	Other matters
3.1.1	Course Accreditation Application lodgement fee	Per application	\$500	<ul style="list-style-type: none"> • Paid on application
3.1.2	Course Accreditation Application Assessment fee under paragraph 43(2)(b) of the NVR Act – where the applicant applies for accreditation of a course as a VET accredited course	Per course	\$7,570	<ul style="list-style-type: none"> • Paid on invoice

3.2 Renewal of VET course accreditation				
Ref	Name	Fee structure	Amount	Other matters
3.2.1	Course Renewal Application lodgement fee	Per application	\$500	<ul style="list-style-type: none"> • Paid on application
3.2.2	Course Renewal Application Assessment fee under subsection 50(2) of the NVR Act – where the applicant applies to renew the accreditation of a VET accredited course	Per course	\$7,570	<ul style="list-style-type: none"> • Paid on invoice

3.3 Amendment to a VET accredited course - Minor

Ref	Name	Fee structure	Amount	Other matters
3.3.1	<p>Application to Amend a VET Accredited Course-Minor⁷</p> <p>under subparagraph 51(3)(b)(ii) of the NVR Act – where the applicant applies to amend a VET accredited course</p>	Per course	\$1,145	<ul style="list-style-type: none"> • Paid on application

3.4 Amendment to a VET accredited course - Major

Ref	Name	Fee structure	Amount	Other matters
3.4.1	<p>Application to Amend a VET Accredited Course-Major⁸</p> <p>under subparagraph 51(3)(b)(ii) of the NVR Act – where the applicant applies to amend a VET accredited course</p>	Per course	\$2,290	<ul style="list-style-type: none"> • Paid on application

3.5 Cancellation of a VET accredited course

	No fee applies			
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⁷ Minor amendments include:

- Amendments to VET accredited courses that include training package units in the course structure that have been superseded and are deemed equivalent
- Amendments to VET accredited courses that include training package units deemed not equivalent but do not impact on the outcome of the course
- Amendment to wording in sections of the VET accredited course document to reflect current industry practices/requirements, entry requirements, assessment strategy including performance evidence, trainer/assessor requirements.

⁸ Major amendments include:

- Amendments to VET accredited courses that include training package units that have been deleted from the parent training package
- Amendments to VET accredited courses to include additional training package units as electives that do not impact on the outcome of the course
- Amendments to VET accredited courses to include additional enterprise units as elective options that do not impact on the outcome of the course.

4. Annual registration charge

4.1 Annual NVR registered training organisation registration				
Ref	Name	Charge structure	Amount	Other matters
4.1.1	RTO Annual registration charge under paragraph 18(c)(iv) of the NVR Act	0–4 qualifications	\$1,130	• Paid on invoice
		5–10 qualifications	\$3,220	
		11–60 qualifications	\$6,975	
		61 or more qualifications	\$10,730	

4.2 Annual CRICOS registration				
Ref	Name	Charge structure	Amount	Other matters
4.2.1	CRICOS Annual registration charge	0–2 qualifications	\$950	• Paid on invoice
		3–4 qualifications	\$1,645	
		5–50 qualifications	\$4,375	
		51 or more qualifications	\$7,100	

5. Audit charges

5.1 Compliance audits			
Ref	Name	Amount	Other matters
5.1.1	<p>Compliance Audit Charge</p> <p>Under subsection 9(1) of the Charges Act</p>	\$275 per hour per auditor	<ul style="list-style-type: none"> • Paid on invoice • Travel costs incurred by ASQA (staff and supplier, such as airfares and accommodation) will not be sought for reimbursement for domestic audits. • International audits will require the reimbursement of all reasonable costs incurred by ASQA, including the cost of travel.

5.2 Complaint investigations			
Ref	Name	Amount	Other matters
5.2.1	<p>Complaint Investigation Charge</p> <p>Under subsection 12(1) of the Charges Act</p>	\$275 per hour per officer	<ul style="list-style-type: none"> • Paid on invoice • The charge applies to an investigation into a complaint about a NVR registered training organisation which is found to be substantiated • Travel costs incurred by ASQA (staff and supplier, such as airfares and accommodation) will not be sought for reimbursement for domestic complaint investigations. • International complaint investigations will require the reimbursement of all reasonable costs incurred by ASQA, including the cost of travel.

6. Other fees

6.1 Evidence Review applications				
Ref	Name	Fee Structure	Amount	Other matters
6.1.1	<p>Reconsideration Application</p> <p>under paragraph 200(3)(c) of the NVR Act – where the applicant applies for reconsideration by ASQA of a decision(s) made by a person or body with delegation to make a decision under section 224 or 225 of the Act</p>	Per application	\$1,000	<ul style="list-style-type: none"> • Paid on application
6.1.2	<p>Reassessment Application</p> <p>under paragraph 41(4)(b) of the NVR Act – where the applicant requests a reassessment of ASQA’s position in relation to issues identified by ASQA to be addressed by the NVR registered training organisation in respect of the variation or removal of an imposed condition, the change to the scope of registration or the lifting of a suspension</p>	<p>Per application</p> <p>Plus</p> <p>Per hour per officer for each subsequent hour after the fourth hour of work</p>	<p>\$1,000</p> <p>Plus</p> <p>\$275</p>	<ul style="list-style-type: none"> • Paid on application • Covers up to 4 hours’ work • Paid upon invoice

6.2 Application for student records				
	No fee applies			