Training providers see red over regulator fee increases

The Australian Council for Private Training and Education (ACPET) has questioned the Federal government’s commitment to a diverse education and training sector in light of hefty increases to registration and regulatory fees that came into effect today.

ACPET is alarmed by the surprise announcement, and ACPET CEO Claire Field predicts that a wide range of training providers in communities throughout Australia will be forced out of business by the increases to fees charged by the Australian Skills Quality Authority (ASQA) as it moves towards a full cost-recovery model.

“ACPET is both disappointed in the timing of the fee increases – which have been implemented with little warning to providers – as well as their quantum for a range of provider applications,” said Ms Field.

“While we are pleased that ASQA has acted on our advice in reducing the proposed annual registration fee for small RTOs and the training package transition fees, ACPET is extremely concerned by substantial increases for other applications, including the cost of renewing registration for training organisations.

“The costs of regulation for a medium size provider have skyrocketed under the new fee schedule, with the cost of re-registration for a small provider delivering less than four qualifications doubling overnight.

Ms Field also said that, most surprisingly, the new fee schedule included a number of changes to further increase fees that were not included in ASQA’s exposure draft released in March.

“A decision to increase fees for processes and applications not previously foreshadowed undermines the consultation process and will have a detrimental effect on their viability and the opportunities they offer to students,” said Ms Field. “Already these fees are too high and the government’s commitment to move ASQA towards full-cost recovery threatens the livelihood of providers across the spectrum. For example, regulatory fees over a five-year cycle for a medium size provider delivering 36 qualifications - not including any change to scope applications - have increased three-fold, from $16,040 yesterday to $47,415 today. The effect of further fee increases on providers and students will be dire and today’s drastic increases underscore the need for the thorough review of ASQA’s processes agreed to by Tertiary Education Ministers in June 2013.

Vocational education and training provides a public as well as a private benefit in developing a skilled workforce. All governments recognise enhanced skills as an essential driver of economic growth, and this recognition must be translated into adequate and sustained funding for ASQA as the regulator of a high-quality VET system. Ms Field said that there was no precedent within the tertiary or social policy sectors to prove that cost-recovery was a sound basis for funding a regulator.

“Students, employers and the wider community can and should expect that our training system will deliver the best outcomes. They similarly expect that government has a key role in funding regulatory oversight in line with the greater economic and social benefits that result from a world-class training system.”

Claire Field is available for comment: 0411 240 671