ACPET Submission
ASQA Cost Recovery Impact Statement
Proposes Fees for Registration and Course Accreditation

Submission
May 2011
About ACPET

Established in 1992, the Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has over 1,100 members nationally delivering a full range of higher education and vocational education and training (VET), including apprenticeships and traineeships, and English language courses across all States and Territories.

ACPET’s mission is to enhance quality, choice, innovation and diversity in Australian education and training. ACPET works with governments, education and training providers, industries, and community organisations, to ensure vocational and higher education and training services are well-targeted, accessible, and well-delivered with courses of high quality, and providing for choice and diversity.
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Opening Statement

ACPET has welcomed the establishment of the National VET Regulator. ACPET believes that the *National Vocational Education and Training Regulator Act 2011* significantly strengthens the ability of the regulator to take action against seriously non-complaint providers and therefore will serve to improve the quality of Vocational Education Training being delivered in Australia.

To date ACPET has been pleased with the level of consultation during the establishment of the National VET Regulator, now known as the Australian Skills Quality Authority (ASQA). We do however now have deep concerns regarding the proposed fees and charges for registration of training organisations and the accreditation of courses and associated services. This submission outlines our concerns and provides a number of recommendations.

Whilst ASQA will not begin its operations until 1 July 2011 many Registered Training Organisations (RTOs) have already begun to feel the strain of issues associated with the transition from their state/territory based regulator to ASQA. These issues predominately lie with the State and Territory agencies and ACPET has begun to address these. Regardless of where the issues reside it is essential to acknowledge that RTOs are feeling uneasy about the climate in which they operate. This unease is being compounded by the deep seated concerns that many RTOs have with ASQA’s proposed regulatory fee structure and the impact that the significant fees hikes will have on their business. Accordingly, ACPET would like to see a high level of both consultation and detail provided to concerned stakeholders regarding the proposed fees. We understand that ASQA intends to consult closely with stakeholders over the immediate future and we look forward to the next version of the Cost Recovery Impact Statement containing more detail after being informed by this submission process and other consultations.

Regarding cost recovery of regulatory fees, ACPET note that the State Government of New South Wales has moved to a cost recovery model for the registration of training organisations and the accreditation of courses. However in New South Wales when the state moved from a subsidised service to a cost recovery model it was implemented over a period of time. This transition period allowed RTOs to adjust their business model in order to adapt to the changing fees structure over a period of time, which therefore reduced the impact of the rising fees on the operation of their business and ultimately the consumer.

Similar to New South Wales, the South Australian regulator is currently in the process of moving to a cost recovery model. Like New South Wales the South Australian Government chose to transition to full cost recovery rather than implement it over night. ACPET recommends that ASQA introduce a transition period that will see the proposed fees for registration and accreditation of courses increase in increments over a period.
ACPET believes there is sufficient scope within existing government guidelines for ASQA to transition to a cost recovery model, rather than implement cost recovery from 1 July 2011.

ACPET’s submission raises in detail a number of concerns with the Cost Recovery Impact Statement and the proposed fees and charges and these concerns are encompassed in five distinct areas:

1. Time frame for Stakeholder Consultation
2. Basis for Cost Recovery
3. Limitations of the Cost Recovery Impact Statement
4. Formulas used in Cost Recovery Impact Statement
5. Comparison of Fees with Existing Jurisdictions

ACPET also take this opportunity to put forward a series of recommendations relating to the ASQA Cost Recovery Impact Statement.
Recommendations

Recommendation 1
ACPET recommends that consultation period should be extended beyond 5 May 2011. Given the ramifications that the proposed fees structure may have on stakeholders, an ‘appropriate’ level of consultation is to hold a series of consultations nationally. This is particularly important given the differential impact that the proposed fees and charges will have from jurisdiction to jurisdiction.

Recommendation 2
ACPET recommends that ASQA develop a fee schedule that phases in incremental increases in fees over a five year period to limit the impact on the market and allow RTOs to adjust their business practices to meet the new financial requirements.

Recommendation 3
ACPET recommends that the Impact Statement provide a more detailed and evidence based analysis of the impact of the proposed fees, including what the cost to the community would be if RTOs were to close down or were required to lift their fees as a result of the proposed fees schedule. Where the cost to the community or a region out ways the benefit of cost recovery, dispensation relating to regulatory fees and charges should be considered.

Recommendation 4
ACPET recommends that when an existing training package is replaced/updated as a result of an industry skills council continuous improvement process and this causes an existing qualification to be out of date that an the RTO should not be required to meet the fees associated with accreditation of the new qualification.

Recommendation 5
ACPET recommends that the Impact Statement acknowledges and undertakes a study on the likely impact of Victorian and Western Australian RTOs who will fall under the authority of ASQA in comparison to RTOs that will remain under the authority of state regulators.

Recommendation 6
ACPET recommends that the Impact Statement identify the implications if the proposed fees and charges act as a barrier to entry for smaller RTOs, whether that is a valid from a risk assessment perspective and whether they will cause a reduction in choice and diversity in the VET sector.

Recommendation 7
ACPET recommends that ASQA provides the option of an annual registration fee to reduce the financial regulatory burden.
Recommendation 8
ALSEP recommends that ASQA review the assumptions that have been used to develop the costing in the proposed fee and charges schedule.

Recommendation 9
ACPET recommends that ASQA reveal the methodology used to define small, medium and large RTOs.

Recommendation 10
ACPET recommends that in the interest of transparency the Impact Statement include a cross comparison of the proposed fees and charges with the fees and charges of state and territory agencies.
1. Time frame for stakeholder consultation

The proposed fees and charges for registration of training organisations and accreditation of courses by ASQA significantly changes the fees that many RTOs will pay for registration and renewal and for the accreditation of courses.

The Australian Government Cost Recovery Guidelines note that ‘the preparation of the CRIS should involve an appropriate level of consultation with stakeholders’\(^1\). In the case of the ASQA Cost Recovery Impact Statement Exposure Draft the consultation period has been from 19 April 2011 to 5 May 2011. This time frame included the Easter and ANZAC Day period. ACPET contends that such a significant change warrants a consultation period that allows for stakeholders to have the opportunity to fully understand the depth and breadth of the proposed changes. This would allow stakeholders to make representations to ASQA that fully demonstrate the impact of the cost recovery proposal. In ACPET’s view given the gravity of the proposed changes the consultation period has not been adequate or appropriate.

ASQA consulted with stakeholders, including ACPET, on 21 April 2011. This consultation session was the day before the beginning of the Easter break and therefore representation at the consultation period was lower than could have been expected had the consultation taken place at another time.

ACPET looks forward to the next iteration of the Impact Statement and would be pleased to work with ASQA as to provide ongoing details on how the proposed fees and charges will affect RTOs.

Recommendation 1
ACPET recommends that consultation period should be extended beyond 5 May 2011. Given the ramifications that the proposed fees structure may have on stakeholders, an ‘appropriate’ level of consultation is to hold a series of consultations nationally. This is particularly important given the differential impact that the proposed fees and charges will have from jurisdiction to jurisdiction.

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\(^1\) Australian Government Cost Recovery Guidelines July 2005, p 54
2. **Basis for Cost Recovery**

ACPET acknowledges that in December 2002 the Australian Government adopted a formal cost recovery policy to improve the consistency, transparency and accountability of Commonwealth cost recovery arrangements and promote efficient allocation of resources. However ACPET takes this opportunity to turn ASQA’s attention to *Finance Circular No. 2005/09 Australian Government Cost Recovery Guidelines*. This circular notes:

> Agencies should set charges to recover all the costs of products or services where it is efficient to do so, with partial CR to apply only where new arrangements are phased in, where there are government endorsed community service obligations or for explicit government policy purposes.

**Phasing in Cost Recovery**

ACPET contends that Australian Government’s own guidelines suggest that partial cost recovery can apply initially, which will allow the ASQA fees and charges schedule to be phased in. If the proposed fee schedule was to begin with partial cost recovery and over a period of time extend to full cost recovery then RTOs would have the ability to adjust to the new operating environment.

ACPET notes that the introduction of the Modern Awards has provided for a transition period of five years. This has provided RTOs with the option of increasing their wages levels at 20 per cent per year over a five year period to meet the prescribed level. This transitional arrangement recognised that RTOs affected by a change in government policy require a period of time to adjust their operations and that it would be a perverse requirement to expect business to adjust over night to a significant change in the operating environment as result of government action.

**Recommendation 2**

ACPET recommends that ASQA develop a fee schedule that phases in incremental increases in fees over a five year period to limit the impact on the market and allow RTOs to adjust their business practices to meet the new financial requirements.

**Explicit Government Policy Purposes**

The Council of Australian Governments (COAG) reform agenda provides specific targets for increasing the skill levels of all Australians. Specific targets in include:

- doubling the number of higher qualification completions (diploma and advanced diploma) by 2020
- halving the proportion of Australians aged 20 to 64 years without qualifications by 2020 (training them to Certificate III level and above)
ACPET contends that given the COAG reform agenda specifically relates to Vocational Education and Training that and therefore in line with Finance Circular No. 2005/09 there is further scope for a partial introduction of cost recovery.

The Finance Circular also notes:

CR should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation.

ACPET notes that Impact Statement highlights “The impact of the new fees on existing RTOs could include some RTOs ceasing to be financially viable due to the extra cost of regulation. This is not necessarily a negative impact.” ACPET contends that the loss of RTOs that have demonstrated innovation and flexibility will be a loss to the whole sector. RTOs that operate in areas that deliver limited or no choice deliver significant benefit to the community.

What about regional areas?

“Our company is a regional community based not for profit organisation.

The projected fees (ASQA proposed fees) will seriously challenge the viability of our services. We are the major alternative to TAFE in our region. While there are other competitive RTO’s in the region, these are predominately private, specific to trade or qualification – they do not provide apprenticeship training, and are not interested in entry level youth training as it is high maintenance, reduced profit. These are private businesses that will not consider contracts that do not meet the appropriate pricing model. Clearly, any government funded training for apprentices, trainees, VET, and youth at risk does not provide sufficient profit to meet these business models.

If our business closes, there is no alternative competition to TAFE. There will be a substantial number of local youth that will not get a head start in life. These youth will be forced to look elsewhere thus moving away from the community and moving to the city – exactly opposite to the regional agenda of the Gillard government.”

An ACPET member’s analysis of the possible impact of the proposed fees in their region.

Recommendation 3

ACPET recommends that the Impact Statement provide a more detailed and evidence based analysis of the impact of the proposed fees, including what the cost to the community would be if RTOs were to close down or were required to lift their fees as a result of the proposed fess schedule. Where the cost to the community or a region out ways the benefit of cost recovery, dispensation relating to regulatory fees and charges should be considered.
3. Limitations of the Cost Recovery Impact Statement

The ASQA Impact Statement notes:

The impact of the new fees on existing RTOs could include:

- some RTOs deciding to not renew their registration. While this may not have an overall detrimental effect on the training market which currently has nearly five thousand RTOs, it may have an effect on particular regions if the RTOs that exit the system are predominantly small training organisations operating in rural and regional locations (where student numbers are low). It is noteworthy that the lowest current fees are in the Northern Territory and Tasmania. In these jurisdictions, the cost of regulation is met largely by the state/territory government;

- some RTOs ceasing to be financially viable due to the extra cost of regulation. This is not necessarily a negative impact. The higher registration fee may encourage marginally financially viable organisations to leave the market of their own accord. Historically some specific RTO collapses have left students in a vulnerable position and damaged the reputation of the Australian vocational education and training industry and the country as a market for overseas students.

ACPET contends that the above excerpt from the Impact Statement is extremely limited in understanding of the market place and fails to afford consideration to the tens of thousands of staff, both employers and employees that may be affected by the proposed fees schedule. There is much more at stake than just the training market, there is the livelihood of the people that have contributed to the community and invested their time, money and energy into their own RTO. These people deserve better.

What will happen to me if I am put out of business?

“I’m not sure what we would do if we were put out of business but maybe we would end up on the dole? We are 53 and who would employ my husband and myself?”

An ACPET member concerned that the proposed fee structure will put them out of business.

The Impact Statement notes that the proposed fees “may have an effect on particular regions if the RTOs that exit the system are predominantly small training organisations operating in rural and regional locations”. The detail of the impact of the proposed fees is lacking any substance. ACPET contends that more depth and breadth must be applied. The Impact Statement should provide evidence based conclusions regarding the impact to organisations, clients and the communities that may lose access to education and training opportunities.
Stifling innovation industry innovation

The Finance Circular notes:

CR should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation.

The left hand doesn’t know what the right hand is doing

“Our organisation will be severely disadvantaged by the proposed fee schedule. In order for us to be competitive and provide flexible, tailored solutions for our clients, we have a wide range of qualifications on our scope, which are spread across 3 different industry Training Packages. The fee schedule that ASQA is proposing means that we would be subject to much higher fees than those of larger organisations with fewer qualifications on their scope of registration. I find it difficult to understand how COAG and the NQC can promote the changing of Training Packages to incorporate more flexibility and choice of electives on the one hand, and yet ASQA can penalise RTO’s for having increased scope and the ability to offer more flexibility and choice of electives on the other hand.

There is a suggestion in the AQSA Cost Recovery Impact Statement that these fees will filter out RTOs that are not able to be competitive and this will be better for the industry. However, our organisation has been competitive in this industry for over 16 years. It is not the changing market conditions or our ability to be competitive that will impact of our long term viability, but rather short-sighted policy decisions, such as the proposed ASQA fee schedule that will impact most.

Not only will the proposed fee structure reduce the flexibility of the services we can provide, it will also reduce incentives for providers to upgrade to the latest qualifications when a Training Package is updated, as there are significant costs involved in upgrading. The fees seem designed to reduce the services offered by RTOs and dissuade organisations from changing their scope. Where is the benefit to industry in this situation?”

Concerns raised by an ACPET member that has been operating for 16 years.

The Impact Statement fails to develop a thorough analysis regarding the dynamic nature of the environment that RTOs operate within. Many qualifications delivered by RTOs are derived from training packages. These Training Packages are subject to an ongoing continuous improvement cycle. When Training Packages are updated RTOs are required to have new versions of a qualification on their scope as they teach out old qualifications and add new qualifications.

Clients want us to be flexible and response - what about the Government?

“We have spent the eight years since starting our business building a flexible but solid RTO that is successful. We are passionate about addressing the significant skills shortages that exist in the bakery and hospitality industries and firmly believe that being relatively small enables us to be flexible and responsive and subsequently have an impact.

We require a reasonable scope in order to address the needs of our clients, which means we have qualifications numbering in excess of the 40 qualification cap.
These proposed fees would seriously jeopardise our ability to trade, let alone our ability to be responsive and flexible. These fees do not represent value to RTOs, do not represent the true cost associated with audit and if introduced will see the demise of many small and successful RTOs and as a result seriously diminish the RTO industry. This will mean less choice for users of training services and an ultimate reduction in skilled trades in Australia.”

A ACPET member’s overview of how the proposed fees will affect their RTO

Recommendation 4

ACPET recommends that when an existing training package is replaced/updated as a result of an industry skills council continuous improvement process and this causes an existing qualification to be out of date that an the RTO should not be required to meet the fees associated with accreditation of the new qualification.

ACPET is also concerned that the Impact Statement has failed to provide analysis of the challenges of ASQA not being a truly national regulator. RTOs that operate solely in Victoria and Western Australia will not be falling under the authority of ASQA.

ACPET turns ASQA’s attention to the example of two Victorian RTOs. RTO 1 operates solely in Victoria and RTO 2 operates in Victoria and New South Wales. The Impact Statement has failed to recognise that RTO 1 will be subject to the Victorian Registration and Qualifications Authority fee schedule and RTO 2 will be subject to the ASQA fees schedule. The Impact Statement is silent on what impact this will have on RTO 2. Once again, the Impact Statement must assess the full impact of the proposed fees and charges.

The above scenario also applies for Western Australia.

Recommendation 5

ACPET recommends that the Impact Statement acknowledges and undertakes a study on the likely impact of Victorian and Western Australian RTOs who will fall under the authority of ASQA in comparison to RTOs that will remain under the authority of state regulators.

Registration fees should not be used as a barrier to entry

The Impact Statement implies that higher fees will mean some RTOs will decide to leave an already overcrowded market, and that this isn’t a bad thing.

ACPET contends that a quality market, one that is effective, efficient and equitable shouldn’t rely on restricting entry and renewal only to highly cashed-up businesses. We agree that within a risk based regulatory matrix, financial viability is an important factor. But we assert the need for more sophisticated measures of financial viability that take better account of ongoing viability, not the capacity to pay large up-front costs. Our objection is based on the need to be clear about the purpose
of the fees, and the separate purpose and operation of a risk based regulatory system. Cost recovery shouldn’t be confused with the setting of a barrier to entry or participation in a market. Similarly the ability to pay up front fees shouldn’t be confused with a measure of likely quality of an RTOs operation.

ACPET contends that regulators should not be striving for a homogenised industry and in fact the niche, boutique and micro RTOs that focus on a limited number of qualifications have spawned because larger RTOs have found that it is not feasible to service these qualifications or markets.

The Impact Statement notes:

The choice to enter the market at all could be influenced by ASQA fees. Some organisations may choose not to pursue registration because of the cost. This could result in fewer new RTOs. This should not be an issue as the training market has already expanded considerably over the last decade.

Barriers to entry are an issue. The broad nature of this statement renders the assertions redundant. Not for profit and low profit organisations play a critical role in providing choice and diversity. The Impact Statement seems to revolve around the notion that limited capacity to pay upfront fees equals low quality. This is a flawed assumption.

What about me? We are small, committed to quality and provide a niche service

“The general concept of the proposed fee structure seems heavily weighted against very small RTOs of which we are one.

In summary we:

- Have 2 staff and the occasional subcontractor
- Have only Cert IV in Business and Personal Coaching on scope (which we developed and had accredited – a substantial ongoing ‘investment’ in itself)
- Have a niche program with small student numbers, currently around 25 with a likely max in few years around 50 though hopefully more
- Are not eligible for government funding
- Are very focused on providing quality not just compliant training and assessment which is expensive
- Are passionate about our industry and want to continue to develop and accredit qualifications that address coaching in business and health contexts that are not meet by any of the training package”

An ACPET member delivering targeted niche services provides a case study of the type of RTO that will be heavily affected by the proposed ASQA fees. Furthermore this member is case in point as to the importance of not erecting barriers to entry for high quality but small RTOs.
By erecting barriers to entry for niche and highly focused RTOs on financial grounds rather than focusing on the overall quality of RTOs we may well send the industry down a path that becomes void of innovation and ingenuity. ACPET firmly believes that this is an issue.

Financial viability is an important element in a risk based regulatory system, but it is not the only element that should be considered. ACPET’s position is that financial viability should be assessed over the term of the registration and not used as barrier to entry.

**Recommendation 6**

ACPET recommends that the Impact Statement identify the implications if the proposed fees and charges act as a barrier to entry for smaller RTOs, whether that is a valid from a risk assessment perspective and whether they will cause a reduction in choice and diversity in the VET sector.
4. Formulas used in Cost Recovery Impact Statement

ACPET believes that the Impact Statement and the schedule of proposed fees and charges lack sufficient details for stakeholders to make an informed judgement on the appropriateness of the proposed fees. This has lead to ACPET being unable to accurately assess whether the formulas used to develop the proposed fees and charges reflect the reality of the operation of quality regulation. We turn ASQA’s attention to some examples:

- The CRICOS Registration Assessment notes fees payable to ASQA for CRICOS registration are in addition to RTO fees. ACPET questions why ASQA will charge an RTO an assessment and registration and then a larger fee for CRICOS registration and assessment. ACPET contends that there will be a significant amount of overlap between the two assessments and all that should be required is the CRICOS registration and assessment fee.

- Within the analysis of functions in order to calculate hours spent on various aspects of regulation ACPET has concerns that analysis does not take into account duplication of function between RTO registration and CRICOS registration. For example carrying out the financial viability assessment subtask is listed multiple times. ACPET contends that there are synergies here that should reduce the cost of the regulator process.

- The premise of the proposed fees and charges schedule is based upon cost recovery. The analysis of functions in order to calculate hours spent on various aspects of regulation has listed costs associated with “schedule and conduct 12 month/follow up monitoring audit”, “provide general advice and respond to queries” and “monitor on-going compliance”. ACPET suggest that this includes costs associated with future actions, possibly more than four years after the registration/renewal fee has paid. ACPET contends that RTOs should not be paying for these functions four to five years in advance of these functions occurring. The option of annual registration fees would remedy this situation.

- Defining RTOs as small, medium or large as a means of calculating fees and charges is concerning to ACPET. We contend that this practice may discriminate against RTOs and unnecessarily subject RTOs to a regulatory financial burden.

- ACPET is concerned that the RTO and CRICOS assessment for registration has a fee cap at 40 qualifications. This cap is highly prejudicial to smaller providers and contradicts the testament in the Impact Statement that notes “The proposed fees and charges... are proportional in that they differentiate between smaller providers that do not esquire as much time on assessment as larger providers”. According to the proposed fees an RTO with 250 qualifications listed on scope (and there is sizeable number of such RTOs) will pay $376.50 per qualification at renewal time an smaller RTO with 10 qualifications on scope will pay $1,010.00 per qualification, a micro RTO with just two qualifications on scope will pay $3,650.00 per qualification. ACPET contends that the schedule of proposed fees and charges severely disadvantaged smaller RTOs in an unacceptable way.
Recommendation 7
ACPET recommends that ASQA provide the option of an annual registration fee to reduce the financial regulatory burden.

Recommendation 8
ACPET recommends that ASQA review the assumptions that have been used to develop the costing in the proposed fee and charges schedule.

Recommendation 9
ACPET recommends that ASQA reveal the methodology used to define small, medium and large RTOs.
5. Comparison of fees with existing jurisdictions

ACPET contends that the Impact Statement should explicitly compare in some degree of detail current fees and charges with proposed fees and charges, including New South Wales which is operating on cost recovery.

The Impact Statement notes “This cost recovery impact statement aims to transparently demonstrate compliance with the Australian Cost Recovery Guidelines which promote of the Australian government cost recovery arrangements and the efficient allocation of resources.” ACPET contends that Impact Statement does not possess the detail to adequately demonstrate the impact of the proposed fees.

Whilst the Impact Statement only summarily notes that the proposed fees of ASQA will be higher than currently levied by state and territory agencies. ACPET contends that the Impact Statement should set out examples comparing the proposed fees with fees set by all other agencies. Analysis should take into account that some agencies operate on an annual cycle whilst ASQA is proposing a registration period of up to five years. The impact for RTOs paying for their five years of registration during their first year is likely to have a significant impact on those RTOs that have a business model based on an annual registration.

Below is an example of what ACPET contends should be provided in the Impact Statement so interested stakeholders to provide stakeholders with a comparison of the proposed cost versus current costs.

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Qld as at 2011</th>
<th>AQSA Proposed fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial or renewal of registration</td>
<td>$1,414.05</td>
<td>($Application $640.00 + Assessment $7,300.00) = $7,940.00</td>
</tr>
<tr>
<td>Annual registration fees over 5 years</td>
<td>(4x $589.16) = $2,356.64</td>
<td>Nil</td>
</tr>
<tr>
<td>Additional compliance audit (monitoring or non verified complaint)</td>
<td>Nil</td>
<td>$3,000.00</td>
</tr>
<tr>
<td><strong>Total RTO registration fees for 5 year registration:</strong></td>
<td>$3,770.69</td>
<td>$10,940.00</td>
</tr>
<tr>
<td>CRICOS application / re-registration</td>
<td>$272.00</td>
<td>($Application $640.00 + Assessment $10,300) = $10,940.00</td>
</tr>
<tr>
<td>Additional monitoring audit</td>
<td>Nil</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Sub Total for RTO and CRICOS Operations</td>
<td>$4,042.69</td>
<td>$24,880.00</td>
</tr>
<tr>
<td>Course accreditation</td>
<td>(2 courses @$1,178.35) = $2,356.70</td>
<td>(2 courses @$2,700.00) = $5,400.00</td>
</tr>
</tbody>
</table>
Below is a current comparison using an ACPET member’s operation that is registered in NSW (a cost recovery state) with the proposed ASQA fees

**VETAB – current**

<table>
<thead>
<tr>
<th>Annual Fee 26 – 50 quals</th>
<th>Operating in 4 or more territories</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>$3,510</td>
<td>$705 pa</td>
<td>Total $4,215</td>
</tr>
</tbody>
</table>

**ASQA – proposed**

<table>
<thead>
<tr>
<th>Application fee</th>
<th>Up to 2 quals in 2 states</th>
<th>Each additional qual @ $350 up to 40 quals (38 x $350)</th>
<th>Each additional delivery site up to 10 sites @ $700 (6 x $700)</th>
<th>Total for 5 years</th>
<th>Annualised extrapolation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$640</td>
<td>$7,300</td>
<td>$13,300</td>
<td>$4,200</td>
<td>Total $25,440</td>
<td>$5,088</td>
</tr>
</tbody>
</table>

In this comparison ASQA’s proposed fees would result in a 20 per cent increase in fees in a state that is already operating on a cost recovery basis.

**Recommendation 10**

ACPET recommends that in the interest of transparency the Impact Statement include a cross comparison of the proposed fees and charges with the fees and charges of state and territory agencies.
6. Concluding statement

ACPET’s contention is that the proposed fees for charges for registration of training organisations and accreditation of courses by ASQA are likely to have a significant impact on RTOs. This may result in closures of RTOs, loss of employment and a reduced service offering by regional and not for profit RTOs.

ACPET believes that the Impact Statement has failed to sufficiently examine or acknowledge the impact of the proposed fees and charges. ACPET has provided a series of recommendations to aid ASQA’s understanding and to mitigate the likely impact of the proposed fees and charges if they were to remain in their current form.

ACPET would be pleased to work with ASQA to help address the concerns we have raised and we look forward to the next iteration of the Cost Recovery Impact Statement and the schedule for proposed fees and charges.

Further information
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