

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2013-14
3 and 4 June 2013

AGENCY/DEPARTMENT: AUSTRALIAN SKILLS QUALITY AUTHORITY (ASQA)

TOPIC: Cost Recovery

REFERENCE: Written Question – Senator Nash

QUESTION No.: BI-56

1. What is the current percentage of revenue that is coming from cost recovery so far?
2. Can you confirm for us, that cost recovery refers to the entire cost of ASQA's operations- not just the audits undertaken?
3. Given you have a presence in every capital city; is this adding significantly to the cost?
4. Total recovered under cost recovery so far?
5. What is the expected amount to be charged for an audit of a small Registered Training Organisation, offering 4 training packages, once full cost recovery is in place?

ANSWER

1. For the 2012-13 financial year, ASQA's revenue budget in the 2012 PBS (page 283) was \$21.066m. As at 31 May 2013 ASQA's forecast revenue for the year was \$11.0m which is around 30 per cent of ASQA's forecast expenses.
2. In 2009, when COAG agreed to the establishment of ASQA, it was determined that ASQA would move progressively to full cost recovery (including the entire cost of operations). As at 31 May 2013, for the 2012-13 financial year, ASQA's cost recovery of \$11m represents around 30 per cent of the full cost of its operations. For 2013-14, the forward estimates require cost recovery of \$24.1m against total expenses of \$38.0m or cost recovery of 63 per cent.
3. ASQA's presence in every capital city is due to an agreement between the Commonwealth and the states and territories. ASQA has no evidence to suggest this presence adds significantly to ASQA's costs. ASQA has auditors in each state and territory office enabling ASQA to minimise travel costs by utilising local staff for local audits.
4. ASQA commenced operations and cost recovery on 1 July 2011. In the 2011-12 financial year ASQA's Revenue was \$7.0m. In the 2012-13 financial year, revenue is forecast to be \$11.0m. This makes a total cost recovery of \$18.0m over the first two years of ASQA's operation.
5. For a provider with four qualifications on scope seeking re-registration, ASQA's proposed fee schedule is \$7,900. This includes both audit and other costs related to processing the application.