



Consultation on changes to NZQA's fees system

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Follow-up consultation for a simpler, fairer fee system

In our initial consultation in May and June 2025, we outlined the challenges with NZQA's current fee system. Over time it has become increasingly complex, making it difficult for Tertiary Education Organisations (TEOs) to understand and for NZQA to administer. It has also resulted in inequities, with TEOs using standards contributing a disproportionate share of NZQA's total fee revenue.

Having considered the consultation feedback NZQA's Board has approved the following:

- · extending the credit reporting fee to qualifications completions;
- extending the credit reporting fee to micro-credential completions, once this is enabled by an amendment to the Education and Training Act 2020 (Act); and
- increasing the professional services fee to \$240 per hour + GST from 1 January 2026.

The Board has also endorsed this second round of consultation to seek your views on:

- reducing the credit reporting fee for all reported credits from \$1.37 per credit + GST to \$1.10 per credit + GST
- replacing the professional services hourly rate with a schedule of set fees for some NZQA applications
- retaining the professional services hourly rate for applications not suited to set fees.

There are questions and an explanation of how to provide feedback at the end of the document. However, you are welcome to comment on any aspect of the proposal should you wish to.

Changes to the credit reporting fee and, if adopted, a schedule of set fees would be implemented from 1 January 2026.

Introduction

From May to June 2025, we consulted with you on three high-level proposals aimed at creating a simpler and fairer fee structure for TEOs, including:

- a credit reporting fee that extends to all qualifications, micro-credentials, and standards, and:
- a professional services fee as either:
 - o an hourly rate; or
 - o set fees for each approval and accreditation service.

A copy of that consultation document and information on the submissions can be found here:

- Find out more about the proposed fee system for TEOs
- Read the summary of submissions.

Overall, the high-level proposals were well received, with support for key elements such as:

- introducing set fees for professional services;
- extending the credit reporting fee to the completion of all qualifications, micro-credentials, and standards; and
- including micro-credentials under section 452(1)(s) of the Education and Training Act 2020.

Many submitters were interested in the next layer of detail, particularly the proposed values for the extended credit reporting fee and for the set fees for each application.

Feedback on the first consultation has shaped this follow-up consultation document.

Purpose of this consultation

This follow-up consultation builds on the initial proposals and responds to sector feedback by providing greater detail and transparency. It aims to:

- clarify what the credit reporting fee and professional services fee covers
- provide fee structures and information on how we modelled the proposed fees
- set out the proposed dollar amount for the credit reporting fee and for each set fee for professional services.

The proposed changes are underpinned by the need to ensure sustainable cost recovery for NZQA's services and address long-standing inequities in how fees are distributed across providers.

Part One outlines the proposed credit reporting fee, including its scope, the activities it covers, and how the per-credit charge has been calculated.

In Part Two we set out a proposed schedule of set fees. It is also proposed that the hourly rate be retained for a limited number of services where a set fee is not appropriate¹.

Alignment with NZQAs cost recovery policy

The proposed fees outlined in this consultation have been developed in alignment with the principles and considerations set out in NZQA's <u>Cost Recovery guidance</u>, published in June 2025. The guidance provides a framework for setting and adjusting fees, including on when cost recovery is appropriate, the types of costs to be recovered, and the importance of transparency, equity, and justifiability in the use of recovered funds.

NZQA will review its fees using data and evidence from previous changes to the cost recovery regime to understand potential impacts on stakeholders. Regular reviews will help ensure fees remain fair, simple to understand and administer, and aligned with the actual cost of service delivery.

¹ The hourly rate fee would still apply to some matters such as additional moderation required because of non-compliance, programme changes, and consent to assess. Consent to assess is included in the set fee structure when submitted as part of an accreditation application.

These fees will next be reviewed in 2028, and reviews will occur at least every two years thereafter.

Part One: Extending the credit reporting fee

Scope of the extended credit reporting fee

The credit reporting fee is primarily intended to cover the costs associated with maintaining and administering the New Zealand Qualifications and Credentials Framework (NZQCF).

Activities covered by the credit reporting fee include the:

- listing and review of qualifications, micro-credentials, and standards
- recognition and review of New Zealand programmes
- approval and review of micro-credential content (for standard-setting bodies only)
- approval of permanent delivery sites
- consideration of temporary delivery site notifications
- approval and review of Consent and Moderation Requirement (CMRs)
- national external moderation of standards under the responsibility of NZQA
- development of NZQA Rules and associated guidance materials
- provision of advice to TEOs
- monitoring of TEOs (except universities) including
 - o support and oversight of the TEO Self-Review system
 - o monitoring programmes and micro-credentials
 - monitoring of the national external moderation of standards under the responsibility of Industry Skills Boards
 - data collation and analysis
- determination of system risk and conducting thematic reviews
- management of risk
- management and maintenance of records, including learners' records and the NZ Record of Achievement database
- ongoing development and maintenance of NZQA's IT infrastructure
- development and maintenance of NZQCF operational policy and procedures. For example, work on standard setting, assessment, moderation, and credit transfer
- research and analysis associated with continuous improvement of the NZQCF and the Directory of Assessment and Skill Standards (DASS),

including research into the use of qualifications, micro-credentials and standards, and graduate outcomes.

Proposed credit reporting fee

To determine the fee, we have:

- factored into the calculation our best estimate of the cost of the quality assurance activities implemented under the integrated quality assurance framework (iQAF) and the discontinuation of the current annual fee, consistency fee, and EER fee.
- factored in the Crown funding we receive to support tertiary sector related activities
- excluded the cost of those activities that will be supported by an hourly rate (or by a set fee should set fees be adopted)
- factored in the need to create a small surplus annually to support the maintenance of information technology systems
- considered what portion of the underlying costs of running NZQA should be attributed to the tertiary sector (and conversely what portion to senior secondary school related activities).

This assessment has determined to a reasonable level of confidence that revenue of \$16.5 million should be recovered via the credit reporting fee.

We then used 2024 data for completions of qualifications and standards to assess the volume of credits achieved by learners at each TEO.

We propose to:

- a. reduce the credit reporting fee from \$1.37 + GST to \$1.10 + GST; and
- b. apply the credit reporting fee of \$1.10 + GST to the credit value of qualifications, micro-credentials, and standards completed by learners.

The fee would be applied as follows:

Credit reporting fee	Fee per credit + GST	Notes
Qualifications	\$1.10	From 1 January 2026
Micro-credentials	\$1.10	Once micro-credentials are covered by section 452(1)(s) of the Act
Standards	\$1.10	From 1 January 2026

To support this approach, the completion of qualifications, micro-credentials and standards must be reported

Two sets of NZQA rules require the completion of qualifications, microcredentials, and standards to be reported to NZQA including:

The "Qualification and Micro-credential Listing and Operational Rules 2025" that require:

- 19.1. An institution (other [than] a relevant school or university) that awards a qualification or micro-credential to a person must report the award:
 - a. to NZQA within 3 months of date of the award, in the manner set out from time to time on the NZQA website; or
 - b. to TEC in the next reporting round for completions after the date of the award.

And the "Consent to Assess Against Standards on the Directory of Assessment and Skill Standards Rules 2022" which includes:

- 10. Requirements to be met to maintain consent to assess (except relevant schools)
 - 1. To maintain consent to assess in respect of the entire consent or particular classifications or standards, holders of the consent (except relevant schools) must: ...
 - b. accurately report credits for learners within 3 months of assessment, unless NZQA has approved a different reporting timeframe for the holder of the consent; ...

d. pay the credit reporting fees due, by the end of the month following month of the invoice from NZQA.

In keeping with these rules, you should continue to report to NZQA the completion of standards as these occur and no later than 3 months afterwards.

The completion of qualifications and micro-credentials should also be reported to NZQA within 3 months. But if you report the completion of a qualification or micro-credential to the TEC, this remains an acceptable alternative.

The requirement to pay a credit reporting fee will be included in rules

The Consent to Assess Against Standards on the Directory of Assessment and Skill Standards Rules already includes the requirement to "pay the credit reporting fees due, by the end of the month following month of the invoice from NZQA" (rule 10.1(d).

We will include a similar requirement in the **Qualification and Micro-credential Listing and Operational Rules** to cover the credits that are reported through qualification (and in future micro-credential) completion.

Invoicing TEOs

NZQA has a well-established process for issuing invoices, one month after being notified of the completion of a standard. This process continues and the only change you should notice is that the rate at which the credit reporting fee is calculated will be lower.

If you report qualification and micro-credential completions directly to NZQA, our invoicing process will mirror that used for standards. When you have reported the completion we will determine the credit value of the qualification, deduct the credit value of any standards previously reported towards that qualification and issue an invoice.

When the Act is amended to enable a credit reporting fee to be applied to micro-credentials, the process will be the same. We will ensure the credit value of standards and the contribution the micro-credential makes to the credit value of any qualification is taken into consideration [see next section below].

If you report qualification and micro-credential completions to the TEC, you do not need to do anything more. We will work with the TEC to source the completion information from the April, August, and December SDR and use this as a basis for invoicing.

It is likely that NZQA will implement an annual 'wash-up' process to ensure TEO invoices and payments are accurate and complete.

There will be transition matters that we will need to address when we determine invoice values. For example, a Degree completion reported in 2026 and outyears, may include components completed in 2024 and 2025.

We will only invoice for the credit value of that portion of the Degree completed from 1 January 2026.

Credits would not be counted more than once

The same credit value could appear multiple times in our data. This could occur if:

- a standard was completed and reported to us; and/or
- the standard was included in a micro-credential or qualification that was subsequently reported; *and/or*
- the micro-credential stacked towards a qualification that was subsequently completed and reported to us.

When we are issuing invoices, we will ensure that the same credit is not counted twice.

Estimating the impact

If you submit qualification completions through the SDR we can provide you with an estimate of the number of credits your organisation generated in 2024 for the qualification component of the fee. Adding this value to the credit value of any standards you reported to NZQA and multiplying this total by \$1.10 per credit + GST will give you a ballpark estimate of the fee you would pay.

If your organisation wishes to receive an estimate of the number of credits generated in 2024 for the qualification component of the fee, please email your request to us at QAFredesign@nzqa.govt.nz with your four-digit MOE number.

If you do not report via the SDR and have not been reporting your qualification completions to NZQA, we are unable to provide equivalent data. Please note the previous section of the *Qualification and Micro-credential Listing and Operational Rules 2025*. You are now required to report these completions to NZQA. Information on how to submit these results can be found here <u>Submitting results and awarding qualifications - NZQA</u>.

Adding micro-credentials to section 452(1)(s) of the Education and Training Act

A significant majority of respondents supported the proposal to include micro-credentials in the credit reporting structure. This strong endorsement reinforces the importance of recognising micro-credentials as a core component of the NZQCF.

As noted above, NZQA rules require that micro-credential completions must be reported to NZQA (or via the TEC). But until the Education and Training Act 2020 is amended, NZQA cannot charge a credit reporting fee for micro-credentials. The proposal is to insert 'micro-credentials' into section 452(1)(s) of the Education and Training Act as follows:

(s) for the purposes of rules made under paragraph (r), specifying the qualifications, micro-credentials or standards for which institutions or workforce development councils are required to report the credits gained by students who are undertaking or who have undertaken study or training towards those qualifications, micro-credentials or standards.

The timing of the introduction of the associated credit reporting fee for microcredentials is dependent on this amendment.

Part Two: Proposed set fees for professional services

Professional services fee options

In our May-June 2025 fees consultation, we proposed setting the fee at \$240 per hour + GST. NZQA's Board has agreed to that proposal and the fee will change from 1 January 2026.

We also asked if there was a preference for a set fee for some services. This option was favored by most respondents.

We have now undertaken an analysis of the number of hours NZQA evaluators spent on each type of approval service. This was then multiplied by \$240 per hour +GST to calculate a set fee. The proposed set fees are set out on the table below.

Some activities are too variable to determine a set fee, and these would continue to be charged at \$240 + GST per hour.

In the following table we have indicated:

- which activities could be covered by a set fee, and in these cases, we have indicated the proposed set fee; and
- some of the activities that would to be covered by an hourly rate of \$240 + GST.

If the activity you are interested in is not in the list, it would be charged at \$240 + GST per hour.

Your feedback is sought on whether you would prefer to continue to have an hourly rate apply or whether you prefer the set fees proposed in the table below:

Application fees	Is a set fee proposed?	Proposed fee + GST
 Accreditation to provide an approved programme (Level 1 to 6) (Tertiary), including programmes leading to New Zealand diplomas (Levels 7), with or without Consent to Assess 	Yes	\$980.00

Application fees	Is a set fee proposed?	Proposed fee + GST
Accreditation to provide a listed and approved micro-credential (Tertiary), with or without Consent to Assess	Yes	\$980.00
Programme approval and accreditation (Level 1-6) (Tertiary), including programmes leading to New Zealand diplomas (Levels 7), with or without Consent to Assess (New akill standard based programmes*)	Yes	\$2,300.00
 (Non-skill standard based programmes*) Programme approval and accreditation (Levels 1-6) (Tertiary), with or without Consent to Assess, for skill standard based programmes* 	Yes	\$1,200.00
Programme approval and accreditation for graduate and postgraduate certificates, diploma, and degrees	No	\$240 per hour
Site accreditation (for graduate and postgraduate certificates, diploma, and degrees)	Yes	\$1,650.00
Programme (Transitional) changes	Yes	\$855.00
Programme approval (only) (Tertiary)	No	\$240 per hour
Programme changes (Tertiary) (Type 2)	No	\$240 per hour
Micro-credential listing, approval, and accreditation, with or without Consent to Assess	Yes	\$1,525.00
Changes to listed, approved, and accredited micro-credentials, with or without Consent to Assess	Yes	\$700.00

Арр	lication fees	Is a set fee proposed?	Proposed fee + GST
•	PTE Registration deposit	Retained approach, but proposed to increase from \$750.00 to 1,500.00 (including GST)	\$1305.00
•	New PTE Registration	No	\$240 per hour
•	Validation visits (PTEs) (excludes evaluators' airfares and incidentals where applicable)	Yes	\$3,150.00
•	Change of PTE ownership	No	\$240 per hour
•	Provider amalgamations	No	\$240 per hour
•	Sub-contracting arrangement approval	No	\$240 per hour
•	Variations to existing sub-contracting arrangements (where there is an addition of a programme, microcredential or standard – otherwise a notification, only)	Yes	\$120.00
•	Vocational Pathways	No	\$240 per hour
•	Vocational Pathway changes	No	\$240 per hour
•	Compliance visits and any necessary follow up	No	\$240 per hour
•	Additional moderation because of non- compliance	No	\$240 per hour
•	All other unspecified services	No	\$240 per hour

Notes

Travel, contractor fees and disbursements may also be payable in some circumstances

Please note that 'not approved' or 'withdrawn' applications will be charged 'by the hour' regardless of whether a set fee applies above.

*Skill standard-based programmes for the purposes of this table are programmes leading to qualifications entirely composed of skill standards.

How the professional services set fees have been calculated

The time taken by NZQA evaluators to assess each type of application was analysed using a descriptive statistics data analysis tool. Two years of data was analysed.

Where the sample variation was significant, a set fee was not proposed – examples include all graduate and postgraduate certificates and diplomas including degrees, programme changes, and consent to assess applications.

If there were too few applications received (i.e. the sample size was too small) these were also excluded (e.g. offshore programme delivery and doctoral degrees). For applications with a suitable sample variation and size, the median was used to establish the set fee if it was within the standard error from the mean. Alternatively, the mean was used if it had a low standard error.

The corresponding fee was then determined using a rate of \$240 per hour + GST.

Fees for External Evaluation and Review (EER) process, uncompleted work, Annual Fees and Assuring Consistency function

No new EERs will be scheduled from 1 January 2026. There will be reviews, approvals, accreditations, and consents that are not complete at that time. These will be completed and the hourly rated charged will remain at \$190 per hour + GST through to completion.

Invoices for the Assuring Consistency and any Annual fees will be issued for 2025.

Consultation questions

Part One: Applying the credit reporting fee to qualifications, microcredentials, and standards

Question 1. Are there any comments or suggestions you would like to make on the proposal to reduce the credit reporting fee from \$1.37 + GST to \$1.10 + GST per credit?

Proposed rules change:

Question 2. Do you have any comments or suggestions for the proposal to include in the *Qualification and Micro-credential Listing and Operational Rules* a requirement to "pay the credit reporting fees due, by the end of the month following month of the invoice from NZQA."

Part Two: Proposed set fees for professional services

- **Question 3.** Would you prefer to move to the proposed set fees for some applications? Please explain your preference.
- **Question 4.** Would you prefer to continue to pay an hourly rate for all applications? Please explain your preference.
- **Question 5.** Are there specific activities that you would like to maintain as an hourly rate fee? Please explain your preference.
- **Question 6.** Are there specific activities that are not proposed to have a set fee, that you would like to see with a set fee? Please explain your preference.
- **Question 7.** Are there any other comments or suggestions you would like to make on the proposal to have set fees for some professional services?

How to have your say

Submissions can be made online at https://www2.nzqa.govt.nz/about-us/consultations-and-reviews/teo-fees/ or by email to QAFredesign@nzqa.govt.nz with "Fees consultation" in the subject.

You can answer the questions included in this document or provide any additional information or comments.

Submissions close at **11.59pm on 9 September 2025**. Once submitted, your information will become a formal record for this programme of work. If you have any questions, need more information, or would like to provide your feedback in another form, please contact us at the above email address.

Use of information

The information provided in your submission will be used to inform the development of the NZQA fees system. All personal information you supply to NZQA in either an online or written submission will only be used to help in the development of NZQA fees. We will retain this information in accordance with NZQA policies and processes.

NZQA will not use or disclose your personal information without your consent, unless authorised or required by law. We may contact you directly if we require further clarification of any matters in your submission. Your submission may be publicly disclosed in official documents or as required by the Official Information Act 1982.

If your submission contains any information that is confidential, or you do not want us to publish, then in your submission please include 'CONFIDENTIAL' for the relevant information with an outline of any objection you or your organisation may have to the release of information. Please identify which parts you consider should be withheld if we receive an OIA request for this information, along with the reasons for doing so.

Please indicate clearly if you do not wish your organisation name to be included in official documents that NZQA may publish.

For further information on how your information is managed, please visit <u>NZQA's</u> <u>website</u>.