



## Consultation on a simpler, fairer fees system- Summary of submissions May 2025

**NZQA**

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## Executive summary

In May 2025, the New Zealand Qualifications Authority (NZQA) released a consultation document, [\*Consultation on NZQA fees for Tertiary Education Organisations \(TEOs\)\*](#). The purpose of the consultation was to gather feedback on three high-level proposals aimed at creating a simpler and fairer fee structure. This report summarises the views submitted during consultation.

A key reason for initiating this consultation was the inequity created by NZQA's reliance on the credit reporting fee as its primary source of fee revenue. The current model places a disproportionate burden on TEOs that are using standards and is no longer sustainable. To address this, NZQA proposed redistributing the cost of the credit reporting fee across all TEOs.

The proposals also included adjustments that reflect inflation and the cost of needing to invest in a modern, fit-for-purpose IT infrastructure.

While these changes may result in an overall fee increase for many TEOs, they are intended to create a more balanced and future-ready funding model.

NZQA received 53 submissions from groups and individuals involved in the tertiary education sector. Overall, the feedback highlighted general support for the proposed changes.

Key themes from the submissions include:

- Broad support for set fees for services (76% of submitters).
- Conditional support for extending the credit reporting fee to all qualifications, micro-credentials, and standards from 1 January 2026 (65% of submitters).
- Strong endorsement for including 'micro-credentials' under section 452(1)(s) of the Education and Training Act (87% of submitters).
- Concerns about the potential financial impact on smaller, niche, or non-funded providers.
- Calls for greater transparency in how fees are calculated and applied.
- Suggestions for NZQA to consider phased implementation, system readiness, and alignment with other system reforms.

The feedback received through this consultation has provided valuable insights and will play a critical role as we finalise our fees.

## Purpose of this document

This report summarises the key themes and insights from submissions NZQA received during its consultation on proposed fees for TEOs, which ran from 27 May to 24 June 2025.

The consultation document set out three high-level fee proposals aimed at simplifying the fee structure and distributing costs more fairly across the sector, while exploring how these changes could apply to TEOs in the future.

This document draws on the feedback received but does not reflect every response made by each submitter. NZQA will consider all feedback to inform the next phase of work, including developing the detail required to implement future fee changes.

## Introduction

NZQA is one of the government agencies that manage and regulate education in New Zealand. We are responsible for making sure that tertiary education (outside of universities) is high quality, and that New Zealand qualifications and credentials are accepted as credible and robust, both nationally and internationally.

NZQA operates under a financial model that combines Crown funding with cost recovery through fees. Since its establishment in 1990, NZQA has been expected to be partially self-funding, with fee revenue supporting a wide range of quality assurance functions. These include the approval and development of qualifications, quality assurance of TEOS, maintenance of the New Zealand Record of Achievement, and various supporting functions.

NZQA's fees have not been adjusted for inflation or rising costs in many years. Some remain unchanged since as far back as 2002.

This has created a funding model that is both unsustainable and inequitable. A significant portion of NZQA's revenue is derived from the credit reporting fee, disproportionately impacting TEOs that use standards-based qualifications. The decline in the use of standards has led to a decrease in associated revenue, disincentivising their continued use and undermining policy objectives. To address these challenges, NZQA is proposing a more equitable fee structure that reflects current costs and fairly distributes the financial burden across all TEOs.

Details of the fee proposals can be found in the consultation document [here](#).

## Public consultation process

In May 2025, the New Zealand Qualifications Authority (NZQA) published the consultation document [\*Consultation on NZQA fees for TEOs\*](#) and invited submissions from stakeholders and the public.

The consultation document contained six questions that focused on proposals for moving to a simpler, fairer fee system.

People were invited to submit their views on the proposals by email or via an online questionnaire.

During the public consultation period, we held two public online information sessions.

Overall, 105 people participated in the public online information sessions. Figure 1 illustrates the attendance for each session.

**Figure 1: Number of attendees for each public online information session**

Session number	Attendees
Session 1	69
Session 2	36
<b>Total</b>	<b>105</b>

## Who we heard from

We received a total of 53 submissions. These submissions came from individuals, TEOs, peak bodies, standard setting bodies (SSBs), and industry bodies.

Figure 2 outlines the number of submissions received by type of submitter.

**Figure 2: Demographics of submissions received**

Organisation	Number of submissions
Internal	1
Private Training Establishment (PTE)	32
Government Training Establishment	2
Regulator or Peak body	4
Standard-Setting Body	3
Te Pūkenga business division	9
Other	1
Wānanga	2
<b>Total</b>	<b>54</b>



Submissions were predominantly received from groups and individuals involved in the tertiary education sector.

### How we analysed the submissions

The project team reviewed all submissions received through the online questionnaire and consultation inbox. The questions from the consultation document were used to structure the analysis.

Each submission was read and categorised according to the relevant consultation question. Microsoft copilot was used to assist in grouping and summarising the feedback under each question.

The team then reviewed the summarised feedback, and where necessary, rewrote or refined the text to ensure they accurately reflected the content of submissions.

## Summary of submissions

Submissions are summarised below by each consultation question.

### **Proposal One: Increasing the professional services fee from \$190 per hour (GST exclusive) to \$240 per hour (GST exclusive) from 1 January 2026.**

Question 1: What additional factors or considerations should we consider in determining the hourly rate?

Many submitters acknowledged the proposed fee increase as reasonable, citing inflation and the lack of a review since 2018. Some explicitly supported the change, noting alignment with public sector benchmarks. However, this support was often conditional on improvements in NZQA's service delivery, transparency, and fairness.

Submitters highlighted the need to link any fee increase to actual service usage, measurable service improvements, such as faster processing times, clearer guidelines, fewer requests for information, and published service level expectations. Submitters also called for an open-book approach to fee setting, requesting a breakdown of the \$240 per hour rate and consideration of differentiated rates based on staff seniority or task complexity.

Alternative fee structures were proposed to improve fairness and accessibility, including tiered pricing based on provider size or funding model, bundled or capped fees, and discounts for small or not-for-profit providers. Many preferred a phased increase over 2–3 years rather than a steep, one-step rise. Concerns were raised about affordability, particularly for smaller providers, and the impact of third-party charges on innovation and access for priority learners.

### **Proposal Two: Replacing the professional services fee with set fees for services from 1 January 2026.**

Question 2: Do you support the concept of set fees for services?  
Please give the reason(s) for your preference.

There was strong support (76% of submitters) for moving to set fees from hourly rates. Many valued the benefits of cost certainty, predictability, and simplified financial management. Submitters noted that set fees would reduce administrative overheads and improve transparency in invoicing, enabling more

strategic programme planning. Smaller and self-funded providers particularly valued these benefits, citing challenges with the unpredictability of hourly billing.

Set fees were also seen as potentially more efficient for NZQA to administer. However, support for set fees was often conditional. Submitters recommended further consultation on actual fee levels and structures, including tiered models based on provider size, application complexity, and submission quality. They also called for clear definitions of service coverage, minimum service expectations, and equity safeguards to protect newer or high-performing providers.

Around 24% of submitters opposed the change, preferring hourly rates due to their alignment with fairness, flexibility, and actual service use. Concerns included the potential for a disconnect between effort and costs.

### Question 3: What factors or considerations should we consider in determining set fees?

Submitters emphasised the need for a set fees model that is more transparent, equitable, and scalable. Many submitters advocated for tiered fees that reflect the complexity of the application, level and credit volume of programmes, and the size and scale of the provider. A hybrid model combining a base fee for standard tasks with additional charges for more complex or time-consuming tasks was seen as a fairer approach.

Affordability for small, self-funded PTEs and kaupapa Māori providers was a key concern. Submitters recommended discounts, exemptions, or capped fees to ensure disproportionate impacts on providers. Equity safeguards were also suggested to ensure high-performing or low-impact applications are not penalised, and to encourage ongoing programme updates.

Many submitters highlighted the importance of aligning fees with the broader regulatory context and avoiding duplication between NZQA and future Industry Skills Boards.

Operational suggestions included biannual invoicing to reduce administrative burden, fee reviews every 3–5 years, and consultation with TEOs on fee values and service assessments. Some submitters recommended bundling services for concurrent applications and removing some existing fees to offset costs of the proposed fee system.



### **Proposal Three: Extending the credit reporting fee to all qualifications, micro-credentials, and standards from 1 January 2026.**

Question 4: Do you support the concept of extending the credit reporting fee to all qualifications and micro-credentials, as well as standards? Please give the reason(s) for your preference.

Most submitters (65% of submitters) expressed conditional support for extending the credit reporting fee to all qualifications, micro-credentials, and standards. This was seen to simplify NZQA's fee structure, promote fairness across providers, and remove disincentives to using standards. The current model is viewed as disproportionately affecting providers who deliver standards-based training, and the proposed extension is expected to redistribute costs more equitably and promote greater consistency in learning outcomes.

However, there were concerns about the scale of potential fee increases, particularly for large providers and those with high equivalent full-time student (EFTS) volumes. Some submitters estimated fee increases of 500-1000% under this proposal. To address this, submitters recommended transparent cost modelling, tiered or capped fee structures, and transitional support, especially for equity-focused and non-funded providers.

Submitters also requested clarity on what the credit reporting fee covers, including whether it funds reporting alone or also contributes to standard development, moderation and system maintenance. There was concern that providers may be charged for services they do not receive. Submitters urged NZQA to clearly define the scope, timing, and mechanics of the fee, especially for credit transfer, multi-qualification pathways, and international learners.

Question 5: Do you support the inclusion of micro-credentials in section 452(1)(s) of the Education and Training Act? Please give the reason(s) for your preference.

Most submitters (87%) expressed clear support for including micro-credentials in section 452(1)(s) of the Education and Training Act. Many noted that micro-credentials should be formally acknowledged in legislation to ensure regulatory consistency, quality assurance, and alignment with the New Zealand

Qualifications and Credentials Framework (NZQCF). Submitters viewed this inclusion as a logical step that reflects the growing role of modular and flexible learning in the education system.

Submitters highlighted the importance of learner records being complete, portable, and transparent. This proposal was seen as important for supporting lifelong learning, stackable credentials, and work-based training pathways. Some noted that formal recognition could help shift perceptions and increase the credibility and value of micro-credentials among learners and employers.

A small number of submitters raised sector-specific concerns, particularly around the status of micro-credentials in relation to English Language programmes and the potential for misalignment with funding models. These submitters requested that the legislative wording allow for flexibility and that NZQA work closely with affected providers to ensure the changes are relevant, proportionate and sector appropriate.

### Question 6: What additional factors or considerations should we consider in extending the credit reporting fee to all qualifications, micro-credentials, and standards?

Submitters recommended that NZQA consider the risk of fee duplication where learners are awarded both unit/skill-standards and micro-credentials. Clear reporting guidance and a fee adjustment mechanism were suggested to avoid double-charging.

A recurring concern was the potential financial impact on providers and learners, especially small, self-funded PTEs, and those serving seasonal or community-based learners. A banded fee model based on provider size and EFTS was proposed to ensure fairness.

Submitters also highlighted the need to account for the transition to skill standards, recommending adequate lead-in time and incentives. Questions were raised about NZQA's system readiness to manage increased reporting volumes and there were concerns about worsening existing delays in updating learner records.

A gradual rollout of fee changes that is potentially piloted with select providers was widely recommended to ensure smooth implementation. Submitters also called for phased implementation and support during the transition, particularly in relation to the cost implications of reporting micro-credentials.

## Additional comments

In addition to feedback on the specific fee proposals, submitters raised several broader concerns that were not directly addressed by NZQA's consultation questions.

Many submitters expressed concern that the timing of fee decisions may not align with providers' existing budgeting cycles. This was particularly problematic for smaller providers and those not submitting Single Data Returns (SDRs), who often operate with limited financial flexibility. Uncertainty around implementation dates and fee structures was seen as a risk to financial planning and operational stability, with some warning that late decisions could disrupt already finalised budgets.

There was a strong view that the outcomes of this consultation would set a precedent for future-fee setting by Industry Skills Boards (ISBs). Submitters emphasised the need for system-wide coherence, including robust cost modelling, clear definitions of chargeable services, transparent invoicing, and alignment with broader reforms such as the integrated Quality Assurance Framework (iQAF). This alignment was seen as essential to avoid fragmentation and maintain consistency across the tertiary education system.

Submitters also highlighted the need for investment in digital infrastructure to support more efficient reporting and reduce administrative burden. There was concern about the downstream impacts of fee changes on learner access and outcomes, particularly for equity-focused providers. Ensuring that the system supports cost-reduction goals and remains sustainable in a rapidly evolving education landscape was identified as a key priority.

## Consultation outcomes and Next steps

The purpose of the consultation was to gather feedback from TEOs and other stakeholders on NZQA's proposed changes to create a simpler, fairer fee system. Submitters engaged thoughtfully with the proposals, offering a wide range of perspectives and suggestions. Overall, the feedback highlights strong support for the intent behind the proposals, particularly the move toward greater equity, transparency, and consistency in how fees are applied.

NZQA will continue to engage with TEOs, agencies, regulatory and peak bodies, advisory groups, and SSBs, as we refine the proposals. A second round of public consultation will take place later in 2025, focusing on the detailed fee structure, any required legislative amendments, and the implementation plan.