

Consultation on changes to NZQA's fees system-Summary of submissions August 2025





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Executive summary

In August 2025, the New Zealand Qualifications Authority (NZQA) released a consultation document, <u>Consultation on changes to NZQA's fees system</u>. The purpose of the consultation was to gather feedback on detailed proposals and associated rule changes to the structure and levels of NZQA's fees, to create a simpler and fairer fee model for tertiary education organisations (TEOs), excluding universities. This report summarises the views submitted during consultation.

<u>Feedback</u> from the <u>initial fees consultation</u>, which ran from 27 May to 24 June 2025, indicated strong support for high-level proposals to simplify and improve fairness in the fee structure for TEOs. This follow-up consultation built on those well-supported concepts by focusing on the next level of detail and how they would be implemented.

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* qualifications as well as standards.

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 22 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 reducing the credit reporting fee from \$1.37 + GST to \$1.10 + GST per credit;
- general agreement on introducing a payment requirement in the Rules that specifies credit reporting fees must be paid by the end of the month following the invoice date from NZQA;
- · widespread endorsement for the proposed set fees for applications;
- support for retaining a professional services hourly rate for activities where a set fee is not practical due to variability; and

• affordability of the proposed changes and calls for greater equity and transparency in fee structures.

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 12 August to 9 September 2025.

The consultation document set out the detailed fee proposals, required legislative amendments, and implementation matters aimed at simplifying the fee structure and distributing costs more fairly across the sector.

This document draws on the feedback received but does not reflect every response made by each submitter. NZQA will consider all feedback to help us finalise and implement a new approach to fees.

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. The proposed fees outlined in the consultation were developed in alignment with the principles and considerations set out in NZQA's Cost Recovery guidance, 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. The proposed fees were also created in accordance with the Treasury and Office of the Auditor General (OAG) guidelines that further detail the requirements that statutory authorities must meet when setting and administering fees to cover the costs of service provision.

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 Qualifications and Credentials Framework (NZQCF) and New Zealand Record of Achievement (NZRoA), 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. A decline in the use of standards has led to a decrease in associated revenue, disincentivising their continued use by TEOs 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 impacts across all qualifications as well as standards.

Details of the fee proposals can be found in the consultation document <u>here</u>.

Public consultation process

In August 2025, the New Zealand Qualifications Authority (NZQA) published the consultation document <u>Consultation on changes to NZQA's fees system</u> and invited submissions from stakeholders and the public.

The consultation document contained seven 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, 36 people participated in the public online information sessions. Figure 1 illustrates the attendance for each session.

Figure 1: Number of attendees for information sessions

Session number	Attendees
Session 1	11
Session 2	25
Total	36

Who we heard from

We received a total of 22 submissions. These submissions came from Private Training Establishments (PTEs), peak bodies, Te Pūkenga | New Zealand Institute of Skills & Technology (NZIST) business divisions, and wānanga.

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

Figure 2: Demographics of submissions received

Organisation	Number of submissions
Private Training Establishments	7
Regulator or peak body	3
Te Pūkenga business division	10
Wānanga	2
Total	22

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 the accurate reflection of submissions.

Summary of submissions

Submissions are summarised below by each consultation question.

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?

Submitters broadly support the proposed reduction of \$1.37 to \$1.10 + GST. The majority of providers, especially standards-based providers, welcomed the reduction and saw it as a fair step toward financial sustainability. However, some submitters raised concerns that the fee is still too high when applied to all qualifications, micro-credentials, and standards completions. Some submitters suggested a lower rate that is under \$1.00 per credit, staged implementation over 2–3 years, and greater transparency for how fee revenue will enhance NZQA services.

The proposed implementation date of 1 January 2026 is seen as significant and potentially challenging, especially amongst providers whose programmes the credit reporting fee has not previously applied to. Many providers mentioned that they have already set 2026 fees and budgets and cannot pass on new costs due to legislative constraints. Some submitters also requested that NZQA consider delaying decisions until the conclusion of iQAF consultation as fee changes may pre-empt broader system reforms.

Many submitters highlighted equity and financial concerns, requesting that the fee expansion shows clear improvement in NZQA services. Some large providers anticipated unsustainable cost pressures due to concurrent funding cuts and new sector fees, potentially impacting programme delivery and learner access. There was concern that the proposed fee structure may impact vulnerable learners, including Māori, Pacific, and work-based learners, by introducing cost barriers that could compromise equitable access to education.

There was concern that universities, which typically deliver the largest total number of credits per learner, are excluded from paying the fee¹, and some suggested that universities should pay a nominal fee. Submitters recommended proportional cost distribution across all sectors, consideration of provider size, automation to reduce administrative burden, and improved transparency in NZQA's cost recovery and service delivery.

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."

Most submitters support the inclusion of a payment requirement in the Qualification and Micro-credential Listing and Operational Rules, viewing it as a fair and standard practice that is predictable and could aid budget planning. Some submitter support was conditional on implementation matters and recommended extending the payment window to two months post-invoice, ensuring invoicing systems are robust and accurate, with clear dispute resolution procedures.

There was some concern about administrative burden and the potential suitability of monthly payments for all provider types. A more balanced approach to credit reporting that distinguishes between workplace requirements and personal learning was recommended. Some submitters viewed mandatory reporting of all credits as creating unnecessary administrative and financial burdens in cases where learners are not pursuing a qualification, and do not want or need credits reported for workplace purposes.

Some providers also requested exemptions or alternative charging mechanisms where delivery models, such as English language or non-credit-bearing programmes, do not align with credit reporting. There were also calls to lower or waive credit reporting fees for micro-credentials to encourage uptake, and to adopt

¹ This is because NZQA do not quality assure universities. Universities New Zealand is the statutory body responsible for the quality assurance of New Zealand universities. The Committee of University Academic Programmes is responsible for university approvals and moderation.

a more flexible credit reporting approach that reflects learner intent and provider context.

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.

Most submitters supported the move to set fees, referring to benefits such as cost predictability, transparency, and reduced administrative burden. The set fees were seen as helpful for budgeting, less complex for planning application costs, and beneficial for long-term planning, provided they are fair and reflect actual service costs. The proposed set fees were noted as valuable for strategic advantages such as efficiency in financial management and improving estimations for programme development costs.

Some concerns were raised about fee affordability, particularly for straightforward applications that require minimal NZQA input. There were requests for NZQA to review micro-credential fees to support accessibility and uptake for learners and providers. Some submitters viewed the proposed 'Micro-credential listing, approval and accreditation, with or without Consent to Assess' set fee as too high and disproportionate for smaller credit volumes.

There was also some concern about the potential for set fees to exceed current hourly charges. There were calls for transparent invoices, pre-approval quotes, and assurance that requests for information (RFIs) are included in the corresponding fees. Some submitters also requested the ability to update documentation or withdraw poor applications after immediate notification to the provider, with NZQA billing capped at 16 hours for this process.

A few submitters also advocated for a set fee structure that acknowledges and provides reduced fees or streamlined processes for high-performing providers with strong levels of compliance.

Question 4: Would you prefer to continue to pay an hourly rate for all applications? Please explain your preference.

Submitters provided mixed views on retaining hourly rates, with many supporting it only for standard applications where scope and complexity vary significantly. Most submitters did not support continuing with hourly rates for all applications because of its unpredictability, lack of transparency, and potential variability in NZQA's evaluation processes. Hourly charging was considered difficult to manage from a budgeting and planning perspective. A small number of submitters preferred the hourly rate for high-performing providers, where applications require little additional work.

Some submitters raised concerns about inconsistent evaluator skill and efficiency, unclear invoicing, and disproportionate impacts on smaller or degree-delivering PTEs. Recommendations included improving transparency in time tracking, ensuring evaluator accountability, and avoiding fee structures that penalise high-performing or financially constrained providers. Some submitters recommended a tiered hourly rate model based on application complexity, reduced fees for high-performing providers, and clearer guidance on how fees apply to RFIs and variations or amendments to submitted applications.

Question 5: Are there specific activities that you would like to maintain as an hourly rate fee? Please explain your preference.

Submitters suggested hourly charging for Type 2² programme changes; compliance visits; micro-credential approval and accreditation, with or without consent to assess associated standards; and change of ownership processes. These activities were seen as too variable to be fairly captured by a set fee. Some raised concerns that fees that are set too high may discourage programme updates, particularly for micro-credentials.

English language providers requested tailored fee models, noting that NZQA fees do not suit their delivery. Some submitters suggested integrating professional services into the credit reporting fee to reduce administrative complexity.

² A Type 2 change refers to one or more changes to components of an approved programme that impact the programme as a whole.

Many submitters requested that NZQA regularly review hourly rate charges against the schedule of set fees and share sector-relevant trends for broader consideration.

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.

Feedback was limited but supportive of expanding the use of set fees to more activities for the benefits of cost certainty and simplified budgeting. While some deferred to NZQA's proposed list, others recommended *all* activities to attract set fees, with regular reviews of the fee structure to identify trends and ensure alignment with sector needs. There was also support for refinements to maintain fairness and efficiency.

Suggested additions to the set fee schedule included new PTE registration, standalone programme approval, vocational pathways applications, and additional moderation due to non-compliance. These were seen as sufficiently standardised to justify fixed pricing or preferable for budgeting purposes. Submitters also advocated for scaling fees based on provider size (e.g. EFTS), using templates to streamline processes, and tailoring fee models for non-standard provision such as English language courses.

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?

Submitters appreciated the additional detail provided in follow-up consultation. Some submitters highlighted final concerns about fee transparency, timing, and sector-specific impacts. Many were critical of NZQA's reliance on Tertiary Education Commission (TEC) data for modelling, noting it excludes non-funded PTEs and may not reflect the current operating environment. There were strong calls for clearer invoicing, breakdowns of charges, and appeal mechanisms, alongside concerns about the proposed 1 January 2026 implementation date, which submitters argued clashes with already completed budget cycles and confirmed funding allocations.

Some submitters recommended a tiered fee structure based on provider size or funding status, staged implementation of fee increases, and caps on hourly rates to ensure fees reflect actual service delivery costs. English language providers reiterated the need for a tailored model, while initial teacher education providers called for better alignment between NZQA and the Teaching Council to reduce duplication.

Concerns were also raised about the impact of fees on innovation and programme quality, with some describing the proposed increases as unjustified, such as the PTE registration fee increase and micro-credential charges. There was broad support for ongoing review, transparency, and sector engagement to refine the fee model.

Additional comments

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

Many submitters expressed their appreciation for NZQA's services, and the additional detail provided in this follow-up consultation before finalising a new fees structure. Submitters also acknowledged and supported NZQA's intent to simplify the NZQA fees system.

Submitters reiterated concerns about financial sustainability, equity, and the risk of passing costs on to learners. The proposed changes were seen as potentially regressive, especially for smaller and non-funded providers. There was strong concern that the proposed fee structure disproportionately charges vocational education providers with costs that support broader services across the education system, including universities and secondary schools. There was support for NZQA to conduct a cumulative impact assessment to understand the effects of any fee changes on different providers and learner groups.

Implementation challenges were highlighted, as many providers have already finalised budgets for 2026 and cannot accommodate sudden cost increases without significant disruption. To address these issues, stakeholders recommended a phased implementation approach that allows providers to adjust and plan.

Submitters requested that NZQA consider alternative models such as peer review systems, align with other agencies to avoid duplication and double-charging, and ensure that fee increases are matched by service improvements. A few submitters

also called for NZQA to release any analysis it undertook on the impact of these changes, and to clarify whether fees can be passed on to learners. There was also a call to retain data collection mechanisms previously supported by the annual fee.

Submitters also encouraged performance monitoring measures such as service level commitments, satisfaction surveys, and transparent reporting on fee revenue and service quality. Submitters requested that any future consultations are better timed, aligned with sector budget cycles, and more responsive to sector feedback.

Te Tiriti o Waitangi and Equity considerations

Some submitters raised concerns about equity and Te Tiriti o Waitangi obligations in the proposed fee model. While the goal of a simpler, fairer fee system was acknowledged, many argued the proposed credit reporting fee risks introducing new inequities, particularly for providers serving underrepresented communities. Other submitters were concerned that increased costs may reduce access and affordability, with smaller and community-focused institutions disproportionately affected.

Some submitters cautioned that NZQA fees could lead to a reduction in staff and learner support, limiting opportunities for Māori and Pacific learners. Overall, submitters urged NZQA to consider alternatives to fee increases that uphold fairness, proportionality, and Te Tiriti o Waitangi obligations while supporting equitable outcomes within the sector and learners.

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 that meets expectations around recovering the cost of NZQA's quality assurance functions.

Submitters engaged thoughtfully with the proposals, offering a wide range of perspectives and constructive suggestions. Feedback highlighted strong support for the intent behind the proposals, particularly NZQA's intention of moving toward greater equity, transparency, and consistency in how fees are applied. Key concerns raised by submitters focused on equity, affordability, financial sustainability, and timing of the proposed fee changes.

NZQA will finalise and communicate changes to the fee structure before they come into effect. This will include publishing the detailed fee structure, outlining any required legislative or rule amendments, and providing a clear implementation plan. NZQA will support providers through targeted communications and engagement to ensure a smooth transition and provide clarity around how the revised fees apply.

NZQA is progressing the development of transitional arrangements to support providers in adapting to the new structure set to be implemented from January 2026, including guidance on timing, invoicing, and any interim processes.