



Australian Government

Tertiary Education Quality and Standards Agency



MEDIA RELEASE

TEQSA RELEASES KEY FINANCIAL METRICS ON HIGHER EDUCATION SECTOR

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The Tertiary Education Quality and Standards Agency (TEQSA) has released a report outlining the key financial metrics of Australia's higher education sector.

The report, "*Key financial metrics on Australia's higher education sector*", is the first release of financial data analysed by TEQSA as part of its sector monitoring, providing a snapshot of selected key financial metrics covering the whole of Australia's higher education sector, information which has previously not been made public.

TEQSA Chief Executive Officer Mr Anthony McClaran said that the report was the first ever overview of key financial metrics for the whole of Australia's higher education sector.

"This is the first release of its kind from TEQSA and presents selected data collected through the Agency's annual Provider Information Request, and information held on the National Register of Higher Education Providers," said Mr McClaran.

To put this data in the context of the whole sector, TEQSA combined its own information with data drawn from the collections managed by the Australian Government Department of Education and Training.

"TEQSA is in a unique position to share the information we collect and analyse as part of our ongoing monitoring and quality assurance role and we intend progressively to expand the amount of information we release." Mr McClaran said.

During 2016 TEQSA will undertake further consultations on how it reports separate, broader topics such as risk and assessment outcomes.

The report is available for download from TEQSA's website at www.teqsa.gov.au/news-publications/publications.

TEQSA is Australia's independent national higher education quality assurance and regulation Agency.

TEQSA aims to ensure students receive a high quality education at any Australian higher education provider.

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Key financial metrics report: Q&A

What is the purpose of releasing this information?

During TEQSA's 2015 provider round table sessions there was strong support for TEQSA releasing its analysis of selected data held by the Agency.

The analysis and key metrics presented in the report allow users, in particular existing higher education providers, to better understand how their entity's financial performance on key financial metrics compares with similar providers and the sector more broadly.

What are the 'financial metrics' outlined in the report?

The metrics are commonly accepted financial metrics which reflect key business drivers which are critical to the financial viability and sustainability of higher education providers:

- ▶ Revenue: major sources and concentration;
- ▶ Expenditure: staff spending;
- ▶ Profitability: net profit/surplus and earnings before interest tax, depreciation and amortisation (EBITDA);
- ▶ Asset replacement; and
- ▶ Liquidity.

The metrics were selected for their importance in measuring the capacity and capability of providers to use their financial resources to support quality in the delivery of higher education. Importantly, they are reasonably comparable across all providers and also provide visibility of financial position and performance at sector and sub-sector levels.

How did TEQSA calculate the metrics?

The definitions and calculation methodology for each measure is available in the 'Glossary' section of the report. Enquiries relating to the key financial metrics report can be directed to collections@teqsa.gov.au.

Will TEQSA publicly release financial information about individual providers?

No. For many providers, financial data is commercial-in-confidence and as such, information in this report is presented in an aggregated, de-identified manner.

However, students need to be satisfied that a provider will be in a financial position to deliver the advertised course of study until they graduate, in compliance with the Threshold Standards.

The new [Higher Education Standards Framework](#) seeks to address this by establishing a set of information requirements which can be accessed by, and meets the needs of, current and prospective students. TEQSA is working with the sector to establish the minimum information requirements for students.

What's the difference between this report and TEQSA's sector statistics report?

The metrics report and TEQSA's statistics report are standalone releases containing data from different reporting periods and addressing different areas. They are not designed to be read in conjunction.

The *Statistics Report on TEQSA Registered Higher Education Providers* reports high level information across four key areas: providers, students, academic staff and finances. Most finance data presented in that report relates to revenue.