



Australian Government

Tertiary Education Quality and Standards Agency

TEQSA fees and charges consultation

October 2024

TEQSA

Why we're seeking your feedback

On 1 January 2023, TEQSA implemented an increased cost recovery model to bring the agency in line with the [Australian Government Cost Recovery Policy](#).

In 2024, we've focused on:

- reviewing our cost recovery model to ensure that we consider the feedback from the sector
- ensuring our fees and charges align with the legal and policy requirements of the Australian Government
- ensuring our cost recovery model reflects our budget and resource allocation for 2024-25.

We are seeking your feedback on the changes we're proposing in light of this review.

Feedback gathered from this current consultation may assist TEQSA in further improving cost recovery processes over the longer term.

Summary of proposed changes

Earlier in 2024, we released a consultation paper on our revised service charter. This review reflects our emphasis on:

- providing responses and updates in a respectful, courteous and timely way
- measuring, and reporting against, our performance in meeting our service targets
- our commitment to continuous improvement against our service charter, service standards and legislated timeframes.

To reflect feedback around our service charter, we've adjusted our approach to managing enquiries and to dealing with stakeholders. This involves the establishment of an Enquiries and Provider Liaison Team, to provide a single point of contact for enquiries, supported by an investment in people and systems to ensure a consistent approach to implementing our service charter. As the volume of enquiries and contact with individual providers is principally determined by the provider's number of students and number of courses, we propose to adjust our cost recovery model so these costs are allocated proportionally to providers based on equivalent full-time student load (EFTSL).

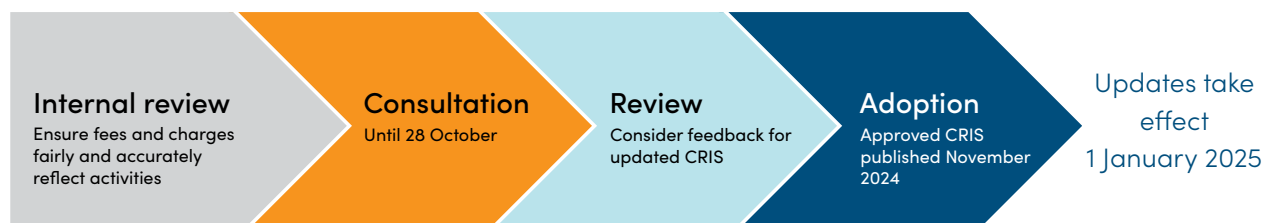
We've also reviewed our approach to managing concerns and to compliance assessments. This showed us that the number of formal compliance assessments is lower than we'd anticipated, but that significant work on compliance occurs in reviewing complaints and concerns without a formal compliance assessment.

Based on this review, we're proposing to reduce the component of the Registered Higher Education Provider charge which is divided equally across all providers, and to increase the amount which is divided proportionally based on EFTSL. The effect of these changes would be to increase the amount of RHEP charge paid by larger providers, and to reduce the amount paid by smaller providers. This reflects that a significant part of TEQSA's regulatory activity is, and will continue to be, the review of concerns about activities relevant to larger providers, particularly in relation to safety and wellbeing on campus, freedom of speech and academic freedom, and the governance of institutional responses to wage underpayments.

Examples which illustrate the projected impact of these changes are provided at Appendix A to this paper.

TEQSA is not proposing any adjustments to application fees, including the discounts on certain application fees for providers with an EFTSL of 5,000 or less. We expect to consult the sector on changes to our application-based processes in the coming months, and will review the impact of those changes on our cost recovery model in 2025, once they've been finalised.

Consultation and timelines



Feedback on the proposed changes outlined in this consultation paper is open until 5pm (AEDT), Monday 28 October 2024. You can make a submission by email to:

costrecovery@teqsa.gov.au

Questions?

If you have any questions about this consultation process or the proposed changes to fees and charges, you can email us at costrecovery@teqsa.gov.au. We will update any frequently asked questions on our website at teqsa.gov.au/costrecovery.

After feedback closes

Once feedback closes, TEQSA will consider all submissions and make our final fees and charges recommendations to the Minister for Education.

TEQSA will also consider sector feedback to inform our future work and streamline our processes.

Once we have approval on our final fees and charges for 2025, we will release this information through TEQSA's updated Cost Recovery Implementation Statement (CRIS).

We will directly inform all registered providers of this updated version of the CRIS and publish updated information on our website. Our website will also inform you once the relevant legislative instruments have been amended to reflect the updated CRIS.

The fees and charges set out in the updated version of the CRIS will take effect from 1 January 2025. Invoices for the RHEP charge will be issued in early 2025 – further information about this process will be shared with providers later this year.

Proposed changes to TEQSA's fees and charges

Registered Higher Education Provider (RHEP) charge

Since 1 January 2023, all higher education providers have been required to pay the annual RHEP charge.

The RHEP charge is the sum of:

- a base component, which enables TEQSA to recover costs for delivering regulatory services that benefit the sector that cannot be attributed to individual providers, and
- a compliance component that recovers the cost of compliance activities undertaken by TEQSA in relation to the provider in the preceding calendar year.

The base component includes 2 elements:

- costs for outputs which are allocated equally across all registered higher education providers
- costs which are allocated based on provider size, where the provider's size is likely to determine the proportion of activity which relates to the provider.

Figure 1: An illustration of the composition of the Registered Higher Education Provider (RHEP) charge



Proposed changes to the base component of the RHEP charge

Since implementing increased cost recovery, TEQSA continues to strengthen its delivery of our regulatory and quality assurance services to the sector.

Following our review, we are proposing to reduce the amount of the base component of the RHEP charge which is allocated equally amongst providers, and to increase the amount which is allocated based on provider size. This reflects the increased work on complaints and concerns outside of formal compliance assessment processes, and the increased emphasis on providing a consistent and responsive approach to enquiries and provider liaison.

The final amount each provider will pay is dependent on how many providers are registered with TEQSA on 1 January in the relevant year when the charge is calculated and the provider's EFTSL. Appendix A to this consultation paper provides an illustration of how the changes may affect providers.

Consistent with a previous decision of the Australian Government, from 1 January 2025 the full amount of the base component of the RHEP charge will be invoiced to providers. Previous invoices have recovered 25%, and subsequently 50%, of the base component as part of a phased introduction of cost recovery.

No changes to application fees or to the compliance component of the RHEP charge

TEQSA considers that its application fees and the compliance component of the RHEP charge reflect the costs of the activities relevant to those fees and charges. As such, TEQSA does not propose any changes to these fees and charges in 2025.

TEQSA expects to consult the sector on changes to its application-based processes in the coming months, and will review the impact of those changes on cost recovery in 2025.

Appendix A – examples of application of proposed changes to cost recovery

In these examples, TEQSA has made the following assumptions:

1. Number of registered providers: 204 on 1 January 2024 (actual figure), 207 on 1 January 2025 (projected based on actual figure at 1 August 2024).
2. Total sector EFTSL: 1,064,569.60 (2022 figure, used for both 2024 and projected 2025 calculations while 2023 data is pending).

The examples refer to the full amount of the RHEP charge. In the years prior to 2025, the phased introduction of the RHEP charge has meant that providers have been invoiced for a proportion of the RHEP charge (20% in 2023 and 50% in 2024).

Example 1

Provider A is a university with 22,000 EFTSL. It would pay more for the RHEP charge, because it has a relatively larger number of EFTSL than other providers, which means that the variable component increases from \$4,071 to \$23,312.

	RHEP charge – base component for all providers	RHEP charge – variable component based on EFTSL	Total
2024 RHEP charge	\$31,691	\$4,071	\$35,762
2025 RHEP charge (projected)	\$28,507	\$23,312	\$51,819
Variance	-\$3,184	\$19,241	\$16,057

Example 2

Provider B is a University College with 5,500 EFTSL. It would pay slightly more for the RHEP charge, because its EFTSL means that the reduction in the amount payable by all providers is offset by an increase in the variable component payable by Provider B from \$1,018 to \$5,828.

	RHEP charge – base component for all providers	RHEP charge – variable component based on EFTSL	Total
2024 RHEP charge	\$31,691	\$1,018	\$32,709
2025 RHEP charge (projected)	\$28,507	\$5,828	\$34,335
Variance	-\$3,184	\$4,810	\$1,626

Example 3

Provider C is a small independent Institute of Higher Education. Because its EFTSL is 1,500, the variable component of the RHEP charge would increase by \$1,311, which is offset by the reduction in the amount payable by all providers.

	RHEP charge – base component for all providers	RHEP charge – variable component based on EFTSL	Total
2024 RHEP charge	\$31,691	\$278	\$31,969
2025 RHEP charge (projected)	\$28,507	\$1,589	\$30,096
Variance	-\$3,184	\$1,311	-\$1,873

Example 4

Provider D is a new higher education provider, obtaining registration with TEQSA in 2024. As it had no EFTSL in 2023, it is not required to pay anything for the variable component of the RHEP charge in 2025. As such, the reduction in the amount payable by all providers means the amount it would pay for the RHEP charge is reduced by \$3,184.

	RHEP charge – base component for all providers	RHEP charge – variable component based on EFTSL	Total
2024 RHEP charge	\$31,691	-	\$31,691
2025 RHEP charge (projected)	\$28,507	-	\$28,507
Variance	-\$3,184	-	-\$3,184

The image features a diagonal split background with orange in the top right and blue in the bottom left. The text 'TEQSA' is written in a large, white, bold, sans-serif font. Below it, the website address 'teqsa.gov.au' is written in a smaller, white, lowercase, sans-serif font.

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