



Material change notification policy

Version 3.5

TEQSA material change notification policy

This policy clarifies the circumstances in which providers are required to notify TEQSA of material changes, to make it easier for providers to submit notifications.

Why material change notifications are important

The purpose of material change notifications is to ensure continuous disclosure by providers on changes that may be relevant to their compliance with the *Higher Education Standards Framework (Threshold Standards) 2015* (HES Framework).

Section 29(1)(a) of the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act) requires that a registered higher education provider must notify TEQSA if an event happens or is likely to happen that will **significantly affect** the provider's ability to meet the HES Framework. The notification must be given no later than 14 days after the day that the provider would reasonably be expected to have become aware of the event.

Please note that these notifications do not constitute an application for **approval** to implement changes, as approval is not required. However, TEQSA will follow up if it considers there is a risk that Standards in the HES Framework have been or will be breached.

Providers subject to the *Education Services for Overseas Students Act 2000* (ESOS Act) and *National Code of Practice for Providers of Education and Training to Overseas Students 2017* (National Code) should be mindful of any notification requirements arising from changes in circumstances under the ESOS Act. Please note that approval **is** required for some changes under the ESOS Act. Information about notifications and approvals required under CRICOS and the National Code can be found on the TEQSA website at <http://www.teqsa.gov.au/for-providers/cricos/notifications-approvals-required-cricos-registered-providers>. Providers can use the relevant CRICOS change form to notify TEQSA of any changes that require notification under the ESOS Act which will also affect the provider's compliance with the HES Framework.

Notification required

TEQSA has identified a number of changes that have been demonstrated to most likely have a **significant impact** on a provider's ability to meet the HES Framework. These changes are outlined below. The list is indicative and not exhaustive – there are other types of changes that may be material in some circumstances.

TEQSA requests feedback from providers on whether the list below includes all the major forms of material changes. Please send feedback to standards@teqsa.gov.au.

Providers are also encouraged to notify TEQSA of major developments that may increase TEQSA's understanding of the provider and its risk status.

Providers are encouraged to contact their case manager if they are in any doubt about whether a particular event warrants a material change notification.

Changes that may impact on provider governance and status

These include:

- ▶ changes to ownership or major shareholdings
- ▶ changes of Chief Executive Officer, Principal Executive Officer or principal academic leader (and, under the ESOS Act, any senior manager or officeholder who 'may fairly be assumed to represent the provider in relation to the business of providing courses')
- ▶ changes to membership of governing body and key academic governance bodies in

providers *not* established or recognised by acts of parliament

- ▶ changes of legal status, and
- ▶ change of control (**Note:** this is likely to trigger a broad assessment of compliance with multiple standards and criteria that can be impacted by a change of control).

Changes that may impact on good standing

These include:

- ▶ adverse findings, decisions or unscheduled compliance audits by another regulator, government department or accreditation body (especially against key personnel, the provider, or related entities), that bring into question the provider's ability to meet applicable legislation or any of the HES Framework Standards
- ▶ allegations or findings of fraud, corruption and/or maladministration, by a member of the governing body or staff member, including any referrals to an anti-corruption body, and
- ▶ allegations of research misconduct under the Australian Code for the Responsible Conduct of Research, and any other code of conduct

Changes that may impact on financial viability

These include:

- ▶ material growth or decline in the provider's revenue or profitability (projected or actual)
- ▶ material changes to the provider's existing, new or anticipated revenue sources
- ▶ appointment of an external administrator, liquidator or receiver
- ▶ events that may have a significant impact on a provider's ability to continue operating and
- ▶ major changes to the capital structure of the provider (new debt or equity).

Delivery with other parties (onshore and offshore)

These include:

- ▶ new arrangements to deliver a course of study in whole, or in part, through a third party, or to outsource access to information resources (i.e. not provide access directly)
- ▶ failures of the control and reporting systems put in place by the primary provider to monitor third party delivery
- ▶ cancellation of third party arrangements, and
- ▶ failures on the part of the third party to ensure that course delivery meets the HES Framework.

Major course changes (for providers without self-accrediting authority)

Major changes to courses, including material change to the requirements for completing a course, and may include:

- ▶ changes to the titles of courses
- ▶ changes to course learning outcomes
- ▶ discontinuation of courses
- ▶ notable reduction in course duration
- ▶ change of mode

- ▶ introduction of new majors or specialisations, and
- ▶ replacement or redesign of more than 50% of units within a course.

NOTE: If more than 50% of units are replaced or redesigned within an accreditation period, this may constitute a new course – please discuss this with your case manager.

Other changes that may impact on students

These include:

- ▶ a new delivery site
 - **Note:** the ESOS Act requires approval, not just notification, and also requires approval for change to capacity limits
- ▶ an organisational restructure involving material reduction in staff, especially in academic leaders or staff, and leaders or staff of academic support units such as librarians and English language and learning support units
- ▶ a change in the professional accreditation status of a course
- ▶ major changes to the terms and conditions of enrolment
- ▶ critical incidents and other material breaches in safety, and
- ▶ recurring incidents of sexual assault or sexual harassment.

No notification required

There are a range of circumstances in which a provider is *generally not required* to notify TEQSA of a likely or actual change. These include:

- ▶ changes to membership of governing body and key academic governance bodies in providers established or recognised by acts of parliament
- ▶ significant changes to key academic policies and procedures
- ▶ changes to terms of reference for corporate and academic bodies
- ▶ changes to key personnel, (other than changes of Chief Executive Officer, Principal Executive Officer or principal academic leader)
- ▶ minor course changes arising from regular interim monitoring (for providers without self-accrediting authority)

Dual-Sector Providers

TEQSA is aware that dual-sector providers are also required to notify ASQA of material changes and that ASQA has different reporting requirements. TEQSA and ASQA are working together to try to minimise the difference in the reporting requirements between the two regulators.

National Register changes

Section 29(1) (b) of the TEQSA Act requires that a registered higher education provider must notify TEQSA ‘*of an event that will require the Register to be updated in respect of the provider*’. The notification must be given no later than 14 days after the day that the provider would reasonably be expected to have become aware of the event. The changes pertain to the:

- ▶ **name of the legal entity**

- ▶ **ABN**
- ▶ **business name**
- ▶ **head office**, and
- ▶ **website address**, as well as the
- ▶ **titles of courses accredited by TEQSA**, or **discontinuation of those courses**.

This provision of the TEQSA Act enables TEQSA to maintain the accuracy and currency of the National Register of higher education providers.

Notification of these changes can be emailed to your case manager with relevant documentary evidence attached.

TEQSA material change notification process

How to submit a notification

- ▶ Notifications can be made via an email, a letter or a phone call (in which case they should be confirmed in writing).
- ▶ In the event of multiple changes taking place at the same time, only one consolidated notification is required.
- ▶ There is no fee for submitting a material change notification.

Once notification is received by TEQSA

You will receive confirmation from your case manager that TEQSA has noted the material change within 30 days of receipt of the notification. TEQSA may also request further information or seek clarification.

Contact

Please contact your case manager to discuss further if you have any queries regarding material change notifications.

Version #	Date	Key changes
1.0		
2.0	December 2013	Revised approach outlining new requirements for methods of notification
3.0	21 October 2016	Updated for the HESF 2015 and made available as beta version for consultation.
3.1	14 June 2017	Update to the changes that may impact on provider governance and status
3.2	20 June 2017	Update on changes that may impact on good standing
3.3	13 July 2017	Clarification in 'Changes that may impact on good standing' and 'Other changes that may impact on students'.
3.4	28 July 2017	Update on changes that may impact provider governance and

Version #	Date	Key changes
		status and students.
3.5	11 August 2017	Update on changes that may impact financial viability