

Appendix 1: Risk indicators, description of risk and links to Standards

Risk indicators

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
Students			
1	Student load	<p>A significant increase in student load has the potential to impact on the quality of student experience unless planned for and managed, for example, through adequate investment in infrastructure, academic teaching staff, student support and teaching and learning resources.</p> <p>Factors that may be considered in assessing this indicator include, for example, the provider's strategic planning objectives, student support arrangements and capacity to accommodate and manage changes in student population. Consideration is also given to trends in student load prior to the application of a rating.</p>	<p>Section 1.1 – Admission Section 1.3 – Orientation and Progression Section 5.3 – Monitoring, Review and Improvement</p> <p>NC Standard 2 – Recruitment of an overseas student</p>
2	Attrition rate	<p>High attrition rate / low progression rate / or low or significantly decreasing completions, each indicate potential quality issues in admission processes, teaching and learning processes, and overall student experience.</p> <p>Factors that may be considered in assessing attrition, progress and completion indicators include for example, trend, graduate satisfaction measures, or relevant programs in place to increase retention / assist student progress / assist students complete their course.</p> <p>Consideration may also be given to the reasons for attrition, such as the proportion of students who transfer to another higher education provider.</p>	<p>Section 1.1 – Admission Section 1.2 – Credit and Recognition of Prior Learning Section 1.3 – Orientation and Progression Section 3.1 – Course Design Section 5.3 – Monitoring, Review and Improvement Section 6.3 – Academic Governance Section 7.2 – Information for Prospective and Current Students</p> <p>NC Standard 6 – Overseas student support services</p>

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
3	Progress rate	See description for attrition rate	Section 1.2 - Credit and Recognition of Prior Learning Section 1.3 - Orientation and Progression Section 3.1 - Course Design Section 5.3 - Monitoring, Review and Improvement Section 6.3 - Academic Governance NC Standard 6 – Overseas student support services
Graduates			
4	Completions (by Undergraduate / Postgraduate Coursework and Higher Degree by Research, as applicable)	See description for attrition rate	Section 1.3 - Orientation and Progression Section 4.2 - Research Training Section 5.3 - Monitoring, Review and Improvement Section 6.3 - Academic Governance
5	Graduate Satisfaction (by Undergraduate / Postgraduate Coursework and Higher Degree by Research, as applicable)	Low graduate satisfaction across the institution reflects overall student experience and signals potential issues in relation to the quality of the course. For example, the level of staff and support available to students, the quality of teaching, and adequacy of learning resources. Poor graduate satisfaction may also impact future market demand. Academic staff indicators may provide important context in considering this indicator. Consideration may also be given to survey sample size and overall response rates.	Section 1.4 - Learning Outcomes and Assessment Section 2.3 - Wellbeing and Safety Section 2.4 - Student Grievances and Complaints Section 5.3 - Monitoring, Review and Improvement Section 7.2 - Information for Prospective and Current Students NC Standard 6 – Overseas student support services

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
6	Graduate destinations	Very low employment or further study rates signal that students may not be well-equipped with the necessary graduate attributes to successfully transition into the next stage of their chosen profession or study. Factors such as fields of education, provider mission, location, survey sample size and response rates may also be considered when rating this indicator.	Section 1.2 - Credit and Recognition of Prior Learning Section 3.1 - Course Design Section 5.3 - Monitoring, Review and Improvement Section 6.3 - Academic Governance NC Standard 6 – Overseas student support services
Staff			
7	Senior academic leaders	<p>A relatively low number of senior academic leaders embedded within the organisation may compromise the strength of the organisation's academic capability. Senior academic leaders typically make a strong contribution to key academic policies for the organisation, internal quality review, supervise staff and show professional leadership in their field of expertise.</p> <p>For providers that are subject to Education Services (Post-Secondary Education) Award 2020, academic staff who undertake academic leadership roles should be coded under Levels C, D, E or above.</p> <p>Staff coded under any of these levels, should have a formal requirement to contribute leadership in one or more of the following areas: curriculum and assessment; pedagogy; staff management; and professional development, research, and /or scholarship.</p> <p>In assessing risk in relation to senior academic leaders, consideration may be given to context such as the size and scope of a provider's operations, and a close institutional relationship with another higher education provider.</p>	Section 3.2 - Staffing Section 5.2 - Academic and Research Integrity Section 5.3 - Monitoring, Review and Improvement NC Standard 11 – Additional registration requirements

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
8	Student to staff ratio (SSR)	<p>A high ratio of students to teaching and learning staff provides a broad indication of potential constraints on the level of support available to students, the quality of the learning experience for students, and the average teaching workload. It is not proposed here as a proxy for class size.</p> <p>In assessing risk in relation to SSR, consideration may be given to context such as trend, delivery model and mode, and relevant insights offered by other indicators relating to student outcomes and experience.</p>	<p>Section 3.2 - Staffing Section 5.3 - Monitoring, Review and Improvement</p> <p>NC Standard 11 – Additional registration requirements</p>
9	Academic staff on casual work contracts	<p>It is important for the provider to ensure that casual staff have adequate access to resourcing and support and are given the opportunity to integrate into the academic culture of the organisation. A significantly high proportion of casual staff increases the risk of these staff not being appropriately supported and resourced to provide a continuity of support for students, anchor academic activities, engage in scholarly activities, and be active contributing members in a community of scholarship.</p> <p>In assessing risk in relation to casual staff, consideration may be given to context such as trend, field of education (including the need for staff currently practicing in the area of expertise), delivery model or use of current industry professionals in specialist areas, in conjunction with strategies in place to support the engagement of casual staff and their ongoing professional development. Consideration may also be given to insights offered through other indicators, such as those relating to student outcomes and experience. This indicator does not propose that staff on casual contracts are less qualified or less able to deliver quality teaching than permanent staff, but rather reflects inherent risks around mechanisms for effective integration and engagement.</p>	<p>Section 3.2 - Staffing Section 5.3 - Monitoring, Review and Improvement</p> <p>NC Standard 11 – Additional registration requirements</p>

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
Financial viability and sustainability			
10	Financial viability	<p>This composite indicator considers risk to a provider's current and immediate- to short-term strength and capacity. Measures included within this indicator include profitability, liquidity, gearing, debt servicing and cash flow.</p> <p><i>i. Operating Margin %: Provides an indication of the provider's ability to manage revenues and control expenses in order to generate a surplus/profit which can be used in the future to support the capacity of the provider to sustain its higher education operations.</i></p> <p><i>ii. Liquidity: Provides an indication of the provider's capacity to meet financial obligations within its ordinary operating cycle.</i></p> <p><i>iii. Total Liabilities-to-Tangible Assets: Provides an indication of assets available to satisfy the provider's financial obligations.</i></p> <p><i>iv. Debt Service Coverage: For providers with borrowings, provides an indication of the provider's capacity to amortise and service the debt whilst reinvesting in the fixed assets of the business.</i></p> <p><i>v. Operating Cash Flow Ratio: Provides an indication of the provider's capacity to meet current financial obligations based on the cash flow generated from its operations.</i></p> <p>The corporate structure and ownership model as well as the financial resources available through affiliated or related parties may be considered in applying a rating.</p>	<p>Section 5.1 – Course Approval and Accreditation</p> <p>Section 6.2 – Corporate Monitoring and Accountability</p> <p>ES Part 2, Division 3, Subdivision E, Paragraph 11(e)</p>

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
11	Financial sustainability	<p>This indicator provides a longer-term view of a provider’s strength and capacity and its ability to exhibit structural characteristics which support operating endurance. Measures are generally analysed over a three-year period and cover revenue changes, assets, employee benefits, enrolments and revenue diversification.</p> <p><i>i. Change in revenue %: Provides an indication of any change in the level of activity in the provider. Revenue is the key source of operating income for providers and allows the provider to effectively meet higher education objectives. This is measured over a three-year period.</i></p> <p><i>ii. Asset (Capital) replacement: The provider’s fixed asset base contributes to the effective delivery of higher education objectives. As assets deteriorate this measure gives an indication of the provider’s track record of reinvesting in the fixed asset base over a three-year period.</i></p> <p><i>iii. Change in Employee Benefits Ratio: Staff typically comprises the major cost item for many providers. Staff are critical to the effective achievement of higher education objectives. This measure provides an indication of the change in total staff costs (academic & non-academic staff) relative to the level of activity over a three-year period.</i></p> <p><i>iv. Year on Year change in Commencements (EFTSL): Provides an indication of changes in demand for the provider’s offering and its ability to maintain student load and enrolment momentum.</i></p> <p><i>v. Revenue concentration: Diversification of revenue sources allows the provider to reduce financial and business risks by spreading risks across different activities and respond more effectively to changes in its trading environment.</i></p> <p>The corporate structure and ownership model as well as the financial resources available through affiliated entities may be considered in applying a rating.</p>	<p>Section 2.1 – Facilities and Infrastructure Section 3.2 – Staffing Section 3.3 – Learning Resources and Educational Support Section 5.1 – Course Approval and Accreditation Section 6.2 – Corporate Monitoring and Accountability</p> <p>NC Standard 11 – Additional registration requirements</p>

	Risk Indicator	Description of Risk	Mapping with Threshold Standards and ESOS Act/National Code*
-	Other identified risk	Allows for a provider-specific risk, for example as identified by a provider through a Material Change Notification or identified by TEQSA through a recent regulatory review process. While TEQSA believes its approach to using the revised indicators above, adjusted for contextual factors, allows for a significant degree of flexibility in the revised framework, it also regards it as important to have the capacity to define and utilise an indicator specifically tailored for a particular provider or situation if this is warranted.	-

*Potential links to the Threshold Standards and ESOS Act/National Code may vary depending on the nature and context of the risk identified. This mapping is therefore not exhaustive of all possible scenarios and is a guide only.

Appendix 2: Technical information on risk indicators

Risk indicators

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
Students						
1	Student load	Based on Department of Education and Training Definition: Percentage change of total student load (i.e. all reported students in a higher education course), measured in EFTSL (Equivalent Full-Time Student Load), in the Reference Year over a specified period.	R1 = Total EFTSL for Reference Year R2 = Total EFTSL for Reference Year - 1	% change in student load = $\frac{R1 - R2}{R2} \times 100$	R1 = 1500 R2 = 1400 Change in Student Load = $\frac{(1500 - 1400)}{1400} \times 100$ = 7.1%	TCSI
2	Attrition rate	The percentage of first year commencing students (higher education only) in a year who neither complete nor return to study in the following year. Adjusted attrition rate may be used if available. Trend may also be considered.	R1 = Commencing students (headcount) in Year X R2 = Completing students (headcount) in Year X R3 = Completing students (headcount) in Year X + 1 R4 = Continuing students (headcount) in Year X + 1	As per HEIMS Calculation 1st year Attrition Rate = $\frac{(R1 - R2 - R3 - R4)}{R1} \times 100$	R1 = 100 R2 = 80 R3 = 2 R4 = 0 Attrition Rate = $\frac{(100 - 80 - 2 - 0)}{100} \times 100$ Attrition rate = 18%	TCSI

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
3	Progress rate	Based on Department of Education and Training Definition: The percentage of actual student load (EFTSL) for units of study that are passed to all units of study completed (passed + failed + withdrawn), in the last academic year or 12 month period. Trend may also be considered.	<p>R1 = Actual student load (EFTSL) for units of study that are passed in the last academic year or 12 month period</p> <p>R2 = Actual student load (EFTSL) for units of study that are failed in the last academic year or 12 month period</p> <p>R3 = Actual student load (EFTSL) for units of study that are withdrawn in the last academic year or 12 month period</p>	<p>As per HEIMS Calculation</p> <p>Progress Rate =</p> $\frac{R1}{(R1 + R2 + R3)} \times 100$	<p>R1 = 154</p> <p>R2 = 27</p> <p>R3 = 15</p> <p>Progress rate =</p> $\frac{154}{(154 + 27 + 15)} \times 100$ <p>= 78.6%</p>	TCSI
Graduates						
4	Completions (by Undergraduate / Postgraduate Coursework and Higher Degree by Research, as applicable)	Based on Department of Education and Training Definition: Percentage change of total Undergraduate (UG) and Post Graduate (PG) Coursework / Higher Degree by Research (HDR) student completions in the Reference Year. Absolute level and trend may also be considered.	<p>R1 = Completions for Reference Year</p> <p>R2 = Completions for Reference Year - 1</p>	<p>% change in completions</p> <p>=</p> $\frac{R1 - R2}{R2} \times 100$	<p>R1 = 15000</p> <p>R2 = 14580</p> <p>Change in Completions =</p> $\frac{(15000 - 14580)}{14580} \times 100$ <p>= 2.8%</p>	TCSI

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
5	<p>Graduate Satisfaction (by Undergraduate / Postgraduate Coursework and Higher Degree by Research, as applicable)</p>	<p>Mean percentage agreement (agree and strongly agree responses) of Overall Satisfaction Item (OSI) of the (Undergraduate & Postgraduate Coursework) Course Experience Questionnaire (CEQ) administered by Quality Indicators for Learning and Teaching (QILT).</p> <p>Mean percentage agreement (agree and strongly agree responses) of Overall Satisfaction Item (OSI) of the (Higher Degree Research only) Postgraduate Research Experience Questionnaire (PREQ) administered by Social Research Centre (SRC).</p> <p>Where providers do not participate in national surveys, other survey results and trend may be considered. Generally, to be considered they would achieve a minimum response rate of 35% for the relevant cohort and broadly conform to the definitions in this table (i.e. are a measure of overall course satisfaction).</p>	<p>R1 = Total number of responses to questionnaire in Reference Year</p> <p>R2 = number of positive responses to questionnaire (i.e. the number of responses above a neutral response. Could be “moderately agree, agree, somewhat agree, strongly agree”.</p>	<p>Mean percentage agreement =</p> $\frac{R2}{R1} \times 100$	<p>Example 1: based on 5 point QILT questionnaire</p> <p>No. of response:</p> <p>Strongly Disagree = 5 Disagree = 10 Neutral = 10 Agree = 50 Strongly Agree = 40</p> <p>Total number of responses = 115</p> <p>R1 = 115 R2 = Agree + Strongly Agree = 50 + 40 = 90</p> $\frac{90}{115} \times 100$ <p>=78.3%</p> <p>Example 2: based on 7 point Provider questionnaire</p> <p>No. of response:</p> <p>Strongly Disagree = 1 Disagree = 5 Moderately Disagree = 10 Neutral = 10 Moderately Agree = 50 Agree = 60 Strongly Agree = 20</p> <p>Total number of responses = 156</p> <p>R1 = 156 R2 = Moderately Agree + Agree + Strongly Agree = 50 + 60 + 20 = 130</p> $\frac{130}{156} \times 100$ <p>=83.3%</p>	<p>QILT/PIR</p>

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
6	Graduate destinations	<p>Graduate Outcomes Survey (GOS) FURSTUD and LFCLASS fields are used to determine the percentage of graduates in full-time employment or full-time study.</p> <p>Where providers do not participate in national surveys, other survey results and trend may be considered. Generally, to be considered they would achieve a minimum response rate of 35% for the relevant cohort and broadly conform to the definitions in this table (i.e. are a measure of graduate destinations).</p>	<p>R1 = Total number of responses to questionnaire</p> <p>R2 = Total number employed full time</p> <p>R3 = Total number in full time study</p> <p>R4 = the number of graduates who are not in full-time work or further study and did not want to pursue full-time employment</p>	<p>Percentage of graduates in full employment or full-time study =</p> $\frac{(R2 + R3)}{(R1 - R4)} \times 100$	<p>R1 = 100</p> <p>R2 = 40</p> <p>R3 = 30</p> <p>R4 = 5</p> <p>Percentage of graduates in full employment or full-time study =</p> $\frac{(40 + 30)}{(100 - 5)} \times 100$ <p>= 73.7%</p>	QILT/PIR

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
Staff Resources and Profile						
7	Senior academic leaders	<p>The ratio of the total academic staff (headcount), at Levels D and E (or equivalent as coded in the PIR), or above, to the number of ASCED BFOEs offered.</p> <p>For providers that are subject to Education Services (Post-Secondary Education) Award 2020, the ratio of the total senior academic staff (headcount), at Levels C, D, E, or above, to the number of ASCED BFOEs offered.</p> <p>Equivalency in terms of qualifications, experience and duties may also be considered, as may salary levels.</p>	<p>R1 = Above Senior Lecturer (headcount)</p> <p>R2 = Number of BFOEs</p>	<p>Ratio of Senior Academic Leaders (headcount) to the number of BFOEs offered =</p> $\frac{R1}{R2} : 1$	<p>R1 = 12</p> <p>R2 = 2</p> <p>Ratio of total academic staff (headcount) at Levels D and E (or equivalent as coded in the PIR), or above, to the number of BFOEs offered =</p> $\frac{12}{2} : 1$ <p>= 6 : 1</p>	TCSI

8	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
	Student to staff ratio	<p>The ratio of total onshore coursework student load (EFTSL) to total onshore teaching only (TO) and teaching and research (T&R) staff full-time equivalent (FTE) employed by the provider, including casuals.</p> <p>Consideration may be given to trend and offshore SSR data where available.</p>	<p>R1 = Total onshore coursework EFTSL in the Reference Year</p> <p>R2 = Total onshore Academic FTE with either a TO or T&R function employed in the Reference Year</p>	<p>Student to Staff Ratio =</p> $\frac{R1}{R2} : 1$	<p>R1 = 124.2</p> <p>R2 = 5.7</p> $\frac{124.2}{5.7} : 1$ <p>Student to Staff Ratio = 21.8 : 1</p>	TCSI
	Academic staff on casual work contracts	<p>The percentage of academic FTE employed on a basis other than full time or fractional full time to total academic FTE employed by a provider.</p> <p>Trend may also be considered.</p>	<p>R1 = Total Academic FTE</p> <p>R2 = Total Academic FTE less full time and fractional full time staff</p>	<p>% casual academic FTE to total academic FTE =</p> $\frac{R2}{R1} \times 100$	<p>R1 = 170</p> <p>R2 = 40</p> <p>% casual academic FTE to total academic FTE =</p> $\frac{40}{170} \times 100$ <p>% casual academic FTE to total academic FTE = 23.5%</p>	TCSI

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
Financial Viability and Sustainability						
10	Financial viability	i. Net result; Adjusted Revenue ii. Current assets; Current liabilities iii. Tangible assets; Total liabilities iv. EBITDA; Cash outflows for property, plant and equipment; Interest expense; Tax expense v. Operating cash flow; Current liabilities	FV = Financial Viability indicator FV1 = Operating margin % FV2 = Liquidity FV3 = Total Liabilities-to-Tangible Assets FV4 = Debt Service Coverage FV5 = Operating cash flow ratio a = weighting for FV1 b = weighting for FV2 c = weighting for FV3 d = weighting for FV4 e = weighting for FV5	$FV = (FV1 \times a) + (FV2 \times b) + (FV3 \times c) + (FV4 \times d) + (FV5 \times e)$	N/A	HITS/Department of Education

*Department of Education and Training

Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
<i>Operating margin %</i>	<p>Net Result (Profit/Loss or Surplus/Deficit) excluding:</p> <ul style="list-style-type: none"> Abnormal or non-recurring items. This may include items such as asset revaluations or significant restructuring costs. <p>Adjusted Revenue is total revenue excluding:</p> <ul style="list-style-type: none"> Capital grants Abnormal or non-recurring items 	<p>NR = Net Result</p> <p>AR = Adjusted Revenue</p>	$FV1 = \left(\frac{NR}{AR} \right) \times 100$	<p>NR = \$122,959</p> <p>AR = \$1,424,363</p> <p>FV1 = 8.6%</p>	HITS/Department of Education
<i>Liquidity</i>	<p>Current Assets (Excluding related party loans/receivables)</p> <p>Current Liabilities (Excluding related party loans/payables)</p>	<p>CA = Current Assets (Excluding related party loans/receivables)</p> <p>CL = Current Liabilities (Excluding related party loans/payables)</p>	$FV2 = \frac{CA}{CL}$	<p>CA = \$304,374</p> <p>CL = \$343,316</p> <p>FV2 = 0.9</p>	HITS/Department of Education
<i>Total Liabilities-to-Tangible Assets</i>	<p>Tangible assets (Excluding related party loans/receivables)</p> <p>Total liabilities (Excluding related party loans/payables)</p>	<p>TA = Tangible assets (Excluding related party loans/receivables)</p> <p>TL = Total liabilities (Excluding related party loans/payables)</p>	$FV3 = \left(\frac{TL}{TA} \right) \times 100$	<p>TL = \$150,000</p> <p>TA = \$750,000</p> <p>FV3 = 20%</p>	HITS/Department of Education

Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
<i>Debt Service Coverage</i>	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) Cash outflows for property, plant & equipment Finance cost Cash Outflow for Repayment of Borrowings	EBITDA = Earnings before Interest, Tax, Depreciation and Amortisation COPPE = Cash Outflows for property, plant & equipment FIN = Finance cost CORB = Cash Outflow for Repayment of Borrowings	$FV4 = \frac{EBITDA - COPPE}{FIN + CORB}$	EBITDA = \$500,711 COOPE = \$223,997 FIN = \$4,340 CORB = \$223,997 FV4 = 1.2	HITS/Department of Education
<i>Operating cash flow ratio</i>	Operating cash flow (excluding dividends received and interest received) Current liabilities (Excluding related party loans/payables)	OCF= Operating cash flow CL = Total current liabilities (Excluding related party loans/payables)	$FV5 = \frac{OCF}{CL}$	OCF = \$276,728 CL = \$343,316 FV5 = 0.8	HITS/Department of Education

	Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
11	Financial sustainability	i. Adjusted Revenue ii. Cash outflows for property, plant and equipment; Depreciation iii. Total Employee benefits expense; Adjusted Revenue iv. Current year commencing EFTSL; Prior year commencing EFTSL v. Maximum revenue source; Adjusted Revenue	FS = Financial Sustainability indicator FS1 = Change in revenue % FS2 = Asset (Capital) replacement FS3 = Change in Employee Benefits FS4 = Change in Commencements FS5 = Revenue Concentration f = weighting for FS1 g = weighting for FS2 h = weighting for FS3 i = weighting for FS4 j = weighting for FS5	$FS = (FS1 \times f) + (FS2 \times g) + (FS3 \times h) + (FS4 \times i) + (FS5 \times j)$	N/A	HITS/Department of Education
	<i>Change in revenue %</i>	Adjusted Revenue is total revenue excluding: <ul style="list-style-type: none"> • Capital grants • Abnormal or non-recurring items 	AR = Adjusted Revenue AR_{n-2} = Adjusted Revenue 2 years prior to current year AR_{n-1} = Adjusted Revenue 1 year prior to current year AR_n = Current Year Adjusted Revenue	$\Delta_1 = \frac{AR_{n-1} - AR_{n-2}}{AR_{n-2}}$ $\Delta_2 = \frac{AR_n - AR_{n-1}}{AR_{n-1}}$ $FS1 = \left(\frac{\Delta_2 + \Delta_1}{2} \right) \times 100$	$AR_{n-2} = \$500,000$ $AR_{n-1} = \$520,000$ $AR_n = \$560,000$ FS1 = 5.8%	HITS/Department of Education

Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
<i>Asset (Capital) replacement</i>	Cash outflows for property, plant and equipment Depreciation	COPPE = Cash Outflows for property, plant and equipment Depn = Depreciation n = current year figure	FS2 $= \frac{\left(\frac{COPPE_n}{Depn_n}\right) + \left(\frac{COPPE_{n-1}}{Depn_{n-1}}\right) + \left(\frac{COPPE_{n-2}}{Depn_{n-2}}\right)}{3}$	COPPE _n = \$100,000 COPPE _{n-1} = \$120,000 COPPE _{n-2} = \$90,000 Depn _n = \$90,000 Depn _{n-1} = \$100,000 Depn _{n-2} = \$110,000 FS2 = 1.04	HITS/Department of Education
<i>Change in Employee Benefits Ratio</i>	Total Employee Benefits Expense Adjusted Revenue is total revenue excluding: <ul style="list-style-type: none"> Capital grants Abnormal or non-recurring items 	TEBE = Total Employee benefits expense AR = Adjusted Revenue n = current year figure	$x = \frac{TEBE_{n-2}}{AR_{n-2}}$ $y = \frac{TEBE_{n-1}}{AR_{n-1}}$ $z = \frac{TEBE_n}{AR_n}$ $FS3 = \left(\frac{(z - y) + (y - x)}{2}\right) \times 100$	TEBE _n = \$15,000 TEBE _{n-1} = \$18,500 TEBE _{n-2} = \$19,000 AR _n = \$30,000 AR _{n-1} = \$35,000 AR _{n-2} = \$36,000 FS3 = 1.4%	HITS/Department of Education
<i>YoY change in commencements (EFTSL)</i>	Current year Commencing EFTSL Prior year Commencing EFTSL	CN = Commencing EFTSL n = current year figure	$\Delta_1 = \frac{(CN_n) - (CN_{n-1})}{CN_{n-1}}$ $\Delta_2 = \frac{(CN_{n-1}) - (CN_{n-2})}{CN_{n-2}}$ $FS4 = \left(\frac{\Delta_2 + \Delta_1}{2}\right) \times 100$	CN _n = 1200 CN _{n-1} = 1250 CN _{n-2} = 1400 FS4 = -7.4%	HITS/Department of Education

Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
<p><i>Revenue Concentration</i></p>	<p>Largest revenue source. Revenue is sub-totalled into the following categories:</p> <p>Higher education – Domestic: Revenue earned by the provider from the delivery of its own higher education courses to domestic students.</p> <p>Higher education – International: Revenue earned by the provider from the delivery of its own higher education courses to international students (onshore and offshore).</p> <p>Higher education – Third Party Delivery: Revenue earned by the provider from the delivery of another provider’s higher education courses.</p> <p>Non-higher education – Domestic: Revenue earned by the provider from the delivery of its own non-higher education courses (such as VET) to domestic students...<i>continued</i></p>	<p>LRS = Largest Revenue Source</p> <p>AR = Adjusted Revenue</p>	$FS5 = \left(\frac{LRS}{AR} \right) \times 100$	<p>LRS = 798,998</p> <p>AR = 1,424,363</p> <p>FS5 = 56.1%</p>	<p>HITS/Department of Education</p>

Indicator	Description of Measure	Risk Elements	Calculation	Example	Data Source
	<p>Non-Higher Education – International: Revenue earned by the provider from the delivery of its own non-higher education courses (such as VET or ELICOS) to international students.</p> <p>Government Grants: Revenue from Commonwealth, State or Local government sources (excludes Capital and infrastructure grants). This includes HECS-HELP, FEE-HELP, VET Student Loans/VET FEE-HELP.</p> <p>Donations: Revenue earned from donations and bequests made to the provider.</p> <p>Other: Other revenue earned by the provider such as non-education related commercial activities or investment income.</p> <p>Adjusted Revenue is total revenue excluding:</p> <ul style="list-style-type: none"> • Capital grants • Abnormal or non-recurring items 				
-	Other identified risk	-			