



Australian Government

Tertiary Education Quality and Standards Agency

# TEQSA fees and charges consultation

August 2023

**TEQSA**

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# 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](#).

This framework requires TEQSA to annually review our Cost Recovery Implementation Statement (CRIS) to:

- evaluate our fees and charges to ensure each is achieving the policy objectives and meeting the legislative requirements of the Australian Government,
- assess the extent of fees and charges that are charged for our regulatory activities,
- identify opportunities to amend some fees and charges.

Because this is the first year of operating increased cost recovery, this year's review by TEQSA has focused on ensuring the initial assumptions contained within the 2022 version of the CRIS remain accurate and that we continue to fairly reflect the cost of delivering our regulatory activities.

We are seeking your feedback following our review so that your views, on the suggested adjustments to our fees and charges, can be taken into account by TEQSA when producing the updated version of the CRIS.

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

Following sector feedback after the adoption of the 2022 version of the CRIS, in parallel to this consultation, TEQSA has commenced updating our service charter. You can find out more about the service charter update, and have your say in our service charter survey, at:

[teqsa.gov.au/ServiceCharterReview](https://teqsa.gov.au/ServiceCharterReview)

## Summary of proposed changes

As outlined in this paper, TEQSA is proposing an updated version of the CRIS with some adjustments to our fees and charges to take effect on 1 January 2024.

Our work during 2023 to streamline and improve processes has enabled us to identify 7 application-based fees that can be reduced by amounts of up to \$9400. We have also reviewed our compliance monitoring costs and have determined the 2022 version of the CRIS over-estimated the cost and effort hours required for some compliance monitoring activities, and this is also reflected in our proposed adjustments.

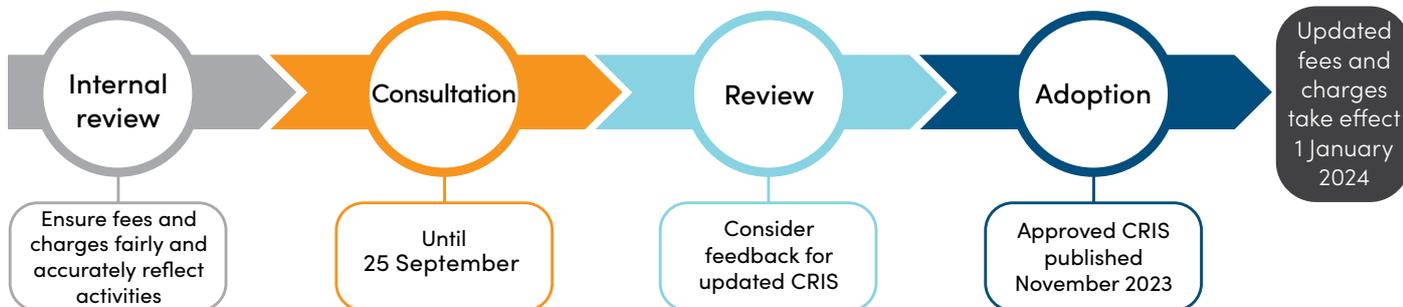
TEQSA is proposing increases to 21 application-based fees to fairly reflect the cost to assess those applications. This reflects learnings from the first 8 months of operation of our cost recovery model where these costs were under-estimated in the 2022 version of the CRIS.

We are also proposing a small increase to the base component of the Registered Higher Education Provider (RHEP) charge to cover increases in TEQSA's non-application based activities that deliver sector benefit and changes to recoverable activities since the 2022 version of the CRIS was developed.

TEQSA is not proposing any adjustments to the discounts on certain application-based fees for providers with an equivalent full-time student load (EFTSL) of 5000 or less in 2024.

The 50% phase-in discount on the base component of the RHEP charge will also remain unchanged for 2024.

## Consultation and timelines



Feedback on the proposed changes outlined in this consultation paper is open until 5pm, Monday 25 September, 2023. You can make a submission by emailing [costrecovery@teqsa.gov.au](mailto:costrecovery@teqsa.gov.au).

All registered providers are invited to an online briefing on Thursday 31 August 2023. If your institution has not received this invite and wishes to attend, please let us know by 12 noon, Wednesday 30 August 2023, by emailing [costrecovery@teqsa.gov.au](mailto: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](mailto:costrecovery@teqsa.gov.au). We will update any frequently asked questions on our website at [teqsa.gov.au/feesconsultation](http://teqsa.gov.au/feesconsultation).

## 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, as we have done since the 2022 version of the CRIS was adopted in January this year.

Once we have approval on our final fees and charges for 2024, we will release this information through TEQSA's updated Cost Recovery Implementation Statement. We will directly inform all registered providers of this updated version of the Cost Recovery Implementation Statement 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 Cost Recovery Implementation Statement.

The fees and charges set out in the updated version of the CRIS will take effect from 1 January 2024. Invoices for the RHEP charge will be issued in early 2024 – 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 activities 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.

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



For the year starting 1 January 2024, TEQSA will issue each registered higher education provider with a RHEP charge invoice.

The RHEP charge will comprise:

- the base component of the charge at 50% of the full rate, and
- the compliance component of the charge for any compliance activity undertaken in 2023 that is specific to your higher education institution.

## RHEP charge: proposed changes to the base component

Following our review, we are proposing to increase the base component of the RHEP charge from approximately \$27,500 to approximately \$32,700.

This proposed increase reflects:

- TEQSA identifying that the 2022 version of the CRIS over-estimated unrecoverable charges, resulting in TEQSA not recovering costs for some sector-wide regulatory activities.
- The strengthened delivery of our regulatory and quality assurance services to the sector over the past 12 months, including risk assessments, development of guidance materials and educational activities.

- Ongoing investments by TEQSA to reform our regulatory approach, including the development of a revised regulatory risk framework, to reduce the future burden of regulatory activities while ensuring risks are effectively identified and managed.

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. See our website for further information about how the base component of the RHEP charge is calculated.

A 50% discount applies to the base component of the RHEP charge for 2024, and therefore the proposed base component of the RHEP charge payable by providers will be approximately \$16,350.

## REHP charge: proposed changes to the compliance component

As set out in the 2022 version of the CRIS, from 2024 onwards, the compliance component of the RHEP charge operates so that providers pay for the cost of certain compliance-related activities undertaken in the previous calendar year.

This compliance component, if any, of your RHEP charge for 2024 is specific to your higher education institution.

Having reviewed our compliance monitoring approach during 2023, TEQSA has determined that the 2022 version of the CRIS over-estimated the cost and effort hours required for the monitoring of compliance with conditions imposed on a provider's registration.

As a result, we are proposing that the updated version of the CRIS will include a reduction in the amount of the charge for monitoring of compliance with conditions attached to the registration of a provider, from \$8375 per condition to \$4100 per condition.

No change is proposed to the other amounts in the compliance component of the RHEP charge.

## Application-based fees

In addition to the RHEP charge, application-based fees apply for TEQSA's regulatory services such as applications for registration, course accreditation and ESOS Act-related applications.

In summary, we are proposing that:

- 7 application-based fees will be reduced,
- 4 application-based fees left unchanged,
- 21 fees will be increased, and
- 1 existing fee will be adjusted to reflect two fee tiers, both of which are lower than the current fee.

Please refer to page 6 for a table showing the proposed fee changes from 1 January 2024. We have also included detail on the reasons for the fee changes to each regulatory activity.

## Proposed application-based fee increases

TEQSA is proposing increases to 21 application-based fees from 1 January 2024 to fairly reflect the cost of assessing these applications. This follows our review of the first 8 months of operation of our cost recovery model, which identified that the costs to complete these assessments were under-estimated in the 2022 version of the CRIS.

Of the fees that are increasing, 13 are proposed to be increased by \$1000 or less. The remaining 8 fees are proposed to increase by between \$1100 and \$5600.

### Discounts for providers with an EFTSL of 5000 or less

TEQSA is not proposing any adjustments to the discounts on certain application-based fee rates for providers with an equivalent full time student load (EFTSL) of 5000 or less in 2024. Providers with an EFTSL of 5000 or less will continue to be eligible for discounts of up to 70% on some course accreditation fees.

## Proposed application-based fee reductions

We are proposing that 7 application-based fees be reduced by amounts of up to \$9400 from 1 January 2024.

This reflects TEQSA's ongoing work to streamline and automate internal processes, resulting in less effort hours needed to complete some complex tasks.

Four fees will remain unchanged, as TEQSA's cost to administer these processes have not changed.

Please refer to page 6 for a table showing all proposed fee changes from 1 January 2024.

## Changes to the fees for additional locations

We are also proposing to reduce the fee a provider pays where it makes an application under the ESOS Act to add a location to its registration so that the fees reflect TEQSA's efforts to streamline the application process and align that process to regulatory risks.

TEQSA is proposing that, from 1 January 2024, the fee for an application to add a location to the registration of a provider will be reduced from \$11,700 to:

- \$1800 for a provider with SAA, and
- \$9100 for a provider without SAA.

# Proposed application-based fees from 1 January 2024

Fee description	Proposed fee from 1 January 2024	Change from 2023	Reason for change
Initial registration – preliminary assessment	\$13,900	\$1000 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Initial registration – substantive assessment	\$105,900	\$5300 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Registration renewal – Core	\$62,400	\$2400 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Registration renewal – Core+	\$106,700	\$4600 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Registration renewal and self-accreditation – Core	\$70,800	-\$9400 	Increased process efficiency resulting in a reduction in cost.
Registration renewal and self-accreditation – Core+	\$122,000	\$5600* 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Provider category change	\$48,900	-\$400 	Increased process efficiency resulting in a reduction in cost.
Application to self-accredit one or more courses – no current authority	\$48,900	-\$400 	Increased process efficiency resulting in a reduction in cost.
Application to self-accredit one or more courses – existing authority for 1 or more courses	\$34,700	-\$4100 	Increased process efficiency resulting in a reduction in cost.

\*This figure was corrected on 5 September as the difference between the proposed fee and the 2023 fee is \$5600, not \$3600 as per an earlier version of this paper.

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Fee description	Proposed fee from 1 January 2024	Change from 2023	Reason for change
Course accreditation preliminary assessment (proposed provider) – first	\$5600	\$400 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Course accreditation preliminary assessment (registered provider) – first	\$4900	\$300 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Course accreditation preliminary assessment (registered provider) – additional in a nested set of courses per application	\$1200		No change in the hourly rate or effort required for the assessment process.
Course accreditation substantive assessment (proposed provider) – first	\$42,200	\$2700 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Course accreditation substantive assessment (proposed provider) – additional in a nested set of courses per application	\$37,700	\$2000 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Course accreditation substantive assessment (registered provider) – first	\$18,000	\$1000 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Course accreditation substantive assessment (registered provider) – additional in a nested set of courses per application	\$4500	\$300 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Undergraduate certificate accreditation preliminary assessment	\$300		No change in the hourly rate or effort required for the assessment process.
Undergraduate certificate accreditation substantive assessment	\$1200	\$100 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Renewal of course accreditation teach out – first	\$2900	\$100 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.

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Fee description	Proposed fee from 1 January 2024	Change from 2023	Reason for change
Renewal of course accreditation teach out – additional in a nested set of courses per application	\$700	-\$100 	Increased process efficiency resulting in a reduction in cost.
Renewal of course accreditation general – first	\$23,100	\$1400 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Renewal of course accreditation general – additional in a nested set of courses per application	\$5500	\$300 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Renewal of course accreditation – undergraduate certificate	\$1100		No change in the hourly rate or effort required for the assessment process.
Vary or revoke condition – accreditation condition	\$2900	-\$2800 	Increased process efficiency resulting in a reduction in cost.
Vary or revoke condition – registration condition	\$3600	-\$4700 	Increased process efficiency resulting in a reduction in cost.
Internal review of decision	\$1000		No change in the hourly rate or effort required for the assessment process.
Registration under the ESOS Act	\$23,200	\$1000 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Re-registration under the ESOS Act – self-accrediting authority	\$12,800	\$600 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Re-registrations under the ESOS Act – non self-accrediting authority	\$26,000	\$1100 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Add additional course to ESOS Act registration	\$500	\$100 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.

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Fee description	Proposed fee from 1 January 2024	Change from 2023	Reason for change
Add additional ELICOS course to ESOS Act registration	\$4800	\$500 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
Add additional Foundation course to ESOS Act registration	\$4900	\$500 	Adjusted to reflect the actual cost to deliver regulatory activity following TEQSA's review of the 2022 version of the CRIS.
ESOS Act relocate site	\$9100 for provider without self-accrediting authority	-\$2600 	Increased process efficiency resulting in a reduction in cost.
	\$1800 for provider with self-accrediting authority	-\$9,900 	

# Glossary of terms

## Application-based activities

Assessments undertaken in response to an application by a provider. For example, to register as a higher education provider, accredit a new course or reaccredit an existing course, to change provider category, or to seek authority to self-accredit courses of study.

## Non-application-based activities

Work which is not undertaken in response to an application. Examples include the investigation of concerns or sector-wide regulatory problems; the development and delivery of advice to providers and contributions to sector initiatives and policies; the profiling and management of risk in the sector; and engagement activities, both domestic and international.

## 2022 version of the CRIS

This is the Cost Recovery Implementation Statement adopted by TEQSA in 2022 which outlines TEQSA's cost recovery model and approach in 2023.

## Updated version of the CRIS

This refers to the Cost Recovery Implementation Statement being updated by TEQSA in 2023 which outlines TEQSA's cost recovery model and approach for 1 January 2024 onwards.

## EFTSL

Equivalent full-time student load.

## ESOS

Education Services for Overseas Students.

## Fee instrument

The Tertiary Education Quality and Standards Agency Determination of Fees No. 1 of 2020.

## Self-accrediting authority (SAA)

The authority to self-accredit one or more courses.

## Service charter

TEQSA's service charter sets out our commitment to everyone who deals with us.

## TEQSA

Tertiary Education Quality and Standards Agency.

The image features a diagonal split background with orange in the top right and blue in the bottom left. In the bottom left corner, 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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