

# English Australia submission

## TEQSA Fees and charges proposal 2022



**Sent to:** TEQSA via Email

**Submission via:** [consultation@teqsa.gov.au](mailto:consultation@teqsa.gov.au)

### About English Australia

**English Australia** is the national peak body and professional association for the **English Language Intensive Courses for Overseas Students (ELICOS)** sector of international education. We represent over 110 member colleges throughout Australia. These colleges provide quality English language programs to students and professionals from around the world. Many of our members are attached to tertiary education providers regulated by TEQSA.

### Response to the Consultation

English Australia welcomes the opportunity to comment on TEQSA's *Consultation paper Fees and charges proposal Cost recovery for quality assurance*.

English Australia actively encouraged the opportunity for members to submit their own responses directly to TEQSA and to feedback to us. We also promoted the TEQSA webinars on this topic and are aware of members engaging in this activity.

The consultation paper provides valuable insights into the proposed fees, charges and activities that will be captured as part of the proposed approach to full cost recovery.

#### **What are your views on TEQSA's proposed approach to implementing increased cost recovery in line with the Government's policy?**

While we understand the need to shift to a full cost recovery model and are generally supportive of TEQSA's proposed approach, we are gravely concerned about the timing of the shift.

Australia's ELICOS providers have been decimated by the Covid pandemic. The latest data from the Department of Education, Skills and Employment (DESE) recorded a 65.8% fall in ELICOS commencements<sup>1</sup>. English Australia's own economic impact research that is due to be released later this month, estimates the ELICOS sector lost over \$1billion in 2020 because of the global pandemic<sup>2</sup>. The enormous impact of the pandemic has left the ELICOS sector in a precarious situation with no foreseeable improvement until students begin returning to study in person in Australia. Implementing a full cost recovery model at the start of 2022, even if partial, will heavily impact an already vulnerable industry.

<sup>1</sup> Department of Education, Skills and Employment, *International Student Data by Sector ELICOS as at year-to-date March 2021*

<sup>2</sup> English Australia, *Economic Impact of Covid-19 on the ELICOS Sector in Australia*, June 2021

We acknowledge the invaluable support that our sector has received through the waiver of TEQSA's fees and charges until the end of 2021. We also recognise the flexibility that TEQSA has applied to the regulatory space, particularly around online and remote delivery, during the Covid-19 pandemic. This support has helped the ELICOS sector and most of its institutions to continue to trade.

However, the outlook for the sector is still grim with ELICOS-only student visa grants down 88.7%, according to the Department of Home Affairs (DHA)<sup>3</sup>. 2021 is proving more challenging for the ELICOS sector than 2020. Beginning 2022 with a likely increase in fees and charges will significantly harm the ELICOS sector.

English Australia proposes deferring the implementation for 1 year, until 1 January 2023 or at very least 1 July 2022. International students are more likely to have returned to Australia by this date, and the process of rebuilding a highly impacted sector that wholly depends on international students should be underway. ELICOS and tertiary education providers should be better positioned to accommodate both the financial and administrative changes that will come with the cost recovery model.

Recovery will not be swift for the ELICOS sector and many of the TEQSA regulated provider and burdening the sector with the introduction of a new approach to regulatory charges will only lengthen the recovery.

**Do you agree or disagree with TEQSA's proposed approach to attribute application-based costs according to relative regulatory effort?**

English Australia generally supports TEQSA's proposed approach to attribute application-based costs according to relative regulatory effort.

However, clarification needs to be provided on how TEQSA will ensure that provider-specific regulatory activities (charged per hour) do not overrun reasonable costs and time frames. There is significant potential for cost overrun with these charges when no capping is in place or no clear service levels for activities are provided.

TEQSA has, at times, been criticised for its slow pace in completing various regulatory activities and without, at minimum, clear Service Level Agreements (SLAs) providers risk facing spiralling costs, potentially through no fault of their own. The implementation of SLAs or capped costs would go some way to managing these potentially unbudgeted costs.

**Do you have any comments on the proposed method of adjusting course accreditation fees based on a provider's student numbers?**

English Australia generally supports the proposed method of adjusting course accreditation fees based on a provider's student numbers.

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<sup>3</sup> Department of Home Affairs, *Student Visa Grants*, March 2021

The use of EFTSL and the sliding scale of partial cost recovery should distribute course accreditation and reaccreditation fees equitably.

However, concerns were raised that in practice the proposed fees model will disadvantage smaller providers. English Australia requests additional analysis or models are provided by TEQSA to demonstrate the fees and charges impact for providers of differing size, and for those that are self-accrediting vs non self-accrediting.

**Do you agree or disagree that the cost of compliance and investigatory activities should be borne by those providers being investigated?**

English Australia agrees that the cost of compliance and investigatory activities should be borne by those providers being investigated. However, more detail needs to be provided on how TEQSA will ensure that compliant providers are not penalised for the actions of non-compliant providers.

While processes are in place to apply higher fees and charges to non-compliant providers because of the increased regulatory effort that they will require, little detail is provided on the processes to recoup these costs. Should these costs significantly escalate, this may lead to price adjustments for compliant providers despite their small application-based costs. Further detail on how this will be managed must be provided.

**Do you have any comments on the structure of the proposed new annual levy?**

English Australia has no comments on the structure of the proposed new annual levy.

**Next steps:**

English Australia would welcome the opportunity to discuss any of the points raised in this submission with TEQSA and contribute to the next steps in this process.

For further information, please contact the undersigned.

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