

IHEA Calls for TEQSA Cost Recovery Reform to Safeguard Independent Higher Education

Independent Higher Education Australia (IHEA) is calling for reforms to the Tertiary Education Quality and Standards Agency (TEQSA) cost recovery model to establish a fairer, more sustainable regulatory framework for independent higher education providers. The current system places an undue financial burden on independent and smaller providers, forcing them to raise tuition fees and increasing student debt.

As part of its Federal Election Platform, IHEA is highlighting TEQSA cost recovery as a critical need for change. It is without doubt that independent providers bear a disproportionate share of regulatory costs. This imbalance effectively transfers the financial weight of compliance onto students, making higher education less accessible and further inflating HELP debt.

To address this inequity, IHEA recommends that regulatory fees be based on provider enrolments, measured through Equivalent Full-Time Student Load (EFTSL). By removing the built-in base cost currently applied to all providers, the government can create a transparent and proportionate system that ensures fairness and sustainability for all institutions.

IHEA CEO, the Hon Dr Peter Hendy stressed the urgent need for reform:

“The TEQSA Cost Recovery model is not just flawed, it is actively harming students and independent providers. By driving up tuition costs and increasing student debt, this policy is restricting access to education and limiting the diversity of our higher education sector. The next government must act now to correct this injustice.”

Dr Hendy further emphasised the consequences of inaction:

“Failure to fix the TEQSA cost recovery model will create a ripple effect of higher fees, declining student enrolments, and reduced competition in higher education. A fairer model is essential to maintaining quality, innovation, and student choice. The next government must not allow this unfair financial burden to continue.”

IHEA calls on all political parties, ahead of the federal election, to prioritise regulatory fairness by reforming the TEQSA Cost Recovery model, ensuring a balanced and transparent system that fosters quality education and equal opportunities for all students.

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Media contact: Mitch Tanner, Head of Advocacy (mitch.tanner@iheau.edu.au)