IHEA SUBMISSION

THE TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY'S FEES AND CHARGES CONSULTATION

26 September 2025

IHEA Submission
The Tertiary Education Quality Standards Agency's Fees and Charges Consultation

Independent Higher Education Australia appreciates the opportunity to provide feedback on the Tertiary Education Quality and Standards Agency's (TEQSA) Fees and Charges consultation paper, for which submissions are due by 5pm (AEST) 26 September 2025.

TEQSA's proposed changes to fees and charges

TEQSA is proposing an updated version of the Cost Recovery Implementation Statement (CRIS) with adjustments to its fees and charges to take effect on 1 January 2026.

The TEQSA consultation paper states the following:

- After the CRIS was published in December 2024, TEQSA received $7.6 million through the 2024–25 Mid–Year Economic and Fiscal Outlook (MYEFO) to update its provider case management system to meet essential whole–of–government information security requirements. In line with the requirement to recover regulatory costs, it is proposed this measure will be recovered over 4 years from 2025–26, under TEQSA's cost recovery arrangements, and as such forms part of this consultation on the 2025 CRIS.
- It is proposed $1.9 million will be recovered each year to avoid placing significant financial burden on higher education providers in any single year.
- It is proposed that this amount be split between an increase to application–based fees and the Registered Higher Education Provider (RHEP) charge.

Proposed adjustment to the cost recovery model

It is disappointing and questionable that the cost of improvements to TEQSA's provider case management system and information security requirements are being passed on to higher education providers. This is particularly concerning at a time when TEQSA's efficiency and effectiveness in decision–making and engagement with providers is declining.

At $7.6 million over four years, this is a substantial additional cost, on top of a base of very high fees and charges. In recent times, TEQSA's decision–making regarding registration/re–registration has resulted in providers seeking recourse to the Administrative Review Tribunal (ART), formerly the Administrative Appeals Tribunal (AAT) to receive a fair outcome. However, this came at considerable cost to the providers, despite being vindicated at the ART/AAT. These experiences are a reflection of systemic issues in TEQSA's regulatory approach, and the proposed increase in charges will compound the negative impact on the sector.

Registered Higher Education Provider (RHEP) charge

Since 1 January 2023, all higher education providers have been required to pay the annual registered Higher Education Provider (RHEP) charge. The RHEP charge is the sum of:

- A base component, which enables TEQSA to recover costs for delivering regulatory services 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.

The consultation paper highlights the proposed cost impact of the new charges on different types of providers. In all examples, the RHEP base charge is increasing by 23.9 per cent and the RHEP Equivalent Full–Time Student Load (EFTSL) is increasing by 90.8/90.9 per cent, as it is for all higher education providers. However, the overall change in the total charge for the RHEP base and EFTSL components to existing providers is as follows:

- 53.7 per cent for a university with 22,000 EFTSL.
- 35.1 per cent for a university college with 5,500 EFTSL.
- 27.4 per cent for an independent higher education provider with 1,500 EFTSL.

It is also worth noting that the charges are increasing (by 7.5 per cent to 10.4 per cent) for compliance assessments, conditions monitoring voluntary undertaking and the hourly rate for investigations.

Application charges also increasing

As outlined at Appendix B of the consultation paper, and included as an Appendix to this submission, all registration charges are increasing by between 9.9 per cent and 20 per cent, the highest increase of which is for adding an additional course to *Education Services for Overseas Students Act 2000* (ESOS Act) registration. Similarly, course accreditation charges, including initial review of decision, are increasing by between 8.3 per cent and 14.3 per cent, of which the only charge that is not increasing is for an undergraduate certificate accreditation – preliminary assessment (at $300). Conditions to vary or revoke registration/course accreditation are increasing by 10.3 per cent to 11.1 per cent.

IHEA feedback

It is extremely concerning that TEQSA is proposing to increase its charges across the board at a time when providers are already under significant financial and regulatory pressure. For example, in addition to increases in both the RHEP base charge and the EFTSL component, providers will face between $116,500 and $134,200 in charges for a range of initial and renewal registration applications. These costs create a burden, particularly for smaller, independent higher education providers.

In recent years, TEQSA has reduced evidence requirements and placed greater emphasis on self–assessment and self–assurance. These reforms are welcomed by providers. However, they have not translated into lower regulatory costs. With less documentation required for assessment, there should logically be a reduction in assessment effort and, therefore, TEQSA's overall costs.

Instead, fees and charges have continued to increase. This is of particular concern given that the assumptions underpinning TEQSA's original Cost Recovery Implementation Statement (CRIS) are now outdated and overestimate the workload associated with TEQSA's regulatory functions. Nevertheless, the original CRIS has been used as the baseline for all subsequent CRIS documents. Given the reduction in the volume of evidence required for cyclical, application–based assessments, it is reasonable to expect a corresponding decrease in both regulatory effort and cost.

Unlike public universities, independent providers are generally smaller in size and scale and they do not receive Government subsidies such as Commonwealth Supported Places. They are therefore unable to absorb these costs or cross–subsidise them from other revenue sources. Inevitably, these costs will need to be passed directly on to students, which further increases student debt. Minimising regulatory charges for smaller, independent providers is therefore not only a matter of fairness for these providers, but also a matter of protecting students from unnecessary financial hardship. This burden is further exacerbated for students at independent higher education providers, whose FEE–HELP loans carry an additional 20% loan fee on top of their debt.

This is compounded by wider Government policies, such as the setting of Indicative New Overseas Student Commencement levels for international students, limiting growth for providers, while simultaneously increasing the student visa application charge to a record $2,000 — 182 per cent higher than the charge on 30 June 2024. The combined effect of these policies is to put downward pressure on international student demand, leading to a further negative impact on providers.

For these reasons, it is imperative that the Government adopt a holistic approach to reducing the financial burden on providers, to ensure continuing diversity in the higher education sector. A strong and sustainable independent sector is essential to that diversity.

One immediate and practical step would be to modify TEQSA's cost recovery model so that it is based entirely on EFTSL. Such a model would ensure proportionality. Larger providers with higher EFTSL counts would contribute more, while smaller providers with lower EFTSL counts would pay less. This would directly align regulatory charges with provider size and capacity to support diversity and choice in the higher education sector.

It is also important to highlight that from 2025 TEQSA has been operating on a full cost recovery basis. Despite this, and in light of the significant proposed increases in charges across all major categories, providers continue to face long delays and backlogs in TEQSA's decision–making and engagement. Providers face extended waiting times for registration and accreditation outcomes, even as charges increase. This undermines confidence in the regulator and has a negative impact on providers' operations and potentially their cash flow. It is unreasonable to increase fees further when performance is not improving.

We therefore recommend a moratorium on all proposed increases in fees and charges until TEQSA undergoes an independent performance review. This review should consider TEQSA's operations against the Government's Regulator Performance Guide, which emphasises timeliness, transparency, proportionality, accountability and efficiency. The review should also specifically consider TEQSA's Service Charter and ensure that their standards and timeframes are best practice and commensurate with their fee structure. Future fee increases should only be proposed if they are explicitly linked to measurable improvements in these areas. In this way, charges would only increase when there is a tangible and demonstrable benefit in TEQSA's performance or productivity and ensuring benefits for providers and students.

Further, IHEA notes that TEQSA itself has identified facilitating a culture of effective self–assurance as an integral part of a provider's operations. Achieving genuine provider self–assurance would reduce the significant regulatory burden TEQSA currently manages, lower costs across the system and reduce the need for ongoing increases in TEQSA's funding. TEQSA's focus should therefore switch toward forward thinking strategies that build capacity for self–assurance, rather than reactive approaches to regulation. This will benefit TEQSA, providers and students and ensure a sustainable approach to the cost of TEQSA's activities.

Another area that would benefit from reform is TEQSA's approach to registration/re–registration and course accreditation/re–accreditation. These processes impose heavy administrative and financial burdens on both providers and TEQSA, drawing attention and resources away from student–facing activities. A more proportionate approach would reduce reliance on cyclical reaccreditation and instead adopt a risk–triggered model, where reassessment is only initiated if concerns arise.

Under this model, TEQSA would consider a provider's compliance history, student outcomes data and governance performance. Importantly, evidence drawn from the Quality Indicators for Learning and Teaching (QILT). The QILT outcomes consistently demonstrate strong student satisfaction and positive outcomes for independent providers and should form a central part of this assessment. This approach would encourage good governance and quality outcomes while avoiding unnecessary duplication of effort.

Building on this, there is scope for TEQSA to develop a more innovative model for provider registration. Instead of costly, repetitive, and time–consuming full re–registration cycles, TEQSA should undertake a comprehensive and enduring initial registration process. Ongoing registration would then be conditional on the outcomes of strategic, risk–based, and periodic audits, rather than full–scale registration processes. Similar models operate in the United Kingdom, Canada and New Zealand and would reduce burden for providers, free up TEQSA's resources, and strengthen the focus on continuous quality improvement rather than cyclical processes.

Conclusion

In conclusion, to reduce the disproportionate regulatory and financial burden currently faced by independent higher education providers, IHEA recommends:

- **A moratorium on increases in fees and charges** which would place all proposed increases on hold until TEQSA undergoes an independent performance audit. Future increases should only proceed if linked to measurable improvements in timeliness, transparency, efficiency and proportionality.

- **A proportionate funding model** to replace the RHEP/compliance charge model with one based entirely on EFTSL, ensuring larger providers contribute more while smaller providers are not unfairly burdened.
- **Setting timeframes for decisions and action by TEQSA in its Service Charter**, which are commensurate with the fees and charges providers are faced with. Service should be best–practice and keep pace with the expectation that comes with high fees and charges.
- **Greater facilitation of self–assurance** would reduce the significant regulatory burden, lower costs and reduce the need for ongoing increases in TEQSA's funding.
- **Risk–based registration/re–registration and accreditation/re–accreditation** which would reduce reliance on cyclical processes. Instead, it would adopt a risk–triggered model that draws on compliance history, student outcomes and governance. QILT outcomes should play a central role.
- **Shifting to a streamlined registration model** over time through an enduring initial registration, with ongoing strategic and periodic audits, rather than costly, repetitive and unnecessarily burdensome full re–registration processes.

By implementing these approaches/reforms, the Government and TEQSA can ensure that the higher education regulatory system is fair, proportionate, and effective in protecting students, supporting diversity of provision and ensuring that regulatory costs do not undermine the viability of smaller, high–quality independent providers.

Appendix: Changes to application charges for provider registration, course accreditation and conditions

Application type	Proposed application fee from 1 January 2026	Current application fee	% change
Registration			
Initial registration – preliminary assessment	$15,300	$13,900	10.1%
Initial registration – substantive assessment	$116,500	$105,900	10.0%
Registration renewal – Core	$68,600	$62,400	9.9%
Registration renewal – Core+	$117,400	$106,700	10.0%
Registration renewal and self– accreditation – Core	$77,900	$70,800	10.0%
Registration renewal and self–accreditation – Core+	$134,200	$122,000	10.0%
Provider category change	$53,800	$48,900	10.0%
Registration under the ESOS Act	$25,500	$23,200	9.9%
Re–registration under the ESOS Act – self–accrediting authority	$14,100	$12,800	10.2%
Re–registrations under the ESOS Act – non self–accrediting authority	$28,600	$26,000	10.0%
ESOS Act relocate site for provider without self–accrediting authority resulting in a reduction in cost	$10,000	$9,100	9.9%
ESOS Act relocate site for provider with self–accrediting authority	$2,000	$1,800	11.1%
Add additional ELICOS course to ESOS Act registration	$5,300	$4,800	10.4%
Add additional Foundation course to ESOS Act registration	$5,400	$4,900	10.2%
Add additional course to ESOS Act registration	$600	$500	20.0%
Course accreditation			
Application to self–accredit one or more courses – no current authority	$53,800	$48,900	10.0%
Application to self–accredit one or more courses – existing authority for 1 or more courses	$38,200	$34,700	10.1%
Course accreditation preliminary assessment (proposed provider) – first	$6,200	$5,600	10.7%
Course accreditation substantive assessment (proposed provider) – first	$46,400	$42,200	10.0%
Course accreditation substantive assessment (proposed provider) – additional in a nested set of courses per application	$41,500	$37,700	10.1%
Course accreditation preliminary assessment (registered provider) – first	$5,400	$4,900	10.2%
Course accreditation preliminary assessment (registered provider) – additional in a nested set of courses per application	$1,300	$1,200	8.3%
Course accreditation substantive assessment (registered provider) – first	$19,800	$18,000	10.0%
Course accreditation substantive assessment (registered provider) – additional in a nested set of courses per application	$5,000	$4,500	11.1%
Undergraduate certificate accreditation – preliminary assessment	$300	$300	0.0%
Undergraduate certificate accreditation – substantive assessment	$1,300	$1,200	8.3%
Renewal of course accreditation general – first	$25,400	$23,100	10.0%
Renewal of course accreditation general – additional in a nested set of courses per application	$6,100	$5,500	10.9%
Renewal of course accreditation teach out – first	$3,200	$2,900	10.3%
Renewal of course accreditation teach out – additional in a nested set of courses per application	$800	$700	14.3%
Renewal of undergraduate certificate accreditation	$1,200	$1,100	9.1%
Internal review of decision	$1,100	$1,000	10.0%
Conditions			
Vary or revoke condition – accreditation condition	$3,200	$2,900	10.3%
Vary or revoke condition – registration condition	$4,000	$3,600	11.1%

Who We Are

Independent Higher Education Australia Ltd. (IHEA) is a peak body established in 2001 to represent Australian independent (private sector) higher education institutions. Our membership spans independent universities, university colleges and other institutes of higher education, all of which are registered higher education providers accredited by the national higher education regulator, TEQSA or associate members seeking registration.

There is a long tradition of independent higher education providers in Australia, with the first provider created as early as 1815, only 27 years after the first British settlement in Sydney in 1788. In total, five providers were established between 1815 and 1845 and preceding the first public university. The fifth of these was St James College, which was created in 1845. The founders of St James College were then involved in creating Moore College in 1856, and remarkably Moore College, a University College, still exists and is Australia's longest continuously operating independent higher education provider.

Our Vision is that students, domestic and international, have open and equitable access to world class independent higher education in Australia, built on the foundations of equity, choice, and diversity.

Our Mission is to represent independent higher education and promote recognition and respect of independent providers as they contribute to Australian education, the Australian economy, and to society in general. We achieve this by promoting continuous improvement of academic and quality standards within member institutions, by advocating equity for their staff and students, and by delivering services that further strengthen independent providers' reputations as innovative, sustainable, and responsive to the needs of industry and other relevant stakeholders in both higher education and vocational education and training. IHEA's commitment is to excellence, productivity and growth in independent higher education being delivered through a trusted Australian education system underpinned by equity, choice, and diversity.

IHEA members have different missions, scales, and course offerings across the full AQF range (Diplomas to Doctorates). IHEA has 87 higher education providers that are members, which rises to 124 if those providers' constituent colleges and subsidiaries are included.

IHEA's 87 higher education providers comprise:

- Five private Universities (Australian University of Theology, Avondale University, Bond University, Torrens University and University of Divinity).
- Six University Colleges (ACAP University College, Australian University College of Divinity, Alphacrucis University College, Excelsia University College, Moore Theological College and SAE University College).
- A further eight (Griffith College, International College of Management Sydney, Kaplan Business School, Marcus Oldham College, Morling College, Photography Studies College, The College of Law and Western Sydney University International College) self–accrediting institutes of higher education (nineteen in total including the Universities and University Colleges described above).
- Seventy–one not–for–profit and for–profit institutions of higher education (which includes three self–accrediting institutes); and related corporate entities.

IHEA members teach approximately 74 percent of the students in the independent sector (i.e., more than 130,000 students) and educate students in a range of disciplines, including law, agricultural science, architecture, business, accounting, tourism and hospitality, education, health sciences, theology, creative arts, information technology, human services and social sciences.

IHEA holds a unique position in higher education as a representative peak body of higher education providers. Membership in IHEA is only open to providers registered, or seeking registration, with the Australian regulator – TEQSA. However, some IHEA members are dual and multi–sector providers who also deliver VET and/or English Language Intensive Courses for Overseas Students (ELICOS) courses.

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