

Tom Worthington
<https://blog.highereducationwhisperer.com/>

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Submission to the inquiry into Quality of Governance at Australian Higher Education Providers

This is in response to the committee’s invitation for submissions on “The adequacy of the powers available to the Tertiary Education Quality and Standards Agency to perform its role in identifying and addressing corporate governance issues at Australian higher education providers...”.

The powers of the Tertiary Education Quality and Standards Agency (TEQSA) are adequate in addressing corporate governance issues at Australian higher education providers, to the extent those issues are relevant to the task of ensuring the quality of education provided. TEQSA has the power to investigate the governance of institutions, and the adequacy of their finances. Compliance with workplace law, employment practices, executive remuneration, and the use of consultants are not within TEQSA’s purview, nor should they be, unless the quality of education provided is compromised. There are other agencies that check compliance with workplace law and employment practices. Executive remuneration and the use of consultants are matters for the individual providers to address within the corporate, for-profit, non-profit or specific legislation they were established under.

In monitoring compliance with the standards set by parliament, TEQSA might consider using modern real-time analytical techniques. This would allow the Agency to detect unusual behavior in an organization in days, rather than having to wait for an annual report or a media report of a financial collapse. This may require an amendment to the relevant legislation requiring providers to report to TEQSA on enrollments and finances by electronic means daily.

Addressing each reference:

a. **The composition of providers' governing bodies:**

The Higher Education Standards Framework (Threshold Standards, 2021) require an institution to have a “formally constituted governing body”, made up of “fit and proper persons”, “undertaking periodic (at least every seven years) independent reviews”. The body has to keep records and demonstrate it is financially viable. This is adequate for TEQSA to monitor the institutions.

b. **The standard and accuracy of providers' financial reporting, and the effectiveness of financial safeguards and controls;**

The Threshold Standards (2021) require the provider to keep accurate financial records to Australian accounting standards and have them audited. However, this is not sufficient for early warning of institutions in financial difficulty. An amendment to the legislation requiring providers to report to TEQSA on enrollments and finances by electronic means daily is suggested.

c. Providers' compliance with legislative requirements, including compliance with workplace laws and regulations;

The Threshold Standards (2021) require the provider to comply with legislative requirements, but they don't explicitly mention workplace laws and there is no need do so. There is no need for TEQSA to duplicate the work of agencies that already enforce workplace laws.

d. The impact of providers' employment practices, executive remuneration, and the use of external consultants, on staff, students and the quality of higher education offered; and

There is no obligation for TEQSA to monitor employment practices, executive remuneration, or the use of external consultants, nor is there any need for this. Australian legislation allows for for-profit corporate universities, as well as non-profit private and government-established institutions. These can have widely varying staffing practices. An institution can use any mix of staff and external consultants, to provide the required quality of education. How the staff are hired or remunerated is not relevant to the quality of the education provided, which is TEQSA's concern.

e. Any related matters.

Australian universities face challenges adapting to online education and competition from offshore providers (Worthington, Tom, 2022). It is suggested the Committee address these issues in the near future.

Declarations of interest:

1. I am an Honorary Senior Lecturer at the Australian National University (ANU), where I help teach computer students, and,
2. A member of the Professional Standards Board of the Australian Computer Society (ACS), where I help set accreditation standards for Australian university degrees.

This submission is made as an individual, not on behalf of ANU or ACS.

Tom Worthington, MED FHEA FACS
3 March 2025

References:

Threshold Standards, 2021: Higher Education Standards Framework, under section 58(1) of the Tertiary Education Quality and Standards Agency Act 2011. URL <https://www.legislation.gov.au/F2021L00488/2021-12-09/2021-12-09/text/original/pdf>

Worthington, Tom, 2022: Some Thoughts on the Future of Australian Higher Education, Higher Education Whisperer URL <https://blog.highereducationwhisperer.com/2022/12/some-thoughts-on-australian-higher.html>