

Joint Committee of Public Accounts and Audit

QUESTION ON NOTICE

**Inquiry into Auditor-General's Reports 33, 47, 48 (2019-20) and 5 and 8 (2020-21)
04 March 2021**

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education, Skills and Employment Question No. IQ21-000007

Mrs Lucy Wicks MP provided in writing.

Data

Question

The audit found that source data used in the risk assessments of providers is usually two years old, which 'can impact on the accuracy of the provider risk profile' (p. 24). How has TEQSA's access to more recent student data through the Department of Education's Transforming the Collection of Student Information impacted provider risk assessments?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

The Department of Education, Skills and Employment is responsible for the Transforming the Collection of Student Information project. Once implemented, TEQSA will be able to access more recent student data to inform TEQSA's risk assessments.

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Department of Education, Skills and Employment Question No. IQ21-000008

Mrs Lucy Wicks MP provided in writing.

Risk indicators

Question

The audit found that 'TEQSA's risk indicators do not account for the significant differences between providers', suggesting that the impact on the reputation of the higher education sector is likely to be greater if non-compliance is found at a large internationally recognised provider (p. 23). Since the audit, has TEQSA considered including the impact of a provider's non-compliance in its risk indicators? Why or why not?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA considers regulatory history and standing as an indicator for arriving at its overall risk assessment for individual providers. Other considerations are:

1. Students (load, experience and outcomes);
2. Academic staff profile; and
3. Financial viability and sustainability.

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Department of Education, Skills and Employment Question No. IQ21-000009

Mrs Lucy Wicks MP provided in writing.

Compliance Monitoring Framework

Question

The audit recommended that TEQSA establish and implement a comprehensive compliance monitoring framework that is supported by appropriate operational processes (Recommendation 1). Could TEQSA provide more information about what changes have been made to ensure that its Compliance Monitoring Framework is effective, especially with respect to the incorporated 'relevant policies, procedures and instructions' (Submission 4, p. 3)? When does TEQSA expect the Investigation Manual to be ready for use? How does this and the revised procedures for handling complaints and concerns support/complement the Compliance Monitoring Framework?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

The Compliance Monitoring Framework seeks to ensure compliance monitoring is coordinated and prioritised, through transparent and established processes. The following changes have been made to ensure the Framework is effective:

- A Compliance and Enforcement Policy, documenting principles and standards for compliance and enforcement activities under Part 7 of the *Tertiary Education Quality and Standards Agency Act 2011* and Part 6 and Part 7 of the *Education Services for Overseas Students Act 2000*, is currently being finalised.
- A prioritisation model has been implemented. The model incorporates a triage process for prioritising complaints and concerns, based on risk and meaningful categorisation of concerns.
- An annual compliance program has been established. The program ensures TEQSA targets current, systemic and emerging risks, using a range of compliance monitoring tools, such as out-of-cycle compliance audits and provider site visits.
- TEQSA now has documented processes, procedures and other resources for its compliance monitoring activities, in support of operational planning and business processes.

The Compliance Monitoring Framework will be reviewed annually or when there is significant change affecting students, or the reputation or financial viability of the sector.

TEQSA's Investigations Manual will be ready for use by the end of this calendar year. The Manual is largely informed by the Australian Government Investigations Standards (AGIS) which already guide TEQSA's investigative work.

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Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education, Skills and Employment Question No. IQ21-000010

Mrs Lucy Wicks MP provided in writing.

Submitted material

Question

The audit recommended that TEQSA ensure material submitted by providers, as part of reporting formal conditions, is assessed in a timely manner (Recommendation 3). Noting TEQSA's response to this recommendation that it has 'newly-developed resources and tools to support the management of conditions' (Submission 4, p. 4), could TEQSA explain how this ensures that submitted material is assessed in a timely manner? Could TEQSA elaborate on the project it is currently undertaking to 'develop a new approach to better target and manage conditions and other forms of assurance' (Submission 4, p. 4)? What is the scope of this project? When is this project's expected completion date?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA has implemented business improvements to help ensure material submitted by providers is assessed in a timely way, including:

- enhanced monitoring and reporting, so that assessments are allocated and tracked more efficiently; and
- improved assessment capabilities, through resources and tools to support staff assessing provider compliance with conditions.

TEQSA's current Conditions Project is focused on:

- evaluating the effectiveness of conditions to date
- developing more specific, better targeted conditions to reduce the administrative burden on providers while still addressing risks
- improving the management and timeliness of condition assessments.

Recommendations from the project have been accepted and will be implemented from 1 May to the end of 2021.

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Department of Education, Skills and Employment Question No. IQ21-000011

Mrs Lucy Wicks MP provided in writing.

Material change notifications

Question

The audit recommended that TEQSA establish and implement a transparent process for managing 'material change notifications', including the documentation of notification assessments (Recommendation 4). In its submission, TEQSA advised that in relation to the ANAO's recommendation, it has implemented a 'consistent process to handle material change notifications' (Submission 4, p. 4) —can TEQSA elaborate on how this process will ensure that assessments of material change notifications will be adequately documented?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA has established centralised reporting and recording of material change notifications. All reports of material changes and the associated assessments are recorded in TEQSA's case management system with a report of the assessment outcomes provided to the Commission each month.

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Department of Education, Skills and Employment Question No. IQ21-000012

Mrs Lucy Wicks MP provided in writing.

Annual compliance report

Question

The audit recommended that TEQSA ensure its annual performance reporting includes information on the number of provider compliance activities undertaken and the outcomes of compliance activity (Recommendation 5). TEQSA has noted that its annual compliance report is planned for early 2021. Can TEQSA advise when this report will be released? Will TEQSA's annual compliance report include information on the number of provider compliance activities undertaken and the outcomes of compliance activity?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA's inaugural annual compliance report will be published in April this year. The report will include information on the compliance activities undertaken and the outcomes.

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Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education, Skills and Employment Question No. IQ21-000013

Mr Julian Hill MP on 04 March 2021, Proof Hansard page 1.

Number of sexual assault and sexual harassment complaints

Question

Mr HILL: How many complaints have you received?

Mr Maclean: I'll have to check my notes. Otherwise I'll have to take that on notice and get back to you. It's of an order of less than 10, if I recall.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA has considered a total of 23 matters in relation to alleged sexual assault and sexual harassment since formally commencing work on sexual assault and sexual harassment in 2017. These have been received either as complaints or via other means, such media reports.

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Department of Education, Skills and Employment Question No. IQ21-000014

Mr Julian Hill MP on 04 March 2021, Proof Hansard page 2.

Sector response

Question

Mr HILL: You said in your comments that you're now changing your approach. Rather than working with individual providers, you're working with peak bodies. If the problems, be they complaints, culture or weak procedures, are being predominantly identified in non-university providers, not all of which belong to a peak body, how are you going to deal with them? What are the peak bodies?

Mr Maclean: As I understand it, most providers are members of a peak body of one sort or another, and, to the extent that they're not, they're able to rely on the materials that we publish.

Mr HILL: How do you assess whether the sector is satisfied with the work that you're doing in this area?

Mr Maclean: Can I take that on notice as well, in terms of a detailed response?

Mr HILL: Sure.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

As part of the re-registration process from February 2019 to June 2020, TEQSA engaged directly with higher education providers from all categories regarding their policies and procedures to respond to sexual assault and sexual harassment incidents.

The feedback about the work indicated a good level of satisfaction. The report on the stakeholder feedback for 2020 noted that "Guidance notes and other materials and resources were largely appreciated by the sector, particularly when they addressed systemic issues (e.g. sexual harassment issues)" (p12, [TEQSA 2020 stakeholder feedback report](#)).

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Department of Education, Skills and Employment Question No. IQ21-000015

Mr Julian Hill MP on 04 March 2021, Proof Hansard page 2.

Sexual assault and sexual harassment complaints

Question

Mr HILL: On the compliance issues, I think you said that there have been fewer than 10 complaints to TEQSA. How would you categorise or describe the level of compliance with your investigations? Can you give us some information—obviously I don't mean on individuals—about the nature of those complaints? Do they all relate to universities or non-university providers? Are there nine or 10 different providers, or are we seeing serial offenders? How do they understand the process? You might need to take that on notice.

Mr Maclean: I understand the question. I will take that on notice and get back to you with a more detailed response.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA's compliance assessments of sexual assault and sexual harassment matters have found that providers have a good understanding of their student safety and wellbeing obligations. Where TEQSA has identified areas for improvement, providers have engaged and responded appropriately and promptly. No assessment has resulted in a finding of non-compliance.

The majority of these compliance assessments relate to universities.

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Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education, Skills and Employment Question No. IQ21-000016

Senator Claire Chandler on 04 March 2021, Proof Hansard page 3.

Compliance monitoring

Question

You've said that academic freedom will be part of this compliance monitoring framework. Can you provide a time line as to when we would expect TEQSA to be coming in to look at this area on university campuses. Do you rotate through campuses in how you undertake that compliance monitoring?

Mr Maclean: The compliance monitoring is both provider-focused and then thematic as well. I would take that on notice and get back to you around the question of time frames.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

The governing bodies of all registered higher education providers must take steps to develop and maintain an institutional environment in which freedom of intellectual inquiry is upheld and protected (standard 6.1.4). This standard is part of TEQSA's core assessment when re-registering providers. Outside of the re-registration process, TEQSA's compliance and investigations team may engage with providers if a risk of non-compliance is identified.

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Department of Education, Skills and Employment Question No. IQ21-000017

Ms Angie Bell MP on 04 March 2021, Proof Hansard page 3.

Security risks across the higher education sector

Question

Ms BELL: Thanks for coming in today to TEQSA. I want to ask not only about security risks generally across the higher education sector but also about what TEQSA is doing to take appropriate action to support the sector around those identified key risks around cybersecurity?

Mr Maclean: Can I take that on notice, please, to provide a more detailed response? Clearly, it is an issue that is of significant concern both as a sector and for us as the regulator. I don't have a detailed response in front of me as to TEQSA's activity there.

Ms BELL: Absolutely across the sector and then what TEQSA is doing in that space, thank you.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA considers that national security risks, including cybersecurity, are matters of importance and, if left unchecked, have the potential to undermine the integrity of the Australian higher education sector.

In June 2020, the then Minister for Education announced the establishment of a new Higher Education Integrity Unit ('the unit') within TEQSA. The unit is leveraging the expertise of both the Australian Cyber Security Centre and the Trusted Cyber Security Forum, supported by the Department of Home Affairs, to develop a cyber security resource that will enhance the protection of their cyber assets.

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Department of Education, Skills and Employment Question No. IQ21-000018

Mrs Lucy Wicks MP on 04 March 2021, Proof Hansard page 3.

Cybersecurity risks in the higher education sector

Question

CHAIR: I just might indicate I also had questions in relation to cybersecurity risk. I will read those out very briefly and ask that they be taken on notice, unless you would like to respond now. Just following on from what Ms Bell said in relation to the report, while TEQSA had taken appropriate action to support the higher education sector in addressing the majority of the identified key risks, it hasn't taken any specific actions to respond to cybersecurity risks. My questions to TEQSA are: since this report has been released, have you conducted an actual review of the cybersecurity risks in the higher education sector? And what measures have been implemented to address those risks? Secondly, TEQSA's process to assign risk ratings to providers does not include specific consideration of cybersecurity issues. If you could comment on that and what your response to that will be? Does the ANAO have any comments on this, especially in the context of issues identified across agencies in the cyber-resilience reports?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

TEQSA has directly engaged with universities who experienced significant cyber security failings and collected evidence that appropriate rectification was being conducted. TEQSA is working with the lead agency, the Australian Cyber Security Centre, in relation to this risk. In addition, TEQSA is working on further strengthening the risk assessment process by including more evidence based on sector trends and provider data held by other agencies.

While TEQSA's annual risk assessments do not include a specific indicator or metric based on cybersecurity, compliance assessments and regular renewal of registration assessments include consideration of cyber security where there has been an identified risk.

In 2021, TEQSA's new Higher Education Integrity Unit is seeking to leverage the expertise of both the Australian Cyber Security Centre and the Trusted Cyber Security Forum supported by the Department of Home Affairs to develop a cybersecurity resource that will support non-university providers enhance the protections of their cyber assets.

TEQSA is not aware of specific ANAO comments in relation to cyber-security issues identified across agencies.

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Department of Education, Skills and Employment Question No. IQ21-000019

Mr Julian Hill MP on 04 March 2021, Proof Hansard page 4.

Risk assessments

Question

Mr HILL: Sure. I'll pass it back to you, TEQSA. How did you calculate your risk assessments in relation to international student revenue? What are the thresholds for a moderate or a high-risk position?

Mr Maclean: I'll take that on notice as well. I note the ANAO's comment that the risk indicators that we analyse are based on departmental data and often that's up to two years old because it comes out of a number of sources, such as Quality Indicators for Learning and Teaching, the Higher Education Information Management System and what's called the Provider Information Request system. I'll take the second part of your question on notice.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

International student revenue is part of financial viability and financial sustainability indicators for TEQSA's risk assessments.

Risk thresholds are reassessed each year and can change. They are considered in the context of other information and are not the sole determinant of risk ratings.

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Department of Education, Skills and Employment Question No. IQ21-000020

Mrs Lucy Wicks MP on 04 March 2021, Proof Hansard page 5.

Improving timeliness of regulatory decisions

Question

CHAIR: Thank you. I'll ask at least one question and I've got another one on notice because of time. In your submission there is a statement that TEQSA has taken action to improve: ...the timeliness of regulatory decisions, particularly for low risk providers, through a number of projects, including a review of the specialisation business process model, the development of risk priorities, scoping improvements and other risk process improvements.

Would you please provide some more information about the projects and, specifically, how they will actually improve the timeliness of regulatory decisions such as reregistration and reaccreditation?

Mr Maclean: As the ANAO report, which, of course, we accepted, covered in its audit, we'd made improvements prior to the report in the timeliness of our assessments for registration, but not around reregistration and reaccreditation of courses. That's been an area of focus for the agency. In terms of the specifics of your question, I think a more complete answer, by taking that on notice, would be in order.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response.

Business improvement projects have focused on ensuring:

- Processes are streamlined and opportunities for continual improvement are identified, including by working with a LEAN consultant and end-to-end process reviews.
- Processes support targeted risk-based assessments and decision making. The scoping of assessments has been improved to ensure they are informed by intelligence and data, focused on key risk areas, and proportionate to the risk-rating of the provider.
- Enhanced provider-self-assurance. Where TEQSA has confidence in a provider's own quality review and improvement processes, TEQSA no longer engages its own subject matter experts to review courses, significantly reducing processing times.
- A refined "core plus" approach to assessments that reduces the administrative burden of regulation for providers. TEQSA's re-accreditation and re-registration assessments focus on the provider's compliance with a limited set of core Standards, relating principally to governance, internal quality assurance, student performance and student experience.

TEQSA is implementing a major IT transformation to streamline work practices, with low value repetitive tasks being automated, and improved data capture to support a single view of providers.