



EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

REPORT 486

Regulatory Activities - Inquiry into Auditor-General's Reports Inquiry into Auditor-General's Reports 33, 47, 48 (2019-20) and 5 and 8 (2020-21)

General comments

The Tertiary Education Quality and Standards Agency (TEQSA) thanks the Joint Committee of Public Accounts and Audit for the opportunity to respond to the Committee's Inquiry into Regulatory Activities, which in TEQSA's case referenced the Auditor-General Report 33 (2019-20).

The Committee noted that TEQSA had made progress on implementing Australian National Audit Office (ANAO) recommendations for improving compliance and enforcement processes.

The Inquiry identified two areas of interest to the Committee: the timeliness of TEQSA's re-registration of low-risk providers and re-accreditation of their courses; and the extent to which TEQSA has identified and responded to cyber security in its risk ratings of providers. The Committee further noted the disparity in the stakeholder survey results between for-profit and not-for-profit providers and expressed its interest in seeing TEQSA's steps to improve relationships with private providers.

TEQSA is committed to best practice regulation, in keeping with principles of risk, necessity and proportionality. The TEQSA 2021-25 Corporate Plan, published last August, outlines a range of key priorities that address the matters identified by the Committee. These include improving TEQSA's timeliness and responsiveness and a revised approach to sector risks, including cyber security.

Recommendation 5: TEQSA update the Committee within six months on the progress of its projects to ensure timely re-registration and re-accreditation of low-risk providers. TEQSA should also update the Committee on the outcome of the next stakeholder satisfaction survey, including a detailed analysis and comparison of the responses from private, university and other public providers.

Summary of response: Agreed

TEQSA seeks to improve the timeliness of all regulatory assessments for low-risk providers.

In 2021 TEQSA advised the Committee of a range of business improvement projects to reduce the administrative burden associated with regulation for providers, including:

- ensuring assessments are informed by intelligence and data, focused on key risk areas, and proportionate to the risk-rating of the provider
- enhancing provider-self-assurance

- a refined “core plus” approach to assessments that focuses on the provider’s compliance with ‘core’ standards relating to governance, internal quality assurance and student performance and experience, and ‘plus’ standards reflecting any provider specific issues or risks that have been identified by TEQSA
- streamlining work practices and automating low value repetitive work practices through a major IT transformation.

Since our advice in 2021, progress in fully implementing these initiatives, has been slowed by a combination of the ongoing impacts of COVID and a significant increase in assessment workloads. In 2020-21, for example, TEQSA received 74 per cent more applications than in the previous year (and was able to complete 24 per cent more assessments). In addition, in the last four months of the financial year approximately 50 per cent of TEQSA’s operational resources were reallocated to the implementing legislated changes to provider categories.

Despite these impacts, TEQSA has made improvements in its regulatory approach with regard to course of study reaccreditation applications from low-risk providers, introducing a model to streamline and expedite applications from low-risk providers with no adverse regulatory history and who demonstrate evidence of self-assurance.

Notwithstanding the above workload pressures, processing times remained relatively stable and, as shown in Table 1, reduced slightly for provider re-registrations and course re-accreditations across all provider risk categories.

Table 1. Median number of days for processing applications

Assessment type	2018-19 Median no. days	2019-20 Median no. days	2020-21 Median no. days
Re-registration	397	387	315
Course re-accreditation	413	220	208

Source: [TEQSA Annual Report 2020–21](#)

TEQSA has recently commenced a review of its regulatory model, in response to changes in the higher education sector and in keeping with developments in regulatory practice. TEQSA intends to further develop its risk based practice, in which TEQSA can better anticipate and respond to emerging sector and provider risks, and focus resources on those areas of greatest risk to students and the reputation of Australia’s higher education sector. TEQSA is confident that changes implemented through this review will improve the timeliness of decisions for low-risk providers.

In regard to the annual stakeholder survey, the 2021 survey was conducted by JWS Research between 31 May to 18 June 2021. Responses were received from 126 individuals representing 109 of 185 registered providers. The final report, and the agency’s response, were published on the TEQSA website on 1 December 2021. The report can be found here: [TEQSA stakeholder survey report and response 2021 | Tertiary Education Quality and Standards Agency](#).

Key findings from the survey were:

- Overall, TEQSA's performance is rated highly. 84 per cent of universities rated TEQSA as either Excellent or Good, compared with 69 percent of higher education providers. Pages 23-25 of the report provide a detailed comparison of the satisfaction ratings against individual key performance indicators for universities and higher education providers.
- Views were largely unchanged from 2019 (when providers were last surveyed) and providers were appreciative of TEQSA's conduct over the past year in a challenging COVID-19 environment.
- TEQSA's performance was rated the highest in relation to communication and the provision of guidance advice and resources, with 70 per cent of providers rating communication with their agency as excellent or good. Providers also appreciated proactive communication with their case managers, with 80 per cent rating the usefulness of meetings and/or phone calls with their case managers as either excellent or good.
- TEQSA's performance was rated lowest on aspects of timeliness. Providers perceive that the time taken between submitting an application and first receiving a regulatory decision is too long and that TEQSA does not provide timely feedback on whether providers are meeting expected standards.

The 2021 Stakeholder Survey report includes a limited comparison of results from 'universities' and 'higher education providers' (which includes private providers). In general, TEQSA's performance was rated more positively by 'universities' than by 'higher education providers'.

TEQSA outsources this project to ensure the analysis of the results is independent and impartial. In the past, TEQSA has not received the raw data or a breakdown of responses by provider or provider category. In view of the Committee's recommendation, TEQSA will include in its brief to market for the 2022 Stakeholder Survey a requirement to provide data by provider category, including both private and public providers.

Recommendation 6: TEQSA identify cyber security as a specific risk indicator and ensure measures are taken to develop cyber resilience across the sector.

Summary of response: Agreed with qualification

TEQSA agrees that cyber security is a current and increasing risk to the integrity of Australian higher education sector.

TEQSA's Higher Education Integrity Unit has carriage of the agency's work to support the sector:

- The agency is coordinating with and leveraging the knowledge of both the Trusted Cyber Security Forum (TCSF) and the Australian Cyber Security Centre (ACSC) to deliver a program of work that improves the awareness, maturity and capability of Australia's Institutes of Higher Education to recognise and respond to cyber threats. Australia's universities receive significant assistance and leadership from the ACSC and the TCSF and are out of scope of this project.
- A Cyber Expert Reference Group (CERG) has been appointed to guide the agency's work in this area, comprised of the Chair of the TCSF, two experienced cyber security officers from non-University providers and a representative from the ACSC. The first meeting was held in July and a second meeting in November 2021.
- TEQSA worked with the ACSC to ensure all eligible higher education partners were contacted and encouraged to become an ACSC partner.

- TEQSA commissioned a cyber security benchmarking survey to look into the prevalence and types of cyber security threats on Australian higher education providers, as well as the investments into cyber security by institutes of higher education.
 - 64 of the 141 stakeholders (45 per cent) responded in full to the survey provided.
 - The final report will be presented to CERG for discussion in March 2022 and will result in the development of a program of initiatives to further enhance cyber security resilience in the Institutes of Higher Education.
 - TEQSA’s survey built on an earlier survey of universities conducted in 2020 by the Council of Australian University Directors of Information Technology.

In relation to the recommendation that TEQSA identify cyber security as a specific risk indicator, TEQSA will consider this in the context of the current review to its regulatory model.

In addition, cyber security is listed as one of TEQSA Compliance Priorities for 2022. Compliance Priorities inform TEQSA’s Compliance and Investigation operational activities.

Signed by

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Ms Adrienne Nieuwenhuis on behalf of TEQSA Accountable Authority