



Senator the Hon James McGrath
Chair
Senate Education and Employment Legislation Committee
eec.sen@aph.gov.au

Dear Senator,

Subject: Independent Tertiary Education Council Australia (ITECA) submission to the Senate Standing Committee on Education and Employment inquiry into tuition protection bills

I am writing in response to a claim made by ITECA in its submission to the Senate Committee's inquiry into tuition protection bills.

On page 4 of its submission, ITECA made the following statement:

"We note that under the TEQSA risk framework, for-profit providers automatically trigger higher risk ratings."

TEQSA's risk ratings are informed by student, staff and financial data. A higher education provider's legal structure and operating model (for-profit or not-for-profit) does not inform any part of TEQSA's risk rating process. Consequently, ITECA's statement above is factually incorrect.

Annually, TEQSA performs a risk assessment for each registered higher education provider. All risk assessments are performed in accordance with TEQSA's *Risk Assessment Framework*. The *Risk Assessment Framework* was developed in consultation with the sector and aims to form an objective view of a provider's potential regulatory risk. All providers receive their draft risk assessment and are invited to provide additional context which is used to inform their final risk assessment.

Earlier this year, TEQSA published the *Key risk findings on Australia's higher education sector* report. This report summarised the findings of the 2018 risk cycle, and highlighted that in 2018:

- 70 per cent of for-profit providers were low or moderate risk to students
- 88 per cent of for-profit providers were found to be low or moderate risk to financial position.

Further information on TEQSA's *Risk Assessment Framework* can be found on the TEQSA website <https://www.teqsa.gov.au/risk-assessment-framework>.

TEQSA has engaged with ITECA to clarify this matter. However, TEQSA also considered it important to bring this matter your attention.

I trust this information assists the Committee's consideration of submissions to its inquiry.

Yours sincerely,

Ms Prue Monument
Executive Director, Regulatory Operations
21 November 2019

cc: Mr Troy Williams FIML MAICD, ITECA Chief Executive