

Senate Committee: Education and Employment

QUESTION ON NOTICE Additional Estimates 2014 - 2015

Outcome: Agency: TEQSA

Department of Education and Training Question No. SQ15-000220

Senator Carr, Kim provided in writing.

TEQSA's Risk Assessment Framework document

Question

"TEQSA's Risk Assessment Framework document says that the risk thresholds are "held confidentially within TEQSA".

Why are they confidential?

It's understandable that a risk assessment of an individual provider might be confidential, why are the standards against which risk is assessed not public information?

TEQSA has reported elsewhere that around 20 per cent of providers are moderate to high risk. Since TEQSA has publicly reported this figure, can TEQSA inform the Committee how much at risk these providers are, both in terms of risk for students and also in financial terms?"

Answer

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

Why risk thresholds are not released publically

TEQSA gave an undertaking to the sector during consultations about the development of the Risk Assessment Framework that the risk thresholds would not be made public. Concerns expressed by the sector at the time included the following.

- A risk assessment does not, on its own, result in definitive conclusions in relation to compliance with the Threshold Standards but identifies potentialities.
- Qualitative information, including contextual and control information, is an important input to TEQSA's rating of a risk indicator, which goes beyond quantitative risk thresholds.
- There is the potential for providers to manipulate data to meet the risk thresholds to avoid regulatory scrutiny, or to meet a particular risk threshold without further developing and improving student outcomes and quality processes.
- Ill-informed commentaries surrounding the risk thresholds could be very damaging to the reputational and commercial standing of providers and the sector.
- There is a high risk of third parties misusing the risk thresholds in trying to replicate risk assessments; for example, to rank providers.

TEQSA will soon have three rounds of the annual Provider Information Request/Risk Assessment Framework analyses completed, and intends to revisit the decision to keep thresholds confidential in further consultation with the sector later this year.

Further information on how TEQSA rates its risk thresholds, including information on how TEQSA determines risk thresholds is available on the TEQSA website:
<http://www.teqsa.gov.au/sites/default/files/HowTEQSARatesRiskIndicators.pdf>

How ‘at risk’ are providers that are rated moderate or high risk

Analysis is underway to examine the relationship between risk assessment findings and regulatory decisions taken by TEQSA. It is important to note that not all providers have been through a re-registration assessment so the data base on which such an analysis can be conducted is incomplete. Preliminary results show that moderate to high risk ratings do point to the likelihood of regulatory action being taken by TEQSA but before firm conclusions can be drawn, further refinement of the “moderate” risk category is being undertaken.

It is important to note that the Risk Assessment Framework provides an indicator of potential areas of concern in a provider’s compliance with the threshold standards, and that thorough assessment of the provider is required before conclusions can be drawn that a problem actually exists. To date, the categorisation of a provider as “high risk” on the Risk Assessment Framework has revealed only a small number of providers with critical problems needing to be urgently addressed.