

## Senate Standing Committee on Education and Employment - Education

### QUESTIONS ON NOTICE Supplementary Budget Estimates 2014-2015

#### Outcome 3 - Higher Education, Reform & Support

#### Department of Education Question No. ED0702\_15

Senator Carr provided in writing.

#### Question

##### ***Department views about TEQSA***

Department views about TEQSA (a) At the recent hearing for the Committee' Inquiry into the HERRA Bill, the Department described TEQSA as a "strong regulator". You said (p.55) that quality depends on a strong regulator – would you describe TEQSA's role as crucial? TEQSA has reported that around 20% of its registered providers are described as moderate to high risk. In policy terms, is 20% too high a figure? (b) What level of risk is tolerable in the sector? What would be the view on this issue of providers in general? (c) What would be the consequences of providers failing financially, or providing a less than optimal study experience for students? How much would an instance of this kind have a deleterious effect on other providers? (d) What would be the department's ideal percentage for moderate to high risk? What would be a tolerable percentage? Does TEQSA have adequate resources to ensure quality and minimise levels of risk?

#### Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has a crucial role to play in assuring the quality of Australia's higher education.

The Higher Education Threshold Standards (the Standards), a legislative instrument under the *Tertiary Education Quality and Standards Agency Act 2011*, provide the quality benchmark that institutions must meet to be registered to operate in Australia. Only quality institutions that continue to meet the Standards are able to operate.

TEQSA undertakes annual risk assessments to help prioritise its regulatory focus. The risk indicators consider issues such as financial viability; attrition, progress and completion rates; and student satisfaction. TEQSA's risk assessments do not draw conclusions about compliance with the Standards, but rather identify potential risks of non-compliance. The risk assessments may identify 'leads' that warrant closer attention by TEQSA, but do not confirm that there is necessarily a problem. The risk assessment process ensures that TEQSA's resources are directed at those institutions that may be deemed a higher risk. There is no target number or proportion for risk assessments.

To-date, no registered higher education provider in Australia has closed on the basis of financial failure. The consequences of a provider failing financially or providing a less than optimal student experience is two-fold, reputational for the sector as a whole, and personal in any disadvantage which may occur for the students. In addressing the first of these, this is why the role of TEQSA is important to protect the reputation of Australian higher education. To address the second aspect, the government has in place requirements to protect all students through the Higher Education Standards and, more specifically tuition assurance for those domestic students enrolled with a provider approved under the *Higher Education Support Act 2003*, and for international students under the *Educational Services for Overseas Students Act 2000*.

TEQSA is re-focusing its activities to ensure that it is able to deliver on its core activities of provider registration and course accreditation through more efficient and effective approaches to its business based on its available funding allocation. The Government is confident that TEQSA is adequately resourced to pursue these activities.