

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Outcome 3 - Higher Education

DEEWR Question No.EW0508_11

Senator Hanson-Young provided in writing.

Question

TEQSA RISK

Earlier this year, then Education Minister Julia Gillard said "TEQSA's approach to regulation is based on risk, leaving high-quality providers to flourish without unnecessary regulation." (Gillard 2010) i. What constitutes risk? What risk indicators are to be used? ii. Will there be risk gradients (e.g. high, medium, low)? iii. What would constitute a light-touch audit as distinct from a moderate or intensive audit? iv. What will be the consequences for institutions found to be deficient? v. Will they be deregistered? vi. Will they be ineligible for public funding? vii. Will decisions about registration and funding be matters for TEQSA or for governments? viii. How much time would an institution have to rectify deficiencies?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) will regulate the higher education sector using a risk-based and proportionate regulatory approach. This will allow TEQSA to focus activities on higher risk providers, while ensuring that existing, high quality, low risk providers will not be unnecessarily burdened.

Under TEQSA's risk management framework all higher education providers will be assessed against a series of risk indicators and given a risk rating which will form the basis for their ongoing audit and quality assurance activities. The risk management framework, including the identification of specific risk indicators and any risk weightings or gradients, is currently under development and will be the subject of consultation with the higher education sector. Its final form and ongoing application will be decisions for TEQSA once operational.

TEQSA's approach to regulation will move away from time based and whole of institution auditing to a framework which enables it to intervene based on emerging risks, or to focus on a specific area of risk within the sector, within an institution, or across a cohort. This approach will also recognise and encourage the diversity of providers' missions, curriculum and approach to delivery.

TEQSA will have the power to take action and to intervene with an escalating series of responses when poor performance is identified. The powers of TEQSA will be clearly articulated in the legislation, scheduled for introduction in the 2011 Autumn sittings.

Decision-making around higher education funding will remain the responsibility of the Australian Government.