Risk Ratings: Examples of Relevant Context and Provider Controls that TEQSA Considers

Purpose and Background

TEQSA's Risk Assessment Framework (RAF) at <http://teqsa.gov.au/regulatory-approach/risk-assessment-framework> outlines TEQSA's approach for undertaking risk assessments of higher education providers, including the set of risk indicators used. Risk ratings for indicators are derived by TEQSA giving consideration to risk thresholds and the specific circumstances of providers. This includes contextual information about the provider and information on the provider's own risk controls, where known to TEQSA. If TEQSA identifies potential risks, the provider is invited to discuss the risks and offer any further evidence that may impact the risk assessment.

This document provides examples of context and provider controls that may be taken into account by TEQSA in rating a risk indicator, to assist providers in participating in TEQSA's risk assessment process.

Examples of Relevant Evidence and Context

In considering the examples below, please note the following:

▸ These examples are **not exhaustive, restrictive or directive.**

▸ Evidence that demonstrates the effectiveness of strategies/risk controls (e.g. a report from the provider's own systematic and timely review process with data showing positive results), carries more weight than a general, narrative description.

▸ Different levels of evidence may be required to change a risk rating, depending on the significance of the issue and context of the provider (i.e. in some cases a combination of factors may support an adjustment to a risk rating).

▸ These examples focus on information that may lead to a positive change in rating. There may be times when TEQSA upgrades a risk flag (i.e. higher risk rating) based on broader information.

▸ TEQSA takes into account a provider's regulatory history as part of the risk assessment process. This would include any findings from recent regulatory processes about the provider's own risk management capability.

Risk Indicator	Examples of relevant information that may lead to adjustments to risk ratings

1. **Student load**	▸ A strategic plan and/or business plan demonstrating that the growth has been appropriately planned for, with actions such as:
	
	  ▸ new campus or premises developed/acquired to accommodate student growth
	
	  ▸ Capital investment to cope with the student load
	
	  ▸ recruitment that supports maintenance of academic staff levels
	
	  ▸ evaluation that student experience has not been adversely affected
	
	▸ Written agreement with strategic partners describing the provision of facilities and equipment and services to support the student load
	
	▸ Historical data which shows that the fluctuation is temporary or the provider has coped with that level of student load previously

2. **Cohort Completed**	▸ Track record of HE experience and completions in other countries (for newly registered HEPs in Australia) ▸ Track record of offering HE courses under a different legal entity or as a third party provider for pathway courses of partner university before it took over the delivery of these courses in its own right

3. **Attrition rate**	▸ Data provided showing improving attrition rate as a result of measures such as:
	
	  ▸ identification and tracking of students at risk with support strategies/projects in place
	
	  ▸ analysis of student performance in relation to admission
	
	▸ Evidence on reasons for attrition leading to adjusted attrition rate (e.g. data demonstrating significant proportion of students moving from a regional provider to another institution)

4. **Progress rate (and completions)**	▸ Data provided showing improving progress rate (and completions) as a result of measures such as:
	
	  ▸ Identification and tracking of students at risk with support strategies/projects in place
	
	  ▸ analysis of student performance in relation to admission

5. **Student satisfaction**	▸ Data provided showing improving student satisfaction as a result of measures such as: ▸ Analysis of teacher performance

	▸ Review of course content and delivery model from provider
	▸ Analysis of achievement of learning outcomes from provider
6. Graduate destination	▸ Data provided showing improving graduate destination result as a result of measures such as:
	▸ Analysis of market positioning of the institution/course from provider
	▸ Analysis of achievement of learning outcomes from provider
	▸ Significant and unexpected decline of job market or analysis of specific local market or discipline conditions
	▸ Evidence that the provider has committed additional career support resources against a plan to assist graduates to transition to employment.
7. Senior academic leaders	▸ Single or highly specialised field of education with qualified core staff providing academic leadership as demonstrated through:
	▸ Academic standing
	i. Active in the relevant academic communities (e.g. research, consultancy or advisor of contemporary issues)
	ii. Peer/professional recognition
	▸ Course management responsibilities
	i. Staff supervision (academic and non-academic)
	ii. Course budgeting
	iii. Purchasing
	iv. Reporting to boards/committees
	v. Oversight of stakeholder consultations (e.g. students, employers)
	▸ Course development responsibilities
	i. Prepare course proposal
	ii. Approve course documents
	iii. Review course performance
	▸ Academic appointment structures that are not reflective of pay scales (e.g. a not-for-profit institution with a flat pay structure), with supporting evidence of staff in academic leadership roles in line with the above examples.
8. Student to staff ratio	▸ Delivery models that have different staffing requirements (evidence of efficacy required, including strong student outcomes)
	▸ Consortium models with teaching staff provided by related entities or third-parties (formal agreement required)

	▸ A significant portion of offshore delivery (offshore staffing information required)
9. Academic staff on casual contracts	▸ Policies of equivalency for development and evidence of integration of casual and permanent staff
	▸ Evidence of funding of professional development for casual academic staff
	▸ Statements/policies of casual staff duties limited to supporting roles.
	▸ Evidence regarding how industry experts are used.
10. Financial viability	▸ Changed financial circumstances supported by independently verified information such as Audited financial statements or Bank statements.
11. Financial sustainability	▸ Student projections supported by historical numbers showing an improving trend.
	▸ Financial projections supported by robust analysis and key assumptions.
	▸ For providers with an economic dependence or in receipt of financial support from a related party, evidence of the instrument confirming the nature and extent of the commitment such as a Deed of guarantee or similar undertaking from the related party.
	▸ Written copies of capital injection commitments.