

TEQSA fees and charges consultation

3 June 2021

The Australian Technology Network of Universities (ATN), in collaboration with The University of Newcastle, welcomes the opportunity to contribute to the consultation on TEQSA's proposed approach for transitioning to the new cost recovery arrangements.

ATN is the peak body representing Australia's five most innovative and enterprising universities: Curtin University, Deakin University, RMIT University, University of South Australia (UniSA), and University of Technology Sydney (UTS). The University of Newcastle is an important research-intensive anchor institution in the regional gateways of the Hunter and Central Coast. Together, we are home to over 300,000 university students and over 23,000 full and part-time staff.

ATN would urge the Government to reconsider the proposal for cost recovery.

As recognised by the Commonwealth Grant Scheme and Higher Education Loans Program, there is a public and a private benefit to higher education. The Australian public as a whole benefits from a well-regulated tertiary education system and TEQSA should be adequately funded to fulfill its role.

If the cost recovery proposal proceeds, the Government should defer it until at least mid-2023.

This would enable higher education providers to recover and regroup in light of the impact of COVID-19, as well as major changes to federal government funding through the Job-ready Graduates Package.

COVID-19 has had heavy impact on the higher education sector, through a range of factors that include:

- Reduction in international students
- Rapid response to developing and delivering content online
- Extra services required in the delivery of student support for domestic and international students and staff
- Significant change management, including large-scale staff reduction and reconfiguration of organisational structures, to meet the economic challenges faced with heavily reduced income.

Compared with other sectors of the economy, the recovery from the pandemic will be more protracted and uncertain for higher education. The pipeline effect of the reduction in international student commencements (down 34% compared with April 2019) means that revenues will be significantly impacted for years and 2021 onwards is likely to be more difficult than 2020.

To introduce extra fees for the administration of government regulation at this time presents significant further challenges for the sector. We recommend that the introduction of the cost-recovery plan be reconsidered or deferred for review again mid-2023.

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Nevertheless, we present the following feedback on TEQSA's current cost recovery proposal.

The three regulatory principles adopted by TEQSA – necessity, risk, and proportionality – are appropriate, effective and practical, and should also govern TEQSA's approach to cost recovery. The cost recovery should:

- Only be applied where necessary
- Reflect the risk posed
- Be proportionate to the regulatory effort required.

TEQSA's transparency and partnerships approach should also be extended to cost recovery. Providers should be able to clearly understand and appreciate the rationale and justification behind cost recovery activities, including investigations. Cost recovery provides the impetus for providers having a greater role in shaping the range of TEQSA's services and activities.

Application-based charges

- We recommend that there be more clarity on the “scope” and “complexity” of the assessment and subsequent costs for re-registrations, in order for providers to be able to determine the expected cost for them and budget accordingly.
- We note that CRICOS re-registrations are much cheaper for self-accrediting institutions due to independent external audit, and recommend that consideration should be given to whether a similar model could be used for TEQSA re-registration to alleviate time and expenses.
- There should be further clarity around the large variation in costs for CRICOS courses. For example, it is currently not clear why ELICOS and Foundation courses are significantly more expensive than a CRICOS Additional Course.
- Further information should be provided about the criteria and scope of a CRICOS Additional Course. For example:
 - Are nested postgraduate courses (i.e. graduate certificates, graduate diplomas and masters) to be individually costed, or as a group?
 - In order to manage costs and workloads, should it be possible to register a CRICOS course upon enrolments being accepted rather than in anticipation of enrolments?

Provider-specific charges

- We strongly support the proposal that no charge be made where an investigation is conducted and there is no adverse finding.
- We recommend that there be transparency around investigations in determining if one is warranted, at which point the provider is notified, the expected cost, and how it will progress.

Regulatory levy

- While the activities listed in this section are able to be covered by a cost recovery levy according to the Australian Government Cost Recovery Guidelines, we recommend that TEQSA re-consider the cost drivers behind these activities. In particular, TEQSA should consider which groups that are most likely to benefit from these activities and the role that risk plays in several of these activities (e.g. risk assessments, concern management).
- We recommend that, in consultation with providers, a review of TEQSA's services (and the effectiveness and efficiency of these services) should be undertaken to determine what is considered necessary and therefore included in the cost-recovery model, to ensure the sector is receiving return on investment for the activities undertaken by TEQSA.

Enquiries should be addressed to:

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