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Tertiary Education Quality and Standards Agency
By email to: consultation@teqsa.gov.au

TEQSA Fees and Charges Consultation Paper – response from Edith Cowan University

Edith Cowan University welcomes the opportunity to provide feedback on the proposed cost recovery changes by the Tertiary Education Quality and Standards Agency, commencing 1 January 2022.

This proposal for near full cost recovery comes at a time of considerable financial stress for many providers. The indirect costs on providers in responding to TEQSA on compliance matters and assessments, and for applications for re-registration, course additions and delivery site changes are already considerable. These proposals add further direct costs on providers, and ironically, more resources will be redirect away from teaching, negatively impacting on some providers' ability to maintain the quality of their teaching.

Proportionate charges relating to risk

The proposal to charge for course accreditation and registration renewal on a sliding scale according to student load is intended to give smaller providers some fee relief and is, as the Consultation Paper notes, a departure from the Australian Government Charging Framework. This proposal would also uncouple the cost of provision of a service from the recovery of costs, as smaller providers would typically have a higher risk profile. Consideration should be given to a more equitable basis for differential charging, based on either risk ratings only, consistent with Section 15 of the *TEQSA Act, 2011* - where high risk providers pay more, or a combination of student load and risk rating.

TEQSA activities out of scope

The Consultation Paper proposes an annual levy to cover the costs of activities such as annual risk assessments, guidance notes and other advice, engagement and corporate support. Such general activities are strictly speaking, outside of the Agency's regulatory function, and as such should be considered out of scope for cost recovery. As the Consultation Paper notes, these activities do not relate to individual providers, and in fact the recipient of these services may not be providers at all, given that this work includes advice to the Department of Education, Skills and Employment and the Minister, and engagement with other agencies and international bodies. To charge providers for services that are received by others, seems inherently unfair.

Basis for annual increases in fees and charges

In his presentation on the proposed changes to cost recovery, the TEQSA Chief Executive Officer, Alistair Maclean, noted that over time, the proportion of costs recovered would increase from 15% to 90%. It is unclear whether moving to near full cost recovery will be accompanied by constraints on increased expenditure by TEQSA, and the promise of Parliamentary scrutiny and oversight

provides little comfort to providers that unchecked increases in the TEQSA budget in future years will not be simply passed on to regulated bodies as fee hikes. The higher education sector might reasonably expect some limitation on the ability to raise fees and this should be set at no more than an annual CPI increase.

TEQSA service levels

As with any fee for service arrangement, providers will expect good “value for money” from TEQSA. There is a risk that relationships between TEQSA and providers will deteriorate under the new fee charging arrangements, if TEQSA is unable to demonstrate that its services are efficient and timely and avoid duplication and overreach. TEQSA should consider establishing “service-level” commitments, such as turnaround times, for all chargeable activities as a pre-emptive measure to ensure goodwill and co-operation is maintained.

Further, consideration needs to be given to the application of fee waivers, or credits, where TEQSA services fall short of agreed service levels. Such waivers are provided for under Section 158 of the *TEQSA Act, 2011* and should be specified in the TEQSA Determination of Fees document, allowing both special circumstances waivers (such as relief measures for the sector as a whole) and individual waivers for non-achievement of service standards, to be set down.

Further information

Queries relating to the content of this submission may be addressed to Lisa Champion, Manager Academic Quality and Standards, via l.champion@ecu.edu.au or (08) 6304 2179.

Yours sincerely,



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