

TAFE/21/28141
BRIEFCTAFE/21/304

Mr. Alistair Maclean
Chief Executive Officer
Tertiary Education Quality and Standards Agency (TEQSA)
GPO Box 1672
MELBOURNE VIC 3000

Dear Mr. Maclean,

TAFE SA Feedback – TEQSA Consultation Paper on Fees and Charges Proposal

Thank you for your e-mail dated 30 April 2021 inviting TAFE SA to provide feedback and comment on the *TEQSA Consultation Paper on Fees and Charges Proposal*.

TAFE SA values the role TEQSA plays to ensure good governance, best practice and compliance management benchmarks are met by higher education providers in Australia.

TAFE SA along with members of the TAFE Higher Education Provider Network across Australia participated in TEQSA Consultation Sessions held on 18 May 2021 and specific TAFE sector session on 25 May 2021 to express both our individual institution and collective view pertaining to the paper and its implications.

Please find below TAFE SA's feedback and views on the paper. I appreciate the opportunity to provide greater context, clarity, and feedback on this matter

Please do not hesitate to contact our designated contact officer Sherelee Rose (sherlee.rose@tafesa.edu.au) if you have further or follow up queries.

Yours sincerely



David Coltman
CHIEF EXECUTIVE, TAFE SA

1 JUNE 2021

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CRICOS Provider No 00092B
Higher Education Provider: PRV14022
RTO Provider No: 41026

What are your views on TEQSA's proposed approach to implementing increased cost recovery in line with the Government's policy?

- TAFE SA notes the need for regulators, as well as providers, to operate in a sustainable fashion. TAFE SA supports the principle of a cost recovery model.
- TAFE SA notes the statement in the recent Regulators Performance Guide Consultation paper that "Regulators should seek to achieve their objectives in a way that imposes the least cost on those that are regulated, providing a regulatory environment that supports regulated businesses to comply, to innovate and to grow".
- TAFE SA advises there is a potential for the proposed fee increase to create an unreasonable cost burden on providers who are regulated by both ASQA and TEQSA (see below for further detail).
- TAFE SA queries the proposed implementation timing and the scale of the increase. TAFE SA notes the impact of COVID-19 has seen many higher education institutions impacted by a significant drop in international student numbers and revenue. This revenue challenge is significant and additional cost implications may impact on continued viability of Higher education provision and the scope of TEQSA activities, particularly for Non-University Higher Education Providers (NUHEP) exiting provision.

Do you agree or disagree with TEQSA's proposed approach to attribute application-based costs according to relative regulatory effort?

- TAFE SA notes the TEQSA's proposed cost recovery model is premised on activity-based costings. This confines the bulk of its cost recovery to NUHEPs who are not privileged with self-accrediting capabilities.
- TAFE SA notes universities form the largest remit of TEQSA's risk and compliance oversight based on student volume, fields of study and number of courses being offered. TAFE SA recommends a more comprehensive explanation on the equity of TEQSA's application of the cost recovery model as it applies across universities and NUHEPs.
- TAFE SA recommends a more detailed explanation on the increase in fees for renewal of provider registration. Specifically, an explanation and demonstration of the parameters in place to determine regulatory effort.
- Further, an articulation of the process by which providers are categorized, and informed, would assist particularly from a budgetary planning perspective.

TAFE SA has a comprehensive Quality Framework in place. TAFE SA requests that this Framework be used to assist in its determination of the provider category applied to it.

TAFE SA notes the proposed fee for CRICOS provider registration would result in a 560% increase for TAFE SA. Additionally, TAFE SA notes this to be a duplication of cost that is already imposed by the Australian Skills Quality Authority (ASQA).

Explanation

For dual sector providers such as TAFE SA, CRICOS provider accreditation is not granted separately for its higher education and VET provision. Accreditation is granted in one instance.

TAFE SA recommends that the cost recovery for CRICOS provider registration be shared between TEQSA and ASQA across dual sector providers.

- TAFE SA recommends that there be consistency in the approach to add/relocate a CRICOS delivery sites with ASQA.
- TAFE SA notes the proposed cost of course accreditation (\$25,200 for substantive assessment) is the same regardless of the differences in the volume of documents (subjects) to be assessed. TAFE SA recommends the application of a scaled level of charges for different AQF levels courses and/or number of subjects comprising in a course.

Do you have any comments on the proposed method of adjusting course accreditation fees based on a provider's student numbers?

- TAFE SA notes the targeted fee relief to smaller higher education providers. This is welcomed.
- TAFE SA notes the proposed model exhibits principles of equity to ensure the sustainability of smaller providers.

TAFE SA recommends consideration of a scaled level of charges for different AQF levels of courses or number of subjects comprising the course

- TAFE SA recommends TEQSA reviews the calculation of cost allocations for accredited courses which are licensed for local delivery from another higher education provider. TAFE SA notes in these instances the regulatory effort required is significantly reduced.

Do you agree or disagree that the cost of compliance and investigatory activities should be borne by those providers being investigated?

- TAFE SA agrees that the cost of compliance and investigatory activities should be borne by those providers being investigated.
- TAFE SA notes that a rigorous appeals process is required to ensure adequate dispute resolution if a provider has concerns with the regulatory decision and associated costs.

- TAFE SA notes that the approach taken by TEQSA is consistent with other regulators (ASQA) cost recovery model.

Do you have any comments on the structure of the proposed new annual levy?

- TAFE SA supports in principle with an annual levy being imposed.
- TAFE SA supports the proposed phased approach towards cost recovery from 20% to 100% over a period of 3 years.
- TAFE SA recommends a charge structure based either on student volume or number of qualifications or both should be applied in the development of the annual levy. This will ensure smaller providers are not seen to be subsidising the annual levy of larger providers. A similar scalable charge structure is applied by ASQA as a reference.