

31 May 2021

**Alistair Maclean**

CEO

Tertiary Education Quality & Standards Agency

Level 14, 530 Collins St

Melbourne VIC 3000

Dear Mr Mclean,

I write to you on behalf of the Academy of Information Technology Pty Ltd (AIT), PRV12005 in relation to the recently released consultation paper on TEQSA Full Cost Recovery.

AIT is a specialist private provider with a scope consisting of 4 degrees (all with a strong technology focus) and the full suite of nested quals. It has approximately 1,000 students enrolled across its campuses and online. AIT is also a CRICOS approved provider with approximately 46% of its students studying on international student visas (pre-COVID).

The impact of COVID-19 upon the global economy, rapid and increasing technology development and disruptions, changes to consumer behaviour, emerging competition (accredited and non-accredited, domestic and offshore) calls for continual provider innovation, strategic planning and change. This new mindset and framework are required at both the institutional level, and as the Minister for Education stated in his address of 31 March 2021, sector wide in order for Australia's tertiary education system to remain best practice and competitive on the world stage.

To this effect, AIT is currently undertaking a strategic review of its operations to best position itself to respond to the learnings of the past year, emerging market and industry demands, and to further enhance its virtual classroom delivery capability. As an outcome of this review, it is anticipated that AIT will look to restructure/redesign its existing courses and add new courses in new specialisations at undergraduate certificate, diploma and bachelor degree level, along with further pivoting to hybrid virtual and real time delivery.

Under the current fees and charges model applied by TEQSA the costs associated with accreditation of new courses and re-accreditation of courses with significant material changes along with scheduled registration and re-accreditation whilst not insignificant is also not unreasonable for a small provider. Under the proposed full cost recovery model, the related fees and charges would be in the order of 4 to 5 times that of the current fees and charges.

During a period of economic austerity such as that experienced by the tertiary education sector since early 2020, to be investing somewhere in the order of half a million dollars in fees and charges on top of roughly the same amount for course development and instructional design places a considerable burden on any organisation, particularly for

smaller providers such as AIT. It equates to an investment of approximately \$1,000 per student. And all this at a time when investing in the future has never been more important.

AIT is committed to quality, innovation and best practice. However the potential impact of the full cost recovery model is that some providers may simply not be able to afford the necessarily ambitious and responsive strategies they had planned or were keen to explore. Consequently, this poses a risk for the sector by potentially slowing down or stalling the shift to new innovative, exciting state of the art programs of study and delivery modes.

Consideration of further deferring the proposed implementation of full cost recovery to a time when the sector is under less stress is sought.

Another area of concern is around those various regulatory compliance activities charged at an hourly rate. How will the hourly rate actually be calculated? Is there a formula or schedule similar to that used by an accountant or lawyer? For example, is every email reply from TEQSA valued at 5 minutes? Is every phone call between a provider and a TEQSA case manager or assessor timed and billed out? Is every letter drafted by TEQSA calculated at a fixed cost or per minute of actual labour? Could it not be possible to have minimum and maximum fees such that a provider is able to estimate the cost of and therefore budget for these various activities as and when they arise?

The final aspect I wish to raise, and it may well be too early for TEQSA to have an answer. When invoicing a provider what level of detail will be included? Will the invoice be itemised? How will any applicable GST be calculated and displayed in the invoice? In other words, what level of transparency around cost recovery will be afforded the provider? And will there be a mechanism for disputing an invoice?

In raising these issues and concerns I ask that consideration be given matters of transparency, service levels and related accountability, and most especially to the timing of the implementation of the full cost recovery strategy given the potential impact that it will have upon an already vulnerable sector.

Should the opportunity present itself I would be more than happy to meet virtually or in person to discuss further.

Yours faithfully,



Eve Ollerenshaw  
Pro Vice Chancellor /  
General Manager Quality, Accreditation & Compliance  
Academy of Information Technology / RedHill Education