

3 June 2021



Mr Alistair Maclean
Chief Executive Officer
Tertiary Education Quality and Standards Agency
GPO Box 1672
MELBOURNE VIC 3001

Email: consultation@teqsa.gov.au

Dear Mr Maclean,

Re: Consultation paper – Fees and charges proposal

The University of Melbourne welcomes the opportunity to respond to the TEQSA Consultation paper on 'Cost recovery for quality assurance and regulation of higher education'. We appreciate the consultative approach that TEQSA has taken to the implementation of the new cost recovery framework and acknowledge the important role TEQSA plays in shoring up the provision of world leading teaching and research.

The proposal to move to a cost-recovery model of financing TEQSA's activities was first announced by the Australian Government in the 2018/19 Budget. As a general point of principle, the University does not support imposing fees and levies upon public universities for the purpose of financing agencies that help administer Australia's higher education system. Australia's universities receive public funding to deliver upon the nation's skills and research needs. Funding to Australia's public universities, that is diverted to paying for regulation, is funding that is not spent on education or research activities. It is appropriate that sector regulatory agencies are likewise publicly funded.

Notwithstanding these points of principle, the following comments address two areas where the transition to a cost recovery approach could be strengthened.

Delayed implementation of the changes

Consideration should be given to delaying the implementation of the proposed changes. The COVID-19 crisis – specifically the downturn in international student enrolments – has had a sizeable impact on the finances of higher education providers in Australia. The new fees and charges impose additional costs on the sector as it seeks to manage this impact in the context of uncertainty around the timing of international borders re-opening. While the cost of the new fees and charges are modest in comparison with the loss international fee revenue, there is a case for delaying implementation in view of the significant financial strain the sector is already experiencing.

The assignment of costs between NUHEPs and universities should be risk based

The assignment of costs between NUHEPs and universities should be risk based, while noting the aim of ensuring that the new fees do not represent a barrier to entry for new providers.

Transparency and oversight

It is important that adequate transparency and oversight measures are in place to allow for ongoing monitoring and review of the cost recovery framework. This will help ensure that the costs the

framework imposes on the sector are minimised; for example, that an undue expansion in the number of investigations does not drive an increase in these costs.

- Transparency and oversight measures should include regular reporting on TEQSA's activities, and a review of the cost recovery framework within three years of implementation.
- The Minister for Education should be required to table annually in Parliament a detailed audited report on TEQSA's regulatory activities and a breakdown of costs, including the charges and levies paid each year by each regulated higher education provider.

For further information, or to discuss the submission, please do not hesitate to contact me on (03) 8344 8937 or at gek@unimelb.edu.au.

Kind Regards,

A handwritten signature in black ink that reads "Gregor Kennedy". The signature is written in a cursive, flowing style.

Professor Gregor Kennedy
Deputy Vice-Chancellor (Academic)