

TEQSA Fees and Charges Consultation

25 October 2024

Key takeaways:

1. Charging weighted to institution size risks unfairly placing the burden on universities to subsidise non-university higher education providers (NUHEPs) that require more intensive regulatory oversight.
2. TEQSA should provide a detailed breakdown of its costs to enhance transparency.
3. A coordinated approach with emerging regulatory bodies will help reduce the administrative burden on institutions and ensure that compliance costs remain reasonable.

The Australian Technology Network of Universities (ATN Universities) welcomes the opportunity to provide feedback on TEQSA's consultation regarding proposed changes to its fees and charges for 2024.

Charging weighted to institution size risks unfairly placing the burden on universities to subsidise non-university higher education providers (NUHEPs) that require more intensive regulatory oversight

ATN member universities have a strong commitment to maintaining high standards in higher education, research, and innovation, and we believe that an effective regulatory framework is crucial to ensuring these standards. We recognise TEQSA's important role in upholding the quality and integrity of Australia's higher education sector but express concerns about the proposed charging scheme's over-weighting of institutional size as a determinant of fees.

While we acknowledge the stated rationale for linking fees to the size of the provider, we believe that risk, as reflected in the number and severity of regulatory or compliance issues, is a more accurate determinant of regulatory burden than institutional size. The current proposed approach may disproportionately affect larger, self-accrediting institutions like ATN member universities, which have greater internal resources and oversight capabilities that inherently professionalise their approach to quality and standards, and thereby reduce overall risk.

We recommend maintaining a significant base fee component for all providers to ensure that every institution contributes equitably to the cost of regulation. Additional charges should then be scaled according to each institution's risk and compliance needs, rather than merely their size, to reflect a more balanced and fair approach.

TEQSA should provide a detailed breakdown of its costs to enhance transparency

ATN member universities are concerned about the lack of clarity regarding TEQSA's actual cost drivers. In particular, whether the significant expenses arise from investigating complaints or if they are cross-subsidising

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other regulatory activities such as institutional assessments and other administrative functions. It is currently unclear if TEQSA has adequately considered the correlation between institutional risk and its costs.

We recommend that TEQSA provides a detailed breakdown of its costs to enhance transparency and builds a fee structure that more accurately reflects the risk profile of institutions, rather than relying on size as a key driver. TEQSA should explore ways to reduce the administrative burden on self-accrediting institutions by recognising their proven ability to manage compliance internally. This could involve adjusting fees or requirements for institutions with a strong track record of quality assurance and compliance. A risk-based and proportionate approach would better align fees with the level of regulatory oversight required.

A coordinated approach with emerging regulatory bodies will help reduce the administrative burden on institutions and ensure that compliance costs remain reasonable

With the introduction of the National Student Ombudsman and the potential establishment of the Australian Tertiary Education Commission (ATEC), we are concerned about the potential for poor outcomes for students and other stakeholders as well as the risk of regulatory duplication and additional compliance burden that these developments place on institutions. The overlap between TEQSA's role and those of other emerging regulatory bodies could lead to inefficiencies and unnecessary increased costs. We urge TEQSA to work in close collaboration with these entities to streamline roles and responsibilities, preventing unnecessary duplication of regulatory efforts.

ATN Universities values the essential role TEQSA plays in maintaining the quality and standards of Australia's higher education sector. We believe that a more transparent, risk-based and collaborative approach is essential to achieving a fair regulatory system. We look forward to ongoing dialogue with TEQSA to develop a regulatory framework that supports the sustainability of the sector without disproportionate costs of regulation.

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