**Australian Government**

**Tertiary Education Quality and Standards Agency**

# Annual Report

## 2022–23

TEQSA

# TEQSA Annual Report 2022–23

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## ACCESSING THIS REPORT ONLINE

More information about the Tertiary Education Quality and Standards Agency is available at: **teqsa.gov.au**.

The electronic version of this report can be found on the Transparency Portal and at: **teqsa.gov.au/about-us/reporting-and-accountability/annual-report**.

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12 October 2023

Hon Jason Clare MP
Minister for Education
Parliament House
CANBERRA ACT 2600

Dear Minister,

**Subject: Tertiary Education Quality and Standards Agency Annual Report 2022–23**

As the accountable authority of the Tertiary Education Quality and Standards Agency (TEQSA), we have pleasure in presenting to you the Agency's annual report and annual performance statements for the year ended 30 June 2023.

TEQSA's annual report and annual performance statements have been prepared in accordance with the following requirements:

- Subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) requires the accountable authority provide the responsible Minister with an annual report for presentation to Parliament.

- Paragraph 39(1)(a) of the PGPA Act requires the preparation and presentation of annual performance statements.

As the accountable authority of TEQSA, it is our opinion that the annual report and performance statements are based on properly maintained records, accurately reflect the performance of the entity, and are compliant with the requirements.

Furthermore, we certify that TEQSA:

- has prepared fraud risk assessments and fraud control plans;

- has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the Agency; and

- has taken all reasonable measures to appropriately deal with fraud relating to the Agency.

This report describes the progress made over the course of 2022–23 to advance national action to assure the quality of higher education in Australia. This work continues through the staff of TEQSA and a range of stakeholders in the higher education sector.

Yours sincerely,

**Emeritus Professor Peter Coaldrake AO**
Chief Commissioner

**Emeritus Professor Joan Cooper**
Commissioner

**Ms Adrienne Nieuwenhuis**
Commissioner

**Mr Stephen Somogyi**
Commissioner

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# Acknowledgement of Country

The Tertiary Education Quality and Standards Agency acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respect to their cultures and Elders past, present and emerging.

# Introduction

**TEQSA's vision is public confidence in the excellence of Australian higher education.**

The Tertiary Education Quality and Standards Agency (TEQSA) is responsible for the regulation and quality assurance of all providers offering higher education courses.

It was established under the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act) in response to recommendations of the Bradley Review of higher education in Australia.

Higher education consists of awards spanning the Australian Qualifications Framework (AQF) levels 5-10, which include: diplomas, advanced diplomas, associate degrees, bachelor degrees (including honours), graduate certificates, graduate diplomas, masters degrees, doctoral degrees and higher doctoral degrees.

For more information about higher education AQF levels, visit the Australian Qualifications Framework website.

This report is an account of TEQSA's performance for the past year against measures and targets set out in its 2022-23 Portfolio Budget Statements and 2022–26 Corporate Plan.

# Highlights of 2022–23

**250**
illegal academic cheating
websites blocked

**94,555**
number of times student
academic integrity resources accessed

**2.03 million**
page views of the TEQSA website

**134,823**
searches of the National Register

**124,409**
visits to online student resources

**1006**
record number of attendees at
TEQSA sixth annual conference

# The year in review

**The past 12 months have been a period of rapid change within Australia's higher education sector. This includes the enduring impact of the COVID-19 pandemic that continued to pose challenges to the quality of higher education, the student experience and the financial viability of providers.**

The period was also marked by integrity threats to the sector, in particular from the nature and scale of academic cheating, non-genuine overseas student enrolments, and the rapid emergence of generative artificial intelligence (AI).

At the same time we are seeing sector innovation, particularly in modes of delivery, as the sector responds to the challenge of the uncertain operating environment and new and emerging opportunities.

In this context, it was timely that the Australian government commenced the Australian Universities Accord, the first major review of the sector in more than 15 years. The objective of the Accord is to devise recommendations and performance targets that will improve the quality, accessibility, affordability and sustainability of higher education in order to achieve long-term security and prosperity for the sector and the nation. TEQSA has supported and contributed to the Australian Universities Accord Panel's work during this period.

In addition, TEQSA focused on ensuring our regulatory approach continues to be effective in this changing environment. We commenced a review of our regulatory risk framework to ensure that it can continue to protect and enhance the integrity, quality and reputation of Australian higher education into the future. The Agency also commenced work on implementing a new Provider Information Management System, which will support us to further streamline processes and reduce the regulatory burden on providers.

# Sector integrity

**TEQSA's Higher Education Integrity Unit (HEIU) leads the agency's work to identify emerging and increasing threats to the integrity of Australian higher education awards.**

The HEIU works in partnership with areas of TEQSA, Australian government agencies and institutions to identify practical strategies to mitigate these threats. Current areas of focus for the HEIU include commercial academic cheating services, generative artificial intelligence, admissions fraud, cybersecurity and third-party offshore delivery. For more information see the case study on page 20.

A key focus during the period was working with the sector to respond to the risks posed by the increased sophistication of artificial intelligence. TEQSA's work included the development of new student-focused resources, hosting a joint webinar series with Deakin University's Centre for Research in Assessment and Digital Learning (CRADLE) attended by 5661 people across 5 webinars (with a further 5000+ views on YouTube), and developing our AI good practice hub which was accessed 5377 times.

The HEIU also oversaw the development of a new *Transnational Education Toolkit* that was launched at the 2022 TEQSA Conference in November and led work on the development of the Global Academic Integrity Network (see page 32 for more information).

# Compliance and enforcement

**Throughout the year, our compliance efforts were focused on our identified compliance priorities: ensuring academic quality, upholding student wellbeing and safety, protecting sector integrity, maintaining information security and monitoring financial standing.**

With the impact of COVID-19 and border closures still being felt across the sector, we paid attention to the financial viability of providers, particularly those heavily reliant on overseas students.

Many providers across the sector reported changes in senior leadership while private providers noted changes in ownership. This presents potential risks to the quality of students' educational experiences, as well as the provider's financial viability and sustainability and was a significant focus for TEQSA in this period.

TEQSA also conducted a proactive sector compliance monitoring project focused on the quality of online delivery and support services offered to students. The program explored measures taken by sample providers who shifted or expanded their online learning offerings in 2020 to ensure they comply with the requirements of the *Higher Education Standards Framework (Threshold Standards) 2021 (*HES Framework).

Providers were also asked to show how they were using student feedback and data for continuous improvement. Our findings will inform our overall monitoring and assessment approach and insights will be shared with the sector later in 2023.

In May 2023, TEQSA published the *TEQSA Compliance Report 2022*, a key component of TEQSA compliance monitoring framework. The report provides details of TEQSA's compliance activities in 2022 and key learnings for providers as well as outlining the compliance priorities for the coming year. The report also

includes compliance in-focus studies on academic integrity, change of ownership and cyber security to raise awareness of these risks and build capacity to respond.

We continued updating our suite of guidance notes using a new, simpler template which will ultimately reduce the number of guidance notes and ensure that each one aligns with a section of the HES Framework. Since June 2022, five guidance notes in the revised suite were published on our website:

> Research and research training

> Research requirements for Australian universities

> Academic governance

> Credit and recognition of prior learning

> Delivery with other parties.

## Student wellbeing

**TEQSA remained concerned by the results of Universities Australia's — 2021 National Student Safety Survey, which showed students continue to experience systemic issues relating to sexual assault and sexual harassment.**

TEQSA's primary focus on student wellbeing during the year was on building capacity in this area by supporting communities of practice, facilitating seminars regarding sexual harm in higher education and beginning to re-work our Good Practice Note on preventing and responding to sexual assault and sexual harassment within Australian higher education.

The HES Framework requires providers to have systems, policies and procedures in place to help prevent and respond to allegations, reports or incidences of sexual harm.

The students' section of TEQSA's website was reviewed and updated in February 2023 and provides a range of resources, information and links. Resources in this area of the website were accessed 124,409 times in 2022-23 and 35% of providers are now linking to these pages.

Revising our expectations of providers and our regulatory approach to sexual harm is an ongoing focus of our work.

## Registration and accreditation

**TEQSA is currently undertaking a review of our regulatory risk framework that will inform the evolution of TEQSA's approach to assessing registration and accreditation applications.**

The intent is to ensure regulatory efforts are aligned with the most critical risks that require regulatory intervention, allowing TEQSA to effectively prioritise resources and regulatory activities.

In the interim, TEQSA has continued to introduce a range of process improvement measures designed to mature our management of risk that is focused on requesting evidence from providers of their internal risk management and quality assurance activities.

TEQSA received a higher than usual number of applications for regulatory assessments in late 2022, particularly for course accreditation and re-accreditation, initial registration and re-registration (such as 185 applications for course accreditation and re-accreditation received in December 2022). This was largely due to applicants and providers seeking to submit applications before the introduction of new and increased fees from the implementation of full cost recovery on 1 January 2023.

Median processing times increased in the 2021–22 year and this trend was expected to continue in 2022–23 given the high volume of applications received late in 2022. In 2022–23, TEQSA introduced measures including new streamlined assessment tools which led to a downward trend in processing times. The median processing time in 2022–23 for registration dropped by 5.67%, re-registration dropped by 34.58%, course accreditation (all providers) dropped by 11.60% and course re-accreditation by 28.70%.

TEQSA regulates 246 providers (including 199 higher education providers) and is responsible for accrediting 1720 courses of study for institutions that do not have self-accrediting authority.

The annual number of regulatory assessments managed by TEQSA has more than doubled since 2018–19, the last full year of regulatory activity not impacted by the COVID-19 pandemic. Regulatory flexibility applied through the pandemic, especially extensions to re-registration and re-accreditation due dates, will also contribute to further peaks in the numbers of these assessments due over the next 12–18 months.

# Education Services for Overseas Students Framework

The Education Services for Overseas Students (ESOS) Framework is a body of legislation that provides protection for international students studying in Australia.

TEQSA is the ESOS agency for all registered higher education providers, English Language Intensive Course for Overseas Students (ELICOS) courses delivered by, or in entry arrangements with registered higher education providers, as well as all providers of Foundation Programs.

In 2022–23, TEQSA received 12 applications for initial registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) and 19 applications to renew CRICOS registration. In addition, TEQSA received 776 applications for changes to CRICOS registration, including registering courses and locations on CRICOS. In the same period, TEQSA assessed 11 applications for CRICOS registration, 10 applications for renewal of CRICOS registration and 743 applications for changes to CRICOS registration.

In 2020, TEQSA and the Australian Skills Quality Authority (ASQA) announced regulatory flexibility for the mode of delivery to overseas students of Australian courses. This announcement was made in recognition of the significant impact of the COVID-19 pandemic, including domestic lockdowns and international border closures. The flexibility allowed impacted overseas students, including those studying English language intensive courses, to continue their studies fully online.

With international borders re-opening and overseas students once again able to travel to Australia for study, TEQSA and ASQA reviewed arrangements in relation to regulatory flexibility for the mode of delivery to overseas students of Australian qualifications.

In October 2022, TEQSA and ASQA announced that providers were expected to return to full compliance with the ESOS Framework by 30 June 2023, where it is safe and practical to do so. Throughout the transition period, TEQSA's CRICOS team engaged with the sector to address queries and concerns and clarify expectations. The CRICOS team established and maintained a detailed frequently asked questions (FAQ section) on TEQSA's website that addressed common provider enquiries through its CRICOS registration assessments and ongoing compliance monitoring activities throughout 2022–23.

TEQSA continued to ask providers to demonstrate how they are managing this transition and how they can be assured they are compliant with all requirements under the ESOS Framework, including the mode of delivery to students.

TEQSA was concerned with trends in 2022–23 involving large numbers of non-genuine overseas students who do not commence studies and/or transfer immediately from a higher education course to a VET sector course. In our re-registration assessments, the CRICOS team has focused closely on how providers are responding to these risks, particularly the strength of their policies and processes for recruitment, admissions and monitoring of education agents.

TEQSA established a working group with AQSA to map CRICOS registration processes with the aim of streamlining them to reduce the administrative burden associated with CRICOS registrations for dual sector providers (providers of higher education and vocational education and training).

## Cost recovery

Cost recovery required by the new *Tertiary Education Quality and Standards Agency Amendment (Cost Recovery) Act 2021* commenced on 1 January 2023, with the transition to cost recovery phased over 3 years. TEQSA supported providers with resources including guides and FAQs on our website which we continued to refine as part of our embedding of cost recovery. We also streamlined several application processes, with these improvements reducing the regulatory burden and cost to providers. We're proposing that these improvements will be reflected in some reduced fees from 1 January 2024.

# Engagement

During 2022-23, TEQSA held annual meetings with higher education peak bodies including:

> Australian Technology Network

> English Australia

> Group of Eight

> Independent Higher Education Australia

> Innovative Research Universities

> Independent Tertiary Education Council Australia

> Regional Universities Network

> TAFE Directors Australia

> Universities Australia.

These conversations provide us with feedback on emerging issues across the sector and help us set our strategic priorities for the year.

TEQSA also engaged with peak student and advocacy bodies including:

> National Union of Students

> Council of Australian Postgraduate Associations

> National Aboriginal and Torres Strait Islander Postgraduate Association

> Student Voice Australasia

> End Rape on Campus.

TEQSA continues to work closely with the Fair Work Ombudsman on the issue of large-scale underpayment of casual academic staff at several Australian universities.

A record number of 705 higher education representatives and students from Australia and overseas attended the sixth annual TEQSA Conference in person to discuss the theme 'Fit for the Future: Leadership, Quality, Integrity'. An additional 301 people attended virtually.

Overall conference presentations and discussions explored issues associated with what quality higher education might look like in 2030 and how it can be achieved, how we ensure the student voice helps to shape the future student experience, and the importance of driving sector innovation without risking integrity.
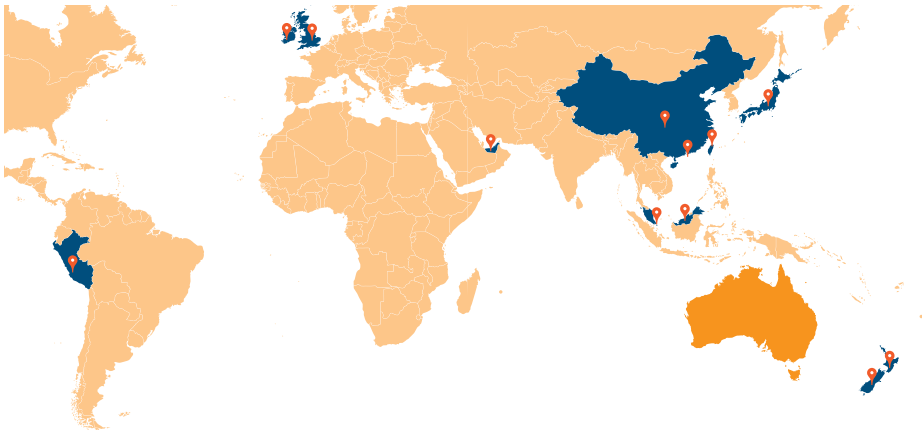
Map of TEQSA's international quality assurance partners, current as of 30 June 2023

## International engagement

TEQSA protects the international reputation of Australia's higher education sector through our regulatory and assurance work and engagement with international quality assurance partners. It is a vital activity that protects this economically important sector while supporting and enhancing our international competitiveness and safeguarding the student experience.

The principal objectives of TEQSA's international engagement are:

> quality assuring Australian transnational higher education

> supporting Australian transnational higher education activity and innovation

> building networks and collaborating to ensure quality.

During the past financial year, TEQSA has engaged with international regulatory and quality assurance agencies that provide us with valuable insight into global trends and risks. Many of our international counterparts were interested in TEQSA's work to combat commercial academic cheating services and Australia's response to the emerging integrity risk posed by artificial intelligence.

In October 2022, TEQSA and Quality and Qualifications Ireland (QQI) jointly launched the Global Academic Integrity Network (GAIN) to share intelligence and knowledge. With an initial membership of 16 members, including UNESCO, GAIN has since expanded to include a further 10 members. There are now 19 countries represented on GAIN through a total of 26 members.

## TEQSA changes

TEQSA CEO, Alistair Maclean resigned in June 2023 after more than two years in the role. Dr Mary Russell was appointed Acting CEO immediately thereafter.

Change has continued within Australia's higher education sector over the past 12 months including the long-term impact of the COVID-19 pandemic as well as integrity threats. We are also seeing a wave of innovation and entrepreneurship in dealing with academic cheating, non-genuine overseas enrolments and the fast rise of generative artificial intelligence (AI). Our focus has been to ensure our regulatory approach remains effective in this changing environment.

# Overview

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# What we do

> Our purpose is to protect and enhance the integrity, quality and reputation of Australian higher education.

**The TEQSA Act outlines TEQSA's responsibilities for the regulation and quality assurance of all providers offering higher education courses.**

Our key activities include:

> registering regulated entities as higher education providers and accrediting courses of study

> conducting compliance and quality assessments

> conducting accreditation assessments of courses developed by providers without self-accrediting authority

> providing advice and making recommendations to the Minister responsible for higher education on matters relating to the quality and regulation of higher education providers

> cooperating with similar agencies in other countries

> collecting, analysing, interpreting and disseminating information relating to quality assurance practice and quality improvement in higher education.

TEQSA's core legislated role is to register all providers offering higher education qualifications in, or from, Australia. We also accredit their courses of study, except for those providers (mostly universities) that have an authority to accredit courses themselves.

TEQSA also has responsibilities under the ESOS Act for providers offering courses to overseas students; foundation programs (except those delivered by schools); and English Language Intensive Courses for Overseas Students (ELICOS) programs delivered by higher education providers.

The *National Code of Practice for Providers of Education and Training to Overseas Students 2018* (National Code) was also established under the ESOS Act to provide nationally consistent standards and procedures for registered providers of education and training.

TEQSA conducts risk and compliance and other assessments of individual providers as well as the sector more generally against the HES Framework.

# Our portfolio

TEQSA is a portfolio agency attached to the Department of Education.

The Minister for Education is the Hon Jason Clare MP.

Key priorities of the department are:

## Early childhood – prepare children for school

> Quality early learning and childcare supports and prepares children for their future

> Access to subsidised childcare supports parents and carers to work, study or volunteer.

## Schooling – prepare children and young people for further study or work

> Access to quality schooling provides the knowledge, skills and values for every child to achieve their potential.

## Higher education – support participation in work and society

> Higher education maximises employment opportunities and participation in the workforce, community and society.

# Accountable authority

**TEQSA's governance is overseen by Commissioners appointed by the Minister for Education based on their expertise in higher education quality assurance and regulatory practice.**

Commissioners are responsible for making regulatory decisions, setting strategic directions, monitoring risk in the sector and deciding on matters relating to the development of our quality assurance and regulatory functions.

The Commissioners are TEQSA's accountable authority and inform the higher education sector about our work and the responsibilities of higher education providers under the Australian Government's regulatory system.

Table 1. Details of accountable authority during 2022–23

| Name | Position title | Date of commencement | Date of cessation |
|------|---------------|---------------------|-------------------|
| Emeritus Professor Peter Coaldrake AO | Chief Commissioner | 1 March 2021 | current |
| Emeritus Professor Joan Cooper | Commissioner | 15 April 2019 | current |
| Adrienne Nieuwenhuis | Commissioner | 6 August 2021 | current |
| Stephen Somogyi | Commissioner | 2 September 2021 | current |

# Our Commissioners

**Emeritus Professor Peter Coaldrake AO**

Emeritus Professor Peter Coaldrake AO commenced as TEQSA Chief Commissioner on 1 March 2021.

Prior to this, Professor Coaldrake completed an almost fifteen-year term as Vice-Chancellor and Chief Executive Officer (CEO) of Queensland University of Technology in December 2017.

He is a former Chair of the peak body Universities Australia and of the governing board of the Organisation for Economic Cooperation and Development's (OECD) Institutional Management in Higher Education.

Professor Coaldrake is currently the Chair of the Board of the Queensland Performing Arts Trust and a Board Member of the Queensland Community Foundation.

In 2018, at the invitation of the Hon Dan Teehan, Federal Minister for Education, he was appointed to conduct a review of the Higher Education Provider Category Standards. The resulting report, *What's in a Name?*, was published in September 2019.  In 2022, Professor Coaldrake completed a review of culture and accountability in the Queensland public sector (*Let the sunshine in*), which had been commissioned by the Premier of Queensland, the Hon Annastacia Palaszczuk.

A dual Fulbright scholar, Professor Coaldrake has authored and edited a number of books and monographs including, most recently, *Raising the Stakes: Gambling with the Future of Universities*[1].

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1. Co-authored with Dr Lawrence Stedman, UQP, 2013; 2nd ed. 2016

He was the recipient of a 'Queensland Great' award in 2017 and the Asia–Pacific Leadership Award by the Council for Advancement and Support of Education in 2016.

## Emeritus Professor Joan Cooper

Emeritus Professor Joan Cooper was previously a higher education consultant, a position she took on after retiring as Pro Vice-Chancellor (Students) at the University of New South Wales (UNSW). Her other executive academic positions include Deputy Vice-Chancellor (Academic) at Flinders University and Dean of Informatics at the University of Wollongong where she served as Chair of the University Senate (Academic Board). She has also held senior positions at two other Australian universities.

Professor Cooper's most recent work involved delivering a variety of higher education consultancy services to higher education private providers in Australia. This included chairing governance committees, reviews of operational areas, and reviews for TEQSA registration, re-registration and accreditation.

She has chaired several governing councils and academic boards for private providers, including TAFE NSW. She was also a member of the TAFE NSW Commission Board.

Professor Cooper has wide-ranging experience both nationally and internationally in tertiary education accreditation and quality audits. In the last 10 years she has served on accreditation/quality panels including chairing many panels in Australia, Asia and the Middle East. Professor Cooper also has experience in managing quality audits.

Professor Cooper completed her Bachelor of Mathematics (Honours) and Doctor of Philosophy at the University of Newcastle. She was the foundation Professor of Information Technology at Wollongong University and the first female professor of IT in Australia.

In 2003, she was appointed an Emeritus Professor of Wollongong, a title conferred in recognition of her contribution to the University, and in 2004 was awarded the University of Newcastle's Convocation Medal for Professional Excellence. In April 2012, UNSW appointed her as an Emeritus Professor.

### Adrienne Nieuwenhuis

Before her appointment as a TEQSA Commissioner, Adrienne Nieuwenhuis was the Director of the Office of Vice-Chancellor at the University of South Australia. Prior to this, Adrienne was the Director Quality, Tertiary Education, Science and Research in the South Australian Department of Further Education, Employment, Science and Technology.

Adrienne has provided strategic leadership, policy advice and investment direction to support tertiary education, science and research in South Australia. She was also responsible for the regulation of both higher education and vocational education and training (VET) in South Australia and worked closely with the Australian Government in the establishment of the national regulatory systems for both higher education and VET.

Adrienne was an inaugural member of the Higher Education Standards Panel (2011–14) and the National Skills Standards Council (2011–13). She was reappointed to the Higher Education Standards Panel for a further three-year term in 2018.

Adrienne has been a member of the South Australian Skills Commission since 2013 and has held several roles within the Commission, including Deputy Chair of the Commission (2013–14, 2019–20) and Chair of the Commission's Traineeship and Apprenticeship subcommittee (2013 – present). Adrienne was also a member of the Australian Industry and Skills Committee (2019–22).

Adrienne has over 30 years' experience in tertiary education and has been a member of various state and federal committees and working parties associated with tertiary education. She holds an honours degree in science and a master's degree in education policy and administration.

### Stephen Somogyi

Steve Somogyi was appointed a TEQSA Commissioner in November 2021. He has extensive global experience in the financial services, health care, higher education and prudential regulation sectors and has chaired boards and audit and risk committees.

Steve served as the Chief Operating Officer at RMIT University for 10 years from July 2006 until July 2016. He then became a Strategic Adviser to Monash University, Victoria University, the University of Melbourne, the University of Adelaide, Siemens, Queensland Investment Corporation and Energy Trade.

He has chaired complex projects including the Queen Street Precinct project to improve student experience for Victoria University. He also helped create the Net Zero Program for Monash to achieve energy savings

and zero net carbon emissions by 2030 and developed a strategic approach to the Higher Education and Health Care sectors for the Siemens Smart Cities Business Unit.

He was a member of the Expert Review Group for the Australian Council for Educational Research.

Steve has held a range of senior roles in government and industry at the Australian Prudential Regulation Authority, Trowbridge Consulting, Mayne Nickless, Bonlac Foods, IOOF and the CPI Group. He worked at National Mutual for 27 years and ended his career there as Chief Finance Executive and Chief Actuary.

His work on boards includes serving as a Commission Member of the Safety, Rehabilitation and Compensation Commission, former Chair of Guild Group, Director of UniSuper including Chair of the Audit, Risk and Compliance Committee, former Chair of Higher Ed Services, Chair of Course-Loop and former Director of Study Loans.

Earning a Master of Science in High Energy Physics from the University of Melbourne and a Master of Science in Management (Sloan Fellow) from Massachusetts Institute of Technology, Steve is a Fellow of the Institute of Actuaries of Australia, of the Australian Institute of Company Directors and of the Financial Services Institute of Australia.

# Our organisation

**Dr Mary Russell, Acting Chief Executive Officer**

Dr Mary Russell is currently TEQSA's Acting CEO. She was appointed on 7 June 2023 after former CEO Alistair Maclean resigned after more than two years in the role.

Mary's main role at TEQSA is as Executive Director of Regulatory Operations where she leads the regulatory teams managing higher education provider registration, course accreditation, compliance and regulatory risk assessments.

Before joining TEQSA, Mary was Assistant Ombudsman for Dispute Resolution at the Telecommunications Industry Ombudsman. She held executive roles at the Australian Health Practitioner Regulation Agency (AHPRA) for six years, including as State Manager for Victoria, National Manager of Notifications and National Manager of Regulatory Risk Strategy. While at AHPRA, she led the development and implementation of a risk-based approach to managing concerns about the performance and conduct of health practitioners.

Mary has served as chair and member of regulatory boards, concurrently with roles as a health practitioner and a tertiary educator. She has extensive experience of university teaching, curriculum development and delivery, and has completed her PhD in Health Sciences.

## Our people

**The TEQSA Commission is supported by an Executive Leadership Team (ELT) composed of the CEO, the Executive Director Regulatory Operations, the General Counsel, the Director of Corporate Services, the Director of Policy, Research and Engagement, the Chief People Officer and the Director, Higher Education Integrity Unit (HEIU).**

The ELT provides operational leadership for TEQSA and informs decisions in relation to our operational requirements and priorities, including staffing, business planning, and the management of resources. The ELT also develops our corporate plan, annual report and annual budget for the consideration and approval of the accountable authority.

TEQSA's staff bring knowledge and expertise in regulation, quality assurance, risk management, the public sector and higher education. Staff members build on their knowledge and experience through regular interactions with providers, professional accreditation bodies, TEQSA experts and overseas quality assurance bodies.

TEQSA's staff come from diverse backgrounds, including regulation and government, higher education delivery, data collection, data analysis, risk management and financial analysis. They apply their specialist skills in assessing complex qualitative and quantitative information, with a focus on protecting the interests of students and the reputation of the higher education sector.

## Functional groups

TEQSA's functional groups comprise Legal, Risk and Quality Assurance, People and Capability, Corporate Services, Regulatory Operations, Policy, Research and Engagement and the Higher Education Integrity Unit.

Figure 1. TEQSA organisation chart
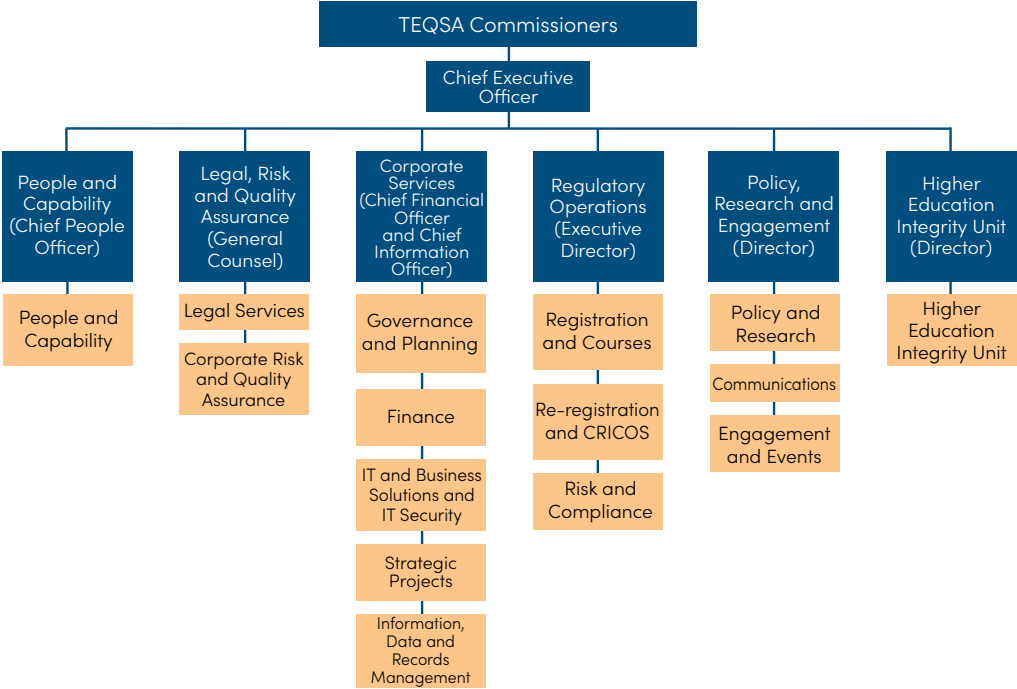


## People and Capability

The People and Capability Group is led by the Chief People Officer and is responsible for delivering strategic and operational human resources (HR) strategy, services and expert advice across all employee lifecycle activities. These include workforce planning, recruitment and selection, learning and development, performance management, culture and engagement, workplace relations, and work, health and safety.

## Legal, Risk and Quality Assurance

The Legal, Risk and Quality Assurance Group, led by the General Counsel, comprises Corporate Risk and Quality Assurance and Legal Services.

The Corporate Risk and Quality Assurance team is responsible for TEQSA's internal quality assurance, enterprise risk management and protective security frameworks. It also coordinates procurement and oversight of the Agency's (outsourced) internal audit function and provides secretariat support to the Audit and Risk Committee (ARC).

The Legal Services team is responsible for providing TEQSA staff with strategic legal advice and training on legal issues, managing claims by or against TEQSA, and drafting and managing legislative instruments and delegations relevant to TEQSA's regulatory and enabling functions.

## Case study: Responding to generative AI – challenges and opportunities

During 2022-23, TEQSA continued to guide higher education institutions to better understand and respond to rapid advances in generative artificial intelligence (AI). Following our earlier engagement in 2022 about the risks associated with generative AI, our Chief Commissioner wrote to all providers in response to the popularity and interest in ChatGPT in early 2023.

TEQSA also produced a series of webinars with Deakin University to address current knowledge on generative AI, implications for learning, teaching and assessment and how these technologies may transform higher education. Three webinars were conducted between February and June 2023, covering what we need to know about ChatGPT, how educators should respond and what we have learned. The webinars were all well-attended and are available on YouTube. The series will continue in 2023-24.

We also updated the Higher Education Good Practice Hub on our website to include generative AI related content. These webpages bring together resources and information on a range of topics to support good practice in the sector. They now contain expanded information about the following:

> responding to advances in generative AI, including policies

> upholding academic integrity

> engaging with students

> assessment design

> using AI to support teaching and learning.

As well as regularly updating AI and other integrity-related resources for students, TEQSA developed and shared a new video on the topic in mid-2023. Available on YouTube, the video can be embedded into provider websites or other student communications to help providers deliver key messages.

## Corporate Services

Corporate Services plays an enabling role across strategic, advisory and operational services that help the Agency to achieve our priorities and align with policy objectives.

Effective financial management combined with accurate and timely financial reporting are key to providing specialised advice and operational support. A major focus of Corporate Services is to help the Commission and the accountable authority through governance and planning to ensure resource management follows Government policy and prioritises cost-effectiveness and sustainability, while contributing to TEQSA's regulatory remit and purpose.

# Regulatory Operations

Regulatory Operations conducts all regulatory assessments and investigations of providers, including:

> accreditations and renewals of courses

> initial registrations and re-registrations of providers

> the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) assessments

> compliance assessments and investigations.

Regulatory Operations is comprised of the Registration and Courses Group, the Re-registration and CRICOS Group, and the Risk and Compliance Group.

## Registration and Courses Group

The Registration and Courses Group is responsible for delivering TEQSA's core business of regulatory assessment under the TEQSA Act in relation to initial provider registration, course accreditation and renewal of course accreditation.

The Initial Registration Assessment Team is responsible for assessing applications for initial provider registration and accreditation of new courses and preparing assessment information and recommendations on initial registration applications for the decision of the TEQSA Commission.

The Courses Team assess applications from registered non-self-accrediting providers for the accreditation of new courses and renewal of accreditation of existing courses.

## Re-registration and CRICOS Group

The Re-registration Team assess applications under the TEQSA Act for renewal of registration, authority to self-accredit courses of study and changes to provider category.

The ESOS/CRICOS team assess applications for CRICOS registration and a range of other regulatory assessments under the ESOS Act and the National Code.

Established under the ESOS Act, the National Code provides consistent standards and procedures for all registered providers of higher education that teach international students in Australia. TEQSA is also the ESOS Agency for a small number of stand-alone foundation courses and some ELICOS providers.

CRICOS is a database managed by the Department of Education under the ESOS legislative framework. It is the official register of all Australian education providers approved to recruit, enrol and deliver education and training services to overseas students. It also contains details of the courses they deliver.

TEQSA is responsible for assessing applications for inclusion in the CRICOS database and for approving the registration of CRICOS providers.

## Risk and Compliance Group

The Compliance and Investigations Team is responsible for assessing and managing concerns about provider compliance with regulatory requirements, including the HES Framework.

The team undertakes non-cyclical compliance assessments and investigations based on identified risks and sector-wide thematic analyses. It monitors and manages complaints about providers and monitors assurance action imposed on providers.

The Financial Advisory and Risk team is responsible for sourcing information and intelligence related to risk and undertaking quantitative and qualitative analyses to inform TEQSA's regulatory assessment and compliance activity. The work of the team is key to ensuring that TEQSA's regulatory and compliance activities are proportionate and reflect risk and regulatory necessity.

# Policy, Research and Engagement

The Policy, Research and Engagement Group provides strategic policy and sector engagement advice that supports TEQSA's outcomes and informs its future directions.

The Policy, Research and Engagement Group:

> leads and manages TEQSA's policy analysis and research capacity through intelligence gathering and analysis regarding sector trends in key and emerging areas of risk

> designs, develops and disseminates resources for enhancing sector compliance with the HES Framework

> leads TEQSA's internal and external communication strategy, including media engagement, website presence, social media and internal communications

> ensures productive and responsible relationships between TEQSA and key external stakeholders including:

> > higher education peak bodies

> > regulatory beneficiaries (students, employers and the Australian public)

> > other regulators

> > industry professional bodies

> > government departments

> > international quality assurance agencies

> manages TEQSA's Register of Experts to support the work of the Agency

> coordinates and manages events, such as speaking engagements and the TEQSA annual conference.

The **Communications team** is responsible for providing strategic advice about communications with TEQSA's diverse range of internal and external audiences. This includes media relations, issues management, communications strategy, website

management, graphic design, managing the intranet, producing digital content such as webinars and podcasts and supporting internal communications.

The **Experts and Events team** ensures TEQSA's events, such as the annual TEQSA Conference and other stakeholder engagements, support the achievement of TEQSA's strategic goals. They also ensure TEQSA's register of experts is reviewed and managed.

The **Policy and Research team** supports the enhancement of TEQSA's outcomes and future direction through ongoing improvements to regulatory policy and quantitative and qualitative analysis. This work helps to identify emerging risks and trends to inform guidance to the sector and the Agency's regulatory function. The team also coordinates strategic projects, resources for the sector, policy development and submissions on behalf of the Agency.

## Higher Education Integrity Unit

TEQSA's Higher Education Integrity Unit (HEIU) aims to address issues likely to impact the integrity of Australia's higher education sector. Areas of focus for the HEIU are developed and updated in response to sector trends and data analysis.

An ongoing priority of the HEIU continues to be leading the Agency's work in acting against commercial academic cheating services and on discharging TEQSA's responsibilities under amendments to the TEQSA Act that provide for deterrents to third-party academic cheating services in higher education.

The November 2022 launch of the large language model ChatGPT drove a major focus on what the increasing sophistication of generative AI means for the integrity of higher education. For more about TEQSA's related program of work, read the case study on page 20.

TEQSA's enforcement activities are complemented by a program of educational activities that:

> inform students about the risks of engaging with cheating services

> ensure providers have access to up-to-date information about the commercial cheating industry through regular intelligence gathering and sharing exercises

> offer providers best practice examples of how to enhance the integrity of their awards, such as access to TEQSA online masterclasses and in-person workshops.

The HEIU also worked with other government agencies to support Institutes of Higher Education to enhance their cybersecurity awareness and maturity.

Other areas likely to impact the integrity of the higher education sector are being examined and acted upon as need and opportunity arises. For example, the increase in online learning and offshore delivery through third-party arrangements, English language standards and admissions practices.

# Case study: Record student participation in 2022 TEQSA Conference

The sixth annual TEQSA Conference was held in Melbourne from 23 to 24 November 2022 at the Sofitel Melbourne on Collins. This was the first time the event was conducted at a physical location since 2019.

More than 705 higher education representatives and students from Australia and overseas gathered in person to discuss the theme 'Fit for the Future: Leadership, Quality, Integrity'. An additional 301 people attended virtually.

We were excited to welcome a record number of 122 students to the event, including 67 in person and 55 online. We also offered free virtual attendance to students to encourage greater access.

Student issues received considerable coverage at the conference with contributions made by experts with lived experience in both public and private institutions, as well as by students themselves.

For example, National Union of Student Disability Officer Georgie McDaid made compelling points about the need for institutions to better consider the needs of students with disability, as well as greater flexibility around balancing the requirements of students who are working while studying.

Other student-centric topics such as the best ways to safeguard student wellbeing were covered during several seminar sessions held the day before the main conference.

Conference presentations and discussions explored issues associated with what quality higher education might look like in 2030 and how this can be achieved. Also featured was how we ensure the student voice shapes the future student experience and the importance of driving sector innovation without risking integrity.

# 2
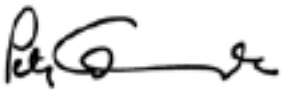
# Performance review

# Statement of compliance

We, the TEQSA Commissioners, as the accountable authority of the Tertiary Education Quality and Standards Agency (TEQSA), present the 2022–23 annual performance statements for TEQSA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, these annual performance statements are based on properly maintained records, accurately present the performance of TEQSA, and comply with subsection 39(2) of the PGPA Act.

**Emeritus Professor Peter Coaldrake AO**
Chief Commissioner

**Emeritus Professor Joan Cooper**
Commissioner

**Adrienne Nieuwenhuis**
Commissioner

**Stephen Somogyi**
Commissioner

# The annual reporting cycle

**TEQSA is required to include annual performance statements that review our non-financial performance in achieving our vision and purpose. The annual report and annual performance statements complete the cycle that commenced with the Portfolio Budget Statements (PBS) and corporate plan. The performance statements report the actual results achieved against the performance measures and targets set out in our corporate plan and PBS.**

Figure 2. The reporting cycle



TEQSA's overarching vision and purpose is aligned under the following outcome and program that are supported by three objectives. These are described below.

# Outcome – contribute to a high-quality higher education sector

TEQSA contributes to a high-quality higher education sector through:

> streamlined and nationally consistent higher education regulatory arrangements

> registration of higher education providers

> accreditation of higher education courses

> investigation, quality assurance, and dissemination of higher education standards and performance.

# Program – regulation and quality assurance

TEQSA provides higher education regulation and quality assurance with reference to standards established under the TEQSA Act and the *Education Services for Overseas Students Act 2000* (ESOS Act):

**Objective 1** – promote and support good practice and effective self-assurance across the sector

**Objective 2** – identify, analyse and respond to risks in the sector

**Objective 3** – ensure compliance with applicable legislation through effective and efficient regulation

Key activities include:

> registering regulated entities as higher education providers and accrediting courses of study

> conducting compliance assessments

> conducting accreditation assessments of courses developed by providers who do not have self-accrediting authority

> providing advice and making recommendations to the responsible Minister on matters relating to the quality and regulation of higher education providers

> cooperating with similar agencies in other countries

> collecting, analysing, interpreting, and disseminating information relating to quality assurance practice and quality improvement in higher education.

These activities are underpinned by performance measures and qualitative and quantitative targets. The measures and targets help us to monitor our progress and determine whether we are effective in delivering on our purpose.

TEQSA aligns key performance measures against the *Australian Government Principles of Regulator Best Practice Regulator Performance Guide (RPG) July 2021*, which requires regulatory agencies to annually assess their performance and report in the annual report.

The principles are:

**RPG 1 – continuous improvement and building trust**
TEQSA adopts a 'whole-of-system' perspective continuously improving performance, capability, and culture to build the trust and confidence of the higher education sector and other stakeholders in our regulatory settings.

**RPG 2 – risk-based and data driven**
TEQSA responds to risks proportionately and maintains essential safeguards while minimising regulatory burden and leveraging data and digital technology to support higher education providers to comply and grow.

**RPG 3 – collaboration and engagement**
TEQSA is a transparent and responsive communicator, regulating against the higher education standards in a modern and collaborative way.

# Operating environment

TEQSA's operating environment is made up of 199 higher education providers across 4 provider registration categories:

> Australian University

> University College

> Institute of Higher Education

> Overseas University.

These providers offer a diverse range of study courses to more than 1.6 million higher education students. About 95% of providers are registered to deliver higher education courses to international students. Almost half of all registered higher education providers also deliver VET courses (dual sector providers).

At 30 June 2023, Australia's higher education sector comprised 42 Australian Universities, 6 University Colleges, 150 Institutes of Higher Education and one Overseas University. The universities, mostly large and comprehensive in scope, account for about 90% of Australia's higher education students. However, significant growth in the independent sector is expected in the next decade.

TEQSA authorises universities and a small number of providers in other categories to self-accredit courses of study. Providers without self-accrediting authority are required to have their courses of study accredited by TEQSA. At 30 June 2023, TEQSA had 1673 active courses of study accredited across 12 broad fields of education, principally in management and commerce, society and culture, health, and education.

The COVID-19 pandemic changed how universities teach. Most have shifted to a hybrid model of online and face-to-face teaching. This is a consequence of many domestic and international students returning to campus but continuing to choose to study online.

TEQSA's monitoring and regulatory activity has focused on the financial viability of providers and any impacts this may have on the quality of their service provision.

# Challenges

Australia's higher education sector has evolved following the impact of the COVID-19 pandemic. With this evolution has come a mix of old, new, and more advanced threats to academic quality, student wellbeing, cyber security, and freedom from foreign interference. The broad challenge for TEQSA will be in monitoring changes, anticipating risks, and ensuring our regulatory focus and methodology remain fit for purpose.

An important priority for TEQSA is to support innovation in the sector, while ensuring quality is maintained and enhanced and the interests of students are protected. TEQSA's regulatory model will need to adapt to ensure it remains responsive, not just to developments in regulatory practice, but also to dynamic changes in the sector.

This requires TEQSA to continuously improve regulatory practice and performance, be risk-based, develop capacity to use data to inform our work, be responsive to challenges to the sector, and maintain trust with stakeholders.

## Priorities

TEQSA has identified priorities to respond to the operating environment and address opportunities and challenges:

> reviewing and adapting TEQSA's regulatory model and practice, in keeping with established principles of regulatory best practice and reform (outlined in *Regulator Performance RMG-128* guidance provided by Department of Finance), in consultation with stakeholders

> implementing strategies to improve the timeliness and responsiveness of regulatory assessments and decisions, managing workloads in a manner that reflects risk, and ensuring cost recovery arrangements are in place

> maintaining a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students

> building the HEIU program on academic or contract cheating and artificial intelligence and collaboration with other agencies in relation to issues such as cyber security and foreign interference

> further developing TEQSA's risk and compliance focus in relation to student wellbeing, such as the issues of sexual harm and mental health

> major revision of TEQSA's website and guidance materials, including updating our online learning good practice hub with the inclusion of artificial intelligence resources

> significant outreach to combat contract cheating with a series of webinars and in-person masterclasses across Australia

> working closely with the Department of Education and the Higher Education Standards Panel on priority projects such as admissions transparency

> continued collaboration with ASQA to seek opportunities to align and modernise processes to reduce regulatory burden for dual sector providers

> investing in our workforce and enabling systems to build and maintain TEQSA's regulatory practices and organisational capacity.

## Our stakeholders

TEQSA engages with a range of stakeholders from the national and international higher education sector, government, and related professions to achieve our purpose.

TEQSA's key stakeholders include:

> Department of Education

> Higher Education Standards Panel

> Australian Skills Quality Authority

- > educators
- > regulators
- > immigration committees
- > students and student bodies
- > providers and provider peak bodies
- > industry professional bodies.

# Performance analysis

Targets for TEQSA's performance measures are rated as:

- > Achieved (100% or qualitatively fulfilled)
- > Mostly achieved (70% or more or qualitatively substantial progress)
- > Partly achieved (69% or less or qualitatively only partial progress)
- > Not achieved (0% (zero) or no progress made).

Despite challenges to TEQSA's regulatory and administrative capacity in 2021–22, the Regulatory Operations teams were able to meet key performance measures to streamline regulatory assessments and coordination to ensure regulatory activity was undertaken efficiently in 2022–23.

A high volume of new applications prior to TEQSA's introduction of a full-cost recovery model led to an increase in the volume of assessments in 2022-23. This increase in workload was ameliorated by improvements to TEQSA's assessment processes which led to reductions in processing time for a number of assessment types.

Processing times for regulatory assessment activities with legislated deadlines were reduced by more than 8%. For all assessment activity, including course re-accreditations and provider re-registrations (that do not have legislated deadlines), median processing times in 2022-23 decreased by 18.4% from the previous financial year.

TEQSA met its legislative deadlines for application-based activity, namely preliminary assessments and substantive decisions on registration of providers and accreditation of courses, and decisions after review on appeals against decisions.

In the 2023 Annual Provider Survey about two-thirds (66%) of providers rated TEQSA's overall performance as either 'excellent' or 'good'. While some performance indicators remained steady, TEQSA notes continued focus is needed in our approach to risk and streamlining regulatory operations.

Providers continued to rate TEQSA's guidance materials highly and total page views of developed education and guidance materials increased by 95% (to 204,741) in 2022-23 compared to the previous year. Similarly, there was a large increase in the number of students accessing resources on TEQSA's website, which was accessed 124,409 times. This is a 47% increase on the previous year.

The summary of TEQSA's overall performance against its 26 measures in 2022–23 is as follows:

> Achieved: 18

> Mostly achieved: 5

> Partly achieved: 3

> Not achieved: 0 (zero).

## Case study: Acting locally and internationally to protect academic integrity

TEQSA has taken affirmative action to protect academic integrity by providing a range of related education opportunities and enforcing disruption of commercial academic cheating services. We also supported international efforts to boost academic integrity by leading the recently formed Global Academic Integrity Network (GAIN).

During 2022–23, TEQSA disrupted access to the websites of 250 illegal academic cheating services that were targeting students at Australian higher education institutions. In addition to our enforcement activity, TEQSA made a series of online resources available to students, academics, and professional staff to strengthen cultures of academic integrity and protect against the risk posed by commercial academic cheating services. Our efforts have proven effective, with Australian web traffic to cheating services down 50% in semester 2 (September–November 2022) compared with 2021.

We also worked with Australian academic integrity experts to develop and launch the TEQSA masterclass: 'Contract cheating detection and deterrence' in April 2023. This free course helps academics and professional staff better manage academic integrity issues, particularly in relation to suspected cases of contract cheating (where students outsource their cheating to a third-party).

Participants in the self-guided masterclass were also able to access in-person networking workshops designed to further build their skills and share good practice.

In June 2023, TEQSA's strategic perspective on academic integrity featured in the international publication *SpringerLink's Handbook of Academic Integrity*. The chapter entitled *Challenges and Solutions: A National Perspective from Australia* explores the central tenet of our strategy – that academic integrity and the reputation of the higher education sector is the shared responsibility of government, institutions, academic staff, students, and the community.

# List of performance measures

| Objective 1: Promote and support good practice and effective self–assurance across the sector | | |
|---|---|---|
| **Performance measure** | **Result** | **Reference** |
| **Key Activity 1.1: Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance** | | |
| Number of website visits on TEQSA-developed resources | Achieved | #1 |
| Website-based guidance is current and relevant to providers | Achieved | #2 |
| Extent of stakeholder satisfaction with TEQSA-developed resources | Achieved | #3 |
| **Key Activity 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance** | | |
| Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: | Achieved | #4 |
| (i) sector trends, risks and challenges | Achieved | #5 |
| (ii) applications for registration and accreditation | Achieved | #6 |
| (iii) implementation of cost recovery | Partly achieved | #7 |
| (iv) the annual conference and other events | Achieved | #8 |
| (v) engage high-risk providers in free online events to promote and support good practice | Mostly achieved | #9 |
| (vi) number of visits to the student's section of TEQSA's website | Mostly achieved | #10 |
| **Key Activity 1.3: Work closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the Higher Education Standards Framework 2021 (HESF)** | | |
| Participation and substantive contribution to joint projects | Achieved | #11 |

| Performance measure | Result | Reference |
|---|---|---|
| **Key Activity 1.4: Advise and make recommendations to the Minister on matters relating to the quality and regulation of higher education providers** | | |
| Provide advice to the Minister with regard to key trends, risks and issues across the sector and regarding high-risk providers | Achieved | #12 |

## Objective 2: Identify, analyse and respond to risks to the sector

| Performance measure | Result | Reference |
|---|---|---|
| **Key Activity 2.1: Monitor the performance of registered providers, identify risks, assess provider responses and where necessary, take regulatory or other action** | | |
| Complete and report on the annual risk assessment of providers and share key themes with the sector | Mostly achieved | #13 |
| TEQSA's sector risk monitoring activity contributes to the setting of its risk priorities and is shared with the sector – emphasising opportunities for improvement | Achieved | #14 |
| **Key Activity 2.2: Maintain a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students** | | |
| Assess provider financial risk as part of the annual risk assessments | Achieved | #15 |
| **Key Activity 2.3: Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to contract cheating, cyber security and foreign interference** | | |
| Sector compliance activity involving student wellbeing | Achieved | #16 |
| **Key Activity 2.4: Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to contract cheating, cyber security and foreign interference** | | |
| Demonstrated improvements in sector awareness, identification, analysis and response to integrity risks | Mostly achieved | #17 |

| Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation | | |
|---|---|---|
| **Performance measure** | **Result** | **Reference** |
| **Key Activity 3.1: Review and adapt TEQSA's regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders** | | |
| Stakeholder acceptance of process and outcomes for regulatory reform | Partly achieved | #18 |
| **Key Activity 3.2: Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality** | | |
| Proportion of compliance assessments undertaken to address non-compliance and restore compliance (registered and non-registered) providers | Achieved | #19 |
| TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach and implements improvements | Achieved | #20 |
| Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy or information security obligations | Achieved | #21 |
| **Key Activity 3.3: Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently** | | |
| Yearly trend in processing times | Achieved | #22 |
| Percentage of providers satisfied TEQSA is reducing administrative burden | Partly achieved | #23 |
| Percentage of assessments completed within legislative deadlines as required under the TEQSA Act | Achieved | #24 |
| **Key Activity 3.4: Recover regulatory costs consistent with Cost Recovery Implementation Statement (CRIS) and relevant framework/guidelines** | | |
| Recovery consistent with approved CRIS and with support of providers | Achieved | #25 |
| **Key Activity 3.5: Implement key strategic projects in relation to organisation capability** | | |
| Strategic projects progressively implemented, on time and on budget | Mostly achieved | #26 |

# Objective 1
## Promote and support good practice and effective self-assurance across the sector

**TEQSA offers education and guidance to assist providers in meeting their obligations and to promote quality enhancement.**

This education and guidance includes:

> application guides

> guidance notes

> good practice notes

> seminars

> workshops

> digital and other tools.

TEQSA's annual conference brings these different strands together in an open and robust engagement with the sector. The agenda varies in response to identified needs. TEQSA uses feedback from a range of sources such as providers, the Higher Education Standards Panel, peak bodies, and students. We also use observations from cyclical and compliance assessments and the annual risk cycle to establish the areas and forms of support to be developed. TEQSA also provides advice and makes recommendations to the Minister responsible for higher education on matters relating to the quality and regulation of higher education providers.

Of the impacts, challenges and priorities identified in Section 2 of the 2022–26 TEQSA Corporate Plan, the following priority activity is relevant to promoting and supporting good practice and effective self-assurance across the sector:

> Work closely with the Department of Education and the Higher Education Standards Panel on joint projects such as modes of delivery, admissions transparency, and research quality (see Key Activity 1.3 in the table below).

| #1 | Number of website visits on TEQSA–developed resources |
|---|---|
| Target | 10% increase in website visits to TEQSA-developed education and guidance materials compared to previous years |
| Result | Achieved |
| Analysis | Following the completion of the website upgrade, we have been able to set up detailed metrics that capture all resources (not just landing pages or single items)<br><br>> Overall, total page views of TEQSA-developed education and guidance materials increased 95% to 204,741 in FY 2022–23 when compared with FY 2021–22<br><br>> For the full year, total guidance note page views were up 25% to 88,567 compared to the previous financial year<br><br>> For the full year, protecting academic integrity page views were up 304% to 40,494 when compared to the previous financial year<br><br>> New academic integrity good practice hub resources were published in April 2023, attracting 6813 page views in the period ending 30 June 2023<br><br>> Total guidance note page views were 33,022 from 1 March 2023 to 30 June 2023, up 6% on the same period 12 months earlier<br><br>> Total protecting academic integrity resources for academics and providers page views were 21,846 from 1 March 2023 to 30 June 2023, up 214% on the same period last year<br><br>We find that there is an increase in our web traffic after releasing new guidance materials for the sector during 2022–23 |
| Methodology | Google Analytics on TEQSA website |
| Source | Google Analytics on TEQSA website |
| Key activity | 1.1: Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance |
| Responsible | Policy, Research and Engagement |

| #2 | Website-based guidance is current and relevant to providers |
|---|---|
| Target | Publication of 3 to 4 sector guidance notes or resource packs annually |
| | 50% of the website pages visited most frequently (top 30% visits) reviewed and refreshed within the last 12 months |
| Result | Achieved |
| Analysis | > Five guidance notes published: Academic Governance, Credit and Recognition of Prior Learning, Delivery with Other Parties, Research and Research Training, Research Requirements for Australian Universities |
| | > Three guidance notes recently concluded external consultations: Student Grievance and Complaints, Wellbeing and Safety, Diversity and Equity |
| | > Three guidance notes recently released for external consultation: Facilities and infrastructure, Academic Monitoring, Review and Improvement, Academic and Research Integrity |
| | Review completed on 'How we regulate' section of the website, with a new Compliance section added to the TEQSA website in May 2022 |
| | The online learning good practice hub was updated in April 2023, with the inclusion of AI good practice resources |
| | Throughout 2022–23, TEQSA has achieved our target of reviewing and updating content on 30% of the most accessed pages on the website. Additionally, TEQSA published over 10 new guidance notes during 2022–23, exceeding our targets |
| Methodology | Count of sector guidance notes on the TEQSA website |
| | TEQSA website analytics to determine most frequently visited pages, tracking spreadsheet or other to record what has been reviewed |
| Source | Google Analytics on TEQSA website |
| | Guidance published on website |
| Key activity | 1.1: Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance |
| Responsible | Policy, Research and Engagement |

| #3 | Extent of stakeholder satisfaction with TEQSA-developed resources |
|---|---|
| Target | In 2022-23, guidance notes, good practice notes and other support materials about quality based on identified need were developed, shared and promoted via TEQSA's website, social media, podcast/webinars and through media relations activities |
| Result | Achieved |
| Analysis | We have published sector updates on: |

Under Analysis:

We have published sector updates on:

> requirement for providers to list their TEQSA provider number on their materials

> importance of independence when undertaking an independent review

> Respect@Work report published by the Australian Human Rights Commission

We published 5 guidance notes

We have begun or completed consultation on a further 6 guidance notes

We have completed the first round of consultation on our good practice note about preventing and responding to sexual harm

Updated guidance notes and academic integrity resources have been promoted on our social media platforms (Twitter, Instagram, etc.), e-News, and the TEQSA website

More than 5000 people from across the sector have attended the TEQSA Higher Education Integrity Unit/Deakin University webinar series 'Supporting institutions to recognise the risks and opportunities posed by generative artificial intelligence', with positive feedback received

More than 2600 people enrolled in the TEQSA Masterclass: Contract cheating detection and deterrence, between 1 April and 30 June 2023. Participants from across all workshops delivered so far, on average, rated the quality and usefulness of the workshop as 4.7/5

Materials promoted through TEQSA's 'Good Practice Monday' campaign sees weekly release of resources via social media

The high levels of engagement with TEQSA's published guidance notes, good practice notes and other support materials such as seminars, indicate stakeholder satisfaction with TEQSA-developed resources

| Methodology | Count of support materials developed, shared and/or promoted with external stakeholders |
| --- | --- |
| | Count of stakeholders engaged in education or training events |
| Source | Guidance notes as published on TEQSA website |
| | Records of attendance at TEQSA education events |
| Key activity | 1.1: Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance |
| Responsible | Policy, Research and Engagement |

| #4 | Extent of satisfaction with TEQSA's engagement with peak bodies and providers |
| --- | --- |
| Target | Most peak bodies report constructive and effective engagement with TEQSA |
| Result | Achieved |
| Analysis | The 2022 provider survey showed that those who responded and provided ratings, the following gave TEQSA a rating of 'excellent' or 'good':<br><br>> 87% regarding 'Usefulness of the information on the HES Framework (Threshold Standards) 2021 in the form of the guidance notes'<br><br>> 86% regarding 'Usefulness of the information contained within the good practice notes'<br><br>This shows that peak bodies have reported constructive and effective engagement with TEQSA |
| Methodology | Responses to questions in provider survey |
| Source | TEQSA Annual Provider Survey 2022 |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #5 | Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: (i) sector trends, risks and challenges |
|---|---|
| Target | Peak bodies and providers understand and accept TEQSA's published priorities |
| Result | Achieved |
| Analysis | Annual dialogue meetings with peak bodies took place from late February to June 2023 (excluding Australian Technologies Network (ATN)<br><br>The 2022 provider survey showed that those who responded and provided ratings, the following gave TEQSA a rating of 'excellent' or 'good':<br><br>> 78% regarding 'Usefulness of information provided on the National Register (showing the results of regulatory decisions)'<br><br>> 75% regarding 'Using a variety of media and channels to communicate sector-wide updates'<br><br>This shows that peak bodies and providers understand and accept TEQSA's published priorities |
| Methodology | Responses to questions in provider survey |
| Source | TEQSA Annual Provider Survey 2022 |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #6 | Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: (ii) applications for registration and accreditation |
|---|---|
| Target | Peak bodies and providers understand TEQSA's regulatory model and practice review process |
| Result | Achieved |
| Analysis | 76% of providers who responded to our 2022 annual survey rated TEQSA 'excellent' or 'good' in response to the prompt 'Usefulness of information on TEQSA's regulatory policies and processes – provided through TEQSA's website and newsletters'

This indicates a high level of satisfaction with the information published on TEQSA's website regarding its regulatory policies and processes |
| Methodology | Responses to questions in provider survey |
| Source | TEQSA Annual Provider Survey 2022 |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #7 | Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: (iii) implementation of cost recovery |
|---|---|
| Target | Peak bodies representing the majority of providers participate in an online discussion or submit written feedback during consultation on the amended cost recovery model |
| Result | Partly achieved |
| Analysis | The 2022 provider survey showed of those who responded and provided ratings, the following gave TEQSA a rating of 'excellent' or 'good': |

Analysis (continued):

> 66% regarding 'Usefulness of the information on changes to TEQSA's fees and charges'

> 52% regarding 'Providing your organisation with the opportunity to give feedback on cost recovery implementation'

> 49% regarding 'Usefulness of advice and support in relation to the introduction of increased cost recovery'

> 44% regarding 'Usefulness of advice and support when using updated forms within the Provider Portal'

This shows that while all peak bodies and many providers supplied feedback, there are opportunities to improve our engagement on cost recovery

| Methodology | Responses to questions in provider survey |
|---|---|
| Source | TEQSA Annual Provider Survey 2022 |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #8 | Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: (iv) the annual conference and other events |
| --- | --- |
| Target | 80% of stakeholders are satisfied as per Conference Survey, Webinar feedback and Provider Survey results |
| | Increase of student attendance at the conference compared to previous years |
| Result | Achieved |
| Analysis | 94% of respondents to the 2022 Conference Survey were satisfied ('excellent' 33%, 'very good' 43%, 'good' 18%) |
| | 67% of providers who provided a rating in the annual provider survey about the usefulness of the TEQSA 2022 conference rated it as 'excellent' or 'good' |
| | TEQSA 2023 Conference delivered to a record number of delegates (1006) via a hybrid format, with the highest ever number of student delegates (112, approximately 10% of all delegates) |
| | Overwhelmingly positive feedback received from approximately 15% of delegates and suggestions for the program to include more opportunities to hear directly from TEQSA |
| | These results indicate a high level of satisfaction with TEQSA's 2022 annual conference |
| Methodology | Analysis of Conference Survey Results and response to questions in Provider Survey |
| | Count of attendance at TEQSA events |
| | Comparison of student attendance numbers from the Conference compared to previous year results |
| Source | TEQSA program administrative data |
| | TEQSA Annual Provider Survey 2022 |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #9 | Engage high-risk providers in free online events to promote and support good practice |
|---|---|
| Target | Commence and determine a baseline in 2023 |
| | 40% of high-risk providers participate in at least one free online event which promotes and supports good practice |
| Result | Mostly achieved |
| Analysis | Annual dialogue meetings with peak bodies took place from late February–June (excluding ATN) |
| | TEQSA delivered an online 'Student Voice and Sexual Harm' seminar on 9 May 2023, with 136 representatives of the higher education sector attending. In total, there were representatives from 30 universities, 5 university colleges and 39 institutes of higher education |
| | This shows TEQSA mostly achieved our engagement targets for high-risk providers |
| Methodology | Where a risk is considered high sector-wide, count of how many providers were represented at online events |
| | Where a risk is considered concentrated in a subset of providers, count of providers from that subset who attended the online events |
| Source | Attendance numbers at events |
| | Where risk is more prevalent in a subset of providers, TEQSA's record of risk ratings of providers |
| | Where risk is sector-wide, total number of providers registered on the National Register |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #10 | Number of visits to the Students section of TEQSA's website |
|---|---|
| Target | 50% of providers include information and links to TEQSA's students' webpages on their website |
| Result | Mostly achieved |
| Analysis | Between 1 July 2022 and 30 June 2023, 35% of providers have linked to the Students section of TEQSA's website |
| | For the year ended 30 June 2023, the Students section of TEQSA's website was accessed 124,409 times. This a 46.9% increase on the previous year |
| | TEQSA cannot oblige providers to place links to resources on their websites, but this demonstrates a positive increase on the previous year showing that providers are finding TEQSA's website resources valuable |
| Methodology | Traffic to the Students section on the website |
| Source | Google Analytics on website |
| Key activity | 1.2: Engage with higher education peak bodies, registered providers and students to uphold student interests and support effective regulation and quality assurance |
| Responsible | Policy, Research and Engagement |

| #11 | Participation and substantive contribution to joint projects |
|---|---|
| Target | TEQSA participates in project teams and provides written advice on at least 3 projects across the Department and the Higher Education Standards Panel (HESP) each year |
| Result | Achieved |
| Analysis | The CEO was a participating member of the Australian Research Council's 'Excellence in Research for Australia' (ERA) working group |
| | The CEO was a participating member of HESP's advisory committee working group on admissions transparency |
| | The Director, Higher Education Integrity Unit was on the emerging admissions practices working group of HESP |
| | The Director, Policy, Research and Engagement was a participating member of the Australia–India Qualifications Recognition Taskforce |
| | TEQSA's Chief Commissioner joined an Australian delegation to India, led by the Minister of Education. The qualifications recognition mechanism was signed and dialogue was held in various fora |
| | TEQSA provided written feedback to the Joint Standing Committee on Foreign Affairs, Defence and Trade on its Inquiry into Post COVID-19 Recovery of Australia's International Education Sector, which will feed into the Department of Education's Universities Accord |
| | TEQSA provided written feedback to the Department of Education on the following: |
| | > APEC baseline report |
| | > consultation on the ACER Microcredential Taxonomy project |
| | > consultation on the QILT's Student Experience Survey (Department-funded initiative) |
| | > Microcredentials pilot program |
| | > the Universities Accord |
| | TEQSA coordinated with the Department of Education to develop and release materials related to the Respect@Work Report |
| | The Chief Commissioner engaged with the Universities Accord panel to provide insights |
| | This shows that TEQSA surpassed its participation and contribution targets on joint projects for 2022–23 |

| Methodology | Count of TEQSA memberships in Department of Education/HESP project working groups |
| --- | --- |
| | Count of pieces of substantive feedback provided to Department of Education/HESP on projects and consultations |
| Source | Record of TEQSA membership and attendance in working groups and taskforces |
| | Record of written feedback provided to Department of Education/HESP |
| Key activity | 1.3: Work closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the HESF 2021 |
| Responsible | Policy, Research and Engagement |

| #12 | Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers |
| --- | --- |
| Target | Three to four briefs provided to the Minister on key trends, risks and issues across the sector and regarding high-risk providers |
| Result | Achieved |
| Analysis | Below are the topics on which TEQSA briefed the Minister: |

> Cost recovery implementation and associated communications to the sector

> The transition of the sector to compliance with the Education Services for Overseas Students (ESOS) framework and associated communications

> Academic cheating actions and prospective action, including litigation

> Non-compliance of educational offerings titled 'diplomas' delivered by unregistered providers

> Risks posed by third-party arrangements in higher education

Additionally, TEQSA representatives met with the Minister of Education to provide advice on artificial intelligence and related risks and opportunities

This shows that TEQSA surpassed its target numbers for advice provided to the Minister regarding key trends, risks and issues across the sector and high-risk providers

| Methodology | TEQSA program administrative data |
|---|---|
| Source | Ministerial submissions |
| Key activity | 1.4: Advise and make recommendations to the Minister on matters relating to the quality and regulation of higher education providers |
| Responsible | Policy, Research and Engagement |

# Objective 2
## Identify, analyse and respond to risks in the sector

**TEQSA collects, analyses, interprets, and disseminates information relating to quality assurance practice and quality improvement in higher education.**

TEQSA undertakes an annual cycle of risk assessment for all registered higher education providers as a fundamental regulatory tool that informs our policy work and regulatory operations. We use the outcomes to engage the sector, and in certain instances individual providers, as well as other stakeholders, in particular the Australian Government, on key trends and risks.

Over the last 3 years, TEQSA has worked with sector stakeholders to respond to sector risks such as academic integrity, transparency of admission processes, English language proficiency and sexual assault and sexual harassment. TEQSA's Higher Education Integrity Unit (HEIU) makes a leading contribution to identifying and supporting responses to threats to integrity in the sector. The annual compliance program and regulatory assessments also highlight risk areas. As well, TEQSA engages with international quality assurance agencies on issues of common interest.

TEQSA publishes an annual compliance report that sets out compliance priorities – based on a compliance monitoring framework that identifies particular trends and risks across the sector.

TEQSA's 2022–23 priorities include ensuring academic quality, upholding wellbeing and safety, protecting sector integrity, maintaining information security and monitoring the financial standing of providers.

Delays in the implementation of a new national collection system for provider data will limit TEQSA's 2022–23 sector and provider risk assessments. A modified risk assessment process will be implemented, but the nature of the assessments and timing of the report will reflect this known limitation.

Of the impacts, challenges and priorities identified in the TEQSA Corporate Plan 2022–26, the following activities are most relevant to identifying, analysing and responding to risks in the sector:

> maintaining a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students (see Key Activity 2.2 in the following table)

> further developing TEQSA's risk and compliance focus in relation to student wellbeing, such as mental health and the issues raised by sexual assault and sexual harassment (see Key Activity 2.3 in the following table)

> further developing the activity of the TEQSA Higher Education Integrity Unit (HEIU) in relation to issues such as commercial academic cheating, cyber security, and foreign interference (see Key Activity 2.4 in the following table).

| #13 | Complete and report on the annual risk assessment of providers and share key themes with the sector |
|---|---|
| Target | Publish TEQSA's annual Compliance Report by 30 March and Annual Report by 30 September |
| Result | Mostly achieved |
| Analysis | The TEQSA Annual Compliance Report was published on 8 May 2023 |
| | The Annual Report is on target to be published by mid–October 2023 |
| Methodology | Publication of TEQSA Annual Report via relevant website |
| | Publication of TEQSA's Annual Compliance Report on the TEQSA website |
| Source | TEQSA Annual Compliance Report 2022 |
| | TEQSA Annual Report 2022–23 |
| Key activity | 2.1: Monitor the performance of registered providers, identify risks, assess provider responses, and where necessary, take regulatory or other action |
| Responsible | Regulatory Operations |

| #14 | TEQSA's sector risk monitoring activity contributes to the setting of our risk priorities and is shared with the sector – emphasising opportunities for improvement |
|---|---|
| Target | Complete one sector risk monitoring or compliance activity in 2022–23 |
| | Findings of sector risk monitoring activities are shared with the sector in written and seminar format by September 2023 |
| Result | Achieved |
| Analysis | The Compliance and Investigations team undertook a project that sampled a select group of providers for their oversight of offshore third-party arrangements (TPAs). This was to determine if there were adequate oversight arrangements in place and how these were impacted by border closures due to the COVID-19 pandemic. We also reviewed all concerns received about the offshore TPAs of providers as well as material notifications reported by all providers about their TPAs |
| | At the conclusion of the project in October 2022, we provided feedback to the selected providers in relation to good practice, areas of risk and opportunities for improvement. We also updated our Material Change Notification guidance to clearly state the expectation that providers advise TEQSA of new TPAs. The findings also fed into TEQSA's *Transnational Education Toolkit*, which provides guidance on best practice in third-party offshore delivery. This shows TEQSA achieved its targets for financial year 2022–23 |
| Methodology | One sector risk monitoring activity completed. Key findings reported to Commission and shared with the sector |
| Source | Reporting to the Commission on completion, the Annual Compliance Report 2022 |
| Key activity | 2.1: Monitor the performance of registered providers, identify risks, assess provider responses and where necessary, take regulatory or other action |
| Responsible | Regulatory Operations |

| #15 | Assess provider financial risk as part of the annual risk assessments |
|------|-------------------------------------------------------------------------|
| Target | A modified risk assessment will be undertaken in 2022–23, due to delays in receipt of provider data |
| Result | Achieved |
| Analysis | This work was impacted by delays building Tertiary Collection of Student Information (TCSI) and due to providers submitting incomplete and unvalidated data. Notwithstanding, providers were sent their individual provisional risk assessment reports by the end of March 2023, thus TEQSA met its target for 2022–23 |
| Methodology | Providers sent individual financial risk assessment reports before end of financial year. Consolidated findings reported to Commission |
| Source | TEQSA program administrative data including individual provider risk assessments |
| Key activity | 2.2: Maintain a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students |
| Responsible | Regulatory Operations |

| #16 | Sector compliance activity involving student wellbeing |
|------|---------------------------------------------------------|
| Target | Annual Compliance Plan will include at least one activity focused on student wellbeing |
| Result | Achieved |
| Analysis | The 2022–23 Annual Compliance Program focused on the quality of online delivery and support services, particularly in relation to how providers use available data to inform continuous improvement for courses delivered in a full online delivery mode. The program explored measures taken by sample providers who shifted to, or expanded, their online learning offerings in 2020 to ensure they comply with the requirements of the HES Framework. Insights will be shared with the sector through an e-News update and will be published in the 2023 Annual Compliance Report<br><br>TEQSA achieved its target for 2022–23 with at least one activity focused on student wellbeing in its Annual Compliance Plan |

| Methodology | Annual Compliance Plan project completed. Key findings reported to Commission and shared with the sector |
| --- | --- |
| Source | Annual Compliance Plan, reporting to the Commission on completion, sector e-News, and Annual Compliance Report |
| Key activity | 2.3: Develop TEQSA's risk and compliance focus in relation to student wellbeing, such as mental health, and the issues raised by sexual assault and sexual harassment |
| Responsible | Regulatory Operations |

| #17 | Demonstrated improvements in sector awareness, identification, analysis and response to integrity risks |
| --- | --- |
| Target | > First successful proceedings under section 114A or 114B of the TEQSA Act<br><br>> 100 websites that advertise or offer contract cheating websites blocked<br><br>> 500 posts and accounts removed from social media platforms for offering or advertising cheating services<br><br>> Online course for deterring and detecting contract cheating launched<br><br>> Half-day workshops to enhance cybersecurity awareness in Institutes of Higher Education delivered<br><br>> Resources to enhance cybersecurity maturity at Institutes of Higher Education in development |
| Result | Mostly achieved |
| Analysis | > Not undertaken due to evidentiary constraints<br><br>> Complete - as of 30 June 2023, 252 websites that advertise or offer contract cheating websites have been blocked<br><br>> Complete - to date over 750 posts and accounts removed from social media platforms for offering or advertising cheating services<br><br>> Complete - online course for deterring and detecting contract cheating launched April 2023<br><br>> Complete – half-day workshops to enhance cybersecurity awareness in Institutes of Higher Education held on 23 November 2022<br><br>> On track - resources to enhance cybersecurity maturity at Institutes of Higher Education in development.<br><br>TEQSA achieved most of its targets for 2022–23 and in some cases exceeded its targets, notably the number of blocked websites and social media accounts |

| | |
|---|---|
| Methodology | Prosecutions under Section 114 |
| | Data as per TEQSA website blocking information: teqsa.gov.au/blocked–illegal–cheating–websites |
| | HEIU dashboards for monitoring and reporting of social media activity |
| | Program data collected for seminar/masterclass enrolments records |
| Source | TEQSA program administrative data: masterclass online course enrolments, in-person masterclass attendance records |
| | TEQSA 2022 Annual Conference program |
| Key activity | 2.4: Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to contract cheating, cyber security, and foreign interference |
| Responsible | Higher Education Integrity Unit |

# Objective 3
## Ensure compliance with applicable legislation through effective regulation

**TEQSA's core functions are to register all providers that offer higher education qualifications in or from Australia and to accredit their course, except for courses offered by universities and select providers that have partial or full authority to accredit their own courses of study.**

TEQSA's core regulatory work includes:

> Registering and re-registering providers delivering higher education courses, Foundation programs, and ELICOS to overseas students

> Accrediting and re-accrediting courses offered by higher education providers, for those providers without self-accrediting authority

> Compliance monitoring and assessments, including in response to material change notifications received by, and complaints about, higher education providers

> Assessing providers for partial or full self-accrediting authority

> Ensuring that regulated academic awards are not offered by unregistered providers.

In 2022–23, TEQSA continued with our aim to reduce the administrative burden of regulation for higher education providers while focusing on monitoring providers' compliance.

Of the impacts, challenges and priorities identified in the TEQSA Corporate Plan 2021–26, the following activities are most relevant to ensuring compliance with applicable legislation through effective and efficient regulation:

> Reviewing and adapting TEQSA's regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders (see Key Activity 3.1 in the following table)

> Implementing strategies to improve the timeliness and responsiveness of regulatory assessments and decisions (see Key Activity 3.3 in the following table)

> Investing in our workforce and enabling systems to rebuild and then maintain a sustainable basis to TEQSA's regulatory practice and organisational capacity (see Key Activity 3.5 in the following table)

> The performance measures and targets for Objective 3 also include organisational capacity initiatives and strategic projects (see Key Activity 3.5 in the following table), which it should be noted, also apply across TEQSA's other objectives and priorities.

| #18 | Stakeholder acceptance of process and outcomes for regulatory reform |
|---|---|
| Target | Initial review and streamlining of existing processes complete |
| | Completion of supervisory risk statement for sector |
| Result | Partly achieved |
| Analysis | Initial review and streamlining of existing processes to improve risk tiering and promote provider self-assurance is underway and further developments are being informed by stakeholder feedback during regulatory assessments. The project plan for the regulatory risk framework project was amended to include concept testing with a small group of providers before rolling out the proposal to the whole sector for consultation in early 2024 |
| Methodology | Regulatory model focused on engagement activities |
| Source | TEQSA administrative program data |
| Key activity | 3.1: Review and adapt TEQSA's regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders |
| Responsible | Regulatory Operations |

| #19 | Proportion of compliance assessments undertaken to address non-compliance and restore compliance (registered and non-registered) providers |
|---|---|
| Target | Establishing baseline in 2022–23. Proportion of compliance assessments that conclude with provider compliance (by regulatory action, provider education, court, or tribunal order) |
| Result | Achieved |
| Analysis | Using data from compliance assessments completed between 1 July 2021 and 30 June 2023, a baseline was established of 90% compliance assessments resulting in restored compliance with the TEQSA Act |
| | TEQSA met its target for 2022–23 by establishing a baseline of 90% compliance assessments resulting in a restoration of provider compliance |
| Methodology | Qualitative assessment of all compliance assessments to determine nature and extent of compliance |

| Source | Preliminary assessment and compliance assessment reports |
|---|---|
| Key activity | 3.2: Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality |
| Responsible | Regulatory Operations |

| #20 | TEQSA reviews cases in which our decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach and implements improvements |
|---|---|
| Target | TEQSA's annual report includes details of improvement opportunities and the steps taken by TEQSA to implement identified improvements |
| Result | Achieved |
| Analysis | Regulatory Operations and Legal teams conducted a review process of externally reviewed decisions. Improvements and lessons learnt were identified and documented. These will be shared with the Commission in an upcoming workshop |
| Methodology | Record of review and improvement process<br><br>Details of improvement opportunities in the annual report |
| Source | TEQSA administrative program data |
| Key activity | 3.2: Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality |
| Responsible | Regulatory Operations |

| #21 | Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy or information security obligations |
| --- | --- |
| Target | 100% compliance with relevant obligations, requirements or requests |
| Result | Achieved |
| Analysis | TEQSA has complied with our relevant obligations under the Freedom of Information Act 1988, with 14 requests received in 2022–23. Four (4) data breaches were recorded in 2022–23, though of those assessed under TEQSA's data breach procedure, none have been assessed as likely to involve a risk of serious harm. TEQSA continues to work to improve our cyber security maturity (and capacity to appropriately secure personal information we hold) |
| Methodology | Freedom of information requests, privacy obligations, and security obligations |
| Source | Legal Team record of FOI requests and data breaches, self-assessment against Protective Security Policy Framework, and Information Security Manual |
| Key activity | 3.2: Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality |
| Responsible | Legal, Risk and Quality Assurance |

| #22 | Yearly trend in processing times |
| --- | --- |
| Target | Median assessment times within legislative deadline in TEQSA Act |
| Result | Achieved |
| Analysis | The introduction of measures including new streamlined assessment tools and filling staff vacancies led to a downward trend in processing times for the 2022–23 year for assessment activities with legislated deadlines by over 8%. Allowing for assessment activity for course re-accreditations and provider re-registrations, the decrease in median processing time was 18.4% from the 2021–22 year<br><br>This shows an improvement in median assessment times compared to the previous financial year |

| Methodology | Median assessment times |
| --- | --- |
| | Legislative deadlines in TEQSA Act |
| Source | TEQSA administrative program data |
| Key activity | 3.3: Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently |
| Responsible | Regulatory Operations |

| #23 | Percentage of providers satisfied TEQSA is reducing administrative burden |
| --- | --- |
| Target | In 2022–23 implement outcomes of regulatory process improvement project |
| Result | Partly achieved |
| Analysis | The 2022 provider survey showed that of those who responded and provided ratings, the following gave TEQSA a rating of 'excellent' or 'good': |

> 68% regarding 'TEQSA's communication with your organisation is clear, targeted, and effective'

> 61% regarding 'Upholding quality standards with a proportionate approach to managing risks supporting the sector to comply and improve'

> 57% regarding 'TEQSA is open, transparent and consistent in its dealings with your organisation'

> 53% regarding 'regulation by TEQSA does not unnecessarily impede the efficient operation of higher education providers'

> 52% regarding 'regulatory actions undertaken by TEQSA are proportionate to the risks being managed'

> 51% regarding 'continued improvement in regulatory framework in consultation with your organisation'

> 51% regarding 'compliance and monitoring approaches for higher education providers have been streamlined and coordinated'

This shows the majority of providers gave positive ratings in the annual survey, indicating that TEQSA is improving in reducing administrative burden

| Methodology | Responses to questions in provider survey |
| --- | --- |
| Source | TEQSA administrative program data |
| Key activity | 3.3: Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently |
| Responsible | Regulatory Operations |

| #24 | Percentage of assessments completed within legislative deadlines as required under the TEQSA Act |
| --- | --- |
| Target | 80% of registration and course assessments are concluded within legislated timeframes and 20% concluded within extension period where this relates to issues outside TEQSA's control |
| Result | Achieved |
| Analysis | 100% of assessments were completed within legislative deadlines for the period for the following activities:<br><br>> Preliminary assessment of registration application (TEQSA Act Section 19)<br>> Decision on registration application (s21)<br>> Preliminary assessment of course accreditation application (s47)<br>> Decision on course accreditation application (s49)<br>> Decision on review of reviewable decision (s186)<br><br>TEQSA met all its legislative deadlines for 2022–23 |
| Methodology | Median assessment times – PowerBI dashboard<br><br>Legislative deadlines in TEQSA Act |
| Source | TEQSA administrative program data |
| Key activity | 3.3: Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently |
| Responsible | Regulatory Operations |

| #25 | Recovery consistent with approved CRIS and with support of providers |
|---|---|
| Target | > Increased cost recovery by TEQSA commenced on 1 January 2023<br><br>> Provider resources including guides and FAQs are available on the website before implementation date<br><br>> TEQSA staff adequately supported through systems and change management |
| Result | Achieved |
| Analysis | > Cost Recovery commenced 1 January 2023<br><br>> Provider resources including guides and FAQs are available on TEQSA website<br><br>> Internal staff briefings and information provided to support new systems and change<br><br>This demonstrates that TEQSA met its cost recovery targets for 2022–23 |
| Methodology | CRIS amended through consultation process yearly (Consultation plan, revised CRIS Statement, etc.)<br><br>Question in TEQSA Annual Provider Survey 2022 |
| Source | TEQSA administrative program data |
| Key activity | 3.4: Recover regulatory costs consistent with CRIS and relevant framework/guidelines |
| Responsible | Corporate Services |

| #26 | Strategic projects progressively implemented, on time and on budget |
|---|---|
| Target | > Provider management solution (PMS) vendors selected and project substantially implemented<br><br>> Records management project completed and integrated with PMS<br><br>> Student records project substantially implemented<br><br>> HRMIS including payroll, substantially implemented<br><br>> Website redevelopment complete<br><br>> Organisational culture plan and initiatives serve as 'living' documents to inform improvements through 2022–23 |
| Result | Mostly achieved |
| Analysis | > Vendor identified but has not yet signed contract. Project Discovery phase substantially complete, implementation to be commenced<br><br>> Records management project completed. No integration with PMS as the PMS system is still due for implementation. Both systems will draw on common SharePoint repository and be integrated that way<br><br>> Student records solution design completed, implementation is currently in progress and will be completed in 2023<br><br>> Payroll fully implemented. Time-keeper function implemented as part of the payroll migration<br><br>> Website redevelopment completed – new site went live in November 2022<br><br>> Culture Plan has been reviewed in October–November 2022 and updated, the updated Culture Plan 2023 has been published on T*Net<br><br>This demonstrates that TEQSA met the majority of its project targets during the 2022–23 financial year |
| Methodology | Aurion program data<br>Organisational Culture Plan<br>TEQSA website progress updates<br>ELT strategic projects summary reports |
| Source | TEQSA administrative program data |
| Key activity | 3.5: Implement key strategic projects in relation to organisational capability |
| Responsible | Corporate Services |

# TEQSA's performance against legislative timeframes in the TEQSA Act

| Section and target | Results 2022–23 |
|---|---|
| Section 19: TEQSA must undertake a preliminary assessment of an application for registration within 30 days after an application is made | 16 out of 16 preliminary registration assessments were completed within the legislative timeframe |
| Section 21: TEQSA must make a decision on an application for registration within 9 months of receiving it, or if TEQSA is satisfied for reasons beyond our control that a decision cannot be made within the 9 months, TEQSA may determine a longer period not exceeding a further 9 months, within which we must make a decision on the application | 10 substantive registration assessments were completed for decision: 8 within the legislative timeframe and 2 within the extended timeframe |
| Section 47: TEQSA must make a preliminary assessment of an application for a course of study to be accredited within 30 days after an application is made | 223 out of 223 preliminary course accreditation assessments were completed within the legislative timeframe |
| Section 49: TEQSA must make a decision on an application for accreditation of a course of study within 9 months of receiving it, or if TEQSA is satisfied for reasons beyond its control that a decision cannot be made within 9 months, TEQSA may determine a longer period not exceeding a further 9 months, within which it must make a decision on the application | 225 substantive course accreditation assessments were completed for decision, 220 within the legislative timeframe and 5 within the extended timeframe |
| Section 186: TEQSA must make a decision on a reviewable decision within 90 days after receiving the application for review | All reviewable decisions were made within the required legislative timeframe (4 in 2022–23) |

# Financial review

For 2022–23, TEQSA recorded a deficit of $2.78 million compared with a surplus of $0.69 million in 2021–22. The current year deficit was a result of timing and increase in expenses associated with the number of strategic projects across the Agency. These projects are critical to TEQSA to achieve our core objectives in an effective and efficient manner.

The 2022–23 PBS (October 2022) estimated an operating deficit of $4.83 million. This deficit has not materialised due to employee benefit expenses being under budget. The variance is due to the following factors: persistent occurrence of unfilled positions, staff attrition, and the timing of recruitment activities.

See Appendix A: Table 9 Entity resource statement 2022–23.

## Case study: Informing providers with clearer guidance materials

TEQSA publishes guidance notes to offer greater clarity for providers in the interpretation and application of selected standards. Guidance notes draw on our regulatory experience and knowledge of experts in the higher education sector.

In May 2022, TEQSA began a project to enhance our suite of guidance notes for registered higher education providers. When complete, this work will reinforce the role of guidance notes to provide guidance focused on a specific section of the Higher Education Standards Framework (2021), as well as highlighting related aspects of other sections and potential compliance issues.

Guidance notes usually focus on a single topic, such as academic leadership, and cover the nature of the topic, relevant standards in the Higher Education Standards Framework (HESF), and the intent of those standards as well as risks to education quality and evidence TEQSA may require to be satisfied HESF requirements are being met.

Since July 2022, TEQSA has published 5 updated guidance notes:

> Academic governance

> Credit and recognition of prior learning

> Delivery with other parties

> Research and research training

> Research requirements for Australian universities.

TEQSA keeps providers informed on progress updating the suite through monthly TEQSA e-News and social media channels.

In addition to guidance notes, TEQSA provides a range of sector-related resources including the *Transnational Education Toolkit* which was published on 24 November 2022. Authored by Dr Samantha Young, the Toolkit provides guidance to the sector on third-party offshore delivery of Australian higher education awards.

TEQSA will continue to monitor change, anticipate risk and ensure our regulatory focus and methodology remain fit for purpose. We will achieve this by promoting and supporting good practice and effective self-assurance across the sector by identifying, analysing and responding to risks and ensuring compliance with legislation through effective regulation.

# 3

# Management and accountability

> Corporate governance

> Management of human resources

> Purchasing and assets management

> Case study: New TEQSA website provides easier access to information

> Case study: Streamlining self–accreditation processes for providers

# Corporate governance

TEQSA's *Governance, Performance and Compliance Framework* outlines the internal governance arrangements for the leadership and management of TEQSA including the responsibilities of the accountable authority, the CEO, and the Executive Leadership Team. The accountable authority's high-level functions include:

> setting the strategic direction for the performance of TEQSA's functions including oversight of strategic projects

> approval of policies and procedures necessary for the performance of TEQSA's functions

> engagement in strategic relationships with key stakeholder groups, including international counterparts

> input into the reporting of performance in accordance with the principles of regulator best practice

> oversight of corporate planning and financial management, including annual reports, annual financial statements, and annual performance statements

> approval of the charter of the Audit and Risk Committee (ARC) and appointment of its members

> oversight and monitoring of TEQSA's regulatory functions and risk management.

During 2022–23, the accountable authority met 10 times.

The TEQSA Service Charter outlines our commitment to everyone who deals with us. This includes higher education providers, current and prospective students at Australian higher education providers, members of the public, employers, government agencies, experts, and peak bodies with responsibility for representing the sector we regulate.

## TEQSA experts

Expert advice helps us perform our regulatory functions and TEQSA maintains a register of external experts that can be called upon for specific tasks. While they do not make decisions, their independent advice contributes to assessments of applications for:

> registration as a higher education provider

> renewal of registration as a higher education provider

> accreditation of a course of study.

# Legal services

Our Legal Services team provides or arranges for legal services for all TEQSA's operations. The Legal Services team ensures that TEQSA complies with all directions, policies or rules relevant to the provision of legal services. Where necessary, the Legal Services team seeks advice from external legal experts.

# Planning and management

The functions of the CEO are derived from the TEQSA Act and the PS Act (*Public Service Act 1999*) and delegations from the Commission. The CEO is responsible for overall management and administration of TEQSA, overseeing Agency performance, financial management, risk management, people management, security management, legislative compliance and the operational relationship with the Commission.

The ELT members have individual responsibilities and are jointly responsible for leadership and management of the Agency's operational performance including:

> recommending TEQSA strategic directions, priorities and objectives

> monitoring, reviewing and making recommendations on the Agency's operational performance and risk management

> reviewing and making recommendations regarding TEQSA's governance and assurance arrangements and frameworks

> staffing, business planning and the management of resources

> developing our corporate plan, annual report and annual budget for approval by the TEQSA Commission in its role as the accountable authority.

The elements of the annual planning process for TEQSA groups are as follows:

> budget planning

> business planning

> group workforce planning

> risk management planning.

# Fraud and corruption control

TEQSA complies with the legislative requirements of section 10 of the *Public Governance, Performance and Accountability Rule 2014* relating to fraud.

The TEQSA Fraud and Anti-Corruption Policy, Fraud and Anti-Corruption Plan, and Fraud and Anti-Corruption Risk Assessment are regularly reviewed and describe TEQSA's approach to fraud and corruption risk management and internal controls. TEQSA also complies with the Commonwealth Fraud Control Framework and contributes towards the collection of information by the Australian Institute of Criminology. A particular focus of the most recent review of TEQSA's fraud and

corruption control framework was to reflect the commencement of the National Anti-Corruption Commission.

TEQSA's approach to preventing fraud and corrupt conduct is based on promoting ethical behaviour in the workplace, developing staff awareness of appropriate responses to fraud and corruption, and identifying and mitigating risks of fraud and corrupt conduct.

TEQSA did not become aware of any incidents of fraud or corruption within the organisation in 2022–23.

# Audit and Risk Committee

TEQSA's Audit and Risk Committee is established in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and operates under an ARC Charter, approved by the Commissioners as our accountable authority. The Legal Risk and Quality Assurance Group provides secretariat services for the ARC. TEQSA's ARC Charter is available on our website at: teqsa.gov.au/about-us/teqsa-overview/our-leadership-and-organisation

Table 2. Audit and risk committee membership 2022–23

| Member name | Relevant qualifications and experience | Number of meetings attended/ total number of meetings | Total annual remuneration (GST inc.) | Additional information |
|---|---|---|---|---|
| Sally-Anne Pitt, Chair | Sally-Anne Pitt's areas of expertise include internal audit and performance audit, audit quality, risk management and corporate governance, and public policy development and review. She holds a Bachelor of Applied Science, a Master of Public Policy and post-graduate business studies from the Darden Business School, University of Virginia (USA). Ms Pitt is a Professional Fellow of the Institute of Internal Auditors and a Director of its Global Board. She is a Certified Internal Auditor, Certified Government Auditing Professional and is qualified as a Quality Assessment Reviewer by the Institute of Internal Auditors. | 5/5 | $19,999.98 | Sally-Anne Pitt took over as Chair from Dr Len Gainsford effective 10 July 2021. |
| Brandon Mack, Member | Brandon Mack has previously acted as a senior executive in a large state government department. As a member of its leadership group, he was also the lead executive in risk management, occupational health and safety, and portfolio performance, reporting and oversight. His fields of expertise include influencing organisational performance and outcomes in areas spanning major transport projects, transport and planning policy, social policy, corporate governance, corporate planning, procurement, business systems and processes, IT, and internal audit. Mr Mack holds a Bachelor of Arts (Hons) degree from Monash University. | 5/5 | $12,903.00 | |

Table 2. Audit and risk committee membership 2022–23 *(continued)*

| Member name | Relevant qualifications and experience | Number of meetings attended/ total number of meetings | Total annual remuneration (GST inc.) | Additional information |
|---|---|---|---|---|
| Claire Hamilton, Member | Claire Hamilton is an experienced leader who has held executive roles in publicly listed and government-owned entities. Her areas of expertise include risk and compliance management, finance, audit, and corporate governance. Ms Hamilton holds a Bachelor of Arts (Hons) degree in Business Studies from the University of Sheffield (UK) and is a Chartered Accountant, Chartered Secretary, Certified Internal Auditor, and Professional Member of the Institute of Internal Auditors. | 5/5 | $10,120.00 | |
| Darren Box, Member | Darren Box is a highly experienced senior executive with over 30 years' experience spanning national social service to national security across the Commonwealth and United Kingdom. Darren has extensive financial management, organisational reform, governance, and audit experience, and is committed to driving organisational change and building capability. Darren holds a Bachelor of Business (Acc) from Charles Sturt University, is a Fellow of CPA Australia and has qualifications in Professional Coaching from IECL. | 5/5 | $10,120.00 | |

# External scrutiny

There were no decisions by courts, tribunals or the Information Commissioner during 2022–23 which had, or may have, a significant effect on TEQSA's operations. No reports on TEQSA's operations by the Auditor-General (other than reports under section 43 of the PGPA Act), a Committee of either or both Houses of the Parliament or the Commonwealth Ombudsman occurred during this period.

# Information technology

The ICT Strategy sets out TEQSA's vision for ICT solutions and services from 2021 to 2024. The ICT vision for TEQSA is to provide modern, scalable, and sustainable solutions that strengthen TEQSA's capability in achieving our business objectives.

TEQSA plans to become a data and intelligence lead regulator through:

> the development of data analytics capabilities

> maximising the value of information

> providing timely and appropriate data for:

> > proactive management of sector risk

> > quality assurance and regulatory activities.

The ICT team contributes to enhancing service delivery by providing ICT solutions that are fit for purpose, user-centred, secure, and scalable enough to keep pace with innovations in technology.

# Information Publication Scheme

Pursuant to Part II of the *Freedom of Information Act 1982* (FOI Act), TEQSA is required to publish information as part of the Information Publication Scheme requirements. These requirements impose an obligation on TEQSA to publish a range of information, including information about what we do and how we do it.

Our Agency plan indicating published information is accessible from TEQSA's website.

## Case study: New TEQSA website provides easier access to information

In November 2022, TEQSA launched a refreshed website built on the GovCMS 9 platform to offer improved security and accessibility and which replaced our previous website launched in 2017. Go to teqsa.gov.au for a tour.

The upgrade included consultation with the sector about the user experience and was delivered within the project's deadline and budget.

The new-look website features updated navigation and menus to make it easier for providers, students, and other users to find the information they are looking for.

This includes a new homepage and section templates as well as the creation of a centralised 'Guides and resources' section.

TEQSA also updated the students' section to ensure information was up-to-date and made best use of the new templates available.

User response to the new website has been positive, while the changes have supported continued audience growth. During 2022–23, page visits increased by 40% to 2.04 million views compared to the previous financial year. The new site also supported an increase in time spent on page by 11%. In 2023–24, TEQSA will focus on optimising content across the site and incorporating feedback gathered from users.

# Management of human resources

## Flexible working arrangements

TEQSA's *Flexible Work Framework* (the Framework) sets out the flexible work options available to TEQSA employees and aligns to the *Principles of Flexible Work in the Australian Public Service* (APS).

Australian and international research shows that flexible work promotes workforce participation, employee satisfaction and productivity. The COVID-19 pandemic further challenged traditional thinking about the working environment with flexibility seen as increasingly important for balancing work and personal life priorities.

TEQSA aims to create a high-performance culture that delivers outstanding results and inspires our employees, grounded in our values of Respect, Trust, Accountability, and Collaboration. As part of this commitment, TEQSA recognised that supporting employees to perform at their best includes enabling them to balance their work and life commitments. Flexible work options offer opportunities for increased productivity and a more engaged workforce and it means TEQSA will continue to attract and retain diverse and talented employees.

## Workplace consultative arrangements

The Staff Consultative Committee remains one of the key forums for consulting with employees about proposed changes to any policies, procedures and guidelines that are in place to support the operation of the *TEQSA Enterprise Agreement.* Membership of the Committee includes representatives from staff, management and the union. The Committee meets quarterly.

In 2022-23, TEQSA continued to consult with staff through regular newsletters, all staff emails and staff meetings, providing staff with updates on a range of management and operational matters. Each business group within the Agency also held regular meetings to raise matters and put forward ideas for improving the culture and work environment.

## Our Culture Plan

TEQSA's Culture Plan to shape 'a culture for TEQSA by TEQSA', supports all staff to make the Agency a better place to work for everyone. As part of this work to build TEQSA's culture, staff developed a set of values and supporting behaviours to complement the APS Values and Code of Conduct.

In late 2022, through a structured TEQSA Culture Plan Review 2022 process, staff shared their thoughts on the continued relevance of the TEQSA Culture Plan and the TEQSA values and behaviours, as well as the Agency's overall work culture. Key findings included that the TEQSA Culture Plan remains relevant to staff, with some adjustments required. The TEQSA values remain relevant, culture happens in teams

locally and is building, and the Agency's focus must continue to be on uplifting consistent leadership capabilities. In April 2023, TEQSA released its updated Culture Plan 2023.

# Professional development

Our workforce consists of specialist regulatory operations staff, as well as staff working in a range of functions that support our core regulation capability and operations. These functions include policy and sector analysis, legal advice, risk analysis, information management, communications, stakeholder liaison, governance, information and communication technology, human resources, and finance.

TEQSA recognises the value of a capable and high-performing workforce and continues to provide staff with learning and development opportunities to develop skills and knowledge for current and future roles and responsibilities. TEQSA's Learning Committee continues to promote and encourage continuous improvement and development of staff through our internal and external speaker program. The program focuses on sharing information about strategic and emerging issues in the higher education sector.

In 2022–23, TEQSA also provided staff with the following professional development opportunities:

> Leadership Development Program for Directors (EL2) – one program held in 2023 focused on building leadership capability at the Director level

> Leadership Development Program for Assistant Directors and Emerging Leaders (EL1 and APS6) – two programs held in 2023. This is a structured leadership development program for emerging and current people leaders focused on building individual, team, and organisational leadership skills and coaching capabilities

> A structured program of Leadership Masterclasses (all APS levels) covering topics including: rid yourself of imposter syndrome, managing your time in an infinite job, and how to defeat procrastination

> Mental Health First Aid training for Managers/People Leaders

> SharePoint, Excel, and Power BI training

> Work health and safety including Health and Safety Representative, First Aid Officer, and Warden training

> Higher duties, internal and external temporary transfers/secondments to other Australian Public Service (APS) agencies

> External conferences and seminars including Enhancing Regulatory Investigations and Enforcement Outcomes Summit, and the Australian Government Solicitor – Administrative Law.

As part of our commitment to capability development, TEQSA provides access to professional development and study assistance to all staff. This support includes reimbursement of up to $3000 for the cost of relevant professional development and/or study leave of up to 8 hours per week.

# Performance assessment

TEQSA continues to strengthen its annual formal performance management system for staff. This helps to:

> clarify individual employee work tasks, responsibilities and performance

> set performance expectations and provide feedback

> improve communication between managers and their staff (through performance appraisals)

> provide a basis for determining salary advancement within classifications, identify learning and professional development needs and opportunities and manage under-performance.

# Workplace health and safety

TEQSA remains committed to safeguarding the health, safety and welfare of staff and visitors and to preventing occupational injury. TEQSA has a Workplace Health and Safety Committee that includes representatives from management and staff.

TEQSA provides staff with access to an Employee Assistance Program (EAP), annual flu vaccinations, a range of health and wellbeing resources and initiatives and a network of first aid and mental health First Aid Officers. A new EAP provider, Lifeworks, with an improved and expanded suite of confidential EAP support services, is available for staff and was onboarded in October 2022.

There was one reportable health and safety incident that occurred during 2022–23 and TEQSA was not required to give any notices under the *Work Health and Safety Act 2011*.

# Staffing statistics

At 30 June 2023, TEQSA employed 5 office holders, one Senior Executive Service (SES) officer, 27 executive level staff and 57 APS staff. TEQSA has 84% of employees located in Victoria and the Agency is continuing to grow its interstate workforce. TEQSA is a national regulator and has access to talented people around Australia, which further strengthens the Agency.

For more detailed information on TEQSA's staffing profile see:

> Appendix B: Employee profiles

> Appendix C: Employees by APS classification and gender

> Appendix D: Employment type by full-time and part-time status

> Appendix E: Employment type by location

> Appendix F: Indigenous employment

> Appendix G: Employment arrangements of SES and non-SES employees.

# Remuneration and other terms and conditions

TEQSA's Commissioners, including the Chief Commissioner, are appointed by the Minister pursuant to section 138 of the TEQSA Act and are paid the remuneration determined by the Remuneration Tribunal. The CEO of TEQSA is also appointed by the Minister and the CEO's remuneration is also determined by the Remuneration Tribunal.

The conditions of employment for APS and executive-level employees are set out in the:

> *TEQSA Enterprise Agreement 2018–2021*
> *Public Service (Subsection 24(1)—Tertiary Education Quality and Standards Agency Non-SES Employees) Amendment Determination 2023/1.*

The Enterprise Agreement and Public Service Determination offer competitive terms and conditions of employment, including financial assistance for relevant professional development as previously discussed.

For information on remuneration, see:

> Appendix H: Salary ranges by classification
> Appendix I: Executive remuneration.

## Non-salary benefits

Non-salary benefits provided by the Agency to employees include superannuation, home-based computer access, professional development and study assistance and flexible work options.

## Performance pay

TEQSA's enterprise agreement does not include provision for performance pay.

# Payroll services

TEQSA transitioned to a new streamlined and efficient payroll system with Aurion Managed Services, where Aurion is responsible for processing TEQSA's payroll. Benefits of the new arrangement include access to online timesheets and payroll processing forms, opportunities for managers to access up-to-date staffing reports and improved back-end efficiencies for the People and Capability Team.

# e-Recruitment

During the final quarter of 2022-23, TEQSA worked to procure and implement an e-recruitment system to streamline and automate our recruitment and selection processes. When complete, this will make TEQSA's recruitment processes more efficient, effective, streamlined and accurate to better support, attract and retain our workforce and enable organisational performance.

# Disability reporting

The *Australian Public Service Disability Employment Strategy 2020–25* is an important part of the Australian Government's ongoing commitment to improving the employment outcomes for people with disability. Continuing the momentum from the previous APS disability employment strategy, this strategy sets out a comprehensive plan to improve the employment outcomes for people with disability.

TEQSA reported on measures of success against this strategy by publicly reporting progress in the annual State of the Service Report available at apsc.gov.au.

## Case study: Streamlining self-accreditation processes for providers

In 2022, as part of our continuous review of regulatory practice and following changes to the Higher Education Standards Framework (HESF) in 2021, TEQSA made substantial revisions to its processes for assessing providers' applications for Self-Accrediting Authority (SAA).

TEQSA streamlined the SAA assessment process to facilitate an increase in the number of low-risk providers applying for and being granted SAA status. These are providers who have demonstrated strong course development and quality assurance processes and have a track record of consistently meeting the requirements for course accreditation without substantial regulatory intervention by TEQSA.

The revised approach encourages providers to make concurrent applications for SAA and re-registration given the substantial overlap in the scope of assessment and the evidence requirements for these processes.

In September 2022, TEQSA published a revised application guide for SAA which details the application process and evidence TEQSA requires from applicants to demonstrate sufficiently mature academic governance and self-assurance processes and outcomes to meet the relevant requirements.

In 2022-23, TEQSA received 2 applications for SAA that are being assessed concurrently with re-registration. TEQSA received a further 6 standalone applications for SAA, 4 which are currently under assessment and 2 that have been approved by TEQSA. Given the significant responsibility that comes with the authority to self-accredit courses, all applications are decided by the TEQSA Commission.

# Purchasing and assets management

All contracts adhered to the core policies and principles of the *Commonwealth Procurement Rules* throughout the reporting period. An appropriate approach to market was made for all procurements covered by the *Commonwealth Procurement Rules*. Asset management was not a significant part of the entity's activities during the 2022–23 financial year.

## Competitive tendering and contracting

TEQSA's *Accountable Authority Instructions and Procurement Manual* require compliance with the *Commonwealth Procurement Rules*. All contracts with a value of $10,000 or more (inclusive of GST) entered into by TEQSA in 2022–23 were lodged on AusTender.

Table 3. Expenditure on reportable consultancy contracts 2022–23

|  | Number | Expenditure (GST inc.) |
|---|---|---|
| New contracts entered into during the reporting period | 12 | $1,245,346 |
| Ongoing contracts entered into during a previous reporting period | 4 | $155,945 |
| **Total** | **16** | **$1,401,291** |

Table 4. Expenditure on reportable non–consultancy contracts 2022–23

|  | Number | Expenditure (GST inc.) |
|---|---|---|
| New contracts entered into during the reporting period | 90 | $5,442,355 |
| Ongoing contracts entered into during a previous reporting period | 37 | $5,376,149 |
| **Total** | **127** | **$10,818,504** |

Table 5. Organisations receiving a share of reportable consultancy contract expenditure 2022–23

| Name of organisation | Expenditure (GST inc.) |
|---|---|
| Matthews Pegg Consulting Pty Ltd (ABN: 86 085 443 876) | $262,978 |
| Liberate Learning Pty Ltd (ABN: 93 611 619 017) | $210,331 |
| Inform Strategic Consulting (ABN: 50 762 631 342) | $199,738 |
| The Architecture Practice Pty Ltd (ABN: 97 169 445 354) | $162,483 |
| Genix Ventures Pty Ltd (ABN: 84 117 733 696) | $89,012 |
| LMH Creative Change (ABN: 96 858 145 274) | $78,650 |
| Rivor Advisory Pty Ltd (ABN: 62 616 116 888) | $78,320 |
| University of New South Wales (ABN: 57 195 873 179) | $77,893 |

Table 6. Organisations receiving a share of reportable non–consultancy contract expenditure 2022–23

| Name of organisation | Expenditure (GST inc.) |
|---|---|
| IA Group Pty Ltd (ABN: 29 075 871 813) | $2,761,461 |
| Hays Specialist Recruitment (Australia) Pty Ltd (ABN: 47 001 407 281) | $1,404,519 |
| Data#3 Limited (ABN: 31 010 545 267) | $847,162 |
| GPT Funds Management 2 Pty Ltd (ABN: 27 107 426 504) | $755,762 |
| Randstad Pty Ltd (ABN: 28 080 275 378) | $480,472 |

## Australian National Audit Office Access Clauses

No contracts were let during the year for $100,000 or more (inclusive of GST) with provisions to exempt Australian National Audit Office access to contractors' premises.

## Exempt contracts

TEQSA had no contracts in excess of $10,000 (inclusive of GST) that were exempted by the CEO from being published on AusTender because it would disclose exempt matters under the FOI Act.

## Notes on competitive tendering and contracting

Decisions to engage consultants during 2022-23 were made in accordance with the PGPA Act and related regulations including the *Commonwealth Procurement Rules* and relevant internal policies. Consultants are engaged through a procurement process, using open tender, limited tender or an established panel arrangement. All consultants are evaluated and selected in accordance with the *Commonwealth Procurement Rules*, various procurement-related legislations and relevant internal policies.

TEQSA uses consultancy services to obtain specialist expertise or independent advice to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations and provide creative solutions to assist in the Agency's decision-making. During 2022-23, 12 new consultant contracts were entered into involving total actual expenditure of $1,245,346. In addition, 4 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $155,945.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website at tenders.gov.au.

Annual reports also contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website at tenders.gov.au.

# Advertising and market research

During the 2022–23 financial year, TEQSA conducted a trial of social media boosting to determine if this approach could form part of a future student-focused academic integrity information and awareness campaign. During the month of October 2022, a total of $1218.45 was spent across Facebook and Instagram. No other campaign advertising or market research was conducted during the 2022-23 financial year.

# Grants

TEQSA does not administer any discretionary grants programs.

# Small business

TEQSA supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SMEs) and Small Enterprise participation statistics are available on the Department of Finance, Statistics on Australian Government Procurement Contracts webpage.

TEQSA uses a number of procurement practices to support SMEs including:

> use of the Commonwealth Contracting Suite for low-risk procurements valued under $200,000

> applying the Small Business Engagement Principles to effectively engage and communicate with small businesses

> seeking opportunities to engage Aboriginal and Torres Strait Islander businesses

> use of electronic payment systems to facilitate on-time payments.

TEQSA recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.

# Ecologically sustainable development and environmental performance

TEQSA is committed to progressing towards a sustainable future and continued improvement in reducing negative impacts on the environment.

The information provided is in accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

In 2022–23, TEQSA relocated to 452 Flinders Street, participating in a range of environmental performance initiatives put in place during the office fit-out and as part of the overall initiatives provided by building management.

These included:

> implementing no under-desk bins and the availability of several bin stations with different waste streams

> an on-site organic waste dehydrator

> battery recycling

> e-waste collection

> light globe recycling

> adherence to NABERS waste rating.

# Australian Public Service Net Zero 2030

APS Net Zero 2030 is the Government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO2-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

Table 7. Greenhouse gas emissions inventory – location-based method 2022-23

| Emission Source | Scope 1 kg CO2-e | Scope 2 kg CO2-e | Scope 3 kg CO2-e | Total kg CO2-e |
|---|---|---|---|---|
| Electricity (Location-Based Approach) | N/A | 26,646 | 2,194 | 28,841 |
| Natural Gas | - | N/A | - | - |
| Fleet Vehicles | - | N/A | - | - |
| Domestic Flights | N/A | N/A | 46,386 | 46,386 |
| Other Energy | - | N/A | - | - |
| Total kg CO2-e | - | 26,646 | 48,581 | 75,227 |

The electricity emissions reported on the previous page are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity, are below:

**Table 8. Greenhouse gas emissions inventory – market-based method 2022–23**

| Emission Source | Scope 1 kg CO2-e | Scope 2 kg CO2-e | Scope 3 kg CO2-e | Total kg CO2-e |
|---|---|---|---|---|
| Electricity (Market-Based Approach) | N/A | 21,468 | 2,841 | 24,309 |
| Natural Gas | – | N/A | – | – |
| Fleet Vehicles | – | N/A | – | – |
| Domestic Flights | N/A | N/A | 46,386 | 46,386 |
| Other Energy | – | N/A | – | – |
| Total kg CO2-e | – | 21,468 | 49,228 | 70,696 |

TEQSA's service charter outlines our principles and commitment to provide professional, honest and high-quality service to everyone we deal with, including higher education providers and current and prospective students.

# 4

# Financial report

**INDEPENDENT AUDITOR'S REPORT**

**To the Minister for Education**

**Opinion**

In my opinion, the financial statements of the Tertiary Education Quality Standards Agency (the Entity) for the year ended 30 June 2023:

(a)  comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b)  present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

**Basis for opinion**

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Accountable Authority's responsibility for the financial statements**

As the Accountable Authority of the Entity, the Commissioners are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Commissioners are also responsible for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

In preparing the financial statements, the Commissioners are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

**Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Saminda Maddumahewa
Senior Director

Delegate of the Auditor-General
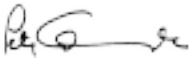
Canberra

18 August 2023

**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Tertiary Education Quality and Standards Agency will be able to pay its debts as and when they fall due.

**Professor Peter Coaldrake AO**
Chief Commissioner
on behalf of the Accountable Authority

18 August 2023

**Litsa Pillios**
Chief Financial Officer

18 August 2023

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF COMPREHENSIVE INCOME**
*for the period ended 30 June 2023*

| | Notes | 2023 $'000 | 2022 $'000 | Original Budget[1] $'000 |
|---|---|---|---|---|
| **NET COST OF SERVICES** | | | | |
| **Expenses** | | | | |
| Employee benefits | 1.1A | **12,610** | 10,481 | 16,610 |
| Suppliers | 1.1B | **9,256** | 7,376 | 7,718 |
| Depreciation and amortisation | 3.2A | **1,476** | 1,936 | 1,397 |
| Finance costs | 1.1C | **85** | 4 | 148 |
| Impairment loss on financial instruments | 7.2B | **10** | - | - |
| Losses from asset disposals | | **9** | - | - |
| Other expenses | 1.1D | **-** | 64 | - |
| **Total expenses** | | **23,446** | 19,861 | 25,873 |
| | | | | |
| **Own-source income** | | | | |
| **Own-source revenue** | | | | |
| Revenue from contracts with customers | 1.2A | **605** | 181 | 976 |
| Rental income | 1.2B | **-** | 127 | - |
| Resources received free of charge | 1.2C | **46** | 46 | 53 |
| **Total own-source revenue** | | **651** | 354 | 1,029 |
| | | | | |
| **Gains** | | | | |
| Gains from sale of assets | | **1** | - | - |
| **Total gains** | | **1** | - | - |
| | | | | |
| **Total own-source income** | | **652** | 354 | 1,029 |
| | | | | |
| **Net (cost of)/contribution by services** | | **(22,794)** | (19,507) | (24,844) |
| | | | | |
| Revenue from Government | 1.2D | **20,009** | 20,198 | 20,009 |
| | | | | |
| **(Deficit)/Surplus attributable to the Australian Government** | | **(2,785)** | 691 | (4,835) |
| | | | | |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| **Items not subject to subsequent reclassification to net cost of services** | | | | |
| Changes in asset revaluation reserve | | **-** | - | - |
| **Total comprehensive income/(loss)** | | **(2,785)** | 691 | (4,835) |

The above statement should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF COMPREHENSIVE INCOME**
*for the period ended 30 June 2023*

**Budget Variances Commentary**
**Statement of Comprehensive Income**

| Line item | Explanation of major variances |
|---|---|
| *Employee benefits* | The variance in employee benefits expense from the budgeted amount can be attributed to several factors, namely the persistent occurrence of unfilled positions, staff attrition, and timing of recruitment activities. |
| *Suppliers* | The increase in supplier expenses compared to the budget is because of important projects happening throughout the agency. These projects are designed to help the agency achieve its goals of greater effectiveness and efficiency, but they have led to higher investment this year. There were above budget expenses related to recruiting new staff. |
| *Finance costs* | Finance costs are lower than expected in the budget because of the change in the incremental borrowing rate (IBR) on lease liabilities. At time of budget preparation, the IBR was an estimate as actual IBR was not known. This has resulted in less expected finance expenses compared to what was originally planned. |
| *Revenue from contracts with customers* | The revenue earned from customer contracts has fallen short of the budgeted amount because the expected income from the 2022 TEQSA conference did not meet projections. |
| *Resources received free of charge* | The difference in free-of-charge resources can be attributed to the fact that the costs associated with external audit fees were lower than initially projected. |

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF FINANCIAL POSITION**
*as at 30 June 2023*

| | Notes | 2023 $'000 | 2022 $'000 | Original Budget[1] $'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 3.1A | **563** | 563 | 2,012 |
| Trade and other receivables | 3.1B | **10,464** | 12,308 | 8,414 |
| **Total financial assets** | | **11,027** | 12,871 | 10,426 |
| | | | | |
| **Non-financial assets[2]** | | | | |
| Buildings | 3.2A | **6,206** | 1,622 | 5,656 |
| Plant and equipment | 3.2A | **849** | 280 | 476 |
| Intangibles - computer software | 3.2A | **1,214** | 1,464 | 2,146 |
| Other non-financial assets | 3.2B | **342** | 435 | 436 |
| **Total non-financial assets** | | **8,611** | 3,801 | 8,714 |
| **Total assets** | | **19,638** | 16,672 | 19,140 |
| | | | | |
| **LIABILITIES** | | | | |
| **Payables** | | | | |
| Suppliers | 3.3A | **829** | 1,931 | 1,924 |
| Other payables | 3.3B | **317** | 255 | 255 |
| **Total payables** | | **1,146** | 2,186 | 2,179 |
| | | | | |
| **Interest bearing liabilities** | | | | |
| Leases | 3.4A | **5,416** | - | 5,757 |
| **Total interest bearing liabilities** | | **5,416** | - | 5,757 |
| | | | | |
| **Provisions** | | | | |
| Employee provisions | 6.1A | **2,348** | 1,931 | 1,931 |
| Other provisions | 3.5A | **-** | 605 | 595 |
| **Total provisions** | | **2,348** | 2,536 | 2,526 |
| **Total liabilities** | | **8,910** | 4,722 | 10,462 |
| | | | | |
| **Net assets** | | **10,728** | 11,950 | 8,678 |
| | | | | |
| **EQUITY** | | | | |
| Contributed equity | | **16,415** | 14,852 | 16,415 |
| Reserves | | **17** | 17 | 17 |
| Retained surplus/(Accumulated deficit) | | **(5,704)** | (2,919) | (7,754) |
| **Total equity** | | **10,728** | 11,950 | 8,678 |

The above statement should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).
[2] Right-of-use assets are included in "Buildings" line item.

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF FINANCIAL POSITION**
*as at 30 June 2023*

**Budget Variances Commentary**
**Statement of Financial Position**

| Line item | Explanation of major variances |
|---|---|
| *Cash and cash equivalents* | The variance is due to timing of cash payments and receipts. |
| *Trade and other receivables* | Trade and other receivables is greater than budget due to lease incentive receivable which is outstanding at the reporting date. |
| *Plant & equipment* | Plant & equipment has exceeded budget due to additional purchases of furniture and IT equipment as part of TEQSA's office relocation project. |
| *Intangibles* | Intangible assets is below budget due to the timing of the provider management solution and delays in finalising the student records management solution. |
| *Other non-financial assets* | Other non-financial assets relates to prepayments. This is below budget due to lower than anticipated lease prepayments at reporting date. |
| *Suppliers* | The variance is due to timing of payments to suppliers and conclusion of the office relocation project during the year. |
| *Employee provisions* | Employee provisions has exceeded budget due to a revision of the assumptions used in calculating the long service leave provision at year-end. |
| *Other payables* | Other payables have exceeded budget due to increase in staff costs. |
| *Other provisions* | The variance is due to TEQSA no longer having a makegood provision for its lease. At time of budget preparation this was not known. |

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF CHANGES IN EQUITY**
*for the period ended 30 June 2023*

| | 2023<br>$'000 | 2022<br>$'000 | Original<br>Budget[1]<br>$'000 |
|---|---|---|---|
| **CONTRIBUTED EQUITY** | | | |
| **Opening balance** | | | |
| Balance carried forward from previous period | **14,852** | 12,897 | 14,852 |
| | | | |
| **Transactions with owners** | | | |
| **Contributions by owners** | | | |
| Departmental capital budget | **1,563** | 1,955 | 1,563 |
| **Total transactions with owners** | **1,563** | 1,955 | 1,563 |
| **Closing balance as at 30 June** | **16,415** | 14,852 | 16,415 |
| | | | |
| **RETAINED EARNINGS** | | | |
| **Opening balance** | | | |
| Balance carried forward from previous period | **(2,919)** | (3,610) | (2,919) |
| | | | |
| **Comprehensive income** | | | |
| Surplus/(Deficit) for the period | **(2,785)** | 691 | (4,835) |
| **Total comprehensive income** | **(2,785)** | 691 | (4,835) |
| **Closing balance as at 30 June** | **(5,704)** | (2,919) | (7,754) |
| | | | |
| **ASSET REVALUATION RESERVE** | | | |
| **Opening balance** | | | |
| Balance carried forward from previous period | **17** | 17 | 17 |
| | | | |
| **Comprehensive income** | | | |
| Other comprehensive income | **-** | - | - |
| **Total comprehensive income** | **-** | - | - |
| **Closing balance as at 30 June** | **17** | 17 | 17 |
| | | | |
| **TOTAL EQUITY** | | | |
| **Opening balance** | | | |
| Balance carried forward from previous period | **11,950** | 9,304 | 11,950 |
| | | | |
| **Comprehensive income** | | | |
| Surplus/(Deficit) for the period | **(2,785)** | 691 | (4,835) |
| Other comprehensive income | **-** | - | - |
| **Total comprehensive income** | **(2,785)** | 691 | (4,835) |
| **Transactions with owners** | | | |
| **Contributions by owners** | | | |
| Departmental capital budget | **1,563** | 1,955 | 1,563 |
| **Total transactions with owners** | **1,563** | 1,955 | 1,563 |
| **Closing balance as at 30 June** | **10,728** | 11,950 | 8,678 |

The above statement should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).

**Tertiary Education Quality and Standards Agency**
**STATEMENT OF CHANGES IN EQUITY**
*for the period ended 30 June 2023*

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**Accounting Policy**

*Equity Injections*
Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

*Restructuring of Administrative Arrangements*
Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

*Other Distributions to Owners*

The FRR require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

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**Budget Variances Commentary**

**Statement of Changes in Equity**

Major budget variances for balances contained in the Statement of Changes in Equity have been included in the budget variances commentary for the Statement of Comprehensive Income and the Statement of Financial Position.

**Tertiary Education Quality and Standards Agency**
**CASH FLOW STATEMENT**
*for the period ended 30 June 2023*

| | Notes | 2023 $'000 | 2022 $'000 | Original Budget[1] $'000 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Appropriations | | **22,870** | 21,448 | 20,412 |
| Rendering of services | | **-** | 176 | 976 |
| GST received | | **1,243** | 739 | 516 |
| Other | | **621** | 215 | 14 |
| **Total cash received** | | **24,734** | 22,578 | 21,918 |
| | | | | |
| **Cash used** | | | | |
| Employees | | **11,960** | 11,302 | 12,361 |
| Suppliers | | **10,547** | 7,956 | 7,402 |
| Interest payments on lease liabilities | | **85** | 4 | 148 |
| GST paid | | **3** | 2 | 10 |
| Section 74 receipts transferred to OPA | | **1,613** | 1,245 | - |
| **Total cash used** | | **24,208** | 20,509 | 19,921 |
| **Net cash from/(used by) operating activities** | | **526** | 2,069 | 1,997 |
| | | | | |
| **INVESTING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Proceeds from sale of property, plant & equipment | | **2** | - | - |
| **Total cash received** | | **2** | - | - |
| | | | | |
| **Cash used** | | | | |
| Purchase of plant, equipment and intangibles | | **3,609** | 1,498 | 2,788 |
| **Total cash used** | | **3,609** | 1,498 | 2,788 |
| **Net cash from/(used by) investing activities** | | **(3,607)** | (1,498) | (2,788) |
| | | | | |
| **FINANCING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Contributed equity | | **3,658** | 750 | 2,736 |
| **Total cash received** | | **3,658** | 750 | 2,736 |
| | | | | |
| **Cash used** | | | | |
| Principal payments of lease liabilities | | **587** | 978 | 496 |
| **Total cash used** | | **587** | 978 | 496 |
| **Net cash from/(used by) financing activities** | | **3,071** | (228) | 2,240 |

The above statement should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).

**Tertiary Education Quality and Standards Agency**
**CASH FLOW STATEMENT**
*for the period ended 30 June 2023*

**Budget Variances Commentary**
**Cash Flow Statement**

| Line item | Explanation of major variances |
|---|---|
| *Operating activities*<br>*Appropriations (cash received)* | Appropriations received is higher than budget due to timing of supplier payments. |
| *Operating activities*<br>*Rendering of services / other* | Cash from rendering of services and other is below budget due to lower than anticipated revenue from the 2022 TEQSA Conference. |
| *Operating activities*<br>*GST received* | GST received is higher than budget due to an increase in supplier expenses; resulting in TEQSA paying more GST during the financial year. |
| *Operating activities*<br>*Suppliers* | Cash paid to suppliers has exceeded budget due to increase in expenses associated with strategic projects. This is reflected in the higher than anticipated appropriation received. |
| *Operating activities*<br>*Interest payments on lease liabilities* | Interest payments is below budget due to a revision of the incremental borrowing rate on the lease liability for right of use assets. |
| *Operating activities*<br>*Section 74 receipts transferred to OPA* | Section 74 receipts is higher than budget due to increase in miscellaneous receipts during the year. |
| *Investing activities*<br>*Purchase of plant, equipment and intangibles* | Purchase of plant, equipment and intangibles has exceeded budget due to additional purchases of furniture and IT equipment as part of TEQSA's office relocation project. |
| *Financing activities*<br>*Contributed equity* | Cash received was greater than budget due to increase in capital expenditure during the year. |
| *Financing activities*<br>*Principal payments of lease liabilities* | Principal payments of lease liabilities has exceeded budget due to lower than expected interest payments on lease liabilities. |

**Tertiary Education Quality and Standards Agency**
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**
*for the period ended 30 June 2023*

| | Notes | 2023 $'000 | 2022 $'000 | Original Budget[1] $'000 |
|---|---|---|---|---|
| **NET COST OF SERVICES** | | | | |
| **Expenses** | | | | |
| Impairment loss on financial instruments | 2.1A | 5 | - | - |
| **Total expenses** | | 5 | - | - |
| | | | | |
| **Income** | | | | |
| | | | | |
| **Revenue** | | | | |
| **Non-taxation revenue** | | | | |
| Fees | 2.2A | 3,005 | 399 | 5,427 |
| **Total non-taxation revenue** | | 3,005 | 399 | 5,427 |
| **Total revenue** | | 3,005 | 399 | 5,427 |
| **Total income** | | 3,005 | 399 | 5,427 |
| | | | | |
| **Net (cost of)/contribution by services** | | 3,000 | 399 | 5,427 |
| **Surplus/(Deficit)** | | 3,000 | 399 | 5,427 |

The above schedule should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).

**Budget Variances Commentary**

**Administered Schedule of Comprehensive Income**

| Line item | Explanation of major variances |
|---|---|
| *Fees* | Administered fee revenue is lower than budget due to the timing of application-based fee revenues. |

**Tertiary Education Quality and Standards Agency**
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**
*as at 30 June 2023*

| | Notes | 2023<br>$'000 | 2022<br>$'000 | Original<br>Budget[1]<br>$'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial assets** | | | | |
| Trade and other receivables | 4.1A | 6 | - | - |
| **Total financial assets** | | 6 | - | - |
| | | | | |
| **Total assets administered on behalf of Government** | | 6 | - | - |
| | | | | |
| **Net assets/(liabilities)** | | 6 | - | - |

The above schedule should be read in conjunction with the accompanying notes.

[1] Original Budget reflects the figures in the October 2022-23 Portfolio Budget Statements (PBS).

**Budget Variances Commentary**

**Administered Schedule of Comprehensive Income**

| Line item | Explanation of major variances |
|---|---|
| *Trade and other receivables* | Trade and other receivables is greater than budget due to timing of receipts for the annual registered higher education provider charge. |

**Tertiary Education Quality and Standards Agency**
**ADMINISTERED RECONCILIATION SCHEDULE**
*for the period ended 30 June 2023*

| | Notes | 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| **Opening assets less liabilities as at 1 July** | | **-** | - |
| **Net contribution by services** | | | |
| Income | | **3,000** | 399 |
| **Transfers (to)/from the Australian Government** | | | |
| Appropriation transfers from Official Public Account | | | |
| Special appropriations (unlimited) | | | |
| Payments to entities other than corporate Commonwealth entities | | **8** | 4 |
| Appropriation transfers to OPA | | | |
| Transfers to OPA | | **(3,002)** | (403) |
| **Closing assets less liabilities as at 30 June** | | **6** | - |

The above schedule should be read in conjunction with the accompanying notes.

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**Accounting Policy**

*Administered Cash Transfers to and from the Official Public Account*

Revenue collected by TEQSA for use by the Government rather than TEQSA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by TEQSA on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

**Tertiary Education Quality and Standards Agency**
**ADMINISTERED CASH FLOW STATEMENT**
*for the period ended 30 June 2023*

| | 2023 | 2022 |
|---|---:|---:|
| | **$'000** | $'000 |
| | | |
| **OPERATING ACTIVITIES** | | |
| **Cash received** | | |
| Fees | **3,002** | 403 |
| **Total cash received** | **3,002** | 403 |
| | | |
| **Cash used** | | |
| Refunds to higher education providers | **8** | 4 |
| **Total cash used** | **8** | 4 |
| **Net cash from/(used by) operating activities** | **2,994** | 399 |
| | | |
| **Cash from Official Public Account** | | |
| Appropriations | **8** | 4 |
| **Total cash from official public account** | **8** | 4 |
| | | |
| **Cash to Official Public Account** | | |
| Appropriations | **(3,002)** | (403) |
| **Total cash to official public account** | **(3,002)** | (403) |

This schedule should be read in conjunction with the accompanying notes.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

## Overview

### Objectives of the Entity

The Tertiary Education Quality and Standards Agency (TEQSA) is an Australian Government controlled not-for-profit entity. TEQSA's primary office is located in Melbourne.

TEQSA is Australia's independent national quality assurance and regulatory agency for higher education. The objective of TEQSA is to protect student interests and the reputation of Australia's higher education sector through a proportionate, risk-reflective approach to quality assurance that supports diversity, innovation and excellence.

### The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:
  a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
  b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### New Accounting Standards

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard.  These amending standards have been adopted for the 2022-23 reporting period.

All new, revised, amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on TEQSA's financial statements.

| Standard/ Interpretation | Nature of change in accounting policy |
|---|---|
| AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* | AASB 2021-2 amends AASB 7,  AASB 101,  AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate. |
| AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* | AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. |

### Taxation

TEQSA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### Events After the Reporting Period

**Departmental**
There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of TEQSA.

**Administered**
There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of TEQSA.

## 1. Financial Performance

This section analyses the financial performance of the Tertiary Education Quality and Standards Agency for the year ended 2023.

### 1.1 Expenses

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.1A: Employee benefits** |  |  |
| Wages and salaries | **9,448** | 8,556 |
| Superannuation |  |  |
| Defined contribution plans | **1,441** | 1,129 |
| Defined benefit plans | **162** | 324 |
| Leave and other entitlements | **1,374** | 472 |
| Separation and redundancies | **185** | - |
| **Total employee benefits** | **12,610** | 10,481 |

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**Accounting Policy**

Accounting policies for employee related expenses is contained in the People and Relationships section.

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| **1.1B: Suppliers** |  |  |
|---|---|---|
| **Goods and services supplied or rendered** |  |  |
| Consultants | **1,377** | 555 |
| Contractors | **2,393** | 2,616 |
| Travel | **296** | 42 |
| IT services | **1,564** | 1,093 |
| Expert fees | **516** | 488 |
| Legal fees | **199** | 399 |
| Recruitment and training | **703** | 329 |
| Property operating expenses | **536** | 552 |
| Payroll services | **61** | 135 |
| Event costs | **383** | 135 |
| Other | **576** | 702 |
| **Total goods and services supplied or rendered** | **8,604** | 7,046 |
|  |  |  |
| Goods supplied | **634** | 420 |
| Services rendered | **7,970** | 6,626 |
| **Total goods and services supplied or rendered** | **8,604** | 7,046 |
|  |  |  |
| **Other suppliers** |  |  |
| Workers' compensation expenses | **192** | 112 |
| Short term leases[1] | **460** | 218 |
| **Total other suppliers** | **652** | 330 |
| **Total suppliers** | **9,256** | 7,376 |

[1] TEQSA has no short-term lease commitments as at 30 June 2023 (2022: $109,123).

---

**Accounting Policy**

*Short-term leases and leases of low-value assets*
TEQSA has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than $10,000 per asset). TEQSA recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

| | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.1C: Finance costs** | | |
| Interest on lease liabilities | 85 | 4 |
| **Total finance costs** | 85 | 4 |

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B, 3.2A and 3.4A.

> **Accounting Policy**
>
> All borrowing costs are expensed as incurred.

| | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.1D: Other expenses** | | |
| Makegood | - | 64 |
| **Total other expenses** | - | 64 |

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### 1.2 Own-Source Revenue and gains

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Own-Source Revenue** | | |
| | | |
| **1.2A: Revenue from contracts with customers** | | |
| Rendering of services | 605 | 181 |
| **Total revenue from contracts with customers** | 605 | 181 |
| | | |
| **Disaggregation of revenue from contracts with customers** | | |
| | | |
| Service category: | | |
| TEQSA Conference | 515 | 148 |
| Miscellaneous / Other | 90 | 33 |
| | 605 | 181 |
| | | |
| Type of customer: | | |
| Australian Government entities (related parties) | - | - |
| Non-government entities | 605 | 181 |
| | 605 | 181 |
| | | |
| Timing of transfer of goods and services: | | |
| Over time | - | - |
| Point in time | 605 | 181 |
| | 605 | 181 |

---

**Accounting Policy**

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

TEQSA is a not-for-profit, non-corporate Commonwealth entity. TEQSA collects minor miscellaneous fees from freedom of information requests and reimbursements of staff costs to attend sector-based events. TEQSA generates ticket sales revenue associated with the annual TEQSA Conference. Revenue is recognised upon receipt, or at the conclusion of the event.

The transaction price is the total amount of consideration to which the TEQSA expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30-day terms (2022: 30 days), are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.2B: Rental income** | | |
| Subleasing right-of-use assets | - | 127 |
| **Total rental income** | - | 127 |

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 3.2A and 3.4A.

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.2C: Other revenue** | | |
| Resources received free of charge | | |
| Remuneration of auditors | 46 | 46 |
| **Total other revenue** | 46 | 46 |

**Accounting Policy**

*Resources received free of charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **1.2D: Revenue from Government** | | |
| Appropriations | | |
| Departmental appropriations | 20,009 | 20,198 |
| **Total revenue from Government** | 20,009 | 20,198 |

**Accounting Policy**

*Revenue from Government*

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when TEQSA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

**Tertiary Education Quality and Standards Agency**
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## 2. Income and Expenses Administered on behalf of Government
This section analyses the activities that the Tertiary Education Quality and Standards Agency does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 2.1 Administered - Expenses

| | 2023 | 2022 |
|---|---|---|
| | $'000 | $'000 |
| **2.1A: Impairment loss on financial instruments** | | |
| Impairment on trade and other receivables | 5 | - |
| **Total impairment loss on financial instruments** | **5** | **-** |

### 2.2 Administered - Income

**Revenue**

**Non-Taxation Revenue**
**2.2A: Fees**

| | | |
|---|---|---|
| Regulatory fees - Registered Higher Education Provider charge | 1,102 | - |
| Regulatory fees - applications | 1,903 | 399 |
| **Total fees** | **3,005** | **399** |

> **Accounting Policy**
>
> All administered revenues are revenues relating to ordinary activities performed by TEQSA on behalf of the Australian Government.
>
> From 1 January 2023, TEQSA commenced a transition to 90 per cent cost recovery for its regulatory and quality assurance services and activities, with the following revenue elements:
> - annual RHEP charge
> - application-based fees
>
> *Registered Higher Education Provider (RHEP) charge*
> TEQSA collects an annual RHEP charge as outlined in the *Tertiary Education Quality and Standards Agency (Charges) Regulations 2022*. The RHEP charge commenced on 1 January 2023 and is the sum of a base component and a compliance component that will cover compliance activities undertaken in relation to the provider in the preceding calendar year.
>
> Revenue of the annual RHEP charge is recognised at time of invoicing. The RHEP charge have 30-day terms (2022: not applicable) and are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.
>
> *Application-based fees*
> TEQSA collects application-based revenue from activities such as registration and re-registration of providers, accreditation and re-accreditation of courses, and major variations to registrations and accreditations. Fees are charged in accordance with the *Tertiary Education Quality and Standards Agency Determination of Fees No. 1 of 2020*. Application-based revenue is recognised on receipt.
>
> **Higher Education Relief Package**
> In response to the COVID-19 pandemic, the Australian Government implemented a range of relief measures to lift the financial pressures on higher education providers. The relief measures for eligible providers ceased on 31 December 2022.
>
> Administered revenue reported for the period is net of refunds made during the year.

## 3. Financial Position

This section analyses the Tertiary Education Quality and Standards Agency assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

### 3.1 Financial Assets

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **3.1A: Cash and cash equivalents** | | |
| Cash at bank | **563** | 558 |
| Cash - third party accounts | **-** | 5 |
| **Total cash and cash equivalents** | **563** | 563 |

**Accounting Policy**

*Cash and cash equivalents*

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and deposits in bank accounts.

| | 2023 | 2022 |
|---|---|---|
| **3.1B: Trade and other receivables** | | |
| **Goods and services receivables** | | |
| Goods and services | **1,715** | 26 |
| **Total goods and services receivables** | **1,715** | 26 |
| | | |
| **Appropriation receivables** | | |
| Appropriation receivable | **8,674** | 12,018 |
| **Total appropriation receivables** | **8,674** | 12,018 |
| | | |
| **Other receivables** | | |
| GST receivable from the Australian Taxation Office | **78** | 261 |
| Other | **7** | 3 |
| **Total other receivables** | **85** | 264 |
| **Total trade and other receivables (gross)** | **10,474** | 12,308 |
| | | |
| **Less expected credit loss allowance** | **(10)** | - |
| | | |
| **Total trade and other receivables (net)** | **10,464** | 12,308 |

Credit terms for goods and services were within 30 days (2022: 30 days).

**Accounting Policy**

*Financial assets*

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

**3.2 Non-Financial Assets**

**3.2A: Reconciliation of the Opening & Closing Balances of Property, Plant & Equipment and Intangibles[1]**

| | Buildings[1] | Plant and equipment | Intangibles - computer software | Total |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2022** | | | | |
| Gross book value | 2,384 | 753 | 5,354 | 8,491 |
| Accumulated depreciation, amortisation and impairment | (762) | (473) | (3,890) | (5,125) |
| **Total as at 1 July 2022** | **1,622** | **280** | **1,464** | **3,366** |
| | | | | |
| Additions | | | | |
| Purchase or Internally developed | 5,963 | 98 | 327 | 6,388 |
| Depreciation and amortisation | (257) | (179) | (577) | (1,013) |
| Depreciation on right-of-use assets | (463) | - | - | (463) |
| Other movements (transfers) | (659) | 659 | - | - |
| Disposals | - | (9) | - | (9) |
| **Total as at 30 June 2023** | **6,206** | **849** | **1,214** | **8,269** |
| | | | | |
| **Total as at 30 June 2023 represented by** | | | | |
| Gross book value | 6,925 | 1,276 | 5,558 | 13,759 |
| Accumulated depreciation, amortisation and impairment | (719) | (427) | (4,344) | (5,490) |
| **Total as at 30 June 2023** | **6,206** | **849** | **1,214** | **8,269** |
| | | | | |
| Carrying amount of right-of-use assets | 3,991 | - | - | 3,991 |

[1] Buildings include leasehold improvements.

No property, plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months.

**Revaluations of non-financial assets and intangible assets**
TEQSA undertakes revaluations on its leasehold improvements and property, plant and equipment asset class. Revaluations are conducted in accordance with the revaluation policy stated in Note 3.2A. TEQSA did not undertake any revaluations as majority of the assets within the asset classes were acquired within the current financial year. Management has assessed that the carrying amounts of the assets did not differ materially from the asset's fair value at 30 June 2023.

**Contractual commitments for the acquisition of property, plant, equipment and intangible assets**
As at 30 June 2023, TEQSA has one contractual commitment for the acquisition of a student records management solution. The capital commitment for this acquisition is $562,829 GST inclusive (2022: $2,304,137 GST inclusive).

**Accounting Policy**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by TEQSA where obligation exists to restore the property to its original condition. These costs are included in the value of TEQSA's leasehold improvements with a corresponding provision for the 'make good' recognised.

*Lease Right-of-Use (ROU) Assets*

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, TEQSA has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

*Revaluations*

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the asset is restated to the revalued amount.

*Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

**Accounting Policy (continued)**

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

| Asset Class | 2023 | 2022 |
|---|---|---|
| Buildings | Lease term | Lease term |
| Plant and equipment | 3 to 8 years | 3 to 10 years |

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

*Impairment*

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if TEQSA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

*Fair Value*

Leasehold improvements and plant and equipment are measured at their estimated fair value in the statement of financial position. Leasehold improvements and plant and equipment held by TEQSA are categorised under Levels 3 and 2 respectively, in accordance with the hierarchies listed in AASB 13. TEQSA's policy is to recognise transfers into and out of the fair value hierarchy levels as at the end of the reporting period.

Level 2 measurements use inputs other than quoted or market prices that are observable for the asset directly or indirectly. Level 3 measurements use inputs to estimate fair value where there are no observable market prices for the assets being valued.

The future economic benefits of TEQSA's leasehold improvements and property, plant and equipment are not primarily dependent on their ability to generate cash flows. TEQSA has not disclosed quantitative information about the significant unobservable inputs for the levels 2 and 3 measurements in these classes.

*Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

*Intangibles*

TEQSA's intangibles comprise of internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of TEQSA's software are 3 to 5 years (2022: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

**Accounting Judgements and Estimates**

For the period ending 30 June 2023, TEQSA did not undertake a revaluation exercise as majority of the assets within the asset classes were acquired within the current financial year. Management has assessed and determined that the carrying amounts of the assets did not differ materially from the asset's fair value at the reporting date.

|  | **2023**<br>**$'000** | 2022<br>$'000 |
|---|---|---|
| **3.2B: Other non-financial assets** | | |
| Property prepayments | **22** | 150 |
| Goods and services prepayments | **320** | 285 |
| **Total other non-financial assets** | **342** | 435 |

No indicators of impairment were found for other non-financial assets.

**Accounting Policy**

*Other non-financial assets*

Other non-financial assets consist of prepayments which are expected to be consumed within the next 12 months.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### 3.3 Payables

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **3.3A: Suppliers** | | |
| Trade creditors and accruals | 829 | 1,931 |
| **Total suppliers** | 829 | 1,931 |

Settlement is usually made within 20 days (2022: 20 days).

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **3.3B: Other payables** | | |
| Salaries and wages | 261 | 213 |
| Superannuation | 49 | 33 |
| Other | 7 | 9 |
| **Total other payables** | 317 | 255 |

**Accounting Policy**

Accounting policies for payables is contained in the Managing Uncertainties section.

## 3.4 Interest Bearing Liabilities

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **3.4A: Leases** | | |
| Lease liabilities | 5,416 | - |
| **Total leases** | 5,416 | - |
|  | | |
| **Maturity analysis - contractual undiscounted cash flows (GST exclusive)** | | |
| Within 1 year | 748 | - |
| Between 1 to 5 years | 4,218 | - |
| More than 5 years | 1,010 | - |
| **Total leases** | 5,976 | - |

The cash outflow for leases for the year ended 30 June 2023 was $675,470 (2022: $982,112).

TEQSA in its capacity as a lessee has one lease contract for office accommodation in Melbourne. Lease payments are subject to annual fixed percentage increases in accordance with the lease contract.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 1.2B and 3.2A.

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**Accounting Policy**

For all new contracts entered into, TEQSA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

## 3.5 Other Provisions

### 3.5A: Other provisions

|  | Provision for restoration[1] $'000 | Total $'000 |
|---|---|---|
| **As at 1 July 2022** | 605 | 605 |
| Amounts used | (605) | (605) |
| **Total as at 30 June 2023** | - | - |

**Accounting Judgements and Estimates**

The provision balance recognised on 1 July 2022 was the estimated makegood for TEQSA's accommodation lease at 530 Collins Street, Melbourne. The lease ended during the financial year, with TEQSA utilising the provision to make good the premise. TEQSA has no makegood obligations as at 30 June 2023.

## 4. Assets and Liabilities Administered on behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result the Tertiary Education Quality and Standards Agency does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 4.1 Administered - Assets

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **4.1A: Trade and other receivables** | | |
| **Other receivables** | | |
| Fees | 6 | - |
| **Total other receivables** | 6 | - |
| **Total trade and other receivables (gross)** | 6 | - |
| | | |
| **Less impairment loss allowance** | - | - |
| | | |
| **Total trade and other receivables (net)** | 6 | - |

Credit terms for goods and services were within 30 days (2022: not applicable).

### 4.2 Administered - Liabilities

As at 30 June 2023, TEQSA held no administered liabilities (2022: Nil).

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

## 5. Funding
This section identifies the Tertiary Education Quality and Standards Agency funding structure.

### 5.1 Appropriations

**5.1A: Annual appropriations ('recoverable GST exclusive')**

**Annual Appropriations for 2023**

| | Annual Appropriation[1] | Adjustments to appropriation[2] | Total appropriation | Appropriation applied in 2023 (current and prior years) | Variance[3] |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Departmental** | | | | | |
| Ordinary annual services | **20,373** | **1,613** | **21,986** | **22,870** | **(884)** |
| Capital Budget[4] | **1,563** | **-** | **1,563** | **3,658** | **(2,095)** |
| Other services | | | | | |
| Equity Injections | **-** | **-** | **-** | **-** | **-** |
| **Total departmental** | **21,936** | **1,613** | **23,549** | **26,528** | **(2,979)** |

[1] In 2022-23, $364,000 of annual appropriations was withheld under section 51 of the PGPA Act.

[2] In 2022-23, adjustments to appropriation comprises of $1.613 million of PGPA Act Section 74 receipts.

[3] In 2022-23, the variance between total appropriation and appropriation applied in 2023 relates to the timing of strategic and capital projects.

[4] Departmental Capital Budgets are appropriated through Supply and Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Supply and Appropriation Acts.

**Annual Appropriations for 2022**

| | Annual Appropriation[1] | Adjustments to appropriation[2] | Total appropriation | Appropriation applied in 2022 (current and prior years) | Variance[3] |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Departmental | | | | | |
| Ordinary annual services | 20,198 | 1,245 | 21,443 | 21,448 | (5) |
| Capital Budget[4] | 1,955 | - | 1,955 | 750 | 1,205 |
| Other services | | | | | |
| Equity Injections | - | - | - | - | - |
| Total departmental | 22,153 | 1,245 | 23,398 | 22,198 | 1,200 |

[1] In 2021-22, there were no appropriations which have been withheld (under section 51 of the PGPA Act) or quarantined for administration purposes.

[2] In 2021-22, adjustments to appropriations includes adjustments to current year annual appropriations including Advance to the Finance Minister (AFM), PGPA Act section 74 receipts and PGPA Act section 75 transfers. Adjustments to appropriation comprises of $1.245 million of PGPA Act Section 74 receipts.

[3] In 2021-22, the variance between total appropriation and appropriation applied in 2022 for capital budget relates to the changes in timing of the capital projects.

[4] Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

|  | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **5.1B: Unspent annual appropriations ('recoverable GST exclusive')** | | |
| **Departmental** | | |
| Appropriation Act (No. 1) - Capital Budget (DCB) 2020-2021 | - | 423 |
| Appropriation Act (No. 1) - Operating 2021-2022 | - | 10,202 |
| Appropriation Act (No. 1) - Capital Budget (DCB) 2021-2022 | - | 1,955 |
| Supply Act (No. 1) - Capital Budget (DCB) 2022-2023 | 283 | - |
| Supply Act (No. 3) - Operating 2022-2023[1] | 9,318 | - |
| **Total departmental** | **9,601** | 12,580 |

[1] $364,000 has been formally withheld under the direction section 51 of the *Public Governance, Performance and Accountability (PGPA) Act.*

**5.1C: Special appropriations ('recoverable GST exclusive')**

| Authority | Type | Purpose | Appropriation Applied | |
|---|---|---|---|---|
|  |  |  | 2023<br>$'000 | 2022<br>$'000 |
| *Public Governance, Performance and Accountability Act 2013* | Refund | To provide for payments under s.77 of the PGPA Act. All transactions under this Act are recognised as Administered items. | 8 | 4 |
| **Total special appropriations applied** | | | **8** | 4 |

**5.2 Regulatory Charging Summary**

| | 2023 | 2022 |
|---|---|---|
| **Amounts applied** | | |
| Departmental | | |
| Annual appropriations | **12,734** | 19,096 |
| **Total amounts applied** | **12,734** | 19,096 |
| | | |
| **Expenses** | | |
| Departmental | **13,908** | 15,960 |
| **Total expenses** | **13,908** | 15,960 |
| | | |
| **External revenue** | | |
| Administered | **3,005** | 399 |
| **Total external revenue** | **3,005** | 399 |
| | | |
| **Amounts written off** | | |
| Administered | **5** | - |
| **Total amounts written off** | **5** | - |

**Regulatory charging activities**
From 1 January 2023, TEQSA commenced a transition to 90 per cent cost recovery for its regulatory and quality assurance services and activities. Costs are recovered from higher education providers by way of:
(1) A RHEP charge invoiced annually to all providers. The charge is the sum of a base component and a compliance component.
(2) Application based fees for regulatory activities related to registrations, course accreditations, major variations to registrations and accreditations, and revocation of conditions.

All fee revenue from regulatory charging activities is administered revenue and is returned to the Consolidated Revenue Fund.

Documentation for the above activities is available at https://www.teqsa.gov.au/about-us/fees-and-charges

## 6. People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 6.1 Employee Provisions

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **6.1A: Employee provisions** | | |
| Leave | **2,163** | 1,931 |
| Separations and redundancies | **185** | - |
| **Total employee provisions** | **2,348** | 1,931 |

**Accounting Policy**

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

*Leave*
The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including TEQSA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) 24.1(b) using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

*Separation and redundancy*
Provision is made for separation and redundancy benefit payments. TEQSA recognises a provision for termination when a formal plan is in place and has informed those employees affected.

*Superannuation*
TEQSA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

TEQSA makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. TEQSA accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June represents outstanding contributions.

## 6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of TEQSA, directly or indirectly, including any director (whether executive or otherwise) of TEQSA.

TEQSA has determined the key management personnel to be the Chief Commissioner, Commissioners and the Chief Executive Officer. Key management personnel remuneration is reported in the table below:

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Short-term employee benefits | 642 | 667 |
| Post-employment benefits | 80 | 82 |
| Other long-term employee benefits | 7 | 6 |
| Termination benefits | 185 | - |
| **Total key management personnel remuneration expenses**[1] | 914 | 755 |

The total number of key management personnel that are included in the above table is 6 (2022: 6).

[1] The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by TEQSA.

During the financial year, TEQSA identified that it had made administrative errors in the calculation of payments for daily fees. This involved payments in the amount of $2,628 caused by errors in the calculation of claims involving less than a full hour, and a payment of $175.20 caused by an error whereby an officeholder was paid for time claimed after they had already been paid a full daily fee for the relevant day. These payments were identified following an internal review of office holder entitlements and were in breach of section 7(9) of the *Remuneration Tribunal Act 1973* (RT Act). TEQSA has implemented a review process to prevent a reoccurrence of such payments.

These payments were established as debts to the Commonwealth under section 16A of the RT Act. Of the $2,803 total: TEQSA has recovered the amount of $175.20 and determined that the amount of $2,628 is not economical to pursue (pursuant to r11(a) of the *Public Governance, Performance and Accountability Rule 2014*).

In accordance with section 16C of the RT Act, TEQSA reports that:
- 3 payments, totalling $701, were made under subsection 16A(1) of the RT Act 2021-22.
- 4 payments, totalling $2,102, were made under subsection 16A(1) of the RT Act 2022-23.

TEQSA had previously noted that it would seek recovery of $7,770, in relation to payments to office holders that involved debts under section 16A of the RT Act. During the 2022-23 financial year, TEQSA determined that the amount of $7,770 is not economical to pursue (pursuant to r11(a) of the *Public Governance, Performance and Accountability Rule 2014*).

## 6.3 Related Party Disclosures

**Related party relationships**
The parent entity to TEQSA is the Australian Government. TEQSA is an Australian Government controlled entity. Related parties to TEQSA are those identified as key management personnel including the Portfolio Minister.

**Transactions with related parties**
Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed (2022: Nil).

# 7. Managing Uncertainties

This section analyses how the Tertiary Education Quality and Standards Agency manages financial risks within its operating environment.

## 7.1 Contingent Assets and Liabilities

### 7.1A: Contingent Assets and Liabilities

TEQSA had no departmental contingent assets or liabilities at 30 June 2023 (2022: Nil).

### 7.1B: Administered - Contingent Assets and Liabilities

TEQSA had no administered contingent assets or liabilities at 30 June 2023 (2022: Nil).

## 7.2 Financial Instruments

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **7.2A: Categories of financial instruments** | | |
| **Financial assets** | | |
| **Financial assets at amortised cost** | | |
| Cash and cash equivalents | **563** | 563 |
| Trade and other receivables - goods and services | **1,722** | 29 |
| **Total financial assets at amortised cost** | **2,285** | 592 |
| **Total financial assets** | **2,285** | 592 |
| | | |
| **Financial liabilities** | | |
| **Financial liabilities measured at amortised cost** | | |
| Trade creditors and accruals | **829** | 1,931 |
| **Total financial liabilities measured at amortised cost** | **829** | 1,931 |
| **Total financial liabilities** | **829** | 1,931 |

**Accounting Policy**

*Financial assets*
In accordance with AASB 9 *Financial Instruments,* TEQSA classifies its financial assets in the following category:
- financial assets measured at amortised cost.

The classification depends on both TEQSA's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when TEQSA becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

*Financial Assets at Amortised Cost*
Financial assets included in this category need to meet two criteria:
    (1) the financial asset is held in order to collect the contractual cash flows; and
    (2) the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.
Amortised cost is determined using effective interest method.

*Effective Interest Method*
Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

**Tertiary Education Quality and Standards Agency**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.2A: Categories of Financial Instruments - continued**

**Accounting Policy (continued)**

*Impairment of Financial Assets*
Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

**Financial liabilities**
Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

*Financial Liabilities at Amortised Cost*
Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **7.2B: Impairment loss on financial assets** | | |
| **Financial assets at amortised cost** | | |
| Impairment | 10 | - |
| **Loss on financial assets at amortised cost** | 10 | - |
| **7.3 Administered - Financial Instruments** | | |
| **7.3A: Categories of financial instruments** | | |
| **Financial assets** | | |
| **Financial assets at amortised cost** | | |
| Trade and other receivables - goods and services | 6 | - |
| **Total financial assets at amortised cost** | 6 | - |
| **Total financial assets** | 6 | - |

## 8. Other Information

### 8.1 Current/non-current distinction for assets and liabilities

|  | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **8.1A: Current/non-current distinction for assets and liabilities** | | |
| **Assets expected to be recovered in:** | | |
| **No more than 12 months** | | |
| Cash and cash equivalents | **563** | 563 |
| Trade and other receivables | **10,464** | 12,308 |
| Prepayments | **342** | 435 |
| **Total no more than 12 months** | **11,369** | 13,306 |
| **More than 12 months** | | |
| Buildings | **6,206** | 1,622 |
| Plant and equipment | **849** | 280 |
| Intangibles - computer software | **1,214** | 1,464 |
| **Total more than 12 months** | **8,269** | 3,366 |
| **Total assets** | **19,638** | 16,672 |
| | | |
| **Liabilities expected to be settled in:** | | |
| **No more than 12 months** | | |
| Suppliers | **829** | 1,931 |
| Other payables | **317** | 255 |
| Leases | **748** | - |
| Employee provisions | **979** | 747 |
| Other provisions | **-** | 605 |
| **Total no more than 12 months** | **2,873** | 3,538 |
| **More than 12 months** | | |
| Leases | **4,668** | - |
| Employee provisions | **1,369** | 1,184 |
| **Total more than 12 months** | **6,037** | 1,184 |
| **Total liabilities** | **8,910** | 4,722 |
| | | |
| **8.1B: Administered - current/non-current distinction for assets and liabilities** | | |
| **Assets expected to be recovered in:** | | |
| **No more than 12 months** | | |
| Trade and other receivables | **6** | - |
| **Total no more than 12 months** | **6** | - |
| **Total assets** | **6** | - |

# Appendices

5

# Appendix A: Summary of resources

Table 9. Entity resource statement 2022–23

| | Actual available appropriation - current year (a) | Payments made (b) | Balance remaining (a)-(b) |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| **Departmental** | | | |
| Annual appropriations - ordinary annual services | 36,129 | 26,528 | 9,601 |
| Annual appropriations - other services - non-operating | – | – | – |
| Total departmental annual appropriations | 36,129 | 26,528 | 9,601 |
| Departmental special appropriations | – | – | – |
| Total special appropriations | – | – | – |
| Special accounts | – | – | – |
| Total special accounts | – | – | – |
| less departmental appropriations drawn from annual/special appropriations and credited to special accounts | – | – | – |
| Total departmental resourcing | 36,129 | 26,528 | 9,601 |
| **Administered** | | | |
| Annual appropriations - ordinary annual services | – | – | – |
| Annual appropriations - other services - non-operating | – | – | – |
| Annual appropriations - other services - specific payments to States, ACT, NT and local government | – | – | – |

## Table 9. Entity resource statement 2022–23 *(continued)*

| | Actual available appropriation - current year (a) | Payments made (b) | Balance remaining (a)-(b) |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Annual appropriations - other services – new administered expenses | – | – | – |
| Total administered annual appropriations | – | – | – |
| Administered special appropriations | – | – | – |
| Total administered special appropriations | – | – | – |
| Special accounts | – | – | – |
| Total special accounts receipts | – | – | – |
| less administered appropriations drawn from annual/special appropriations and credited to special accounts | – | – | – |
| less payments to corporate entities from annual/special appropriations | – | 8 | –8 |
| Total administered resourcing | – | 8 | –8 |
| Total resourcing and payments for TEQSA | 36,129 | 26,536 | 9,593 |

## Table 10. Expenses by outcome 2022–23

| Outcome 1: Contribute to a high-quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance | Budget 2022-23 $'000 (a) | Actual expenses 2022-23 $'000) (b) | Variation 2022-23 $'000 (a)-(b) |
|---|---|---|---|
| **Program 1.1: Regulation and Quality Assurance** | | | |
| Administered expenses | – | – | – |
| Ordinary annual services (Appropriation Act No. 1) | – | – | – |
| Other services (Appropriation Act Nos. 2, 4 and 6) | – | – | – |
| s74 External Revenue | – | – | – |
| Special appropriations | – | – | – |
| Special accounts | – | – | – |
| Payments to corporate entities | – | – | – |
| Expenses not requiring appropriation in the Budget year | – | – | – |
| **Administered total** | | | |
| Departmental expenses | 23,447 | 21,924 | 1,523 |
| Departmental appropriation | – | – | – |
| s74 External Revenue | 976 | – | 976 |
| Special appropriations | – | – | – |
| Special accounts | – | – | – |
| Expenses not requiring appropriation in the Budget year | 1,450 | 1,522 | –72 |
| **Departmental total** | | | |
| **Total expenses for Program 1.1** | **25,873** | **23,446** | **2,427** |

# Appendix B: Employee profiles

Table 11. Ongoing employees 2022–23

| Location | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| NSW | 3 | – | 3 | 2 | – | 2 | – | – | – | 5 |
| Qld | – | 1 | 1 | 3 | – | 3 | – | – | – | 4 |
| SA | – | – | – | – | – | – | – | – | – | – |
| Tas | 1 | – | 1 | – | – | – | – | – | – | 1 |
| Vic | 28 | 1 | 29 | 40 | 4 | 44 | – | – | – | 73 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | – | – | – | 2 | – | 2 | – | – | – | 2 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External Territories | – | – | – | – | – | – | – | – | – | – |
| Overseas | – | – | – | – | – | – | – | – | – | – |
| Total | 32 | 2 | 34 | 47 | 4 | 51 | – | – | – | 85 |

**Table 12. Non-ongoing employees 2022–23**

| Location | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| NSW | – | – | – | – | 1 | 1 | – | – | – | 1 |
| Qld | – | 1 | 1 | 1 | 2 | 3 | – | – | – | 4 |
| SA | – | – | – | – | 1 | 1 | – | – | – | 1 |
| Tas | – | – | – | – | – | – | – | – | – | – |
| Vic | 6 | 1 | 7 | 7 | 2 | 9 | – | – | – | 16 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | – | – | – | 1 | 1 | 2 | – | – | – | 2 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External Territories | – | – | – | – | – | – | – | – | – | – |
| Overseas | – | – | – | – | – | – | – | – | – | – |
| Total | 6 | 2 | 8 | 9 | 7 | 16 | – | – | – | 24 |

Table 13. Ongoing employees 2021–22

| Location | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| NSW | - | - | - | - | - | - | - | - | - | - |
| Qld | - | - | - | - | - | - | - | - | - | - |
| SA | - | - | - | - | - | - | - | - | - | - |
| Tas | - | - | - | - | - | - | - | - | - | - |
| Vic | 24 | 1 | 25 | 42 | 8 | 50 | - | - | - | 75 |
| WA | - | - | - | 1 | - | 1 | - | - | - | 1 |
| ACT | - | - | - | - | - | - | - | - | - | - |
| NT | - | - | - | - | - | - | - | - | - | - |
| External Territories | - | - | - | - | - | - | - | - | - | - |
| Overseas | - | - | - | - | - | - | - | - | - | - |
| Total | 24 | 1 | 25 | 43 | 8 | 51 | - | - | - | 76 |

Table 14. Non-ongoing employees 2021–22

| Location | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| NSW | 1 | – | 1 | – | 1 | 1 | – | – | – | 2 |
| Qld | 1 | 1 | 2 | – | – | – | – | – | – | 2 |
| SA | – | – | – | – | 1 | 1 | – | – | – | 1 |
| Tas | – | – | – | – | – | – | – | – | – | – |
| Vic | 5 | 1 | 6 | 5 | 1 | 6 | – | – | – | 12 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | – | – | – | – | – | – | – | – | – | – |
| NT | – | – | – | – | – | – | – | – | – | – |
| External Territories | – | – | – | – | – | – | – | – | – | – |
| Overseas | – | – | – | – | – | – | – | – | – | – |
| Total | 7 | 2 | 9 | 5 | 3 | 8 | – | – | – | 17 |

# Appendix C: Australian Public Service classification and gender

Table 15. APS Act ongoing employees 2022–23

| | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | – | – | – | 1 | – | – | 1 | – | – | 1 |
| EL 2 | 3 | – | 3 | 5 | – | 5 | – | – | – | 8 |
| EL 1 | 10 | – | 10 | 9 | – | 9 | – | – | – | 19 |
| APS 6 | 12 | 2 | 14 | 27 | 2 | 29 | – | – | – | 43 |
| APS 5 | 6 | – | 6 | 4 | 1 | 5 | – | – | – | 11 |
| APS 4 | 1 | – | 1 | 1 | 1 | 2 | – | – | – | 3 |
| APS 3 | – | – | – | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 32 | 2 | 34 | 47 | 4 | 51 | – | – | – | 85 |

**Table 16. APS Act non-ongoing employees 2022–23**

| | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | Total |
| SES 3 | - | - | - | - | - | - | - | - | - | - |
| SES 2 | - | - | - | - | - | - | - | - | - | - |
| SES 1 | - | - | - | - | - | - | - | - | - | - |
| EL 2 | - | - | - | 1 | - | 1 | - | - | - | 1 |
| EL 1 | 1 | - | 1 | 2 | 2 | 4 | - | - | - | 5 |
| APS 6 | 4 | - | 4 | 5 | 2 | 7 | - | - | - | 11 |
| APS 5 | - | - | - | 1 | 1 | 2 | - | - | - | 2 |
| APS 4 | - | - | - | - | - | - | - | - | - | - |
| APS 3 | - | - | - | - | - | - | - | - | - | - |
| APS 2 | - | - | - | - | - | - | - | - | - | - |
| APS 1 | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total | 5 | - | 5 | 9 | 5 | 14 | - | - | - | 19 |

Table 17. APS Act ongoing employees 2021–22

| | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | – | – | – | – | – | – | – | – | – | – |
| EL 2 | 4 | – | 4 | 4 | – | 4 | – | – | – | 8 |
| EL 1 | 7 | 1 | 8 | 9 | 1 | 10 | – | – | – | 18 |
| APS 6 | 9 | – | 9 | 23 | 4 | 27 | – | – | – | 36 |
| APS 5 | 3 | – | 3 | 6 | 2 | 8 | – | – | – | 11 |
| APS 4 | 1 | – | 1 | 1 | 1 | 2 | – | – | – | 3 |
| APS 3 | – | – | – | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 24 | 1 | 25 | 43 | 8 | 51 | – | – | – | 76 |

# Table 18. APS Act non-ongoing employees 2021–22

| | Male | | | Female | | | Indeterminate | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total male | Full-time | Part-time | Total female | Full-time | Part-time | Total indeterminate | |
| SES 3 | - | - | - | - | - | - | - | - | - | - |
| SES 2 | - | - | - | - | - | - | - | - | - | - |
| SES 1 | - | - | - | 1 | - | 1 | - | - | - | 1 |
| EL 2 | - | - | - | - | 1 | 1 | - | - | - | 1 |
| EL 1 | - | 1 | 1 | - | - | - | - | - | - | 1 |
| APS 6 | 2 | - | 2 | 1 | - | 1 | - | - | - | 3 |
| APS 5 | 3 | - | 3 | 2 | - | 2 | - | - | - | 5 |
| APS 4 | - | - | - | 1 | - | 1 | - | - | - | 1 |
| APS 3 | - | - | - | - | - | - | - | - | - | - |
| APS 2 | - | - | - | - | - | - | - | - | - | - |
| APS 1 | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total | 5 | 1 | 6 | 5 | 1 | 6 | - | - | - | 12 |

# Appendix D: Employment type by full–time and part–time status

Table 19. APS Act employees by full–time and part–time status 2022–23

| | Ongoing | | | Non-ongoing | | | Total |
|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total ongoing | Full-time | Part-time | Total non-ongoing | |
| SES 3 | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – |
| SES 1 | 1 | – | 1 | – | – | – | 1 |
| EL 2 | 8 | – | 8 | 1 | – | 1 | 9 |
| EL 1 | 19 | – | 19 | 3 | 2 | 5 | 24 |
| APS 6 | 39 | 4 | 43 | 9 | 2 | 11 | 54 |
| APS 5 | 10 | 1 | 11 | 1 | 1 | 2 | 13 |
| APS 4 | 2 | 1 | 3 | – | – | – | 3 |
| APS 3 | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – |
| Total | 79 | 6 | 85 | 14 | 5 | 19 | 104 |

## Table 20. APS Act employees by full-time and part-time status 2021–22

| | Ongoing | | | Non-ongoing | | | Total |
|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total ongoing | Full-time | Part-time | Total non-ongoing | |
| SES 3 | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – |
| SES 1 | – | – | – | 1 | – | 1 | 1 |
| EL 2 | 8 | – | 8 | – | 1 | 1 | 9 |
| EL 1 | 16 | 2 | 18 | 1 | – | 1 | 19 |
| APS 6 | 32 | 4 | 36 | 3 | – | 3 | 39 |
| APS 5 | 9 | 2 | 11 | 5 | – | 5 | 16 |
| APS 4 | 2 | 1 | 3 | 1 | – | 1 | 4 |
| APS 3 | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – |
| Total | 67 | 9 | 76 | 11 | 1 | 12 | 88 |

# Appendix E: Employment type by location

Table 21. APS Act employment type by location 2022–23[2]

| Location | Ongoing | Non-ongoing | Total |
| --- | --- | --- | --- |
| NSW | 5 | – | 5 |
| Qld | 4 | 3 | 7 |
| SA | – | – | – |
| Tas | 1 | – | 1 |
| Vic | 73 | 14 | 87 |
| WA | – | – | – |
| ACT | 2 | 2 | 4 |
| NT | – | – | – |
| External Territories | – | – | – |
| Overseas | – | – | – |
| Total | 85 | 19 | 104 |

2. The 2022–23 figures represent the Agency's decision to support remote working arrangements outside Victoria (TEQSA's primary office location).

Table 22. APS Act employment type by location 2021–22

| Location | Ongoing | Non-ongoing | Total |
|----------|---------|-------------|-------|
| NSW | – | 1 | 1 |
| Qld | – | 1 | 1 |
| SA | – | – | – |
| Tas | – | – | – |
| Vic | 75 | 10 | 85 |
| WA | 1 | – | 1 |
| ACT | – | – | – |
| NT | – | – | – |
| External Territories | – | – | – |
| Overseas | – | – | – |
| Total | 76 | 12 | 88 |

# Appendix F: Indigenous employment

Table 23. APS Indigenous employment 2022–23 and 2021–22

| | Total 2022–23 | Total 2021–22 |
|--------------|---------------|---------------|
| Ongoing | 1 | 0 |
| Non-ongoing | 0 | 0 |
| Total | 1 | 0 |

# Appendix G: Employment arrangements of SES and non–SES employees

Table 24. APS Act employment arrangements 2022–23

|  | SES | Non–SES | Total |
|---|---|---|---|
| Section 24(1) determination | 1 | – | 1 |
| Enterprise Arrangement | – | 103 | 103 |
| **Total** | **1** | **103** | **104** |

# Appendix H: Salary ranges by classification level

Table 25. APS Act employment salary ranges by classification level (minimum/maximum) 2022–23

|  | Minimum Salary | Maximum Salary |
|---|---|---|
| SES 3 | – | – |
| SES 2 | – | – |
| SES 1 | 215,000 | 235,000 |
| EL 2 | 131,443 | 157,782 |
| EL 1 | 111,699 | 123,455 |
| APS 6 | 90,838 | 99,891 |
| APS 5 | 80,802 | 86,384 |
| APS 4 | 73,177 | 78,266 |
| APS 3 | 67,277 | 70,075 |
| APS 2 | 60,242 | 64,196 |
| APS 1 | 51,290 | 56,080 |
| Other | 30,773 | 46,677 |
| **Minimum/maximum range** | **30,773** | **235,000** |

# Appendix I: Executive remuneration

Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.

Table 26. Information about remuneration for key management personnel

| Name and position title | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|---|
| | Base salary | Bonuses | Other benefits and allowances | Superannuation contributions | Long service leave | Other long-term benefits | | |
| Peter Coaldrake, Chief Commissioner[3] | $112,226 | - | - | $11,244 | - | - | - | $123,470 |
| Adrienne Nieuwenhuis, Commissioner[3] | $56,002 | - | - | $5,693 | - | - | - | $61,695 |
| Stephen Somogyi, Commissioner[3] | $43,033 | - | - | $4,290 | - | - | - | $47,323 |
| Joan Cooper, Commissioner[3] | $64,321 | - | - | $6,484 | - | - | - | $70,805 |
| Alistair Maclean, CEO[4] | $337,857 | - | - | $48,843 | $5,287 | - | $185,080 | $577,067 |
| Mary Russell, Acting CEO[5] | $28,544 | - | - | $3,298 | $1,401 | - | - | $33,243 |

The above table has been prepared on an accruals basis.

3. No leave entitlements are paid or accrued for the Chief Commissioner and Commissioners.
4. Resigned as Chief Executive Officer on 7 June 2023.
5. Acting Chief Executive Officer from 8 June 2023.

**Table 27. Information about remuneration for senior executives**

| Total remuneration | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|---|
| | Number of senior executives | Average base salary | Average bonuses | Average other benefits and allowances | Average superannuation contributions | Average long service leave | Average other long-term benefits | Average termination benefits | Average total remuneration |
| $0–$220,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $220,001–$245,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $245,001–$265,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $265,001–$285,000 | 1 | $226,483 | 0 | 0 | $33,797 | $2,480 | 0 | 0 | $262,760 |

## Information about remuneration for other highly paid staff (OHPS)

OHPS are officials of a Commonwealth entity who are neither key management personnel (KMP) nor senior executives, and whose total remuneration exceeds the threshold remuneration amount of $240,000 for the reporting period.

TEQSA does not have any remuneration information to disclose under this category for the reporting period 1 July 2022 to 30 June 2023.

# Glossary of abbreviations, acronyms and definitions

| Item | Definition |
| --- | --- |
| AA | Accountable Authority |
| AFP | Australian Federal Police |
| AI | Artificial Intelligence |
| APS | Australian Public Service |
| AQF | Australian Qualifications Framework |
| ASL | Average Staffing Level |
| ASQA | Australian Skills Quality Authority |
| CEO | Chief Executive Officer |
| CRICOS | Commonwealth Register of Institutions and Courses for Overseas Students |
| ELICOS | English Language Intensive Courses for Overseas Students |
| ELT | Executive Leadership Team |
| ESOS | Education Services for Overseas Students |
| ESOS Act | *Education Services for Overseas Students Act 2000* |
| FOI Act | *Freedom of Information Act 1982* |
| HEIMS | Higher Education Information Management System |
| HES Framework | *Higher Education Standards Framework (Threshold Standards) 2021* |
| HESP | Higher Education Standards Panel |
| HEIU | Higher Education Integrity Unit |
| IBAC | Independent Broad-based Anti-Corruption Commission |
| IPS | Information Publication Scheme |
| IRAP | Information Security Registered Assessor Program |
| MoU | Memorandum of Understanding |

## Glossary *(continued)*

| | |
|---|---|
| PBS | Portfolio Budget Statements |
| PGPA Act | *Public Governance, Performance and Accountability Act 2013* |
| RPG | Regulator Performance Guide |
| SAA | Self-accrediting authority |
| SES | Senior Executive Service |
| SME | Small and Medium Enterprises |
| TAFE | Technical and Further Education |
| TEQSA | Tertiary Education Quality and Standards Agency |
| TEQSA Act | *Tertiary Education Quality and Standards Agency Act 2011* |
| TPA | Third-party arrangements |
| VET | Vocational education and training |
| WHS | Workplace Health and Safety |

# Compliance index

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AD(g) | I | Letter of Transmittal | |
| Enterprise Arrangement | I | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report | Mandatory |
| 17AD(h) | II–V | Aids to Access | |
| 17AJ(a) | II–V | Table of contents (print only) | Mandatory |
| 17AJ(b) | 158–159 | Alphabetical index (print only) | Mandatory |
| 17AJ(c) | 146–147 | Glossary of abbreviations and acronyms | Mandatory |
| 17AJ(d) | 148–157 | List of requirements | Mandatory |
| 17AJ(e) | Inside cover | Details of contact officer | Mandatory |
| 17AJ(f) | Inside cover | Entity's website address | Mandatory |
| 17AJ(g) | Inside cover | Electronic address of report | Mandatory |
| | | Review by accountable authority | |
| 17AD(a) | 3 | A review by the accountable authority of the entity | Mandatory |
| 17AD(b) | 12–24 | Overview of the Entity | |
| 17AE(1)(a)(i) | 12–24 | A description of the role and functions of the entity | Mandatory |
| 17AE(1)(a)(ii) | 17–23 | A description of the organisational structure of the entity | Mandatory |
| 17AE(1)(a)(iii) | 27–29 | A description of the outcomes and programs administered by the entity | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AE(1)(a)(iv) | 12 | A description of the purposes of the entity as included in the corporate plan | Mandatory |
| 17AE(1)(aa)(i) | 13–17 | Name of the accountable authority or each member of the accountable authority | Mandatory |
| 17AE(1)(aa)(ii) | 13–17 | Position title of the accountable authority or each member of the accountable authority | Mandatory |
| 17AE(1)(aa)(iii) | 14 | Period as the accountable authority or member of the accountable authority within the reporting period | Mandatory |
| 17AE(1)(b) | 13 | An outline of the structure of the portfolio of the entity | Portfolio Departments, Mandatory |
| 17AE(2) | N/A | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change | If applicable, Mandatory |
| 17AD(c) | 31–64 | Report on the Performance of the Entity | |
| | | *Annual Performance Statements* | |
| 17AD(c)(i); 16F | 31–64 | Annual Performance Statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule | Mandatory |
| 17AD(c)(ii) | | *Report on Financial Performance* | |
| 17AF(1)(a) | 65 | A discussion and analysis of the entity's financial performance | Mandatory |
| 17AF(1)(b) | 128–129 | A table summarising the total resources and total payments of the entity | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AF(2) | N/A | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results | If applicable, Mandatory |
| **17AD(d)** | **68–85** | **Management and Accountability** | |
| | | *Corporate Governance* | Mandatory |
| 17AG(2)(a) | 69–70 | Information on compliance with section 10 (fraud systems) | Mandatory |
| 17AG(2)(b)(i) | I | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared | Mandatory |
| 17AG(2)(b)(ii) | I | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place | Mandatory |
| 17AG(2)(b)(iii) | I | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity | Mandatory |
| 17AG(2)(c) | 68–73 | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance | Mandatory |
| 17AG(2)(d) – (e) | N/A | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy non-compliance | If applicable, Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| | | Audit Committee | |
| 17AG(2A)(a) | 70 | A direct electronic address of the charter determining the functions of the entity's audit committee | Mandatory |
| 17AG(2A)(b) | 71–72 | The name of each member of the entity's audit committee | Mandatory |
| 17AG(2A)(c) | 71–72 | The qualifications, knowledge, skills or experience of each member of the entity's audit committee | Mandatory |
| 17AG(2A)(d) | 71–72 | Information about the attendance of each member of the entity's audit committee at committee meetings | Mandatory |
| 17AG(2A)(e) | 71–72 | The remuneration of each member of the entity's audit committee | Mandatory |
| | | External Scrutiny | |
| 17AG(3) | 73 | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny | Mandatory |
| 17AG(3)(a) | 73 | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity | If applicable, Mandatory |
| 17AG(3)(b) | N/A | Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman | If applicable, Mandatory |
| 17AG(3)(c) | N/A | Information on any capability reviews on the entity that were released during the period | If applicable, Mandatory |
| | | Management of Human Resources | |
| 17AG(4)(a) | 75–79 | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AG(4)(aa) | 131–134 | Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:<br><br>> (a) statistics on full-time employees<br><br>> (b) statistics on part-time employees<br><br>> (c) statistics on gender<br><br>> (d) statistics on staff location | Mandatory |
| 17AG(4)(b) | 135–142 | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:<br><br>> Statistics on staffing classification level<br><br>> Statistics on full-time employees<br><br>> Statistics on part-time employees<br><br>> Statistics on gender<br><br>> Statistics on staff location<br><br>> statistics on employees who identify as Indigenous | Mandatory |
| 17AG(4)(c) | 78 | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common-law contracts and determinations under subsection 24(1) of the Public Service Act 1999 | Mandatory |
| 17AG(4)(c)(i) | 143 | Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c) | Mandatory |
| 17AG(4)(c)(ii) | 143 | The salary ranges available for APS employees by classification level | Mandatory |
| 17AG(4)(c)(iii) | 78 | A description of non-salary benefits provided to employees | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AG(4)(d)(i) | N/A | Information on the number of employees at each classification level who received performance pay | If applicable, Mandatory |
| 17AG(4)(d)(ii) | N/A | Information on aggregate amounts of performance pay at each classification level | If applicable, Mandatory |
| 17AG(4)(d)(iii) | N/A | Information on the average amount of performance payment, and range of such payments, at each classification level | If applicable, Mandatory |
| 17AG(4)(d)(iv) | N/A | Information on aggregate amount of performance payments | If applicable, Mandatory |
| | | Assets Management | |
| 17AG(5) | N/A | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities | If applicable, Mandatory |
| | | Purchasing | |
| 17AG(6) | 80 | An assessment of entity performance against the Commonwealth Procurement Rules | Mandatory |
| | | Reportable consultancy contracts | |
| 17AG(7)(a) | 80–82 | A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST) | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AG(7)(b) | 82 | A statement that *"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]"* | Mandatory |
| 17AG(7)(c) | 82 | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged | Mandatory |
| 17AG(7)(d) | 82 | A statement that *"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website"* | Mandatory |
| | | Reportable non-consultancy contracts | |
| 17AG(7A)(a) | 80–82 | A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST) | Mandatory |
| 17AG(7A)(b) | 82 | A statement that *"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website"* | Mandatory |
| 17AD(daa) | 81 | Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts | |

| Section | Page | Description/link | Requirement |
|---------|------|------------------|-------------|
| 17AGA | 81 | Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non–consultancy contracts | Mandatory |
| | | **Australian National Audit Office Access Clauses** | |
| 17AG(8) | N/A | If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract | If applicable, Mandatory |
| | | **Exempt contracts** | |
| 17AG(9) | 81 | If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters | If applicable, Mandatory |
| | | **Small business** | |
| 17AG(10)(a) | 82 | A statement that *"[Name of entity] supports small business participation in the Commonwealth Government procurement market. SME and Small Enterprise participation statistics are available on the Department of Finance's website"* | Mandatory |
| 17AG(10)(b) | 82 | An outline of the ways in which the procurement practices of the entity support SMEs | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AG(10)(c) | 83 | If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website"* | If applicable, Mandatory |
| | | **Financial Statements** | |
| 17AD(e) | 91–125 | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act | Mandatory |
| | | **Executive remuneration** | |
| 17AD(da) | 144–145 | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule | Mandatory |
| | | **Other Mandatory Information** | |
| 17AH(1)(a)(i) | 82 | If the entity conducted advertising campaigns, a statement that *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website"* | If applicable, Mandatory |
| 17AH(1)(a)(ii) | 82 | If the entity did not conduct advertising campaigns, a statement to that effect | If applicable, Mandatory |
| 17AH(1)(b) | 82 | A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]"* | If applicable, Mandatory |
| 17AH(1)(c) | 79 | Outline of mechanisms of disability reporting, including reference to website for further information | Mandatory |

| Section | Page | Description/link | Requirement |
|---|---|---|---|
| 17AH(1)(d) | 73 | Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found | Mandatory |
| 17AH(1)(e) | N/A | Correction of material errors in previous annual report | If applicable, Mandatory |
| 17AH(2) | 12 | Information required by other legislation | Mandatory |

# Alphabetical index