



25 September 2023

Tertiary Education Quality and Standards Agency
By email: costrecovery@teqsa.gov.au

Dear Sir/Madam,

T +61 2 9223 5744 F +61 2 9232 7174

E info@governanceinstitute.com.au

Level 11, 10 Carrington Street,

Sydney NSW 2000

GPO Box 1594, Sydney NSW 2001

W governanceinstitute.com.au

TEQSA CRIS Consultation Governance Institute Submission

Who we are

Governance Institute of Australia is a national professional association, advocating for our network of 43,000 governance and risk management professionals from the listed, unlisted, public, and not-for-profit sectors.

As the only Australian provider of chartered governance accreditation, and an Institute of Higher Education as defined in the Higher Education Standards Framework (Threshold Standards) 2021 made under section 58(1) of the Tertiary Education Quality and Standards Agency Act 2011, we offer a range of short courses, certificates, and postgraduate study.

Our mission is to drive better governance in all organisations, which will in turn create a stronger, better society.

General Comments

Governance Institute appreciates the opportunity to make a submission to the review of the operation of the Cost Recovery Implementation Statement (CRIS).

We note, however, that the scope of this consultation is limited to the setting of 2024 fees for the annual Registered Higher Education Provider (RHEP) charge and application-based fees, as well as other fees that are not directly relevant to Governance Institute.

We believe that the CRIS proposal places an increased and unfair burden on small Independent Higher Education providers such as Governance Institute, particularly at a time when these providers are crucial to meeting key national skills shortages.

The increased fees will have a negative impact on Governance Institute's and other small Independent Higher Education providers' students, whether through increased tuition fees,

reduced learning and teaching resources, or potentially the closure of some courses.

Hence, Governance Institute is concerned about how to comply with this CRIS model without it causing a detrimental impact on the availability of governance skills in Australia when there is an existing skills shortage in this area.

For instance, company secretaries are currently listed as a priority skill on the government's 2022 Skills Priority List, indicating that these skills are currently in demand.

While we do welcome the discounting model for some application-based costs, we believe this should apply to all charges, including re-registration and the significant RHEP charge.

It is disappointing that this consultation offers no opportunity to challenge the model's inequity.

Ultimately, we believe the implementation of this cost recovery model will have a number of unintended consequences at a cost to the Australian economy and the education sector.

Governance Institute recommends that TEQSA further reviews the CRIS model to remove the lack of equity.

Specific Concerns

Governance Institute appreciates that the premise of the CRIS is the direct cost recovery for work undertaken, but the vastly different scale of organisations that are subject to the fees has not been adequately considered.

For example, the \$30k annual registration fee might not make a material difference to a large university, but it significantly impacts the cost of running courses in small organisations. Governance Institute believes these fees are not proportionate to the regulatory costs associated with registering smaller organisations.

The implementation of the CRIS proposal will increase Governance Institute's costs for the next year, inclusive of RHEP, re-registration, and course accreditation, by \$6,900 - \$9100.

This will bring the total TEQSA charges in 2024 for the Governance Institute to between \$72,600 - \$116,900, a significant figure for a niche independent higher education provider.

These changes will not just impact Governance Institute in critical ways, but also other smaller education providers, threatening the viability of several specialised courses.

Following the implementation of this CRIS proposal, Governance Institute will be forced to increase course fees and/or reduce learning and teaching resources for those that remain and will have a serious and detrimental impact on multiple important professions that are already suffering from skill shortages.

Our courses cover several important areas to the Australian economy, including governance and risk. The education we provide is highly specialised and is not something that can easily be replicated by universities or other tertiary institutions.

Any disruption to education in these areas would be damaging for the thousands of Australian listed, private and government organisations (including regulators) who rely on the expertise of our members and students.

Increased course fees are also more likely to hamper career progression for those who are more price sensitive. This will include women, those from low socio-economic backgrounds, and students from areas such as the Pacific Islands.

Governance Institute is happy to continue to pay an equitable and proportionate fee where appropriate, but we believe there should be greater consideration for the scope and annual turnover of the education provider so as not to drive smaller independent providers out of the market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Megan Motto', with a stylized, cursive script.

Megan Motto

CEO