



Dr Mary Russell
Acting Chief Executive Officer
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By email: costrecovery@teqsa.gov.au

Dear Dr Russell

Re: TEQSA fees and charges consultation paper

The University of Melbourne welcomes the opportunity to provide feedback to TEQSA's fees and charges consultation paper. We acknowledge TEQSA's role in sector regulation and facilitation of sector best practice to support world leading education and research.

In principle, the University does not support imposing fees and levies upon public universities for the purpose of financing agencies that help administer Australia's higher education system. Australia's universities receive public funding to deliver upon the nation's education and research needs. Funds that are diverted to pay for regulation result in a reduction in resources available to support the needs of our students.

Notwithstanding these points of principle, and noting the imposition of cost recovery fees is current government policy, we would suggest the following to be considered in TEQSA's cost recovery approach:

- TEQSA should adopt a risk-based model, ensuring that low-risk providers are not covering the cost of high-risk providers. Any fee or charge should be proportional to the regulatory activity required for each provider.
- TEQSA should be required to table a detailed audit level report on regulatory activities and the breakdown of costs paid each year by each provider.

Risk-based approach to regulatory fees and charges

While we do not want fees to be a barrier to entry for new providers, we support a model that sets fees that are proportionate to the risk level of the provider. The proposed change to fees for additional locations under the ESOS Act ensures that low-risk existing providers are not unduly charged and reflects TEQSA's recognition that applications for existing providers are more efficient to administer.

There is, however, insufficient detail provided for other proposed changes to applications from providers with self-accrediting authority that allow for streamlined assessment compared to other providers. TEQSA's references to increasing fees so they reflect 'actual cost of delivery' or decreasing fees to reflect 'increased process efficiencies' do not allow providers to know the actual estimated cost in either time or resourcing of these activities and how these costs are calculated. Further transparency on the rationale for change should be provided.

We also propose that addition, changes, or removal of courses under the ESOS Act be revised so that it is on a per-application basis not a per-course basis where courses are considered a bulk request, and this does not cause an increase in administrative costs or burden.

In addition, the changes proposed to fees and charges appear inconsistent with TEQSA's revised approach to renewal of registration, which requires a reduced volume and scope of evidence, allowing for TEQSA's review to be more efficient and less resource intensive. A tiered registration fee should be introduced in line with the revised approach, allowing for low-risk providers to be charged accordingly.

Increased transparency and accountability

Efficient use of fees recovered

Increased transparency of cost modeling and detailed information on funding allocation would provide the sector with confidence in TEQSA's use of funds and efficient regulation, as required by the [Australian Government Cost Recovery Policy](#). Visibility is vital given the projected Registered Higher Education Provider (RHEP) base component income to result in approximately \$3m in 2024 and with an anticipated inflation increase of 5%, the RHEP base income for TEQSA will more than double to an estimated \$7.5m in 2025.

Processing times

Additionally, processing times for both renewals and other course-based changes are an ongoing issue. TEQSA's 2021-22 annual report noted the median processing time for a provider renewal of registration was 330 days (approximately 11 months). Throughout the processing time, providers are unable to ascertain when an application will be assessed, or when they can anticipate an outcome. While we acknowledge that there was an unexpectedly high volume of applications during this period due to COVID application fee waivers, it is unclear if these processing times have been addressed or improved. We note that TEQSA is reviewing its service charter and that these processing times reside outside of the legislative notification requirement. Providers should be advised how the processing times have been/will be addressed. Providers should have visibility of the current volume of applications submitted to TEQSA, processing times for applications and anticipated timing of an outcome.

We look forward to working with TEQSA on ongoing improvement of the cost recovery framework.

Yours sincerely,



Professor Gregor Kennedy
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