TEQSA’s Evidence-based approach to regulation

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Risk-based approach to quality
The Context

- TEQSA is independent statutory Commonwealth agency
- TEQSA Act 2011 (currently under review)
- Higher Education Standards Framework 2011 and 2015, developed by Higher Education Standards Panel
- Australian Qualifications Framework (AQF)
TEQSA’s Objectives

- National consistency in regulation
- Protect and enhance Australia’s reputation for quality higher education, international competitiveness and excellence, innovation and diversity
- Protect students and ensure they have access to information relating to higher education
- Encourage and promote a higher education system that is appropriate for Australia’s social and economic needs
Regulatory approach

- TEQSA uses a standards- and principles-based approach
- Annual evaluation of risk indicators for each provider informs assessments
- Risk assessment and regulatory history contribute to the scope of assessment
- Scope of assessment uses Core+ model to determine evidence requirements
Regulatory principles

- **Regulatory necessity** – exercise of power does not burden the entity any more than reasonably necessary

- **Reflecting risk** – having regard to history of the entity and risk of not complying with Standards Framework

- **Proportionate regulation** – exercise of power is in proportion with non-compliance or risk of non-compliance with the Standards Framework
TEQSA’s Risk Framework

- Risk Assessment Framework (RAF)
- Annual risk assessment process
- Program of post cycle sector risk/data analysis
- Used by case teams to develop evidence requirements and areas of focus for regulatory activities
- Enables TEQSA streamlining and reduced burden for low risk providers
- Identify cases for early intervention to protect Standards/students
- Enables sector insights/trends
Establishment of risk indicators

- Regulatory Risk Framework first developed in early 2012
- Informed by ISO Risk Management Standards
- But Version 1 had too many indicators and was revised to simplify
- Drive to use existing data sets and further consolidate data collections
Data, Risk and Reporting Process

Data Acquisition → Data cleansing → Threshold development/calibration → Risk assessment → Sector analysis
Risk Assessment Process

Context of the provider (e.g. year established, course offerings, delivery mode)

- Student load, experience and outcomes
- Academic staff profile
- Financial viability and sustainability
- Regulatory history and standing

Discussion with provider on relevant risk controls and other context (optional)

Overall Risk to Students

Overall Risk to Financial Position
Risk Assessment Framework

- Risk Assessment Framework drawn from key principle of ‘reflecting risk’
- Risk Assessments performed annually and provide TEQSA with an indication of:
  - risk to students
  - risk to financial position
- These are measured as high risk, moderate risk or low risk
- Majority of providers are ‘low risk’
- ‘High risk’ providers monitored closely
Risk Indicators

- Student load, experience and outcomes
  - Cohorts Completed
  - Student Load
  - Attrition Rate
  - Progress Rate
  - Completions
  - Student Satisfaction
  - Graduate Satisfaction

- Academic staff profile
  - Senior academic leaders
  - Student to staff ratio
  - Academic staff on casual work contracts

- Financial viability and sustainability
  - Financial Viability
  - Financial Sustainability
Risk Indicator Distribution (2016)

- Cohorts Completed
- Student Load
- Attrition
- Progress
- Completions
- Student Satisfaction
- Graduate Destinations
- Senior Academic Leaders
- Student to Staff Ratio
- Casual Academic Staff
- Financial Viability
- Financial Sustainability

Legend:
- Low Risk
- Moderate Risk
- High Risk

% Providers
Risk Indicator Assessment

- Regulatory History
- Provider risk management
- Context
- Risk thresholds
- Analyst’s Professional Judgement

Risk Rating
Application Evidence Requirements

- **Low Risk**
  - TEQSA asks for core evidence

- **Moderate Risk and High Risk**
  - TEQSA will require an extension to core evidence
    (referred to as core plus)
Challenges for TEQSA

- Increasing number of organisations seeking HE registration, often dual-sector
- Increasing need to monitor mergers and reorganisation of providers – changes in ownership and BFOE
- Increased monitoring of off-shore delivery – expectation set by other QA agencies
- Diversification of delivery modes
- Legislative changes – new HE Standards, revised National Code, review of TEQSA Act
Further information?
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