



Australian Government

Tertiary Education Quality and Standards Agency

CIQG

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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

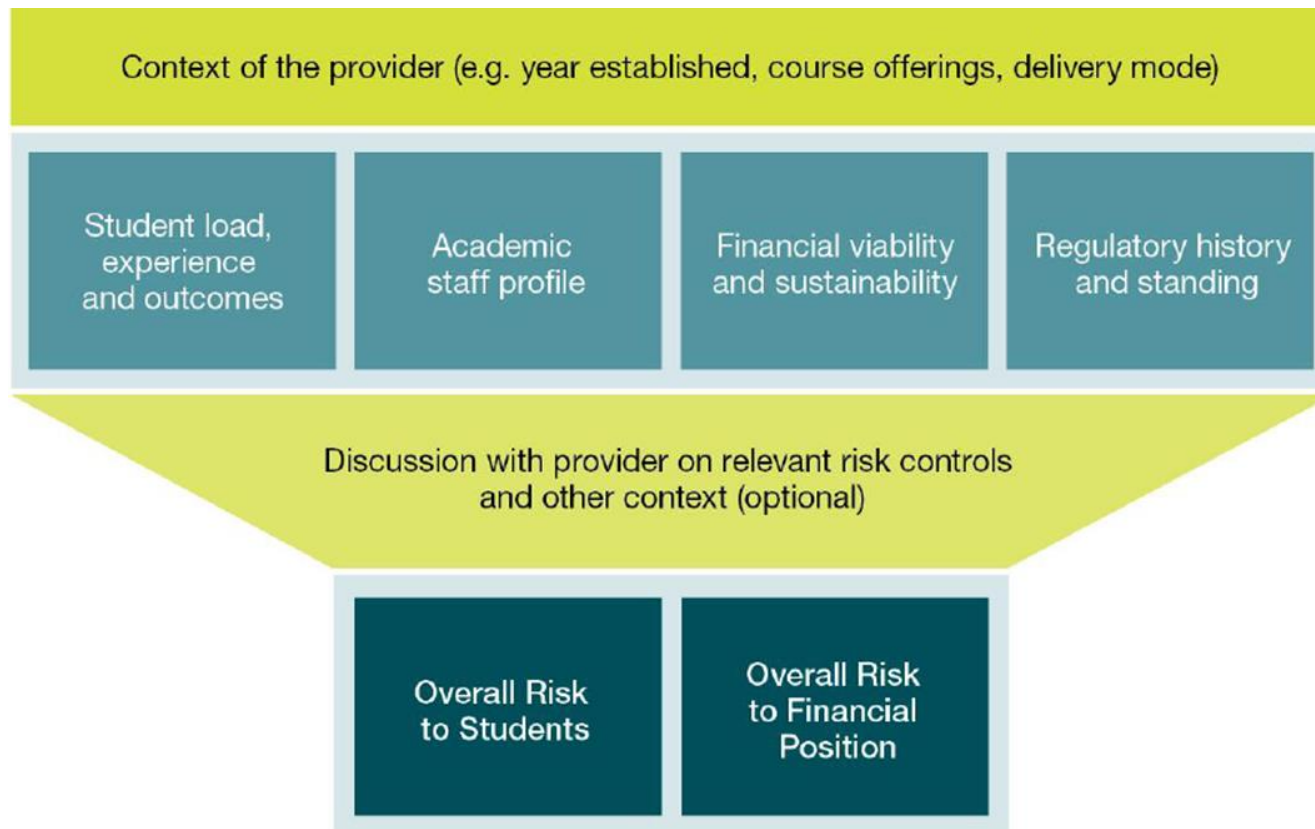
Establishment of risk indicators

- ▶ 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
- ▶ Version 2 of TEQSA's Risk Assessment Framework released in 2015, review in 2016
- ▶ Drive to use existing data sets and further consolidate data collections

Data, Risk and Reporting Process



Risk Assessment Process





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

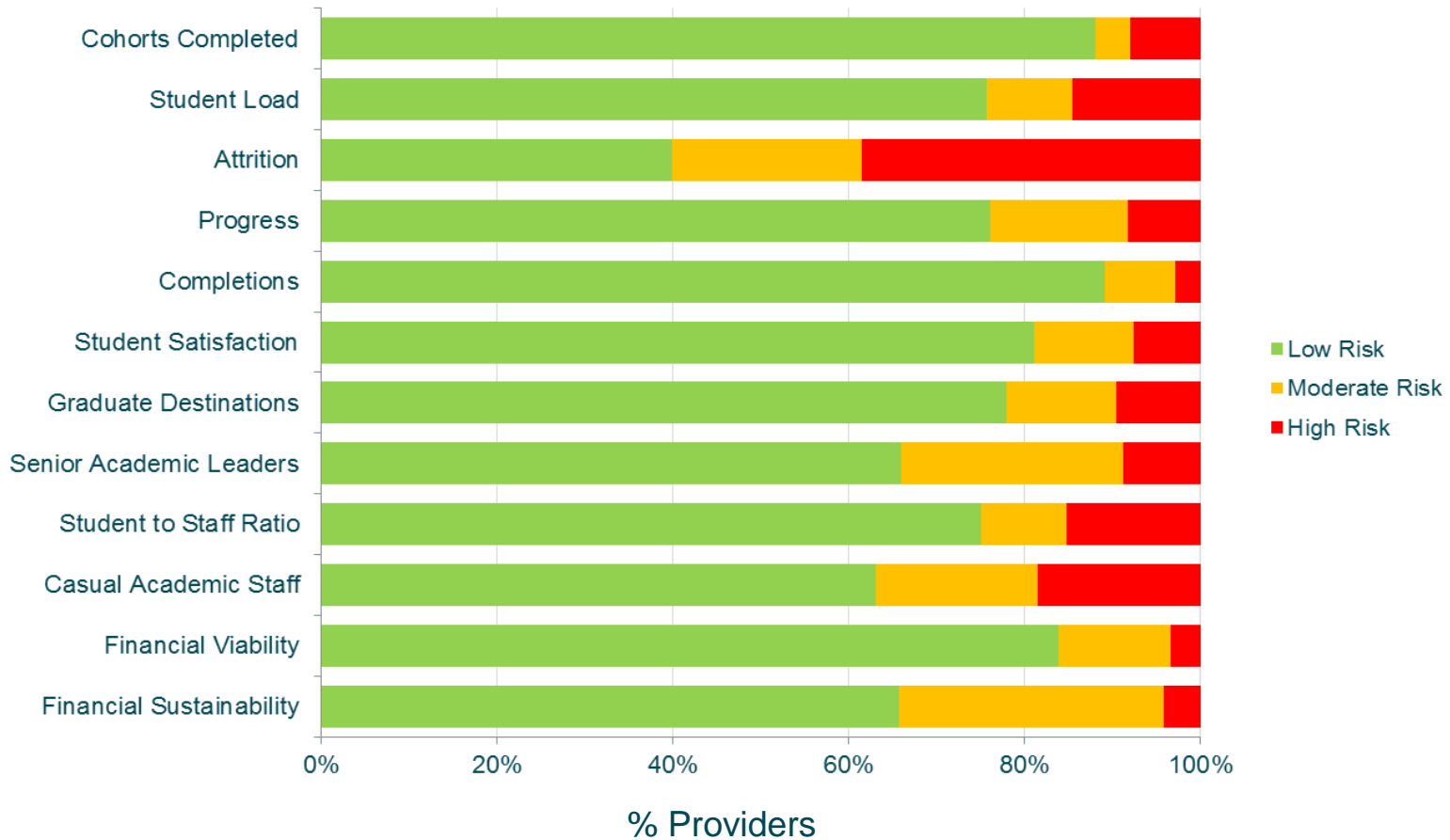
Academic staff profile

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

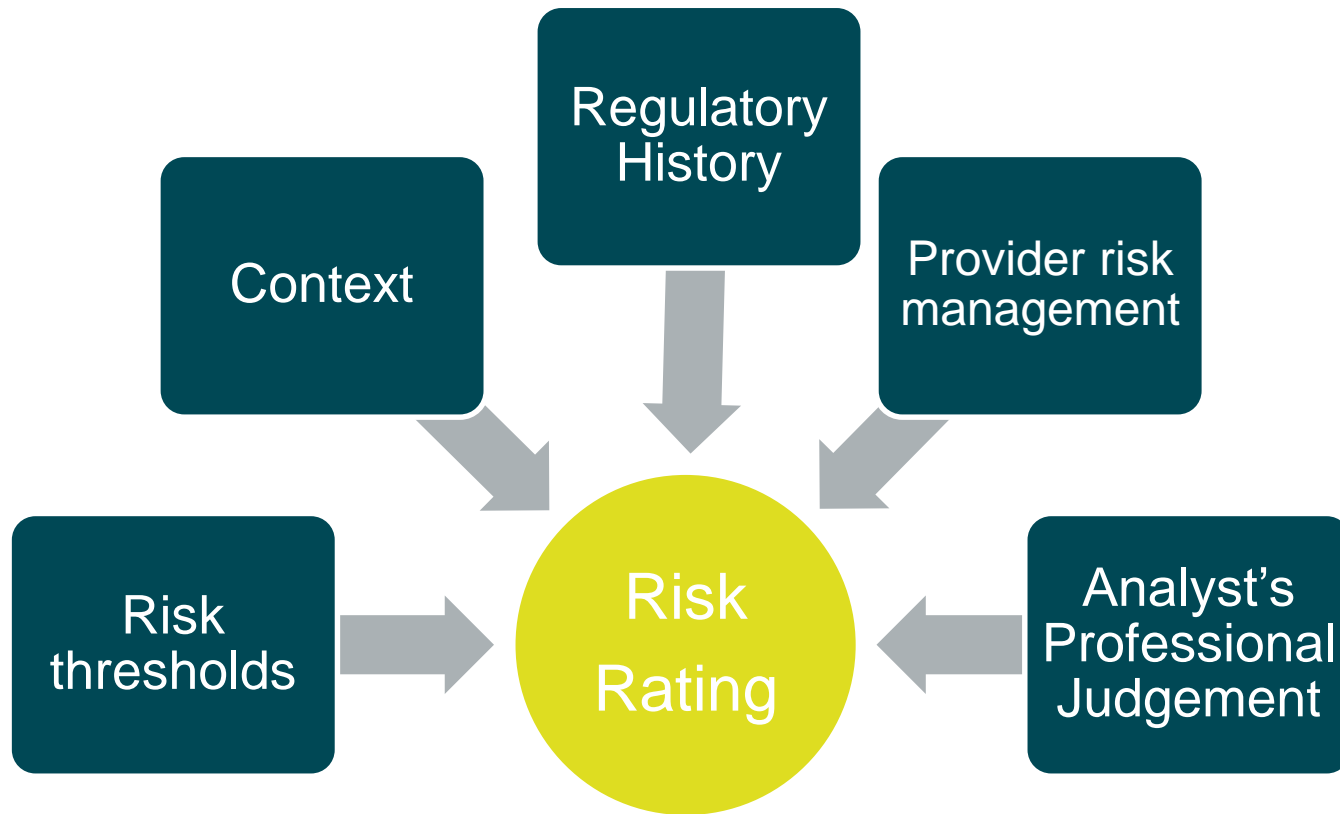
Financial viability and sustainability

- ▶ Financial Viability
- ▶ Financial Sustainability

Risk Indicator Distribution (2016)



Risk Indicator Assessment



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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