Mr Luke Sheehy
CEO

To: costrecovery@teqsa.gov.au
Subject: Response to TEQSA's Fees and Charges Consultation Paper

28 October 2024

Dear TEQSA,

Universities Australia (UA) welcomes the opportunity to provide feedback on TEQSA's cost recovery model as outlined in the fees and charges consultation paper. We recognise that cost recovery was a decision by the Government, and we appreciate TEQSA's efforts to stage the implementation of full cost recovery over the past three years, including the staggered approach to the Registered Higher Education Provider (RHEP) charge.

UA would like to stress that a core aspect of this process is ensuring that both the sector and TEQSA use public resources efficiently and transparently.

UA has reviewed the proposed changes within the framework of the Cost Recovery Implementation Statement (CRIS) and offers the following recommendations:

1. TEQSA should include the data and methodology used to calculate cost recovery activities in its annual report to enhance transparency on the use of both sector and public funds, and
2. TEQSA should initiate a program of work with the proposed Australian Tertiary Education Commission (ATEC) to address the regulatory burden on the sector. This program should focus on streamlining the regulatory environment and ensuring that public money is used for its intended purpose of supporting teaching, learning, and research by providers.

The RHEP charge consists of a base component, covering sector-wide regulatory services, and a compliance component, which recovers costs for provider-specific compliance activities from the previous year. Full implementation of these charges begins in 2025, with the 2024 charge of $31,691 aligning with TEQSA's 2023 estimated charge of between $32,650 and $35,000.

While the RHEP charge reflects TEQSA's estimates for the full cost of RHEP for 2024-25, it remains unclear how these outcomes were derived, the data used to arrive at them, and the methodology used to evaluate the costs associated with TEQSA's CRIS activities, particularly the compliance component. Ensuring transparency in how these costs have been determined internally within TEQSA is essential for ensuring accountability in the sector's finances. Moreover, it would be beneficial to clarify the costs associated with regulating the sector. Supporting greater transparency through the release of TEQSA's data and methodology for determining these costs, beyond the Equivalent Full Time Study Load (EFTSL) calculation, would further support this accountability.

In addition to providing a clear methodology of CRIS costs, TEQSA should consider how to reduce the growing regulatory burden on providers. To support the financial sustainability of the sector, given the increased costs associated with regulatory complexity, TEQSA should work closely with the proposed ATEC to undertake a regulatory stock and flow analysis. This analysis should address the existing regulatory burden and overlap, present future regulatory needs, and adjust cost recovery accordingly. There may also be merit in aligning the various regulatory functions affecting the sector to better utilise the CRIS.

This approach to streamlining regulation could help identify opportunities to reduce unnecessary compliance, improve regulatory efficiency, and align new policies with the sector's long-term needs.

We appreciate your consideration of these recommendations and look forward to continued collaboration to ensure effective regulation and cost recovery for Australia's higher education sector.

Yours sincerely

Luke Sheehy
Chief Executive Officer, Universities Australia

1 Geils Court, Deakin ACT 2602
P +61 (0)2 6285 8100
universitiesaustralia.edu.au