

Australian Catholic University

Feedback on the TEQSA Risk Assessment Framework Consultation Paper

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Australian Catholic University (ACU) Feedback on the TEQSA Risk Assessment Framework Consultation Paper

Australian Catholic University (ACU) welcomes the opportunity to provide feedback on the TEQSA Risk Assessment Framework Consultation Paper and provides the following responses to the Discussion Questions.

Should TEQSA publish the risk thresholds and provider-level risk indicator data or maintain confidentiality of this information? What are the benefits and disadvantages, and what are some possible ways to mitigate the potential adverse outcomes?

The risk thresholds could be made available to registered higher education providers through the TEQSA Provider portal, on a confidential basis for internal institutional purposes only.

Currently, it is difficult for providers to understand specifically how TEQSA has arrived at its final risk ratings. Consequently, providers need to make subjective assumptions about the thresholds and their ratings.

Making the thresholds available through the Provider portal would provide a greater level of transparency and assistance to individual providers and enable them to better understand and proactively address each of the indicator areas to support continuous quality assurance and improvement. With access to the thresholds, providers will also be able to achieve a greater degree of synchronisation between their own risk management practices and those perspectives of the regulator.

Releasing the risk thresholds on a managed and confidential basis through the Provider portal would be more suitable than publishing and realising this information publicly; noting, as reflected in the Consultation Paper, that there is perhaps a risk some information could be misinterpreted or misused out of context.

How can the current student profile and performance indicators be improved to ensure they remain fit-for-purpose? What other measures should TEQSA employ as risk indicators for student profile and performance?

The new adjusted attrition rate should be used. Unadjusted attrition gives a false reading of student behaviour, as many of these students are changing providers rather than leaving the sector entirely.

Unadjusted or normal attrition rates should be used with caution. An unadjusted or 'normal' attrition rate provides a 'crude' attrition rate which, by definition, identifies the proportion of students:

...that neither complete a course nor are retained the following year at the same institution. Students who remained at the same institution, but changed course are not counted in the attrition group. Students who changed institution are counted as attrited.¹

There is a risk that drawing on these figures can lead to misleading assessments and misunderstanding, especially amongst the public, if not properly explained or if referenced out of context.

A student who leaves one institution to continue their studies at another institution is not lost to the sector and such a transfer does not represent a failure of the system. Indeed, affording students the

¹ Definition as per Department of Education, 'Glossary terms', accessible via <https://heimshelp.education.gov.au/resources/glossary?title=Attrition%20Rate>

ability to transfer and obtain credit for prior learning is a centrepiece of the Australian Qualifications Framework.

There are many reasons why students choose to move between institutions, such as a decision to change their course, preference for a different study environment or choice of location. The fact that students are afforded the flexibility to do this is one of the great benefits of the higher education system.

How can TEQSA's definition of graduate destinations be revised to ensure that it is fit-for-purpose?

Consideration of the proportion of graduates in the labour force would be more appropriate, as it considers employment as a proportion of those that are available for work, thereby removing extraneous factors. TEQSA could consider contextualising the results with local labour market factors, so as not to disadvantage providers on the basis of regionality. This should be developed in consultation with the sector. Graduate destinations could also consider part-time and casual employment rates etc.

How can the current staffing indicators be improved to ensure that they are fit-for-purpose? Are there other measures that TEQSA can use to monitor risks posed by providers' academic staffing profiles?

Current staffing indicators could be improved by including risk culture and staff engagement as attributes for consideration in assessments, and add an important qualitative dimension to this aspect of the assessment process. Simply measuring ratios of staff to students will not necessarily provide insight into the quality of teaching.

'Risk culture' broadly refers to the 'norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss and act on risk'.² Incorporating metrics which measure how teaching staff and academic leaders commit and align their activity with their institution's strategic objectives may therefore be a useful indicator to utilise in risk assessments.

Most providers would have some means by which they measure staff engagement and/or risk culture. For instance, ACU periodically conducts audits into risk culture through staff surveys, which provides an indication of how committed staff are to aligning service with ACU's mission, vision and strategic goals; which has an impact on the quality and success of the institutions as a higher education provider.

The Consultation Paper suggests that in assessing the staffing indicators:

...consideration may be given to context such as the size and scope of a provider's operations, delivery model and mode, field of education, close institutional relationship with another higher education provider, in addition to strategies in place to mitigate any risks posed by the provider's staffing profile. (p. 11)

In this context, TEQSA should also recognise that revenue concentration may reflect the business model adopted by a provider; and models will vary from provider to provider. For instance, a concentration of revenue in domestic student fees does not necessarily present a higher-risk scenario, provided other risk factors are managed and other revenue sources are diversified. Furthermore, diversification into other markets (e.g. international education) is not the only mechanism by which providers can mitigate their market risk exposures. For example, a provider

² See Australian Prudential Regulation Authority, *Information Paper: Risk Culture* (2016), p. 8. Accessible via <https://www.apra.gov.au/sites/default/files/161018-information-paper-risk-culture1.pdf>

might offer a substantial breadth of courses and disciplines, or reduce risk exposure by gaining access to multiple, differentiated markets but only offer a handful of disciplines.

Final Comments

ACU makes three final comments:

1. As an underlying principle, TEQSA should continue to adopt a light touch approach with respect to those institutions that consistently perform well and are found to be low risk, having achieved strong assessment outcomes (e.g. surplus budgets, strong student satisfaction outcomes etc). However, a close watch should be maintained on providers assessed as high and moderate risk, particularly among the many non-university higher education providers operating in the sector, the majority (120 out of 131³) of which have not obtained self-accrediting authority. This is vital to maintaining the quality and integrity of Australia's strong higher education sector into the future.
2. To support greater transparency, ACU suggests that TEQSA should report to the public on how (and why) it may sometimes rely on media monitoring to prompt regulatory activity, and how it assesses and assigns sensible weight to such information. For example, news stories on individual providers which raise regulatory concerns from time to time can be generated by media outlets with differing levels of accuracy and by media sources of varied repute.
3. ACU wishes to acknowledge that the information and assistance provided by TEQSA to the higher education sector, particularly through guidance notes and facilitated events, are of great assistance. In particular, they help the sector to develop its capacity for self-assurance and assist providers to operate effectively as self-governing institutions.

³ Registered 'Higher Education Providers' (HEPs) as at September 2019 (see TEQSA National Register: <https://www.teqsa.gov.au/national-register>).