

Australian Catholic University

Feedback to the Department of Education

Modernising and Strengthening TEQSA's Powers: Consultation Paper

October 2025

Feedback on *Modernising and Strengthening TEQSA's Powers: Consultation Paper*

Australian Catholic University (ACU) acknowledges the opportunity to provide feedback to the federal Department of Education on *Modernising and Strengthening TEQSA's Powers: Consultation Paper* (hereafter "Consultation Paper"), inviting views on the future regulation of Australian higher education.

As the consultation recognises, a successful higher education sector is vital to Australia's future and this should be underpinned by robust and modern regulation, in the public interest (Consultation Paper, p. 1). This requires a regulatory regime that is fit-for-purpose and does not detract from the core activities of higher education providers.

The goal of reform should be to foster a regulatory environment that is conducive to innovation and educational excellence rather than one that stifles progress through excessive bureaucracy.

Today, Australian higher education providers are operating in an increasingly complex regulatory and compliance environment. The higher education system is also rapidly evolving as recommendations of the Australian Universities Accord are implemented, to ensure a more connected, equitable, and future-focused tertiary education system. In 2025 alone, the sector has seen the establishment of a National Student Ombudsman, and an interim Australian Tertiary Education Commission (ATEC). A specialist gender-based violence unit within the federal Department of Education is also being established, to provide guidance, education and advice to support higher education providers to understand and comply with a new National Higher Education Code to Prevent and Respond to Gender-based Violence (National Code).

These are all significant developments. This is in addition to a plethora of federal and state/territory-based laws and regulations providers are subject to, while also ensuring compliance with external accreditation bodies' requirements for professional degrees on offer to ensure that courses meet professional standards. Consequently, there are now a range of different entities - established, new, and emerging - providers must navigate and respond to as part of their regulatory obligations.

In light of these considerations, ACU makes the following overarching recommendations:

1. *Federal government undertake a comprehensive review of higher education regulation and compliance requirements, to identify opportunities to streamline regulation and reduce red tape in line with productivity agenda.*

A comprehensive review of the regulatory environment faced by the sector is needed before any reforms are made to the TEQSA Act. As the sector transitions into new arrangements, it is crucial that regulatory and reporting requirements are reviewed holistically. A streamlined approach will facilitate more efficient and effective administration while avoiding unnecessary red tape that burdens both providers and government, and diverts finite resources away from higher education.

2. *TEQSA's regulatory remit needs to be clearly defined relative to other entities.*

This should be done once a permanent ATEC is established or the enabling legislation defining ATEC's scope and remit is passed. Providers need clarity on regulatory requirements and which body they should look to for guidance or assistance. Recent developments suggest this will now be more fragmented and dependent on the policy area. For example, on matters of student safety, including standards and compliance, would providers need to approach or consult with TEQSA, the National Student Ombudsman, the Department of Education, or all three?

3. *TEQSA's regulatory mandate and activities need to be balanced and transparent.*

The policy setting should affirm and recognise that providers have a range of obligations to meet and balance, in the interests of students, the broader community, government priorities and national

development. This includes the requirement, appropriately, for Australian universities (by definition) to engage in teaching, research, and community engagement.¹

4. *Regulatory reform should affirm the principle of university autonomy, and the guiding principles of regulatory necessity, risk, and proportionality.*

TEQSA is appropriately, in principle, a risk-based regulator. TEQSA acknowledges: “Providers are responsible for managing their own risk and are expected to demonstrate self-assurance consistent with the Threshold Standards.”² TEQSA should maintain a proportionate approach toward well-performing institutions assessed as low risk, particularly those with robust performance in evaluation metrics such as financial stability and student satisfaction. However, it should closely monitor high and moderate risk providers, especially the many non-university higher education providers which have not obtained self-accrediting authority.

5. *Regulatory activities should be viewed through a productivity lens and recognise sector diversity.*

Australia’s higher education sector is vibrant and diverse, comprising 44 universities, eight university colleges, and 161 institutes of higher education³, which collectively educate over 1.6 million students; most attend public universities. Further strengthening and fostering support for this diversity is essential to ensuring higher education provision in the nation meets the diverse educational needs of the community, remains of high quality and internationally competitive.

There is an opportunity for TEQSA and other key entities such as ATEC to work in partnership with the sector to this end, in the national interest. ACU particularly emphasises that a standardised approach to regulation should be avoided. The cost burden of compliance is significant and compels universities to divert limited funding away from higher education to administrative activities.⁴ Regulation must be targeted and meaningful. Rather than expecting all providers to operate according to a standardised template, there should be support for sector diversity and recognition of individual institutional missions and profiles in regulatory activities.

Mission-based compacts form part of the quality and accountability measures under the *Higher Education Support Act 2003* (Cth). Federal government acknowledges Compacts recognise each provider as “an autonomous institution with a distinctive mission, operating within a state or territory, national and international higher education environment.”⁵ It is important to ensure this regulatory intent is duly recognised in Compacts processes. ACU is concerned the current process risks being administered as merely another compliance activity, rather than a meaningful quality and accountability measure geared to support and enhance higher education in the public interest.⁶

ACU also provides the following feedback on specific issues raised in the Consultation Paper.

What changes to the TEQSA Act and the regulatory system are required to allow TEQSA to take a more risk-based approach to regulation of the sector, prioritising engagement on risks which have the greatest impact – whether due to the number of students impacted or the significance of the matter?

ACU notes the Federal Government’s recent request of TEQSA and the Department of Education to propose regulatory reform opportunities to bolster productivity growth. As TEQSA has identified:

¹ Higher Education Standards Framework (Threshold Standards) 2021.

² TEQSA. (2025). *Quality of Governance at Australian Higher Education Providers*, p. 3.

³ TEQSA National Register 2025, as at October 2025.

⁴ Evans, C. (2025, August 25). *Securing Australia’s Future: The Critical Role of Universities*. Address to the National Press Club of Australia.

⁵ Department of Education. (2024). *Mission Based Compacts*. <https://www.education.gov.au/higher-education-funding/mission-based-compacts>

⁶ Skrbis, Z. (2025, October 8). Australia’s Mission-based Compacts Must Live Up To Their Name. *Times Higher Education*.

There are opportunities to streamline cyclical processes to reduce regulatory burden while not compromising on sector integrity and student outcomes. For example, TEQSA applies cyclical course accreditation and re-accreditation requirements to all non-self-accrediting providers regardless of risk... Proposed legislative changes to further streamline regulation would sharpen TEQSA's regulatory effectiveness while reducing complexity for low-risk providers.⁷

Furthermore, currently, TEQSA's approach to risk involves examination of lag data, which is generally unhelpful. Addressing this issue does not require changes to the TEQSA Act, rather, it requires a different approach to regulatory activities. Using its existing powers, TEQSA could devise a set of risk metrics which use lead data, ideally sourced from the Department of Education, and generate a more consistent and up-to-date dialogue with the sector.

Should providers have a positive duty to comply, and maintain compliance, with the Threshold Standards, in order to better protect student and other stakeholder and community interests? How might this duty be framed? How can TEQSA's regulatory focus shift more towards proactive risk prevention or should it remain primarily on compliance with the Threshold Standards?

The proposal to introduce a "positive duty" on providers to take "reasonable and proportionate actions" to comply with the Threshold Standards is open ended and lacks specificity. Universities already commit resourcing to a range of compliance and external accreditation obligations, including to ensure its courses are of high standard. Regulatory requirements need to be reasonable, specific and measurable. Any additional compliance activities would also need to be accompanied by additional resourcing to universities.

The Threshold Standards should continue to be TEQSA's primary focus. The Threshold Standards are sufficiently broad to ensure TEQSA has the ability to effectively monitor the sector.

Should TEQSA have new powers to immediately suspend a provider's registration in response to acute risks? What should be the grounds for suspending a provider registration?

Current provisions which give TEQSA equivalent power through its ability to apply conditions to a provider's registration or reduce its registration period are suitable. Suspending a provider's registration would be an extremely serious approach and likely have an immediate and radically negative impact on students, given cohorts can be with a provider anywhere from a semester to three years and beyond. The proposal raises major concerns. For example, what would happen to the students and staff of the provider? What would be the impact of suspensions on students and the provider? ACU notes TEQSA already has the power to shut down unscrupulous providers. Suspending a university's registration would likely introduce complications across every aspect of that university's activity, including research. This would, in effect, be no different to shutting down a provider, albeit for a short period. There is also significant risk of irreversible reputational damage to providers in the event that TEQSA's actions cause material damage to an institution that is later found to not be at fault.

Are there other powers TEQSA should have, comparable to other modern regulators, when balanced against the need for an efficient and streamlined regulatory approach?

The current legislation equips TEQSA with sufficient powers to fulfil its regulatory mandate. However, TEQSA would likely benefit from additional resourcing to enable it to execute its mandate more efficiently and effectively. For example, TEQSA's timelines in responding to and processing provider re-registration applications and clear communication with providers on regulatory matters are areas that require attention.

⁷ TEQSA letter (2025, August 1): <https://www.finance.gov.au/sites/default/files/2025-08/Education%20-%20TEQSA%20-%20Response%20Letter%20Redacted.pdf>

What regulatory requirements or actions could be accomplished in a more efficient way that may lead to increased productivity, while ensuring regulatory outcomes are achieved?

A clearly articulated and designed self-assurance approach to compliance with the Threshold Standards that allows providers to simply demonstrate their compliance systems, and a real-time assessment by the regulator, would help improve the current regulatory approach.

What opportunities exist to streamline regulation between TEQSA, the Department of Education, the National Student Ombudsman, or other Commonwealth, State and Territory government bodies?

A comprehensive review needs to be undertaken to streamline regulation between TEQSA and other bodies with regulatory and/or compliance obligations bearing on providers. Government could establish a review that assesses the regulatory environment as applied to the sector following the principles of Mutually Exclusive Collectively Exhaustive (MECE). This would ensure a reduction in regulatory duplication and clarity in the role of each authority, while still covering the necessary public interest compliance obligations. Without a review of this nature, the regulatory environment will continue to be overly complex and confusing to both providers and compliance authorities.

Especially in the context of student safety matters, there is an opportunity to clarify and better define TEQSA's overall role relative to the remits of the National Student Ombudsman (NSO), permanent ATEC, and the Department of Education with respect to the National Code. There is, potentially, an opportunity for TEQSA to withdraw from student-facing matters and hand full responsibility for these to the NSO. The TEQSA Act may require amendment to clearly delineate these functions.

Should TEQSA's functions be broadened to allow better access to transfer complaints to other agencies, for example with the National Student Ombudsman?

These powers already exist through MOUs. There is, however, opportunity to ensure clarity and transparency in arrangements.

Would more standardised public disclosure of information across areas including student outcomes, teaching quality and research impact improve accountability, assist students in choosing courses of study or providers, assist Government to assess the effectiveness of public investment, and help providers to demonstrate compliance? How might such a system work?

Standardising public disclosure would provide clarity to both institutions and students noting that there are already various mechanisms through which public reporting is available, including the Quality Indicators for Learning and Teaching (QILT). There may be opportunities to enhance existing mechanisms to further these objectives, for example, with respect to research impact an option might be to equip QILT to adopt multiple measures of research quality. The mandatory annual reporting universities publish could also be standardised to include elements that the Government deems appropriate to display the effectiveness of public investment. However, with the establishment of ATEC and a renewed focus on Mission-based Compacts (which are publicly available), there may be no need to develop any further public disclosure mechanisms other than to enhance existing mechanisms.

Are changes to the TEQSA Act needed to support better joined-up arrangements across higher education and vocational education?

Any reforms to the Australian Qualifications Framework (AQF) that may be required to support a better join-up tertiary education system must first be pursued before consideration is given to any potential changes to the TEQSA Act.