



The Hon Jim Chalmers MP
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Senator the Hon Katy Gallagher
Minister for Finance
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Dear Treasurer and Minister,

Subject: Initial proposals and commitments for the Economic Reform Roundtable

Thank you for your letter of 4 July 2025 requesting proposals for the Economic Reform Roundtable.

A highly skilled, adaptable workforce is central to Australia's long-term productivity and economic success. Higher education providers play a vital role in shaping Australia's future workforce. The Tertiary Education Quality and Standards Agency (TEQSA) is committed to assuring the quality of all higher education providers through proportionate, risk-based regulation that safeguards quality and promotes innovation.

TEQSA's regulatory approach is grounded in the principles of necessity, risk, and proportionality. While this has supported a responsive and efficient regulatory system, we see clear opportunities to refine the regulatory architecture in ways that continue to improve regulatory efficiency and effectiveness, strengthen alignment across the tertiary and vocational education sectors, and improve outcomes for students and employers.

On behalf of TEQSA's Accountable Authority and Chief Executive Officer we propose 3 key opportunities for reform:

Opportunity 1. Improve regulatory coordination with the Australian Skills and Quality Authority (ASQA)

There is an opportunity to enhance regulatory coherence across the tertiary education system through improved coordination with ASQA. Dual-sector and transitioning providers face duplication, misalignment, and delays due to divergent regulatory processes.

Strengthening coordination through joint guidance, shared data, and aligned assessment models, would ease administrative pressures on providers, support integrated qualifications and pathways, creating a more agile system that better reflects how students and employers navigate education and skills development.

There is also an opportunity for TEQSA and ASQA to jointly support governance maturity in dual sector providers. Sound corporate and academic governance is a foundation for every provider, regardless of type, and is critical to ensuring quality and effective risk management. Some dual-sector providers continue to face challenges in meeting governance expectations. This can delay regulatory processes and undermine student outcomes. There is an opportunity for TEQSA and ASQA to jointly support governance uplift by developing shared expectations, practical guidance, and capability-building tools. This would reduce processing delays, build regulatory confidence, and help lift provider maturity.

While this work is a particular focus for dual-sector and transitioning providers, sound corporate and academic governance is essential across all provider types. The resulting tools and guidance will be broadly applicable with strengthened governance capability benefitting the tertiary education sector as a whole. Lifting maturity of provider governance will also position established providers to be more agile in developing and adapting high quality education and training that is responsive to changing industry needs.

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TEQSA and ASQA have developed a joint dual sector strategy to implement these reforms from FY 2025-26, across 36 months. Subject to consultation and ministerial approval this strategy will be released by November 2025.

Opportunity 2. Streamline regulation to reduce burden on low-risk providers through legislative reform

Under current legislative settings, 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. While this maintains a strong compliance baseline, it diverts effort from areas of higher risk, such as risks to student safety and wellbeing, and imposes avoidable resourcing burden on TEQSA and the provider. Proposed legislative changes to further streamline regulation would sharpen TEQSA's regulatory effectiveness while reducing complexity for low-risk providers.

Opportunity 3. Focus regulation on student outcomes and long-term public value

It is estimated that by 2050 82% of Australian jobs will require a tertiary qualification. In recent years a number of issues, and emerging risks to the sector, have arisen which may present barriers to achieving this attainment rate. These issues include variability in provider governance, risks to student safety, and rapid shifts in delivery models. Addressing these challenges presents a strategic opportunity to strengthen the sector's ability to meet future workforce needs.

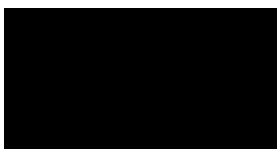
As higher education delivery evolves, regulation must remain anchored in what matters most: student outcomes, reputation of the sector, public confidence, and national capability. TEQSA's legislative framework does not currently recognise student interest as a core regulatory principle. Embedding recognition of student interest would better equip TEQSA to act where students are at risk and to support innovation that delivers public value. It would also ensure that decisions are consistently grounded in outcomes that align with national productivity and strategic workforce goals.

Opportunities 2 and 3 reflect potential reforms to the TEQSA Act that would allow TEQSA to more flexibly target its regulatory effort. This would reduce unnecessary regulatory requirements on providers and support better outcomes for students. Work is currently underway to develop these proposals, and if successful, the reforms will be delivered within the next 2 years.

Realising these opportunities will be most effective when supported by a more connected and coherent tertiary education system. The Australian Tertiary Education Commission (ATEC) presents a key structural lever to improve co-ordination across the sector, reduce duplication, and support productivity reforms such as those outlined in this letter. TEQSA looks forward to working constructively with the ATEC to achieve these outcomes as it is established.

TEQSA thanks you for the opportunity to contribute to the Roundtable. We welcome this important national conversation and look forward to the outcomes of its deliberations. We will continue to engage, as appropriate, as the reform agenda progresses.

Kind regards,



Professor Kerri-Lee Krause
Chief Commissioner
1 August 2025

CC: The Hon Jason Clare MP, Minister for Education

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