Innovative Research Universities

CELEBRATING 20 YEARS OF INNOVATION

Consultation on Modernising and Strengthening TEQSA's Powers

31 October 2025

Flinders University · Griffith University Queensland Australia · La Trobe University · James Cook University Australia · Murdoch University · University of Canberra · Western Sydney University

Innovative Research Universities

Consultation on Modernising and Strengthening TEQSA's Powers

31 October 2025

Key points:

- The IRU supports the crucial role of the Tertiary Education Quality and Standards Agency (TEQSA), to ensure continued high-quality higher education for Australia. We support continued focus on "proportionate, risk-based regulation" and the need for a fit-for-purpose national regulator to help achieve the ambitious goals of the Universities Accord.
- Recent changes to the policy and regulatory framework for higher education have made an already complex system even more complex. We agree that it is important to examine TEQSA's role and powers, and its alignment with other agencies within the system.
- This should not be done in isolation. Any changes to TEQSA's powers and enabling legislation must be examined side-by-side with the detail of the proposed legislation and powers for the new Australian Tertiary Education Commission (ATEC). There is a real risk of duplication and a lack of clarity between the two agencies. It will also be necessary as part of this to examine—and update where necessary—the Higher Education Standards Framework (Threshold Standards).
- The core role of TEQSA should be to regulate against the agreed Threshold Standards, allowing for the "diversity and institutional autonomy of higher education providers". ATEC should identify systemic issues and drive performance improvement and more meaningful mission-based compacts through its core role as system steward.
- There is an urgent need to review the regulatory framework and load across the higher education system—including the important role of State and Territory governments—and to take immediate action to remove duplication and overlap. This load and duplication is disproportionately impacting smaller universities. The IRU recommends that the ATEC should lead a regulatory "deep dive" as proposed by the Treasurer and that this should be completed before any changes are made to TEQSA's legislation and powers.

Current regulatory framework for higher education

The Australian Universities Accord Final Report (2024) included a number of findings and recommendations on regulation and the role of TEQSA. It noted the "burden of increased regulation" for universities and recommended that TEQSA's powers should be "reviewed regularly—and adjusted as necessary—to allow it to become the agile and forward-leaning regulator required to support a dynamic tertiary education system" (p. 229).

TEQSA's own submission to the Senate Committee inquiry into the quality of governance in higher education (March 2025) set out the "complex regulatory framework" within which universities operate. For example, the University of Sydney has calculated that it must now comply with 331 separate pieces of legislation, which represents a 20% increase since 2019. Professor Andrew Norton has summarised recent changes to higher education policy and regulation: "the frequent piling on of rules and agencies on the same or overlapping issues creates needless confusion and cost".[1]

In this context, the IRU agrees that it is important to periodically review TEQSA's powers, responsibilities and resourcing, to ensure that they are appropriate. However it does not make sense to do this in isolation—the role of TEQSA needs to be seen in context and as part of the broader system within which it operates. This includes the evolving roles of the Department of Education, the new ATEC and National Student Ombudsman (NSO), as well as the important role of State and Territory governments.

The Australian Government has also commenced a broader process aimed at streamlining regulation to boost productivity. In July, the Treasurer and Finance Minister wrote to all Commonwealth regulators, seeking proposals for cutting red tape. Following the Economic Reform Roundtable in August, the Treasurer proposed targeted "deep dives" in key sectors to tackle regulatory overlap. The IRU recommends that the tertiary education sector should be a priority for such a "deep dive" and that this should be completed before any changes are made to TEQSA legislation and powers.

There are well-documented examples of regulatory duplication and overlap in higher education—for example, the recent Support for Students Policy Guidelines, which Professor Andrew Norton describes as leading to a situation where "universities now face four sets of rules, administered by two agencies, that regulate essentially the same issue of managing students at risk of failure".

The new *National Higher Education Code to Prevent and Respond to Gender-Based Violence* has three agencies (TEQSA, the Department of Education and the NSO) with responsibility for aspects of regulation and compliance. The government's own review of the Foreign Arrangements scheme (released earlier this year) recommended a streamlining of reporting requirements for foreign arrangement and foreign interference, and the exempting of certain education arrangements.

The establishment of the ATEC also creates significant questions about the inter-relationship between the system steward and system regulator. The Accord Final Report stated that "continuous quality improvement in regulation [should be] a critical role for the Commission, including through transparent

1 Norton, A. (2025) Higher education: a new bureaucratic era. *Advancing Scholarship and Research in Higher Education*, 6(1), 1–18.

reporting on the state of the system and providing data and feedback to the sector".

A specific example of the potential for confusion and duplication between the ATEC and TEQSA is the focus on university governance and the way governance requirements are already incorporated in the Threshold Standards. The Deputy Secretary of the Department of Education (in evidence to the Senate committee inquiry) suggested that additional governance standards and requirements would be included in new mission-based compacts (to be set by ATEC with each university). However the consultation paper also suggests that new powers relating to governance are needed for TEQSA. Minister Clare, in releasing the University Governance Principles drafted by the Expert Council, stated that the Principles would be written into the existing Threshold Standards (18 October 2025).

Similarly, it is not yet clear where primary responsibility will lie for identifying and responding to emerging issues across the higher education system. Over the last two years, TEQSA has taken a role on issues such as artificial intelligence and student protests/ student safety, in response to emerging issues and risks. But in future this may be seen as a core responsibility for ATEC as system steward, with ATEC then cooperating with TEQSA as needed and as issues relate to the Threshold Standards.

The IRU recommends that the core role of TEQSA should continue to be regulating against the agreed Threshold Standards, to allow for the "diversity and institutional autonomy of higher education providers".

ATEC should take on the role of identifying systemic issues and driving performance improvement and more meaningful mission-based compacts through its core role as system steward. Specific performance metrics should be a matter for the ATEC rather than TEQSA.

The IRU appreciates the willingness of senior TEQSA staff to engage with university groups and to respond to queries and feedback. However IRU member universities have repeatedly raised concerns about resourcing/capacity within TEQSA, and delays with re-registration processes and the provision of information to universities. While proposing additional powers and responsibilities for TEQSA, the consultation paper is silent on resourcing and capacity – we recommend that this needs to be explicitly addressed as part of any change.

Responses to specific consultation questions

The consultation paper is structured around four key priorities, which we address in turn below. The IRU strongly supports:

- A higher education system that puts students first.
- Streamlining regulation so that universities can focus resources on their core business.
- Regulatory reform to enable a more joined up tertiary system, with simpler student pathways.

Given the establishment of the ATEC, the IRU has fundamental questions about the role and capacity of TEQSA to take on additional responsibilities and powers to address systemic and emerging issues. It is impossible to properly assess these proposals without also having the detail about the proposed legislation, powers and responsibilities of the ATEC.

A regulatory system that puts students first

The IRU agrees that TEQSA—as the national regulator for higher education—has a key role in ensuring that students are protected and supported to succeed. The existing TEQSA Act includes in its Objects the need to protect students, to ensure quality higher education for students, and the provision of information to students. "Student Participation and Attainment" and "Learning Environment" are Sections 1 and 2 respectively of the current Threshold Standards. TEQSA also regulates against the *Education Services for Overseas Students Act*.

The introduction of new Support for Students Policy Guidelines (with compliance managed by the Department of Education) and the establishment of the new National Student Ombudsman raise questions about whether TEQSA needs additional powers to focus on students, or whether this is best done separately through these other means. Prior to changing the TEQSA Act, it would be appropriate to review these arrangements and examine for example whether the Support for Students Guidelines would be better streamlined into the Threshold Standards.

Within its existing powers, TEQSA has also introduced additional mechanisms in 2025, publishing new Statements of Regulatory Expectations (SREs) on issues relating to student welfare, such as the SRE on *Student Grievances and Complaint Mechanisms.*

The consultation paper and TEQSA's submission to the Senate inquiry raise specific issues relating to students, such as the ability for TEQSA and the NSO to refer concerns between agencies in both directions, and whether there should be a clearer link between the use of regulatory powers and the public interest matters in the Act's Objects (such as student protection). The IRU agrees

that these are specific issues that could be examined in more detail.

The consulation paper suggests that the focus on cyclical assessment could be reduced, to allow the prioritisation of "rapid response to regulated risk". IRU members already have concerns about delays with the core cyclical processes of re-registration. Without further detail, it is impossible to determine whether removing some cyclical processes and adding a range of new targeted risk-based actions would be feasible or streamline workload/ burden for either TEQSA or universities.

To ensure that the regulatory system can better support First Nations students and the goal of First Nations self-determination in higher education, TEQSA should take on board recommendations from the proposed First Nations-led review of the higher education system, before making changes to the Act.

Opportunities to streamline regulation for universities

The IRU strongly supports efforts to streamline regulation to drive productivity. As outlined above and in the TEQSA submission to the Senate inquiry, as well as the Universities Accord, the Australian higher education system is characterised by an overly complex regulatory system with unnecessary duplication. The Productivity Commission has found that universities (through both their education and research missions) play a critical role in driving innovation and inclusive growth, so finding opportunities to streamline regulation and reporting in higher education should be a whole-of-government priority.

The IRU recommends that the ATEC lead a sectoral "deep dive" as proposed by the Treasurer, and that this be done as quickly as possible to inform changes to legislation. This should include close consultation with State and Territory governments given the key role of State legislation (and reporting, audit, etc.) in university governance. This could examine opportunities for streamlining powers that are currently managed by the Department of Education with a consolidated approach through TEQSA and the Threshold Standards.

The IRU also strongly supports cross-sector work to improve real-time data and transparency, to underpin sector performance and the identification of emerging issues and risks. This will require collaboration across multiple agencies and should be led by the ATEC as a priority.

Regulation to support a joined up tertiary system

The IRU also supports ongoing work to streamline regulation to enable a more cohesive and collaborative tertiary education system, with clearer and simpler pathways for students in both directions between higher education and vocational education and training.

Funding has already been allocated by the Australian Government for work on a Tertiary Roadmap and Dual Sector Regulatory Strategy, to better align regulatory requirements between TEQSA and ASQA. This work should be completed and inform any proposed changes to the TEQSA Act.

A modern regulator with powers to address emerging and systemic challenges

The consultation paper suggests that TEQSA needs additional powers (and changes to legislation) to allow it to respond more quickly to "acute risk" and emerging, system-wide risks. In its submission to the Senate committee inquiry into university governance, TEQSA suggested that these risks could include "financial collapse, severe governance failure, fraudulent or misleading conduct, immediate student welfare concerns or uncontrolled mass enrolment". However no evidence has

been provided about the level or urgency of risk of these things happening in Australian universities.

Similarly, the *Education Legislation Amendment (Integrity and Other Measures)* Bill 2025 currently before Parliament proposes new powers for TEQSA in relation to transnational education (TNE). The IRU accepts that as TNE and offshore delivery expands, there is a need for better data and there may be new risks. However there is insufficient evidence presented to be able to judge the extent of these risks, and whether the proposed powers are proportionate and risk-based, as well as their interaction with the existing Threshold Standards.

The IRU agrees that a key role for TEQSA is to "balance institutional autonomy with public accountability" and to ensure that regulation is in line with the legislated principles of regulatory necessity, risk and proportionality. As stated in TEQSA's submission to the Senate inquiry, it may be necessary at times for the regulator to be able to move more quickly, but this needs to be carefully balanced against the principle of procedural fairness. Where regulatory actions are necessarily lengthy, it may be worthwhile for TEQSA to have options for interim powers so that it can move more quickly and a range of intermediate enforcement options. Under the existing legislation, TEQSA already has recourse to a range of enforcement powers, including monitoring compliance, investigating breaches, issuing infringement notices and civil penalties, seeking injunctions and accepting enforceable undertakings. These are all able to be used before TEQSA would have to resort to cancelling a provider's registration.

For systemic risks, TEQSA also has the power to undertake thematic assessments if needed. More transparent evidence should be provided about the specific instances in which existing powers are not sufficient. There should be a close relationship between the ATEC and TEQSA, and this should be reflected in both organisation's legislation and powers. It is impossible to fully consider proposed changes to the TEQSA Act without seeing them side-by-side with the proposed ATEC legislation, to see how this relationship will work in practice. The IRU recommends that it should be the ATEC that has the primary role to identify emerging issues in the higher education system, and to then refer matters to TEQSA as needed, but both organisations should be able to refer matters to the other.

The IRU supports the fundamental role of the Threshold Standards to emphasise "high-level principles over detailed prescriptive measures", thus ensuring consistent national regulation and quality, and allowing room for differentiation and innovation. As part of any change to TEQSA's powers or responsibilities, the existing Threshold Standards should also be reviewed and updated as necessary. If the ATEC is to use new mission-based compacts to drive greater differentiation and specialisation across individual universities, it is important that the regulatory framework allows this to happen.

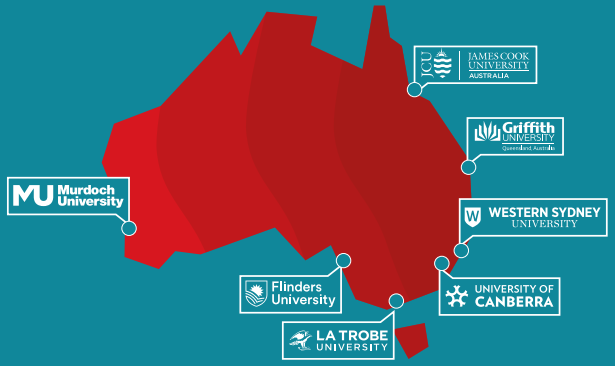
In its submissions to the Universities Accord process, the IRU called for a policy, funding and regulatory system that encourages innovation and differentiation, with each university empowered to focus on its distinct mission and the needs of its students and community. The regulatory framework for universities (including through TEQSA's powers and the Threshold Standards) should create room for innovation with course design and delivery (for example, making use of AI tools, or instruction delivered in the workplace or on country, as opposed to in the classroom). TEQSA could have a power to grant an institution room to experiment, without being at risk of de-registration or inadvertently losing funding due to compliance issues with the Higher Education Support Act.

The consultation paper is also silent on the research role of universities, but consideration should be given to the research requirements in the Threshold Standards and how these will be evaluated in the absence of the Excellence in Research for Australia (ERA) assessment, leaving more room for institutional specialisation and differentiation.

The overall goal should be clarity about the respective roles of TEQSA and the ATEC in ensuring a high-quality higher education system that protects students and delivers on national priorities and needs. IRU member universities play a critical role in the system in expanding access, supporting student success and undertaking research and innovation that benefits communities right across Australia. Through regulatory streamlining and clarifying the responsibilities of the regulator, TEQSA can continue to play its central role in ensuring that public universities are high-performing and sustainable institutions that are delivering for the public good.

About the IRU

The Innovative Research Universities (IRU) is a network of seven public research universities across Australia, committed to inclusive education that expands access and opportunity, and research with impact that advances our communities.



Innovative Research Universities
IRU Secretariat: 1 Geils Court, Deakin ACT 2600 | secretariat@iru.edu.au
iru.edu.au

Innovative Research Universities

CELEBRATING 20 YEARS OF INNOVATION