

27 March 2019

Emeritus Professor Peter Coaldrake  
Australian Government Department of Education  
Review of Higher Education Provider Category Standards  
By Email: [PCSReview@education.gov.au](mailto:PCSReview@education.gov.au)

Dear Peter,

### **Submission by Australian Institute of Business (AIB) to the Review of Higher Education Provider Category Standards**

Thank you for making the time to visit Adelaide and consult with members of the independent higher education provider sector. The discussion was very informative and positive, and I appreciate that you were so candid, pragmatic and responsive to the concerns you heard from participants.

AIB's submission to the review is set out below.

#### **About AIB**

AIB is a privately-owned, for-profit, higher education provider registered by TEQSA. Until recently, it also was registered as a training provider with ASQA and registered as a CRICOS provider with TEQSA. AIB gave up its RTO and CRICOS registrations in January 2019.

AIB's accredited programs are all in the business and management discipline, and are set out as Appendix A.

AIB is the largest MBA provider in Australia. AIB has over 30 years of excellence in tertiary education, and a global network of more than 16,000 students and alumni in over 90 countries. AIB's programs are internationally recognised and fully accredited in Australia. The AIB Master of Business Administration degree is delivered online, and is industry focused with practical, flexible learning designed for today's business world. In 2017, AIB's EFTSL was 3468.

#### **General Comments about the Review/Provider Categories**

The central question that exercises AIB's mind is why the categories exist in the first place. Typically, the reason for categorisation would be to provide valuable and reliable information to consumers to help them make purchasing decisions and/or to enable regulators to determine the level of regulatory oversight to apply to different entities. In the higher ed sector, it also provides for different funding levels.

To our mind, the categories currently serve primarily as a type of "internal pecking order" between institutions and as a means for TEQSA to determine its approach to registration and accreditation matters in a very blunt way. Language sends important signals, and because:

- a. the institutions within;
- b. the regulator of; and
- c. the funder of (ie the Federal Government),

the sector view the categories in this way, this has had the effect of sending a (we hope, unintentional) signal to prospective students, prospective employers and the general public that any higher education provider that does not hold self-accrediting university status delivers less valuable outcomes to its students and/or is of lesser quality than those that do hold that status. We do not accept that that represents reality.

As evidence of the Government's own subtle use of language to send those signals, we point that:

- The Government's own department charged with administering higher education policy, the Department of Education & Training (DET), in its opening statement on the home page of its website (<https://www.education.gov.au/higher-education-0>), states that *"Australia's higher education system is made up of universities and other institutions that play a critical role in fuelling innovation, driving productivity and giving students the skills they need for future success"* (emphasis added). In other words, DET itself sees the sector as having only two distinct categories: universities, and others.
- The Tertiary Education Quality and Standards Agency (TEQSA), the regulator of the higher education sector, chooses to not use the current provider categories in its sector report, but delineates universities from other providers, whom it categorises into "For Profit", "Not for Profit" [but, presumably, privately held], and "TAFEs".

At an operational level, the current provider categories make for an uneven playing field, despite the Government's own stated objectives of fostering a diverse and innovative sector:

- The general public tends to lump all higher education providers under the broad, colloquial term, "uni" (as in "What are you going to be studying at uni next year?" or "How is uni going?"). While we understand the desire of the university sector to have "university" as a protected term, the reality is that any language other than "university" carries a connotation that private providers are something less than the default setting. And so, when private non-university providers are forced to reveal that they are not, technically, a university, but that they have all of the accreditation and regulatory oversight and standing as a university when it comes to offering degree programs, that is necessarily a complex and confusing conversation to have, and it puts providers like AIB on the back foot when trying to compete.
- Even if private providers have the desire to become entitled to use the term "university", the path to that is difficult. For an organisation like AIB, who has made the conscious decision to focus our efforts on the business and management discipline only, our path to University of Specialisation status (and the additional cachet/credibility that that provides) via self-accrediting status would require at least 5 years of no conditions to apply for self-accrediting status and then a further 5 years to University of Specialisation status (realistically at least 12 years from the time of achieving zero conditions on registration or accreditation). This is despite having a track record in delivering outstanding value to students, scoring very highly on QILT measures and other indicators of student satisfaction, and delivering graduate outcomes that we contend rival those of any institution in the broader higher education sector.
- Self-accrediting status provides those who have it a material competitive benefit on matters like speed-to-market and the trialling of innovative offerings that do not necessarily follow the conventions of the sector. A number of new MBA or other postgraduate business programs have been introduced to the market by self-accrediting universities in the past 12 months, and AIB is of the view that it is highly unlikely that a number of those programs would be accredited by TEQSA if AIB were to seek to have them accredited.
- The time taken for TEQSA to review and make decisions on registration and accreditation renewals (let alone new registration and accreditation submissions) has now blown out to a timeframe that means that most private providers are shown on the National Register as having their registration "pending"

after the date of expiry of the existing registration/accreditation. This further exacerbates the notion that those providers are somehow “not up to scratch” if prospective students check the National Register during that evaluation process.

- Anecdotally, even those universities that attained that status following the Dawkins reforms are subjected to attempts by universities with longer tenure to diminish their status because of the status of their forerunners.

### Specific responses to the discussion questions

#### 1. *What characteristics should define a ‘higher education provider’ and a ‘university’ in the PCS?*

The term “higher education provider” is used generically for both universities and non-universities, but also is then used as a differentiator from universities. In any case, it is not a term that is well understood by the general public. While we concede that others may hold the view that there are valid reasons for delineating those providers who have a deep research profile (a view that we don’t hold), we believe that the demarcation between ‘universities’ and “non-university higher education providers” is not a helpful delineation and leads to wrong conclusions about the latter.

Our view is that any institution that is registered by TEQSA has met the standard required to offer programs to the public and so ought to be able to call itself a “university”, given the way that the general public uses that term. In our view, the current requirement that the term be reserved only to those institutions that can demonstrate a deep research profile across at least three disciplines appears to be an arbitrarily determined requirement designed to put up barriers to smaller, more focused institutions, and we recommend the removal of this requirement.

Those universities who want to promote their research would still be able to do so, but would not receive additional propping up by the ability to use a term from which others are precluded. Further, we recommend that self-accrediting status be more readily available to private institutions subject to meeting appropriately rigorous thresholds relating to academic and corporate governance, quality of programs, student experience and graduate outcomes. At present, self-accrediting authority can be granted to institutions with strong history of compliance with the Threshold Standards, and can be limited to a single program, a discipline or an AQF level. However, the process to be granted self-accrediting status puts private providers, and particularly those operating in narrow fields of discipline, at a competitive disadvantage.

#### 2. *Are the PCS fit for purpose in terms of current and emerging needs? Why?*

No, for the reasons set out above.

#### 3. *Should some categories be eliminated or new categories be introduced? What should be the features of any new categories?*

See above. Our recommendation is that there be only one category of provider (called a “university”).

As an alternative, we contend that the categories of university college, university of specialisation, and overseas university are underused at present, largely because of the challenges of meeting the requirements. There seems little point in retaining categories that contain a minimal number of institutions. At the very least, we would recommend elimination of the “overseas” categorisations.

4. *Do specific categories need to be revised? How?*

Yes. As above.

5. *How would the needs of providers, students, industry, regulator and broader public interest be served by your suggested changes to the PCS?*

While this may result in a higher regulatory burden, in our view it will give the public confidence in the sector as a whole, and in each institution registered to provide programs. It would mean a more level playing field for providers, and simplify the language of the sector.

We thank you for the opportunity to make this submission, and look forward to the findings and recommendations that you make.

Yours sincerely



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## **Appendix A – AIB’s accredited programs**

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### **Graduate Certificates/Graduate Diplomas**

Graduate Certificate in Work-based Learning

Graduate Diploma in Management

Graduate Diploma in Management (Research)

Graduate Certificate in Action Research and Action Learning (formerly Graduate Certificate in Change Management)

Graduate Certificate in Management

Graduate Certificate in Management (Research)

### **Associate Degrees/Bachelors Degrees**

Associate Degree in Management

Bachelor of Business Administration

### **Masters by Coursework**

Master of Business Administration

Master of Business Administration (Entrepreneurial Management)

Master of Business Administration (Finance)

Master of Business Administration (Human Resource Management)

Master of Business Administration (Logistics and Supply Chain Management)

Master of Business Administration (Marketing Management)

Master of Management

### **Masters by Research**

Master of Management (Research)

Master of Management (Work-Applied Learning) (formerly Master of Management (Work-based Learning))

### **Doctorate Programs**

Doctor of Business Administration

Doctor of Philosophy