

— Submission

Review of the Higher Education Provider Category Standards

Submission From The
Australian Council for Private Education and Training

ACPET is the peak business organisation representing
independent providers in the higher education and
vocational Education and Training (VET) systems.

Introduction —

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and vocational education and training systems. ACPET tenders this submission to the Australian Government undertaking the Review of the Higher Education Provider Category Standards.

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Section 1: Executive Summary—

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and vocational education and training (VET) sectors.

ACPET members make a significant contribution to education and the economy and are representative of the independent sector that delivers training to over three million students a year, with a workforce of some 100,000 people.

In preparing this submission the ACPET has consulted widely with its members.

This purpose of the Review of the Higher Education Provider Category is to assess the effectiveness of the current Higher Education Provider Category Standards (PCS), identify short-term changes to improve the effectiveness of the PCS, analyse a range of potential systems for the categorisation of higher education institutions and outline realistic and practical options for adoption to improve categorisation for Australian higher education delivery.

Key Observation —

All Australians should have the opportunity to gain the skills and knowledge they require to participate in the labour market. Government has a key role to play in ensuring that all individuals have access to learning opportunities and to select a higher education provider who can deliver the education that meets their needs.

The 2016 census showed that for the first time in Australia's history more than half (56 per cent) of all people aged 15 years and over held a non-school qualification. Australians work to gain these qualifications for good reason, as our changing labour market requires higher level skills to gain and maintain employment in the modern workplace.

ACPET tenders our thanks for the opportunity to make this submission and we look forward to further engagement on this matter.

Troy Williams
ACPET Chief Executive

Robert Wilson
ACPET Policy & Research Manager

Section 2: Recommendations

This section lists the recommendations made throughout ACPET's submission to the Review of the Higher Education Provider Category Standards.

1. ACPET recommends that the current higher education provider category be reviewed with the aim to establish a potential new category that would support and acknowledge those providers that achieve additional requirements to incentivise excellence in higher education. Criteria could include governance and academic arrangements, past student experiences, teaching quality etc.
2. ACPET recommends that consideration be given to the need for five categories to cover universities in the PCS. This would give scope to provide room for a new category for higher education providers meeting certain criteria without increasing the number of categories.
3. ACPET recommends that the PCS for the higher education system should not be used as a basis for funding models.

Section 3: Higher Education in Australia

Higher Education Providers in Australia have the legal power to issue qualifications from diploma (Australian Qualifications Framework (AQF) level 5) through to a PHD (AQF level 10). In Australia, most higher education students attend universities, but there are 127 non-university higher education providers, which are a mix of for-profit and not-for-profit institutions. ACPET represents the independent higher education providers.

These independent higher education providers provide education and training to 130,000 students, some 10 per cent of all higher education enrolments.

Many independent providers are specialised in their field where, in many cases, teaching is their only major education function, with about half offering vocational education and training in addition to higher education courses.

There are 15 pathway colleges which specialise in diploma-level courses, where their major purpose is to prepare students for entry into the second year of a university course. Generally, they have a relationship with a specific university where the diploma course matches the first year of the partnering university's first year.

Other higher education providers offer only postgraduate courses, often serving specific occupations with professional admission or development courses.

The independent education sector makes a significant contribution to Australia's economy and productivity. Total education industry revenue was \$122 billion in 2017-18, and its estimated value add to GDP is \$74 billion (IBIS World). In addition, the education of international students is Australia's third largest export.

Section 4: An Additional Higher Education Provider Category

Key Issues —

Demand for higher education has been increasing in Australia with more students seeking a higher education pathway following school. In addition, more mature aged students are also seeking to study with higher education providers to change their career pathways, upgrade their skills or to improve their knowledge. This has been supported with the expansion of technology and corresponding innovative approaches to delivery.

The Higher Education Provider Category Standards (PCS) describe the different categories of higher education providers, and requirements expected of them, for registration by the TEQSA. The PCS are part of the Higher Education Standards Framework 2015 which sets the standards required to operate as a higher education provider and/or university in Australia.

There are six categories under the PCS, the first category being Higher Education Provider. The category currently includes 127 institutions of significantly different sizes, staff experience, capability and capacity. The category does provide opportunities to differentiate between diverse providers and this leads to an inability to understand the range of courses offered, approach and governance and management structures to providers in this category.

In addition, the PCS make no mention of whether a provider provides traditional face-to-face classroom teaching and learning opportunities, solely on-line or a mixture of both.

While ACPET maintains a view that the PCS are generally fit for purpose, we believe there is room to review the Higher Education Provider Category to reflect the great diversity of providers that currently fit into this category.

Indeed, by categorising all higher education providers together this does not support providers to strive for excellence, merely providing a broad minimum category standard.

The category could be expanded to reflect the teaching quality, discipline range and course offerings, governance structures and student experience to differentiate among the wide range of higher education providers.

ACPET supports further consideration be given to a potential new category that would support and acknowledge those higher-level education providers that achieve additional requirements to incentivise excellence in higher education.

The additional category for higher education providers could also enable these providers to develop and offer self-accrediting courses to students as they would meet certain benchmarks such as teaching quality, course offerings, governance and academic structures and quality student experiences.

Recommendation/s —

1. ACPET recommends that the current higher education provider category be reviewed with the aim to establish a potential new category that would support and acknowledge those providers that achieve additional requirements to incentivise excellence in higher education. Criteria could include governance and academic arrangements, past student experiences, teaching quality etc.

Section 5: Higher Education Providers and Universities

Key Issues —

ACPET maintains that the key function of the PCS is to provide a set of standards that are clear and understood by the community, industry, students, parents, regulators, governments and importantly higher education providers themselves.

The PCS must not enforce some sort of hierarchical structure. Not all providers in the higher education provider category aim to become a university. Indeed, many clearly see their role as providing a teaching only service and meeting the needs of their students.

The 127 higher education providers within this one category include for-profit providers, not-for-profit providers, for-profit companies (including subsidiaries of other companies), faith-based providers, on-line only providers, pathway providers with established arrangements with universities, providers that specialise in only one area of study and providers that specialise in multiple areas of study.

While the current PCS contain six categories, five of these are specific to universities of which there are currently 43 providers.

The university categories include 37 public universities, two private not-for-profit providers, two registered 'Overseas University', one for-profit provider and one 'Australian University of Specialisation'.

Currently there are no institutions registered within the 'Australian University College' and the 'Overseas University of Specialisation' categories.

The most important distinctive aspect of universities as higher education institutions is their combination of research and teaching. To be a full Australian university, a higher education provider must be active in research across at least three broad fields of study.

ACPET supports that the term university should continue to have a research capacity and capability associated with it, but also acknowledges the significant barriers that this creates to having new universities being established. University research is typically not self-financing. This has led to a situation where after a period in the 1980s and 1990s when many new universities were created, only one university has opened since the three fields of study rule came into effect in 2000.

With the growth in the sector expected to continue over many years, there is likely to be more demand for movement between categories to recognise excellence, but not to a university. This is why new categories that recognises diversity amongst higher education providers is required.

It is important to be mindful that the ability to conduct research does not necessarily improve teaching and learning for students. The PCS must provide opportunities for excellent teaching and learning providers to be recognised in their field.

ACPET recommends that consideration be given to the continuing need for five categories to cover universities in the PCS. This would give scope to provide room for a new category for higher education providers meeting certain criteria without increasing the number of categories.

Higher Education Providers Funding

While funding is not an issue for the PCS, it is important to note that the 25% administration fee applied to higher education providers is a red tape burden that unfairly impacts on the independent higher education providers. It could be argued that independent providers undergo a much more rigorous and independent process of accreditation through the TESQA whereas universities are currently able to self-accredit.

ACPET recommends that the PCS for the higher education system should not be used as a basis for funding models.

Recommendation/s —

2. ACPET recommends that consideration be given to the need for five categories to cover universities in the PCS. This would give scope to provide room for a new category for higher education providers meeting certain criteria without increasing the number of categories.
3. ACPET recommends that the PCS for the higher education system should not be used as a basis for funding models.

Appendix A: ACPET Introduction

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and vocational education and training (VET) sectors.

ACPET members make a significant contribution to education and the economy and are representative of the independent sector that delivers training and knowledge to over 3,000,000 students a year, with a workforce of some 100,000 people. Independent providers deliver around 60% of all VET student enrolments nationally, about 90% of international student VET enrolments and are growing higher education enrolments at over 10% per year. Student satisfaction rates are equal to or better than those of public sector TAFE institutions and universities. In this context ACPET's projects and policy priorities are directed within the following framework:

ACPET's Vision —

ACPET is recognised internationally as leading the quality provision of skills and knowledge for the future by ethical, independent providers of Australian tertiary education.

ACPET's Mission —

To position the independent sector as leaders of quality and innovation in Australian tertiary education.

A major focus for ACPET is to support providers in the higher education and VET sectors reach export markets, whether this be for students undertaking study within Australia or at off-shore campuses of Australian tertiary education providers.

Policy advocacy at ACPET uses the experience of our members to work towards a regulatory framework for the VET sector that is based upon a risk management approach that ensures independent providers can deliver quality training outcomes while at the same time freeing business from a regulatory burden that makes little or no demonstrable contribution to quality improvement.

ACPET's head office is in Melbourne and the organisation operates nation-wide with staff located in Adelaide, Brisbane, Darwin and Sydney. ACPET's policy advocacy and research team is located in Canberra.

For further information visit the ACPET website at:
www.acpet.edu.au

Appendix B: Abbreviations Used In This Submission

ACPET	Australian Council for Private Education & Training
AQF	Australian Qualifications Framework
HELP	Higher Education Loan Program
PCS	Higher Education Provider Category Standards
TEQSA	Tertiary Education Quality and Standards Agency
VET	Vocational Education and Training

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