

## Submission to Provider Category Standards review

### Overview

Monash College is fully owned by Monash University, Australia's largest university. We are the preferred pathway to Monash University for international students. We offer foundation programs and English language courses, diplomas, study abroad, professional experience programs, and more. For over 20 years, we have been helping international students get into their desired degree courses and preparing them for success in the workforce.

Monash College is one of the 129 institutions registered by TEQSA under the *Higher Education Standards Framework (Threshold Standards) 2015* in the 'Higher Education Provider' category. This category accounts for 75 per cent of all Australian HE providers, the remainder being registered within one of three 'university' categories.

Australia's current regulatory apparatus – including the *Higher Education Standards Framework 2015*, of which the Provider Category Standards are a part – has been broadly successful in maintaining quality higher education nationally. In this respect there is no problem to be solved.

However, Monash College welcomes the current review of Provider Category Standards (PCS) as an opportunity to contribute to improving and future-proofing Australia's higher education sector. The College suggests that consideration of changes should be based on:

1. recognition of meaningful differentiating elements in institutional mission and/or governance; and
2. the likelihood of tangible benefits to the sector.

Given the circumscribed nature of the College's higher education activities this submission will focus on an area of particular relevance to Monash College and on which the College considers itself well placed to comment: namely, the activities of 'pathway' institutions and their possible claim for recognition as a separate category of higher education provider.

The following key points will be made:

- There are strong reasons for encouraging diversity and differentiation within the sector, including through the PCS.
- There are a range of reasons for considering the addition of a new provider category for pathway institutions, defined as providers that exist solely or primarily to provide access to, and preparation for, study at another higher education institution.
- This category would recognise that:
  - such institutions perform a significant, clearly defined role in Australia's tertiary education ecosystem;
  - their activities are of sufficient magnitude as to make a separate category meaningful; and
  - they exhibit shared characteristics and key similarities in terms of program offerings, institutional profile and outcomes.
- The creation of such a category would provide a range of benefits, including:
  - improved transparency for prospective students;
  - opportunities for more targeted and streamlined regulatory processes, which could benefit both institutions and TEQSA;

## Submission to Provider Category Standards review

- improved clarity for legislators and regulators in other international jurisdictions, leading to better recognition outcomes for graduates; and
- stronger positioning for Australian providers in an increasingly competitive international market.

### The significance of diversity and differentiation

The PCS Review Discussion Paper rightly identifies the potential role of the PCS in promoting sector diversity and differentiation. As noted by Birnbaum<sup>1</sup> and later van Vught,<sup>2</sup> the benefits of a diversified tertiary education system include improved ability to meet the needs of the labour market, political interest groups and an increasingly diverse cohort of students, as well as supporting social mobility, institutional efficiency, effectiveness and innovation, and the health of the system broadly via a mix of elite and mass education.

Combinations of these reasons recur in more recent studies, including research in Australia focussed on diversity between universities<sup>3</sup> and in the vocational education sector.<sup>4</sup>

While diversity can and does arise within broad, 'catch-all' categories such as Higher Education Provider, differentiation can be promoted and supported at a system level via mechanisms such as the Provider Category Standards – although it is not evident that the current PCS perform this function in any but the most minimal way.

### Australian pathway providers

There are at least 26 pathway providers with independent legal status operating in Australian tertiary education (plus others that operate entirely as arms of a university).

The international education sector in Australia has been much studied due to its major economic significance, but it is less often noted that fewer than 40 per cent of commencing international bachelor degree students entered Australian education directly at that level; of the remainder, around 45 per cent had prior study at non-award level (primarily ELICOS and Foundation programs) and 27 per cent at diploma level.<sup>5</sup> Furthermore, in 2016 a total of 30,439 EFTSL was delivered in Australian HE at 'other undergraduate' (diploma and advanced diploma) level, with more than half of this load delivered by 13 registered higher education providers (HEPs), all pathway providers, who also accounted for 93 per cent of all HE diplomas delivered by non-universities.<sup>6</sup>

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<sup>1</sup> Birnbaum, R. (1983). *Maintaining Diversity in Higher Education*. San Francisco: Jossey-Bass.

<sup>2</sup> van Vught, F. (1996). Isomorphism in higher education? Towards a theory of differentiation and diversity in higher education systems. In V.L. Meek, L. Goedegebuure, O. Kivinen & R. Rinne (Eds.), *The mockers and the mocked: comparative perspectives on differentiation, convergence and diversity in higher education*. Oxford: IAU Press.

<sup>3</sup> Coates, H., Edwards, D., Goedegebuure, L., Thakur, M., van der Brugge, E., & van Vught, F. (2013). *Profiling diversity of Australian universities*. Melbourne: LH Martin Institute, University of Melbourne.

<sup>4</sup> Schubert, R., Bentley, P.J., & Goedegebuure, L. (2016). *Profiling institutional diversity across the VET sector*. Melbourne: LH Martin Institute, University of Melbourne.

<sup>5</sup> Department of Education and Training. (2015). Research paper number 2015/3: Study pathways of international students in Australia. Retrieved from <https://internationaleducation.gov.au/research/research-papers/pages/research%20papers.aspx>

<sup>6</sup> Department of Education and Training. (2017). Selected Higher Education Statistics – 2016 Student data. Retrieved from <https://www.education.gov.au/selected-higher-education-statistics-2016-student-data>

## Submission to Provider Category Standards review

In a domestic context, widening participation in higher education has led to a focus on ensuring student retention, particularly in the initial period of transition from secondary to tertiary education for students from disadvantaged or under-represented backgrounds. A report on pathways to higher education for such students found that seven universities, which collectively accounted for over 25 per cent of all enabling course load, delivered one or more of their enabling courses either in partnership with a third-party provider or via a wholly-owned entity, the two primary pathway provider models.<sup>7</sup>

Analysis of available data for these providers, including higher education statistics, CRICOS profile and data from public reporting by TEQSA, indicates that these providers vary in terms of size, course offerings, student demographics and outcomes. Nevertheless, in key areas such as attrition, these providers analysed as a cohort return an unusually low kurtosis, in contrast to the extremely high kurtosis value returned for all higher education providers. This suggests that, within a highly diverse sector, with more outliers than a standard distribution, pathway providers bear a strong family resemblance, analogous to the resemblance found between Australian public universities.

### **Benefits of a 'Pathway' category for students**

Credit recognition agreements and articulation pathways are clearly beneficial to students, irrespective of the type of provider offering them. The creation of a specific pathway category should not be seen as a replacement for existing articulation and recognition arrangements throughout the sector.

However, such arrangements may confusingly imply that the 'sending' provider has expertise in transition education. Students requiring specialised support of this kind may therefore make poorly-informed choices.

There are also specific examples where more authoritative recognition of pathways institutions would assist students to use their Australian higher education qualifications as they were intended to be used.

For example, the Indian government currently does not recognise any Australian undergraduate qualification if the graduate was admitted to their bachelor degree via a credit-bearing sub-bachelor qualification from a non-degree-granting institution. This primarily affects students from pathway institutions, preventing them from using their Australian studies to enter the Indian public service or postgraduate programs at Indian universities.

Similarly, Sri Lanka's medical registration body does not recognise medical degrees earned in Australian universities if the graduate entered the degree via a Foundation Program.

While a separate provider category would not automatically resolve these or other similar transnational recognition issues, it would establish a firmer basis on which to build more comprehensive recognition by giving more confidence about the legitimacy of such pathways, to regulators in other jurisdictions.

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<sup>7</sup> Pitman, T., Trinidad, S., Devlin, M., Harvey, A., Brett, M., & McKay, J. (2015). *Pathways to higher education: The efficacy of enabling and sub-bachelor pathways for disadvantaged students*. Perth: National Centre for Student Equity in Higher Education, Curtin University.

## Submission to Provider Category Standards review

### Regulatory considerations

It is noted in passing that TEQSA has used a number of different unofficial provider categorisations in its publications: for example, *A risk and standards based approach to quality assurance in Australia's diverse higher education sector*<sup>8</sup>; Annual Statistics Reports on TEQSA Registered Higher Education Providers; and *Characteristics of Australian higher education providers and their relation to first-year student attrition*<sup>9</sup> – the latter including a pathway providers subcategory.

Monash College expects that TEQSA's insights will be sought regarding the regulatory implications for any proposed categories, while also observing that these arise from TEQSA's risk-based focus. The Provider Categories should not be seen as a de facto risk profile or a device for publically signalling a provider's performance. But it is clear that pathway providers represent a specific set of regulatory issues, both positive and negative.

On the positive side, their close relationship with a destination university often results in their use of university IP, developed through the university's own self-accreditation processes and quality assurance mechanisms. Furthermore, by virtue of both academic outcomes and brand association, a significant portion of academic risk related to pathways provision is borne by the destination or 'owning' university.

However, these inherent benefits are not acknowledged within the current regulatory framework. For example, pathway providers wishing to deliver material self-accredited by their affiliated university must nevertheless submit it to effectively a second, external accreditation process. This results in unnecessary delays for the provider and unnecessary work for the regulator.

On the other hand, the reliance of many pathway providers on international enrolments represents an elevated risk associated with volatility of enrolment demand and vulnerability to international instability. These risks are currently managed at the individual institution level via provider risk assessments, which should remain the ultimate determinant. However, the creation of a specific pathway provider category would create opportunities to develop more efficient generic requirements to address these systemic issues in the first instance.

Part B of HESF also relates to criteria for self-accrediting authority (SAA). Monash College believes the quality standards required for SAA should remain high. Self-accrediting authority is an indication of institutional capacity – in particular, the maturity of its quality assurance processes. It also provides a potential mechanism for addressing some of the bottlenecks in course accreditation noted above.

Given that Monash College's quality assurance systems are underpinned by those of Monash University, the performance of its academic programs is overseen by senior Monash University academic staff, and curriculum and assessment for its higher education awards is provided by the University, the College would seem to be an obvious potential candidate for SAA. However, applying for self-accrediting authority is not an option, as such autonomy is at odds with its core strategic alignment with Monash University.

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<sup>8</sup> Retrieved from <https://www.teqsa.gov.au/sites/g/files/net2046/f/risk-and-standards-based-approach-to-quality-assurance-in-australias-diverse-he-sector.pdf?v=1508891448>

<sup>9</sup> Retrieved from <https://www.teqsa.gov.au/sites/g/files/net2046/f/attrition-report-june-2017-19dec2017.pdf?v=1513650539>

## Submission to Provider Category Standards review

This is likely to be the case for most, if not all, pathway institutions. Thus a key opportunity in identifying pathway providers as a specific category would be to recognise these realities and reflect them appropriately in associated requirements for course accreditation.

### **International precedents and comparators**

The obvious international comparator to Australian pathway providers is the USA's community college model – widely recognised as a common form of the Associate's College within the Carnegie Classification of Institutions of Higher Education.

Community colleges are not focussed solely on providing a pathway to university; they often provide tertiary education to students who otherwise would receive none. However, research suggests that they do provide an analogous pathways role in the American system.<sup>10</sup>

Furthermore, although originally founded to serve a domestic cohort, community colleges have recently been actively and successfully competing for market share in key transnational pathway education markets such as China and Vietnam. It appears these colleges are leveraging the brand recognition of their provider type to take advantage of the opportunity recently identified by the Washington-based Brookings Institute<sup>11</sup> as one of six key global trends in higher education: the increased use of pathways programs to facilitate transnational education and provide additional revenue streams for universities.

The Australian response, by contrast, has been more ad hoc and constrained by reliance on individual institutional brands in lieu of a sector-wide pathway identity.

### **Conclusion**

Monash College recommends development of a Pathway category within the Provider Category Standards. This would recognise a group of providers already well established in the sector, sharing a common, distinctive mission and broadly similar educational offerings and profiles.

It would also support:

- student choice via more transparent signalling;
- regulatory efficiency and effectiveness by establishing the basis for more tailored regulatory processes;
- international recognition and competitiveness of Australian educational offerings; and
- sector differentiation by encouraging specialisation within defined parameters.

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<sup>10</sup> <https://www.jkcf.org/research/persistence/>

<sup>11</sup> <https://www.brookings.edu/blog/education-plus-development/2019/01/10/top-6-trends-in-higher-education/>