



National Tertiary Education Union

Submission

Review of Higher Education Provider Category Standards

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Introduction

The National Tertiary Education Union (NTEU) represents the professional and industrial interest of almost 28,000 people who work in Australia's universities and research organisations.

Purpose of Provider Classification Standards (PCS)

Before addressing some of the issues raised in the discussion paper, which effectively go to whether the existing provider classification standards (PCS) for higher education could be better structured, it is important to have a clear understanding of the underlying rationale and purpose of the PCS.

The existing PCS as articulated in Part B of the Tertiary Education Quality and Standards Agency's (TEQSA) Higher Education Standards Framework grew out of the National Protocols on Higher Education Approvals Processes, developed by the Ministerial Council of Education, Employment, Training and Youth Affairs (MCEETYA) in 2000.

The evolution of protocols came about at the same time as the establishment of distance education provider Greenwich University on Norfolk Island which sought to be registered with the Australian Qualifications Framework (AQF). A review chaired by Michael Gallagher found against Greenwich being registered with the AQF because "the standard of its course, quality assurance mechanisms and its academic leadership fail to meet the standards expected of Australian universities¹."

Along with the establishment of the National Protocols there were also changes to the Corporations Act which regulated the use of the term 'university'.

Therefore the rationale for National Protocols and subsequent developments up to and including the current Higher Education Standards Framework were very much framed in setting the minimum requirements that an entity needs to meet before it is allowed to offer recognised higher education qualifications in Australia. The standards were the gate-keeper in a regulatory framework aimed at protecting the quality of education offered to students as well protecting the status and reputation of Australia's higher education sector, and our predominantly public universities.

This gate-keeper role is evident when one looks at the TEQSA Higher Education Standards Framework that sets out the specific criteria or requirements for higher education providers. The Framework is split into two parts:

¹ Australian Parliament House, Parliamentary Library Bills Digest No.64 2002-03. Higher Education Legislation Amendment Bill (No. 3) 2002

- Part A, covering broader higher education standards related to students, teaching, research, research training, institutional governance, finances, quality assurance and information management; and
- Part B, covering the criteria for higher education providers (provider classification standards) for:
 - Higher Education Providers (HEPs);
 - Australian University;
 - Australian University College;
 - Australian University of Specialisation;
 - Overseas University; or
 - Overseas University of Specialisation.

While we understand that the focus of the current review is very much on Part B of the standards, we believe that it is important to empathise that any changes to this section must be consistent and coherent with the requirements outlined in Part A.

In other words, from the NTEU's perspective the current review's consideration of whether the PCS, and the standards framework more broadly, are fit for purpose, must continue to prioritise the protection of students interests and the status and reputation of Australia's higher education sector.

We therefore do not believe it would be appropriate for the review to consider whether the existing regulations create a barrier to entry into the higher education market with a view to accommodate a more market orientated approach to the funding and regulation of higher education. In a similar vein, we reject arguments that the tight regulation of the use of the term 'university' is considered to give existing universities a significant marketing advantage over other providers.

Looking at the PCS through a 'market' lens with a view to reducing barriers to entry for new providers and increasing the level of competition not only betrays the rationale underlying the current standards framework, but also exposes the sector to unacceptable risks. We only need look at the spectacular failure of increased contestability and free market competition in the Vocational Education and Training (VET) sector to understand what chaos such a botched policy experiment had on students, communities and existing public TAFEs that had strong community service obligations.

Education is far too important to be left to the market. Any attempts to weaken the gate-keeper role of the existing PCS and standards framework would be a serious mistake. It would not only be a massive betrayal of current and future students as evidenced by the

damage wrought by the VET-FEE HELP scandal, but also seriously threaten the reputation of our world class higher education sector. Even from a purely economic, let alone social perspective, it's worth keeping in mind that Australia's international education sector attracts about 400,000 overseas students and generates about \$35billion in foreign earnings a year, ranking it amongst Australia most important export sectors. This should not be put a risk.

In summary, the NTEU advises caution in any policy proposal that sees free-market driven principles dictating regulations that go to quality assurance and provider risk. At the very minimum, the review's recommendations must ensure our standards framework and the PCS continue to operate as a vigilant and strong gate-keeper.

We address some of the specific issue and questions raised in the discussion paper below.

Defining Higher Education

The difference between higher education (HE) and vocational education and training (VET) is becoming less distinct overtime. While VET may once have been focused on competency based training in relation to traditional trades and HE associated with preparing graduates for the professions, there is little doubt that as we move into the 4th industrial revolution, the distinction between the two sectors is diminishing.

In terms of the funding and regulatory framework, the primary distinction lies in relation to the level Australian Qualifications Framework (AQF) qualifications a provider offers and with whom the provider is registered. VET providers generally deliver AQF level 1 (Certificate I) to level 6 (Advanced Diploma / Associate Degree) qualifications and providers and courses are registered with the Australian Skills Quality Agency (ASQA). HE providers generally offer AQF level 7 (Bachelor's Degree) to level 10 (Doctoral Degrees) and are registered with the Tertiary Education Quality and Standards Agency (TEQSA).

Higher Education (HE) and Vocational Education and Training (VET)

In recent submissions to both the House of Representatives Inquiry into the Future of Work and the Joyce Review of Vocational Education and Training, the NTEU has been calling for a more coherent and consistent regulatory and funding framework for all of tertiary education covering both HE and VET. While not specifically addressed in those submissions, this would also cover the PCS and ensuring there was a coherent taxonomy across the whole of tertiary education sector.

According to TEQSA, in 2017 there was a total of 176 higher education providers with something in order of 1.4million students enrolled, and comprised of the following types of organisations:

- 43 universities (90% of total students)
 - 40 Australian universities
 - 1 Australian University of specialisation
 - 2 Overseas universities
 - 1 (1.3m students)
- 63 For-profit Higher Education Providers (HEPs)
- 58 Not-for-profit HEPs
- 12 Technical and Further Education (TAFE) providers.

Of all of the students enrolled in higher education about nine out of ten (90%) are enrolled at an Australian university. The registration and regulation of higher education providers is under the province of TEQSA.

National Centre for Vocational Education Research ([NCVER](#)) data shows that in 2017 there were 4,193 VET providers with approximately 4.2 million students enrolled, which was comprised of the following types of organisations:

- 412 TAFEs
- 13 Universities
- 398 Schools
- 442 Community and Adult Education (ACE) providers
- 143 Enterprise based Registered Training Organisations (RTOs)
- 3,156 Private RTO's

ASQA is the body responsible for the regulation of VET.

There are some providers that operate across both HE and VET, including a number of cross sectoral universities. At the moment these providers operate under two separate and distinct regulatory and funding regimes. .

Therefore the NTEU believes that any revision of the PCS as specified in TEQSA Standards Framework should at least contemplate the broader tertiary education sector.

Provider classifications

The NTEU is not unsympathetic to the suggestion that the number of categories of tertiary education providers could be substantially tidied up and simplified.

Without advocating for a specific categories or nomenclature we envisage a tertiary education sector taxonomy which might be structured as follows:

Vocational Education and Training (VET)

- Adult and Community Education (ACE)
- Training Organisations
- Public Technical and Further Education (TAFE) Systems/ Colleges / Institutes.

Cross-sectoral

- Polytechnic / Institute of Technology / College of Tertiary Education (CTE)

Higher Education (HE)

- Colleges of Higher Education (CHE)
- University

Within this broader structure there is also capacity for finer grained sub-categories such as as universities of specialisation and overseas universities.

Characteristics of a university

The NTEU understands the essential defining characteristics of a contemporary university in the Australian context to be an autonomous institution that:

- self-accredits all of its courses and programs,
- offers Bachelor's level and above across a broad range of fields of study, including higher degree by research qualifications,
- is actively engaged in research and scholarship;
- promotes and protects academic freedom; and
- is committed to fulfilling its community service obligations.

Therefore, NTEU strongly opposes the creation of new category of teaching-only or indeed research-only university. To be clear we acknowledge that teaching only and research only institutions already exist, but we do not believe they should be classified or called universities.

In addition to these essential defining characteristics the NTEU also supports the other criteria that an organisation must currently meet to be registered as a university, especially including having:

- the support of the relevant Commonwealth, State or Territory government, preferably through enabling legislation as currently applies to all Australian universities,
- a formally constituted governing body, which includes independent members and elected staff and student representatives,
- extensive student services, including student academic and learning support, so that every student they enrol has the opportunity to successfully complete their studies,
- systematic, mature internal processes for quality assurance and the maintenance of academic standards and academic integrity,
- good practices in student teaching and learning.

The NTEU also believes that universities should be required to offer higher degree by research qualifications in least half of all the broad fields of study in which it offers undergraduate qualifications.
