

TAFE Queensland Submission to the Review of the Higher Education Provider Category Standards – March 2019

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

The review of the PCS suggests that classifications currently in operation and application may not adequately represent diversity across the full spectrum of higher education providers in Australia. While the *Higher Education Support Act 2003* and the National Quality Assurance Framework establish the criteria which determines the provider category, absent from the criteria is discourse around:

- a clearly defined level of delivery according to the existing Australian Qualifications Framework (AQF) criteria;
- the level of risk or categories of risk of a provider;
- the complexity or volume/spectrum of course offerings, including pathways;
- the binary audit and approval requirements for the Tertiary Education Quality and Standards Agency (TEQSA) and professional accreditation of offerings and the duality of the compliance burdens on non-university providers;
- the need for micro-credentials to meet the changing needs of work;
- the nature of the student cohort, ie lower SES, adult learners versus recently graduated OP students, ‘first-in-family’; and
- teaching only providers.
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The Review discussion paper adequately considers the research:teaching:grant funding triage of stakeholder interests and includes the Productivity Commission review on the international rankings impact. These aspects need to be included in the Review. TAFE Queensland acknowledges and supports the outcomes of the 2019 Productivity Commission Review, specifically the “role of non-university higher education providers — whether these providers are simply VET organisations that can offer applied degrees in specific areas, or whether they have the potential to become diverse teaching -only universities” (2017, p. 101).

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

The discussion paper provides a number of aspects as to why the current PCS are not fit for purpose in terms of current and emerging needs. TAFE Queensland submits for consideration the following examples as to why it contends that the current PCS are not fit for purpose.

Market and work trends

In 2017, the Productivity Commission Review explored labour market trends and concluded that those trends ‘coalesce around workers’ and that while there were no easy answers, change is needed to meet the future needs which address the ways in which future work will be done. This included formal qualifications becoming redundant, the need for skills/skills sets, informing the poorly informed and a rethink of skills provision. Current higher education provider classifications do not adequately address current or future diversity in education and training or in provider capacity and capability.

To facilitate informed decision making by the various stakeholders in higher education, a national classification structure needs to clearly articulate the “wilderness” within existing higher education systems (Ziegele, 2013, p.82). We currently have 43 recognised/classified universities in Australia which are then classified into five provider categories, however, the single Higher Education Provider (HEP) category comprises approximately 127 registered providers.

The HEP category includes six broad subcategories which are sufficiently disparate so as to warrant the conclusion that the current PCS classifications are not fit for purpose in terms of current and emerging needs. Ziegele (2013) contends that “classifications make a static description of a situation; hence they are able to give a snapshot of diversity” (p.77), zeitgeist classifications now need to keep step with market disruption. Recommendation 3.3 of the Productivity Commission Report states that there needs to be a capacity to assess and accredit skills and competencies acquired outside of traditional settings and that TEQSA could fulfil this role with regard to university-level qualifications” (2017, p. 16).

The Tertiary Education Commission (TEC) for New Zealand introduced micro-credentials as part of New Zealand’s regulated education and training system. It was evident to their market that “micro-credentials had the potential to help learners, communities and employers to acquire the skills they need, when they need them, at low cost” (TEC, 2018).

The New Zealand Qualifications Authority introduced regulation of micro-credentials in higher education and more recently the TEC announced that “All tertiary education organisations eligible for Student Achievement Component or Industry Training Fund funding are eligible to apply for funding to deliver micro-credentials” (TEC, Jan 2019). Existing provider classifications, to some extent, consider field/s of study and depth of qualifications offered, however, market needs such as micro-credentials are currently unrecognised. Arguably then, market needs and trends are not being met in the current offering.

Commonwealth Grant Scheme and Student Loans

While the discussion paper acknowledges that the PCS have no direct relationship to Commonwealth Government funding and those funding conditions are not within the scope of the Review, TAFE Queensland believes that the PCS needs to consider potential funding implications.

Non-university higher education providers (NUHEPs), such as TAFE Queensland, while expected to participate in the same field as a university, do so without the same financial support and benefits for students. At the same time, a university which provides vocational education and training (VET) as a dual sector provider, is able to access funding support in the VET sector and Commonwealth Support Places (CSP’s) for their higher education delivery.

Students advise TAFE Queensland that they came to TAFE Queensland because they were ineligible for a university place, or they had completed other qualifications at TAFE Queensland and were comfortable in this environment. However, access to CSP’s is seen as critical to student retention and completion as TAFE Queensland students are not equally and fairly treated compared to a student who obtains a CSP in a university, for the same course. A key indicator of TAFE Queensland student attrition is a financial one and that it affects every aspect of student wellbeing, including mental health.

Linked to CSP are student loans. A NUHEP student pays full fees and where they seek to obtain a loan to support their financial obligations, is then burdened with a 25% loan fee, unlike HECS HELP. A non-university student is arguably disadvantaged twice, that is, no CSP funding and an incurrence of additional debt to obtain a student loan. The loan fee is seen as inequitable for students in NUHEPS.

While there are CPI increases for HECS HELP, anecdotal evidence from students and student survey feedback data suggests that students consider the cost now, not in the future. They believe that TAFE Queensland is an expensive provider compared to a university. This sentiment is supported in the Grattan Report 2012.

Example:

TAFE Queensland is the only non-university provider in Australia offering a Bachelor of Dental Prosthetics. The course has professional accreditation and according to the Quality Indicators for Learning and Teaching, is one of 12 institutions within the study area “Dentistry” and one of five in Queensland. See Attachment One for case study.

	Central Queensland University	Griffith University	James Cook University	TAFE Queensland	The University of Queensland	National Average
Overall quality of educational experience	73.80%	79.50%	83.90%	71.70%	64.00%	72.9%

Student tuition fees TAFE Queensland \$ 17,600 University \$ 10,596

Commonwealth Contribution Nil \$22, 809

Mapping Australian Higher Education (2012) contends that:

“Australia does not have a crisis in higher education. However, some policy issues are evident.

- *Higher education policy favours producing teaching and research together. This adds costs to teaching, and it is unclear whether it adds educational benefits. Teaching-focused providers may be a good alternative for some students.*
- *Funding per place for Commonwealth-supported students reflects political rather than educational factors. This may lead to a misallocation of student places, and exacerbate skills shortages”.*

Social Economic Status (SES)

TAFE Queensland’s research on the SES status of its student cohort found that its cohort comprises the following characteristics:

- mostly male – over 80%
- domestic students - approx. 85%
- 30% of students spoke a language other than English
- 68% are aged 16-24
- > 55% have no post school qualification.

Characteristically, TAFE Queensland has a higher proportion of low socio-economic status (SES) students compared to the student cohort of a university. Often the student may have applied to a university and was unsuccessful in securing an offer. TAFE Queensland provides access to higher education for students who would otherwise not participate in higher education. The Higher Education Reform Package states that “more needs to be done to assist less prepared students to success in higher education. Low SES students, in particular, need more support to stay the course and succeed in study – there is a clear relationship between attrition rates and SES.” (2017, p. 7).

Supporting students in higher education requires a large cross section of services, all of which are funded from operational costs derived solely from student fees, unlike university providers who have access to other funding mechanisms including student services and amenities fees. TAFE Queensland does not charge its higher education students with a services fee.

Access to CSP for TAFE HEPs would have significant beneficial effects for SES students.

The Higher Education Participation and Partnerships Program (HEPPP) and Attrition

As noted above, universities have access to considerable federal funding to “undertake activities and implement strategies that improve access to undergraduate courses for people from low SES backgrounds, as well as improving the retention and completion rates of those students”.

In 2018/19 the HEPPP budget was \$156.6 million. HEPPP allocations for 2019 to the seven eligible universities in Queensland totalled \$27.386 million.

The following table is a summary of the most current data on student attrition rates aligned to HEPPP funding allocations for eligible Queensland universities. Total HEPPP funding in 2016 for Queensland universities was \$32.146 million.

	2016 - Bachelor	2016 - Sub-Bachelor	HEPPP 2016
	New Adj rate	New Adj rate	
	All Students %	All Students %	
AUC	14.77	31.54	\$ 3,323,448
CQU	23.52	28.21	\$ 5,326,526
GU	15.46	28.21	\$ 6,076,800
QUT	10.55	10.49	\$ 4,707,162
UQ	7.98	27.87	\$ 4,260,939
USQ	25.61	33.61	\$ 6,373,813
USC	20.00	22.62	\$ 2,077,683
All providers Table A	13.26	29.99	\$ 155,137,877
All NUHEI	29.04	21.85	\$ Nil
TAFE Qld.	21.74	22.22	\$ Nil

Source DET Webpage: Higher Education

HEPPP funding use included such activities as:

- *In 2015, University X will begin rolling out the 'The Retention Follow-Up and Return to Study' project which will involve staff telephoning approximately 6,000 students who have left the University to invite them back to study (and if they accept connect them to the 'Inclusion is the Standard NOT the Exception' strategy). The project will ascertain reasons why students left which will feed into improvement of University X's equity strategy.*
- *Continue to embed strategies to support equity and Indigenous groups in (1) Student Success Program activities (significant First Year Experience and peer programs); (2) student support services including Academic Skills Support; Counselling and Welfare; Disability Services; and Equity Scholarships Scheme. The {redacted} Unit provides dedicated student support such as Indigenous Scholarships; learning support; and cultural support; and (3) Student Engagement Strategy aimed at improved retention. Continue focus on inclusive curriculum design including embedding Indigenous Knowledges.*
- *Support programs targeted at under-represented groups including the [redacted] Survey for commencing students, [redacted] Academic Preparation Program, [redacted @ UniX], [Redacted] @ Unix, [redacted] to Success, and On Track.; • Targeted support for Indigenous students including: case management model to improve student retention and performance; pastoral, professional and social support; advice on financial support available; professional development and career opportunities; hosting social and cultural events; and academic and learning support and advice.*
- *Reviewing our approach to supporting student employability and careers, developing an institution-wide strategy that is inclusive of the needs of students from under-represented groups.*

Source: [University Access and Participation Plans 2015-2017](#)

TAFE Queensland undertakes similar activities in an effort to reduce its attrition rate and it has done so with no federal funding support. TAFE Queensland again acknowledges that funding considerations were outside the scope of the Review, however, believes that changes to the PCS needs to consider potential funding implications.

Risk Differentiation

The 'wilderness' to which Ziegele refers is evident in the current HEP category. This category comprises not-for-profit providers including some Government semi-autonomous bodies, like TAFE Queensland, and for-profit stand-alone proprietary limited companies.

The risk to financial, student and market reputation for a TAFE is juxtaposed with a private for profit company when they are manifestly different in risk profiles. The vocational sector review is testament to this and therefore risk differentiation needs to be considered in the review of the PCS criteria.

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

TAFE Queensland concurs with the considerations in the discussion paper that there are opportunities for demarcation of provider through the PCS to signal their points of difference. TAFEs as a category of provider is not inconceivable and TEQSA has already begun to separate this provider group's data analytics in its most recent reports. Further, TAFEs have the benefit or opportunity to deliver courses across the entire AQF spectrum. New categories could be dual sector providers, teaching only providers, TAFE providers, public providers created by government, dual sector category provider and specialisations/niche.

The category of teaching only institutions requires contemplation. Other plausible features have been addressed above, including risk, funding, micro-credentials and skills based applied outcomes.

Should self-accrediting, low risk or government backed public providers therefore be eligible to access CSP's for their students, thus providing equitable participation?

The 2018 half year student data reports a 1.6% increase in undergraduate student numbers in universities compared to a 7.6% increase in undergraduate student numbers in private universities and NUHEPS (unable to demark NUHEP data from the report).

The following table summarises the 2017/18 data set for student numbers in 2018 and the change from 2017.

Total Undergraduate		Total Postgraduate	
Private Uni / NUHEP	Public University	Private Uni / NUHEP	Public University
81,113	857,781	37,006	325,478
7.6%	1.6%	16.8%	5.0%

¹ Table (i) (b): Summary of student numbers - Private Universities and Non-University Higher Education Institutions, first half year 2018. Retrieved from DET

Within this data set is the increased demand of post graduate level qualifications. For example,

Master's by Coursework		Grad.(Post) Dip. - ext area		Graduate Certificate	
Private Uni/NUHEP	Public University	Private Uni/NUHEP	Public University	Private Uni/NUHEP	Public University
23,222	222,024	3,976	5,287	4,044	20,696
25.9%	9.3%	7.5%	-8.5%	3.0%	-4.7%

¹ Table (i) (a and b): Summary of student numbers – Public Universities; Private Universities and Non-University Higher Education Institutions, first half year 2018. Retrieved from DET.

In the same way there are multiple categories for university, there needs to be a further expansion of the higher education category. This could accommodate an emerging TAFE higher education category where the primary objective is to allow the student to enter at foundation level and identify a pathway to an applied further education qualification at AQF level 7 and above that will ensure sound industry based skills and technical outcomes to meet the changing nature of work.

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

As per previous discussion, whatever PCS are established the classifications should:

- stimulate diversity;
- promote collaboration in networks and partnerships;
- deal with the growth of national HE systems;
- acknowledge teaching based providers;
- recognise skills and applied qualifications/short courses/mico-credentials;
- establish performance indicators for research and commercialisation;
- establish financial, institutional and regulatory incentives to promote and improve teaching outcomes;
- distinguish provider risk; recognition of public vis- à-vis private providers;
- be holistic in consideration, distinguishing the role of the public provider and the function they play in meeting SES and broader community interests; and
- be equitable for all student access and support and therefore inclusive of HEPPP, CSP and other incentives currently only available to university providers.

As observed in the Productivity Commission Report “there is no compelling policy rationale for requiring high-quality providers to conduct research in order to be able to label themselves as a ‘university’” (2017, p. 108).

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

The changes would allow a more useful understanding of the difference between university degrees, that is, those taught by staff engaged in research, and TAFE higher education degrees that are taught by staff with industry currency. All of the current research for industry and the future of work indicates that there will increasingly be a need for ongoing upskilling that is unlikely to be delivered by staff whose primary focus is research.

Anecdotal evidence suggests that TAFE Queensland students who have dropped out of university and subsequently enrolled into TAFE higher education did so because there was too much theory in their course and insufficient hands-on practical skills for their chosen employment.

TAFE Queensland is aware from its university pathways partners that TAFE Queensland students who transition into higher level qualifications from TAFE higher education qualifications go on to achieve a 100% completion rate and they do very well academically. These were students who were initially unable to access a university place.

TAFE Queensland is also aware from its industry advisors/course advisory committee members that TAFE Queensland students perform better in the workplace than their university counterparts as they are equipped to “hit the ground running”.

In one of TAFE Queensland’s discipline areas a chance encounter between a TAFE Queensland manager and a business owner in manufacturing highlighted the challenges they face in industry. The industry/business owner described a situation where he recently had a position vacant and had multiple submissions from recent university graduates.

He explained that not only were the university graduates expecting managerial pay packets, they had very limited practical skills to be useful from day one, and one applicant was not only very late for their appointment, but they had not prepared their portfolio as requested by the prospective employer.

TAFE Queensland invited the employer to its campus to view the practical rooms in the discipline area. After the tour, TAFE Queensland was given a challenge by the business owner to “find me my staff member and I will give you a scholarship fund” with TAFE Queensland quickly reviewing its Alumni database. Based on this example, it is evident industry is seeking applied learning and that there are existing skills shortages and gaps in the market which require technical applications beyond the theoretical.

In conclusion, it is imperative that changes to the PCS need to be equitable for students and meet the needs of students, society and industry by offering opportunities which would otherwise not be available through the exiting and traditional university system, for example, first in family, non-traditional students and low SES students.

REFERENCES

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ATTACHMENT ONE

TAFE Queensland Case Study: Provider results and Student Fees and Commonwealth Funding

The TAFE Queensland Bachelor of Dental Prosthetics has been delivered for three years. In 2018, TAFE Queensland had its first graduating cohort. The following table presents a snapshot of the Quality Indicators for Learning and Teaching (QILT) Student Evaluation Survey Data for 2017.

	QUEENSLAND					National Average	Other States					
	Central Queensland University	Griffith University	James Cook University	TAFE Queensland	The University of Queensland		Charles Sturt University	La Trobe University	The University of Adelaide	The University of Melbourne	The University of Sydney	
Overall quality of educational experience		73.80%	79.50%	83.90%	71.70%	64.00%	72.9%	59.80%	69.60%	73.00%	76.30%	72.90%
	n	42	224	155	53	164		179	46	241	38	70
Teaching quality		69.00%	80.30%	76.00%	79.20%	68.30%	74.7%	61.60%	73.90%	77.50%	76.30%	78.60%
	n	42	223	154	53	164		177	46	240	38	70
Learner engagement		57.10%	69.60%	65.20%	60.40%	63.40%	66.7%	62.00%	67.40%	75.50%	81.60%	54.30%
	n	28	224	155	53	164		179	46	241	38	70
Learning resources		82.90%	82.60%	80.60%	66.70%	79.50%	76.7%	76.60%	77.80%	73.10%	78.40%	50.00%
	n	35	213	139	51	161		175	45	234	37	68
Student support		73.50%	73.10%	71.20%	78.30%	58.20%	70.2%	62.70%	71.90%	74.20%	56.30%	73.80%
	n	34	197	139	46	146		161	64	209	32	61
Skills development		85.40%	82.70%	90.10%	84.60%	87.10%	86.3%	78.30%	80.40%	88.80%	94.60%	92.90%
	n	41	220	151	52	163		175	46	240	37	70

<https://www.qilt.edu.au/study-areas/list/dentistry?searchString=dental>

Funding comparison

This is an example of the inequity of Commonwealth Government funding for students and for non-university providers. Evident from this example is that even without the loan fee of 25%, a student is \$7,004 worse off in tuition fees compared to obtaining a CSP at University. A non-university provider receives \$15,805 per annum less than a university in the PCS. However, both must meet the requirements of The Threshold Standards 2015. TAFE Queensland students already claim TAFE Queensland charges more than a university provider.

Students lack the understanding of the extent to which their place in a university is subsidised, they only see the financial cost they incur. As a non-university provider, TAFE Queensland has achieved the above QILT SES results without the additional support, however, TAFE Queensland students are treated inequitably due to TAFE Queensland's PCS classification.

Bachelor of Dental Prosthetics	TAFE Qld	Higher Education Provider – PCS – University, TABLE A	
		Student Contribution Charge	Funding Cluster – Commonwealth Contribution
Fee component	\$ 17,600	\$ 10,596	\$ 22,809
Provider Income per annum	\$ 17,600		\$ 33,405
Student Charge for tuition fees	\$ 17,600	\$ 10,596	
Fee Help (25%)/HECS Help	\$ 4,400	\$ -	
Student Cost per annum	\$ 22,000	\$ 10,596	
Student Savings per annum	\$ 11,404 (<i>\$7,004 ex Fee-Help loan</i>)		
Provider Income increase per annum	\$ 15,805		