



TAFEDirectors
AUSTRALIA

TDA policy position papers on tertiary education

**THE CASE TO REVIEW
PROVIDER CATEGORIES
IN HIGHER EDUCATION**

Second in a series



TAFE Directors

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THE CASE TO REVIEW PROVIDER CATEGORIES IN HIGHER EDUCATION

PURPOSE

The purpose of this paper is threefold:

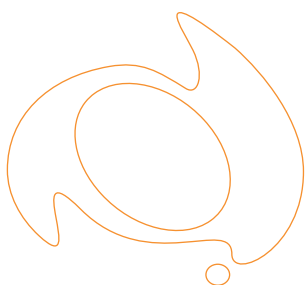
- > It presents a case for refining the provider categories and associated standards in Higher Education.
- > It complements TAFE Directors Australia's (TDA) policy position paper, *The Case for Provider Categories in VET*, released in April 2011.
- > It serves as a response to the Department of Employment, Education and Workplace Relations (DEEWR) to their April 2011 consultation draft of the Tertiary Education Quality and Standards Agency (TEQSA) Provider Standards scheduled to close in June 2011. However, the arguments it contains endure beyond the consultation period.

INTRODUCTION

National Protocols that define provider categories have been in place in the Higher Education sector since 2000 and have been regularly reviewed. With the establishment of the Tertiary Education Quality and Standards Agency (TEQSA), they are under review again. The DEEWR consultation process has involved three drafts of new 'Provider Category Standards' which will apply to the less than 500 Higher Education Providers (HEPs). These categories can be used for a range of purposes: transparency for students, both domestic and international; clarity for industry and the wider community; branding; funding; and risk rating. However, the proposed new Provider Categories essentially only transpose the former National Protocols and do not yet accommodate the increasing diversity of the emerging tertiary sector. The tertiary concept is accommodated only superficially to the extent that the terms 'Higher Education' and 'tertiary' are used more or less interchangeably.

In the VET sector, with over 5,000 providers, there are no categories at all. All are simply Registered Training Organisations (RTOs). In a separate paper in this series, TDA argues the case for the establishment of provider categories in VET.

Ultimately, TDA envisages the development of integrated provider categories across the whole of Australia's tertiary sector.



BACKGROUND

Background to TDA's position on the tertiary sector

During 2010, TDA and Universities Australia (UA) released a joint statement on the future tertiary sector. This was followed by the release of TDA's *Blueprint for Australia's Tertiary Education Sector, 2010*¹ (the *Blueprint*) which incorporated many aspects of the TDA/UA agreement and built on the vision for the tertiary sector outlined in the Bradley Review² of 2008. The *Blueprint* included suggested definitions of 'tertiary qualifications' and 'tertiary education institutions'³ and presented a case for a tertiary sector that is characterised by its quality, diversity, opportunities and accessibility offered through a wide range of organisational types. It reiterated eight criteria agreed to by TDA and UA that might be considered in devising a range of organisational types to cover tertiary institutions. These are:

- > financial, governance and management capacity
- > commitment to educational outcomes for students from all backgrounds and regions
- > commitment to scholarship and free enquiry
- > breadth of education and training to be provided – industries and fields of education
- > range of qualifications offered
- > capacity to self-accredit to standards required
- > extent of research of national and international standard
- > whether provision of tertiary education is the core activity of the organisation.

The *Blueprint* argued that new categories of tertiary provider types would require new nomenclature and canvassed some preliminary approaches to how this might be achieved.

The Emerging Tertiary Sector

Since the Bradley Review, the tertiary sector has been evolving rapidly. For example, the sector has seen:

- > the establishment of at least two additional institutions bearing the name 'polytechnic',⁴ although with no consistency about what that means

¹ Although incorporating much of the TDA/UA joint agreement, the *Blueprint* is a TDA document and does not purport to represent the views of Universities Australia.

² Bradley, D et al., 2008, *Review of Higher Education Final Report*, Department of Employment, Education and Workplace Relations.

³ TDA and UA defined 'tertiary qualifications' as 'those at Diploma level and above, including where these qualifications may embed pathways from the qualification level below'. In the meantime, the more broadly accepted definition is that 'tertiary' means the combined VET and Higher Education sectors.

⁴ Includes the addition of Polytechnic West and the Tasmanian Polytechnic to the existing use of the name in the private sector.

- > moves to establish the sixth dual sector university,⁵ and the first in Queensland, through the amalgamation of Central Queensland University and Central Queensland Institute of TAFE
- > the establishment of a regional university network comprising a host university and a number of small regional TAFE institutes under one academic 'umbrella'
- > the introduction/formalisation of 'teaching only' positions in some universities as a means to both differentiate in and capture an emerging tertiary market, in line with considerable variation among universities in research commitment
- > change to the structure of a university⁶ to incorporate other sectors of education including schools and VET, both public and private
- > increases in the number of HEPs in the TAFE sector
- > heightened emphasis overall on the importance of pathways for students, together with innovative efforts to improve them
- > further developments in franchising arrangements or joint delivery of university courses in many different forms⁷
- > implementation of State and Territory tertiary planning processes (Victoria, NSW, ACT, Queensland).

There have also been a number of structural changes at federal, state and territory levels to reflect a tertiary environment. These developments are symptomatic of significant convergence in the tertiary sector as well as increasing diversity amongst the providers.

Delivering on Government Policy Priorities

TDA has consistently voiced its strong support, in Higher Education and VET, for the Government's targets for improved participation and attainment generally, and for lower socio-economic groups in particular. This is unsurprising since its members are particularly committed to and experienced in dealing with student cohorts that have not traditionally had access to and/or availed themselves of tertiary education and have not completed Year 12.

TDA maintains that improved participation and attainment will best be achieved by formalising the tertiary sector and introducing provider categories and standards that enable students to navigate it.

⁵ The others are Ballarat, Charles Darwin, RMIT, Swinburne, Victoria University.

⁶ University of Canberra.

⁷ For example, 'Deakin at Your Doorstep'.

TEQSA – National VET Regulator Alignment

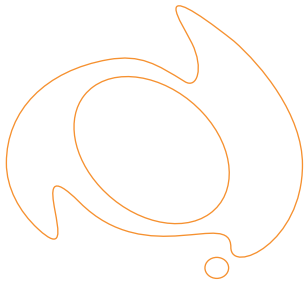
The evolution of a national tertiary regulator and a separate VET regulator has arisen primarily as a result of recommendations contained in the Bradley Review. The Review recommended that national regulation was appropriate for an expanded tertiary sector and that the interim position of two regulators should transition into one regulator by 2012.

There are many legal and constitutional impediments to achieving a timely transition but just as importantly as these, TDA considers that the existing provider categories in the National Protocols for Higher Education do not accommodate the variety of institutional types that exist now in that sector. Moreover, in the VET sector, there is no differentiation between 5,000+ existing providers. TDA maintains that clarifying the provider categories in Higher Education and establishing provider categories in the VET sector are essential steps to enable the transition to occur. Without these steps being taken, there would be no commonality of approach to this issue.

The Australian Qualifications Framework

The advent of a single qualifications architecture in the revised Australian Qualifications Framework (AQF) is further impetus for the tertiary sector. According to the Communiqué for a recent Ministerial Council for Tertiary Education and Employment (MCTEE) Meeting, the AQF will 'result in an increasingly integrated tertiary sector, with stronger pathways between VET and Higher Education'.⁸ The TEQSA legislation has already incorporated the revised AQF as a vehicle to clarify the definition of Higher Education courses. As it becomes more widely known across all education sectors, the revised AQF will provide a clear and consistent basis that providers can use to publicise the level of qualifications offered.

⁸ Communiqué for the MCTEE Meeting, 19 November 2010, p. 2.



PROVIDER CATEGORIES IN HIGHER EDUCATION

Provider Categories Proposed under TEQSA

According to the April 2011 consultation draft of the TEQSA Provider Categories, the former National Protocols will be replaced by the following six Provider Categories:

- > Australian University
- > Australian University College
- > Australian University of Specialisation
- > Higher Education Provider
- > Overseas University
- > Overseas University of Specialisation.

These latest categories still reflect the former National Protocols, however, the last category is new.

Overview of Higher Education Providers

The range of HEPs has gradually evolved over time in line with perceived demand and commercial potential and with little by way of a planned approach. The variation is wider than the provider categories above would imply. HEPs can now be loosely grouped in terms of:

University	<i>or</i>	non-University
Broad-based, General	<i>or</i>	Specialist
Research intensive	<i>or</i>	not research intensive
Public	<i>or</i>	Private
Australian	<i>or</i>	International/Overseas
Registered Training Organisation (RTO) in the VET sector	<i>or</i>	not an RTO

Box 1 provides an indicative overview of how these groupings currently apply.

Box 1: An Overview of Australian Higher Education Providers (HEPs)

	UNIVERSITY	OTHER (NON-UNIVERSITY) HEP
BROAD-BASED/ GENERAL	<p>QUADRANT 1: UNIVERSITY/BROAD-BASED 33% of all HEPs</p> <p>39 Australian universities (inc. 14 RTOs)</p> <ul style="list-style-type: none"> > 37 public > 2 private <p>3 other approved uses of 'University'</p> <ul style="list-style-type: none"> > Open Universities Australia > Carnegie Mellon University > University College London <p>0 designated 'Australian University College'</p>	<p>QUADRANT 2: OTHER HEP/BROAD-BASED 12% of all HEPs</p> <p>17 HEP providers (inc. 14 RTOs)</p> <ul style="list-style-type: none"> > 9 TAFE institutes + TAFE NSW > 2 large private providers > 4 attached to universities e.g. Monash College, Deakin Prime > 1 indigenous
	SPECIALIST	<p>QUADRANT 3: UNIVERSITY/SPECIALIST 0% of all HEPs</p> <p>0 designated 'Australian University of Specialisation'</p> <p>0 designated 'Overseas University of Specialisation'</p>
		<p>The 39 universities in Quadrant 1 have 95% of all HE provision</p>

Sources:

www.goingtouni.gov.au – DEEWR website 'Going to Uni' – Higher Education for Students in Australia – All Australian Providers.

www.ntis.gov.au/ – National Training Information Service (NTIS) – All RTOs.

Note that listings are not consistently compiled and may be understated, particularly in Quadrant 4. For example, some universities have separate registration for their associated (predominantly international) colleges (as in Quadrant 2), while others do not.

Commentary

Examining Box 1, a number of observations can be made:

- > The two most populated quadrants are 1 and 4, quadrant 1 because of its dominance in provision (95% of student load) and quadrant 4 because of its dominance in provider numbers (55% of all HEPs).
- > There are three examples of institutions other than the 39 universities using the name 'university', one of which is a consortium of Australian universities and the other two are overseas universities operating in Australia.
- > There are no examples of 'Australian University College', 'Australian University of Specialisation' or the proposed new category of 'Overseas University of Specialisation'.
- > In all, five categories using the title 'university' are now proposed for 42 HEPs, with only two of these categories populated in practice, while the remaining 86+ HEPs are relegated to the nondescript category of 'Higher Education Provider'.
- > Fourteen of the 39 universities are also RTOs in the VET sector – three times more than would be accounted for by the dual sector universities. In total, 48% of all HEPs are also RTOs.
- > Apart from the universities and their associated (often predominantly international) colleges, there are relatively few broad-based HEPs, with most of these being drawn from the 59 TAFE institutes.
- > The 70 non-university specialist HEPs (quadrant 4) are, relatively speaking, small, with 47% also being RTOs. Sixty-six of the 70 are accounted for by five specialist areas, the dominant one of which is Theology/Faith-based.
- > With the overwhelming preponderance of providers in quadrant 4 being in the private sector, there are no non-university specialist HEPs operating in the skill shortage areas such as building and construction, electrical/electronics or engineering/manufacturing. TDA members have extensive VET expertise in these as well as other areas.

The proposed six categories of HEPs are unduly weighted towards universities, maintaining or creating categories for institutions that do not even exist yet.

No attention has been paid to clarifying the distinctions between the remaining HEPs, for which there is still only one category. This ignores the fact that this category has the potential to generate diversity and to contribute to national productivity by addressing skill shortages.

Proposed Categories using the title 'University'

The most recent provider categories include ten instead of the previous eight criteria for use of the title 'Australian university' with variations to the first two for each category. Considerable attention has been focused on more closely defining and tightening the criteria for these categories even though there are currently no Australian institutions in the category 'Australian University College' or 'Australian University of Specialisation'. Critical among these are criteria 1 and 2 (new), with the variations shown in Box 2. Substantive changes in the latest version are highlighted in red.

Box 2: Proposed Types of Institutions using the title 'Australian University'

AUSTRALIAN UNIVERSITY	AUSTRALIAN UNIVERSITY COLLEGE	AUSTRALIAN UNIVERSITY OF SPECIALISATION
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Criterion 1: The provider **self-accredits and** delivers qualifications that meet the Qualifications Standards across a range of broad fields of study, including:

Masters (Research) and Doctoral degrees in at least three broad fields of study	Masters (Coursework) in at least three broad fields of study and Masters (Research) and Doctoral degrees in at least one broad field of study	Masters (Research) and Doctoral degrees in one or two broad fields of study only
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Criterion 2: The provider has been authorised for at least five years to self-accredit at least 85% of its total higher education courses including:

Masters (Research) and Doctoral degrees in at least three broad fields of study	Masters (Research) and Doctoral degrees in at least one broad field of study OR The provider is established under Australian Commonwealth, State or Territory legislation and there is clear evidence that it will meet the criteria for the 'Australian University' category	Masters (Research) and Doctoral degrees in one or two broad fields of study only
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Commentary

- > It remains the case that the distinctions between the categories using the title 'Australian university' are still only minimal and therefore not particularly useful.
- > Under these definitions it is possible for an institution to comply with all three categories.
- > The only distinguishing feature is the number of broad fields of

study offered, not the level of qualifications or any other features. All categories involve offering Masters (Research) and Doctoral degrees. This does not foreshadow a more diverse sector.

- > The intent of the new Criterion 2 appears to be to create further barriers to entry into the Australian university category and to curb further diversity of organisational type by imposing a time-frame and quantum for self-accreditation, effectively preventing any further universities being established domestically for the foreseeable future.⁹
- > The potential for the 'Australian University College' category to be used as a transition category to full university status has been re-introduced¹⁰ (in Criterion 2) but since this potential has existed and was not used in the past, the title may well continue to remain superfluous or redundant.
- > The research requirement in all three categories is problematic from a number of points of view:
 - > The recent report on *Excellence in Research for Australia*¹¹ shows that the current research output varies widely across the university sector with some universities having only small pockets of research excellence.
 - > It unnecessarily reinforces exclusivity in an increasingly diverse tertiary education market.
 - > It is not consistent with international practice.
 - > It leads to already scarce research dollars being potentially spread even more thinly..

The latest changes to the Provider Categories have done nothing to foster diversity in tertiary education.

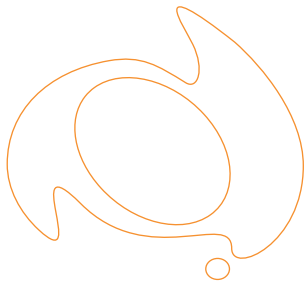
The intent has been to strengthen the exclusivity of the categories where the title 'university' is used, even though there are currently no providers in these categories and there is only limited distinction between them.

There is no provision for a teaching-only category of university although, in practice, some universities appear to be moving in this direction.

⁹ It is noted here that while the April 2011 consultation draft of the TEQSA Provider Standards has changed the basis for self-accreditation from a course-by-course basis to a more holistic programmatic approach, thus loosening the requirements somewhat, this does not change the restrictiveness of Criterion 2.

¹⁰ The previous Protocol D contained provisions that: '*This title (University College) will be ... reserved for use by new universities, which at point of establishment, need only undertake research and research training in one field. It may also be used by provisionally approved 'greenfield' institutions based on a plan, which would normally be mentored by an existing university*'.

¹¹ *Excellence in Research for Australia 2010 – National Report*, 2010, Australian Research Council, Australian Government, Canberra.



THE PLACE OF TAFE IN THE TERTIARY SECTOR

Defining Characteristics of TAFEs

In its *Blueprint*, TDA highlighted ten defining characteristics of TAFEs which demonstrate how they would enhance a future tertiary system because they are ideally placed to deliver on the Government's key policy drivers – quality, participation, student attainment, access and pathways. These features are outlined in Box 3.

Box 3: Ten Defining Characteristics of TAFEs

TAFEs:

are large, diverse, publicly owned institutions with prescribed accountability and governance arrangements that ensure adherence to prescribed quality assurance frameworks

offer a broad educational experience with individualised learning options for a wide range of students, both local and international

invest in social inclusion/community service obligations

deliver in a range of industry sectors and/or predominantly at tertiary level

emphasise industry relevance, currency and regional workforce development, especially insofar as TAFE training and curricula are directly guided by industry requirements

are commercially orientated with dividends re-invested in education or for the public good

have an increasing role in higher AQF levels, development and delivery

operate primarily as state- or territory-based institutions

often have significant international operations

represent a low risk to government for market failure because of the longstanding processes in place to ensure the delivery of quality programs to a balanced mix of local and international students, proven market success and robust administrative procedures.

TAFE's Role with Industry

TAFE has a longstanding record of working closely with industry and customising programs to meet industry needs. In the competitive Higher Education market, some TDA members have found a niche offering higher education programs that build on their existing strengths in VET, typically in fields of study where they have close relationships with industry and can design degrees where the industry identifies a gap. These are often work-based degrees, designed and conducted in conjunction with industry. They respond directly to industry demand and therefore truly serve to address the Australian Government's identified skill shortages. TDA members are as well- or even better-placed to achieve this than universities because of their close association with industries and enterprises and the role they

play in workforce development. TDA considers that this contribution to national productivity by its members deserves greater exposure, recognition and support within a tertiary education context.

TAFE's Continuing Commitment to VET

TDA acknowledges that some commentators believe that TDA's effort to achieve greater recognition of TAFE's role in Higher Education is a case of history repeating itself, that is to say, it recalls the efforts of the former Colleges of Advanced Education to achieve university status in the 1970s. TDA therefore explicitly highlights the continuing commitment of its members to VET and emphasises that its efforts to achieve greater recognition of TAFE's role in Higher Education is not at the expense of VET. The proposal is to build on and strengthen the expertise of TAFE in industry-related education and training to enhance the diversity of the tertiary sector, rather than be diverted from pursuing research. Further, depending on regional circumstances, some TDA members have no intention of entering the Higher Education field.

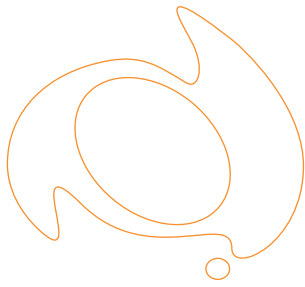
TAFE's Place in Higher Education and VET

As the tertiary sector evolves, and as outlined above, it is clear that TAFE is increasingly straddling both VET and Higher Education in a similar but nonetheless decidedly different way from dual sector universities. TAFE's role can be singled out in this way because of its broad-based capability and its capacity to contribute to national productivity. TDA therefore supports the view that provider categories should recognise this fact and likewise encompass both VET and Higher Education. There is scope for a far greater role to be played by broad-based, non-university HEPs, as loosely grouped in Box 1 – quadrant 2, in building Australia's tertiary sector and for this to be reflected in provider categories.

TDA members have in common their strong commitment to:

- > close partnerships with industry, particularly in their local regions
- > their longstanding vocational education 'roots'
- > pathways for students from all backgrounds to employment and further study.

Nonetheless, as the tertiary sector develops, there is growing evidence that while the title 'TAFE institute' remains appropriate for some, it is ceasing to be an apt descriptor for other TDA members. They require tertiary provider categories that accommodate both their common and their individual features and differentiate them appropriately from other providers in the market.



TOWARDS A NEW PROVIDER TYPE

Broad description

It is argued that diversity in the tertiary sector can best be achieved through the formalisation of a new provider type that would have access to a formal, recognisable title distinguishing it from a 'university'. These providers would offer Higher Education qualifications that may include up to Masters Degree (Coursework), without being required to be involved in higher level qualifications that include research. This is consistent with the concept of 'teaching-only' universities already emerging as a trend in Australia and with university colleges elsewhere in the world.

Box 4 presents the suggested features of this new and distinctive provider type, for which there would be clear standards and criteria. Such a provider is aligned to government priorities and deserves serious consideration.

Box 4: Characteristics of the Proposed New Provider Type

Features	Standards
Broad-based, general	The provider offers qualifications that may include up to new AQF level 9 – Masters Degree (Coursework) in at least three broad fields of study/industry areas
Applied, industry focus	The provider's Higher Education qualifications are underpinned by VET qualifications to the relevant level of entry to employment in the same field
	The provider demonstrates strategies to address industry relevance/currency, skills shortages and regional workforce development
	The provider is committed to scholarship but is not required to engage in research

This would require removal of the research requirement for 'University College' currently envisaged, maintaining the role of an 'Australian University' in research excellence while an 'Australian University College' would have an applied focus with emphasis on scholarship. Differentiation would therefore be based on both qualification level and research.

Differentiation by AQF Qualification Level

In terms of the upper levels of the AQF, the distinction between 'Australian University' and the new provider type/'University College' might be represented diagrammatically as shown in Box 5. To protect the academic integrity of this new provider type, TDA also proposes that formalised Scholarship Standards be developed.

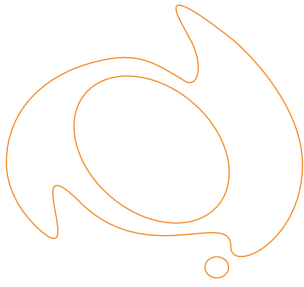
Box 5: Differentiation by AQF Level

AQF Level	Qualification	New Provider Type	University
1	Certificate I	Grey	Light Orange
2	Certificate II	Black	Orange
3	Certificate III	Grey	Light Orange
4	Certificate IV	Black	Dark Blue
5	Diploma	Grey	Light Blue
6	Advanced Diploma Associate Degree	Black	Dark Blue
7	Bachelor Degree	Grey	Light Blue
8	Bachelor Honours Degree (Vocational) Graduate Certificate (Vocational) Graduate Diploma	Black	Dark Blue
9	Masters Degree (Coursework) Masters Degree (Research)	Grey	Light Blue
10	Doctoral Degree (Professional) Doctoral Degree (Research)		Dark Blue

Alternatives to the title 'University College'

Given that the title 'University College' has a range of uses internationally, it is regrettable that Australia is moving to more closely protect it, to fail to address the fact that there is very little distinction between 'university' and 'university college' and to potentially retain the latter as a redundant category.

In this respect, use of the title 'Australian University College' is now unnecessarily contentious. It is therefore important to highlight the fact that TDA's main goal is to achieve recognition of this provider type under a distinctive title, not necessarily to gain access to the title 'University College', although the lack of clarity in the title as presently proposed presents that opportunity. Further discussion on nomenclature is therefore called for.



THE NEXT STEPS

To progress the issue of Provider Categories in the VET sector, TDA proposes that the following actions occur within the next 12 months:

Higher Education

A working group be convened of the key stakeholders to recommend possible revised provider category standards and nomenclature for TEQSA to consider once that body is established. The stakeholders to include, but not be limited to:

- > TAFE Directors Australia (TDA)
- > Universities Australia (UA)
- > Council of Private Higher Education (COPHE)
- > Australian Council for Private Education and Training (ACPET)
- > Department of Employment, Education and Workplace Relations (DEEWR)
- > A sample of representatives from the States and Territories.

Tertiary

A timeline be set for a tertiary working group consisting of the combined Higher Education and VET stakeholders and the two regulatory authorities to develop integrated provider categories, associated standards and nomenclature across the tertiary sector.



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