

Registering higher education providers: the future need for higher education provider categories

A critical part of the Australian higher education system is effective regulation of the bodies that educate students and issue qualifications. The regulation should ensure that:

- each registered provider is clearly capable of providing higher education, guiding out any that fail to do so; and
- students and other interested parties are well informed about the bodies providing higher education.

The Tertiary Education Quality and Standards Agency (TEQSA) is the prime body responsible for this. The Higher Education Standards Framework that drives TEQSA's decisions has two parts.

- The Standards for Higher Education, which apply to all providers, are the dominant factor to determine that a body is capable of providing higher education. The Standards were fully rewritten in 2015, after TEQSA was in place.
- Criteria for Higher Education Providers which:
 - groups providers into several categories. The vast majority are simply “higher education providers”. An important set can call themselves an “Australian university”. The other categories of universities have nil, nil, one and two members; and
 - sets the criteria to approve a provider to accredit some or all of its own qualifications.

The current review of the Provider Category Standards considers the Criteria for Higher Education Providers which effectively date from the mid 2000s well before TEQSA was created.

The IRU response:

1. considers the threshold question of the need for provider categories to argue that categories as such are not needed but good, clear, information about each provider is;
2. outlines a better focus for TEQSA to determine and publicise the scope of each provider, allowing for a multiplicity of provider types;
3. supports the continued relevance of the title of “university” to describe a body that leads in the delivery of higher education and undertakes substantial research much of which underpins higher education throughout Australia; and
4. considers the approval and titling of teaching and research bodies that
 - a. focus at a specialist area of knowledge,
 - b. aspire to be considered universities; and/or
 - c. operate across multiple countries.

Overview

The Provider Categories do not provide a good description of the breadth of providers within the Australian higher education system. They provide the basis to identify the universities. The nature and intent of all Higher Education Providers should be explicitly considered in the registration process and publicly stated through the [TEQSA national register](#).

The title of university should remain targeted at providers that have significant education and research outcomes. The argument to alter the scope of what it means to be a university would conflate different styles of education rather than highlighting them to assist effective student choice.

Other higher education providers do not need to dilute the meaning of a familiar term to establish themselves. This will only confuse potential students and others interested parties. They need to establish their own offerings demonstrating their value and delivering it for their students. Over time some new institutional terms may become established.

The concern that the “university” category somehow disadvantages unfairly other providers is in reality about access to Australian Government funding. Funding follows Government policy and political need.

The review is not tasked to consider funding issues. It should not allow funding issues to shadow its outcomes.

Rather, the resolution of the contribution of non-university providers to the tertiary system, and the support for students who would choose them, should be one consideration in explicating a tertiary system for Australia in the 2020s and beyond.

Recommendations

To ensure that the suitability and capacity of each higher education provider is known the IRU makes four recommendations.

1. Part B of the Higher Education Standards Framework should be rewritten to guide the registration of each provider based in defining the scope of its operations.
2. The Framework should continue to describe the requirements for a provider to call itself a university or any other title whose use is to be controlled. The current criteria at B1.2 for an Australian University are suitable for this, encompassing the role of universities as significant providers of higher education and research.
3. The [TEQSA national register](#), should then set out for students and interested parties the basis of each provider’s registration so that good, clear, information about each provider is available.
4. Part B of the Higher Education Standards Framework should:
 - continue to allow for the approval of a university of specialisation;
 - outline the routes to becoming a university, and allow for approval ab initio as a “university college” where sufficient case can be established; and
 - specify any additional requirements for a non Australian provider to be registered.

Response

1. The need for provider categories: what do the categories achieve?

Describing the higher education system

As a description of the Australian higher education system the provider categories do not significantly aid students and other interested parties. The default category is the catch all description Higher Education Provider with 127 bodies. All registered providers are so grouped unless the provider has requested and been approved for one of five variants of a university:

- Australian university, 40 bodies;
- Australian university college, no cases;
- Australian university of specialisation, one case;
- overseas university, two cases; or
- overseas university of specialisation, no cases.

Hence, their main value is for deciding which institutions are considered a university, nearly all of which had the title before the categories were created. The rest are lumped together despite their considerable diversity.

The nature of each provider should be more clearly stated to improve information for students, with greater use of descriptive groups to aid understanding.

Recognising this, TEQSA already adds another layer to its description of providers. Its analysis of [registered higher education providers](#) shows the differences between the universities (of all kinds), the not-for-profit providers and the for-profit providers.

- Universities are set up for long term. They are the bedrock of the system. Because of their size they offer certainty of longevity but can have a lower speed of adaptability.
- The not-for-profit sector tends to work in a niche market providing a useful suite of additional courses and further training.
- The for-profit providers is focused at delivering a credible education for a financial return, mostly targeting the international market.

The lack of consequence from being a particular type of provider

Being a registered higher education provider of any kind allows the provider to offer higher education qualifications in Australia.

There is no necessary consequence from being registered against any of the five university categories beyond the slightly circular fact that only a body deemed to meet the test for being a university can claim to be a university. Beyond that, the consequences of the other categories are minimal.

Nevertheless, there is a constant concern from some that the “university” category somehow disadvantages unfairly other providers. The argument is in reality about access to Australian Government funding. Funding follows Government policy and political need. The review is not tasked to consider funding issues. It should not allow funding issues to shadow its outcomes.

Stripped to its essence, Australian Government funding:

- for student education - goes to the current set of universities plus a small set of other providers. The universities and one other, Batchelor Institute, gain full entitlements, the other providers have more defined access;
- for students through HECS-HELP - flows to the same set of universities and other providers;
- for students through FEE-HELP - automatic for students of providers listed on Tables A to C of *The Higher Education Support Act 2003*, all but one of which are universities, and is open to all other providers to apply for their students to access; and
- for research - targets universities and research bodies.

There is no necessary consequence from a change of category. Government funding clearly and for good reason preferences universities. That does not mean that any existing provider that gained the university registration would get the same access. Equally, if there is an argument to extend funding to a wider set of providers there is no need to alter the description of those providers. The requirement is to alter the rules to access funding.

The review is not tasked to consider funding issues. It should not allow funding issues to shadow its outcomes.

IRU position

The Provider Categories do not provide a good description of the breadth of providers within the Australian higher education system. They provide the basis to identify the universities.

2. A better focus: register each provider for what it is ready to do

We do not achieve diversity by defining a set of different types upfront and forcing every provider to fit within one of them – that constrains the natural scope of providers in meeting education need to pre-existing assumptions about what is likely needed.

TEQSA was created after the Provider Categories which initially guided State instrumentalities. An effective TEQSA exercises judgement, using the Framework to guide, rather than have all permitted options precisely delineated in advance, with the risk of defining types that are never used and preventing ones that could be used. As a single body it can ensure national consistency and support the future development of providers.

The better approach is for TEQSA to approve the scope of each provider it registers, based on its assessment of the provider's application. It should then set out the scope publicly. Over time a registered provider can have approved changes to its scope to reflect its successful development.

The kind of factors to define, or approve without limitation, include:

- the range of qualification levels that can be delivered, consistent with the Australian Qualifications Framework;
- the range of fields the provider is capable of delivering;
- the number of students, should there be limits needed driven by the capacity of the provider;
- capacity to educate international students, thus meeting CRICOS requirements;

- capacity to operate outside of Australia;
- self-accrediting of qualification; and
- use of the “university” title and any other specific regulated titles (see section 4 below).

TEQSA’s formal presentation of each provider, the [TEQSA national register](#), provides fairly generic information that only covers some of those points. It should be fuller and more illustrative to provide a better sense of each registered provider’s scope of operations.

From this some rough groupings based on common characteristics may emerge as a useful descriptive aid to students. Such groupings can help us see similarities and get a sense of a complex world without prescribing those differences which would be counterproductive to encouraging each institution to shape itself to best effect.

IRU position

Part B of the Higher Education Standards Framework should be rewritten to guide the registration of each provider based in defining the scope of its operations.

The [TEQSA national register](#), should then set out for students and interested parties the basis of each provider’s registration so that good, clear, information about each provider is available.

3. What it means to be a “university”

The argument to alter the scope of what it means to be a university is driven by the concerns and aspirations of some non-university providers. It risks confusing students through conflating different styles of education rather than highlighting them to assist effective choice.

The point of focus for an effective tertiary discussion should be people, the skills and knowledge they aspire to, not providers. The system should support each person acquire the skills and knowledge each needs.

Providers are the tool to achieve that. Providers do not need equality, they need a reasonable framework within which to offer potential students valuable education and training. The only relevance of a ‘level playing field’ should be for a person deciding where they want to learn.

The meaning of “university”

There is no need to change the essential Australian meaning of “university” as institutions that provide higher level education and research. It is well understood in Australia and common in a world context.

A university exercises a full sweep of potential powers and it has significant research. There does not need to be a set of categories to govern use of the word. The legal protection in place is sensible, with TEQSA capable of deciding on proposals for additional universities and whether all providers with the title remain competent to hold it.

The real argument is about access to funding based on the assumption that being called a “university” would lead to access to the same funding most, but not all, universities and their students access now. As set out in the previous section the question of which providers are funded is a political judgement about the best use of Government funds.

The combination of the *TEQSA Act* and *HESA* is intentional to reflect Government policy. The resolution of the contribution of non-university providers to the tertiary system, and the support for students who would choose them, should be one consideration in explicating a tertiary system for Australia in the 2020s and beyond.

Creating new universities

The university system has changed and expanded in the past. Most states created new universities in the 1960s and 70s to meet growing need for university education. The new universities were shaped differently from the older but had in common the teaching and research aspiration. When the College of Advanced Education and Institutes of Technology were integrated with universities in the early 1990s the new and expanded institutions all had the same multipurpose role.

Current arguments tend to there being fewer universities not more. This may change in the future. Where a case can be made to add additional universities that would have the full university role it should be supported. The way the Framework allows for this is considered in Section 4 below.

Describing higher education providers which focus at teaching

The illegitimate approach is to use the university title to give more opportunity to institutions that explicitly do not meet the model. This would confuse, not support, potential students.

The array of higher education providers has grown to meet demand for non-university style higher education, often targeting particular disciplines and much does not involve bachelor degrees. If some of these providers choose to distinguish a particular approach and agree to use a common title they should be supported to do so. If this were to happen there might be a case to prevent others using the same term.

The non-university higher education providers should not be a pale version of a university. They do not need to hide under a familiar term, they need to establish their own offering. There is clearly market advantage currently in being a university that will only be resolved by other providers demonstrating their value and delivering it for their students. The younger universities have been through the same challenge. A clearer outline of each provider in the TEQSA Register would help make clearer their characteristics.

Gaining self-accrediting powers across all areas they delivery courses should be a signifier of the providers' standing and capabilities, one that gives them considerable flexibility to respond to opportunities and contribute to the development of higher education.

We must avoid a category of "Cheap and Nasty U" where the revenue from students and Government is low, to turn out almost-ready graduates selected from those with least understanding of the options. It is not clear why we would want to encourage such institutions. It is very clear they should not be considered universities.

The rationale advanced for this reflects a resistance to investing well in people of moderate academic potential. Yet these are the very set of people an effective system must educate well so they can be productive in future employment. A small increase in productivity for a large set of the workforce equals a significant improvement in total output.

IRU position

The title of “university” should remain targeted at providers that have significant education and research outcomes. The current criteria at B1.2 are suitable for this.

The nature and intent of all Higher Education Providers should be better known through effective descriptions of the scope of each provider on the National Register.

The contribution of non university providers to the future tertiary system should be one consideration in explicating a tertiary system for Australia in the 2020s and beyond.

4. Special cases: approval and titling of teaching and research bodies

The current standards include several university categories that are not used or rarely used. These help create the sense that the Provider Categories are unbalanced with an over emphasis on rare types of universities.

It would be better to set out the basis for being a university and cover the particular options as part of that, within the driving focus on considering each provider’s proposal for what it wants to be and how it would achieve its ambitions.

Registering providers from other countries

Several Australian universities operate in countries other than Australia. It is no surprise that some international universities wish to operate in Australia. There may be non-university international providers of higher education that seek to operate in Australia.

Currently, the Framework allows a provider from outside Australia to apply for registration, with several requirements for Australian based personnel and commitments.

If the international provider is a university the Provider Categories allow for a non-Australian university to gain recognition as such for operation within Australia. The additional test, beyond the requirements to be an Australian university is for the non-Australian university to be styled university in its home country to a standard that meets TEQSA’s expectations.

Both processes make sense.

The specialist university

Australia has one specialist university. The potential for more appears to lie with specialist research bodies that wish to extend into direct provision of qualifications, potentially research degrees. However a provider with a strong focus in one or two fields might wish become sufficiently research engaged to also look to specialist university status.

The option should remain available.

Becoming a university: the need for the “university college”

There is a valid critique that the Criteria for Higher Education Providers create such a cumbersome long term process to become a university that no institution could seriously work its way through it.

It is valuable that becoming a higher education provider and then to be a university should not be easy. One reason for the relative lack of crisis with individual providers in Higher education

compared with VET is that it is a longer process to be registered initially. The struggle up front helps ensure that those which are approved will then go onto operate well.

However, the process should not be such to deter any from trying as long as the proponents understand what being a university means and that registration as a “university” has no necessary funding consequence.

The current Framework permits two routes, both of which require at least ten years of activity. Common to both is the requirement to operate as a higher education provider for five years to establish self-accrediting powers. After this the provider can either:

- apply to be a university after five years of operation with self-accrediting powers; or
- more explicitly, apply to be a “university college” showing the foundations of a research profile with the requirement to meet the full requirements of a university within five years.

It could work for a non-Government organisation looking to create a university longer term. It does not sit well with the process any State Government would follow should it wish to add another university in the State. The practice of announcing the intent and then following through with the necessary development seems more likely.

This could be addressed by reworking the ‘university college’ route to allow for an ab initio proposal.

IRU position

Part B of the Higher Education Standards Framework should:

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